SATAIR

Annual Report 2019

Adopted at the Annual General Meeting on 28 August 2020.

Chairman of the meeting:

Sarah Weinreich Marsh, Head of Legal

Consolidated report for ultimate parent company, Airbus SE, is reported separately and attached according to ÅRL § 112.

Satair A/S
Amager Landevej 147A
DK-2770 Kastrup
Denmark
CVR 78 41 97 17
The office is registered at the municipality of Tårnby, Denmark

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Key figures and financial ratios

USD million (unless otherwise stated)	2019	2018	2017	2016	2015
	12 mths	12 mths	12 mths	12 mths	12 mths
Income statement					
Revenue	434.1	430.5	402.1	312.9	286.9
Gross profit	53.0	50.1	51.9	35.8	48.0
Operating expenses	(33.8)	(19.6)	(26.0)	(11.8)	(24.8)
Profit before depreciation and amortisation (EBITDA)	19.3	30.5	25.9	24.0	23.1
Operating profit (EBIT)	5.2	23.1	19.1	17.2	20.1
Financial items, net	(1.6)	5.8	0.2	3.2	1.4
Profit before tax	53.6	28.9	19.3	20.4	21.5
Income tax expense	(2.5)	(6.3)	(4.3)	(4.5)	(5.1)
Net profit for the year	51.1	22.6	15.0	15.9	16.4
Financial position					
Property, plant and equipment	9.4	7.1	7.4	6.8	7.0
Total assets	334.4	327.2	513.7	463.1	327.3
Working capital *)	166.7	135.9	128.2	107.5	74.6
Total equity	279.4	230.5	212.0	188.8	175.6
Net cash balance **)	0.6	0.4	(184.6)	(167.7)	(42.2)
Net interest-bearing receivables/(debt)	(1.9)	4.1	(5.2)	(0.6)	19.8
Investment in property, plant and equipment	3.4	0.4	1.1	0.4	0.5
Cash flow					
Cash flow from operating activities	49.8	14.7	2.3	(13.1)	16.0
Cash flow from investing activities	(5.7)	218.1	(6.9)	(7.2)	(28.9)
Cash flow from financing activities	(44.0)	(2.4)	(12.4)	(105.1)	(12.0)
Free cash flow	44.1	232.8	(4.6)	(20.4)	(12.8)
Financial ratios					
Gross profit, %	12.2	11.6	12.9	11.4	16.7
SG&A margin, %	7.8	4.6	6.5	3.8	8.7
EBITDA margin, %	4.4	7.1	6.5	7.7	8.1
EBIT margin, %	1.2	5.4	4.7	5.5	7.0
Return on equity, %	21.2	10.3	7.5	8.7	9.9
Equity ratio, %	83.5	70.5	41.3	40.8	53.7
USD/DKK, average	667.0	631.7	660.1	673.2	672.8
USD/DKK, end of financial year	667.6	651.9	620.8	705.3	683.0
Employees					
Number of FTE, average	266	237	207	182	179
Number of FTE, end of financial year	271	244	227	191	172

*) Working capital = Inventories + Trade receivables - Trade payables

**) Net cash balance = Cash and cash equivalents - Cash pool with Airbus SE

Comparative figures have not been restated for 2015-2017 upon applying IFRS 9 and 15.
Comparative figures have not been restated upon applying IFRS 16 in 2019.

Satair in brief

Satair is one of the global leading providers of spare parts, services and solutions for the civil aerospace industry. We offer OEM parts and tools distribution; a range of services and solutions e.g. logistics, inventory and maintenance services; up to full scale outsourcing solutions. Our portfolio includes a variety of Material Management Training offers and matured revolutionary 3D printing services.

Satair is an Airbus subsidiary with our own strong brand, providing material services and solutions for single and multi-fleet customers (Airbus, Boeing, Embraer, Bombardier and general aviation).

With more than 60 years of experience our flexibility, agility and manufacturer independent market access are key factors to secure multi fleet opportunities and to ensure full endorsement and commitment from our business partners.

Satair's history

Satair was founded and named Scandinavian Air Trading Co A/S in 1957. Renamed Satair in the 1970s, the company grew steadily and by 2010 became the world's largest independent distributor of spares and components for the aviation industry with a strong global reach. In 2011, Satair was acquired by Airbus. Today, Satair entities combined have more than US$ 2 billion in revenues and 1,300+ employees at 10 locations worldwide.

Our purpose and vision

Our focus is to support airlines, MROs and OEMs to reach ever higher levels of performance. In cooperation with customers and partners, we constantly seek to develop new ways to improve aircraft turnaround times and inventory costs while maintaining quality of parts.

Through exceptional customer care, embracing innovation and setting the highest industry standards, Satair's vision is to be the preferred aerospace supplier for material services and integrated solutions.

Our values

Customer & Supplier Focus
We build long-term relationships and anticipate individual needs by being close to our business partners.

Global Teamwork
We maintain an atmosphere based on trust and a free flow of information across borders.

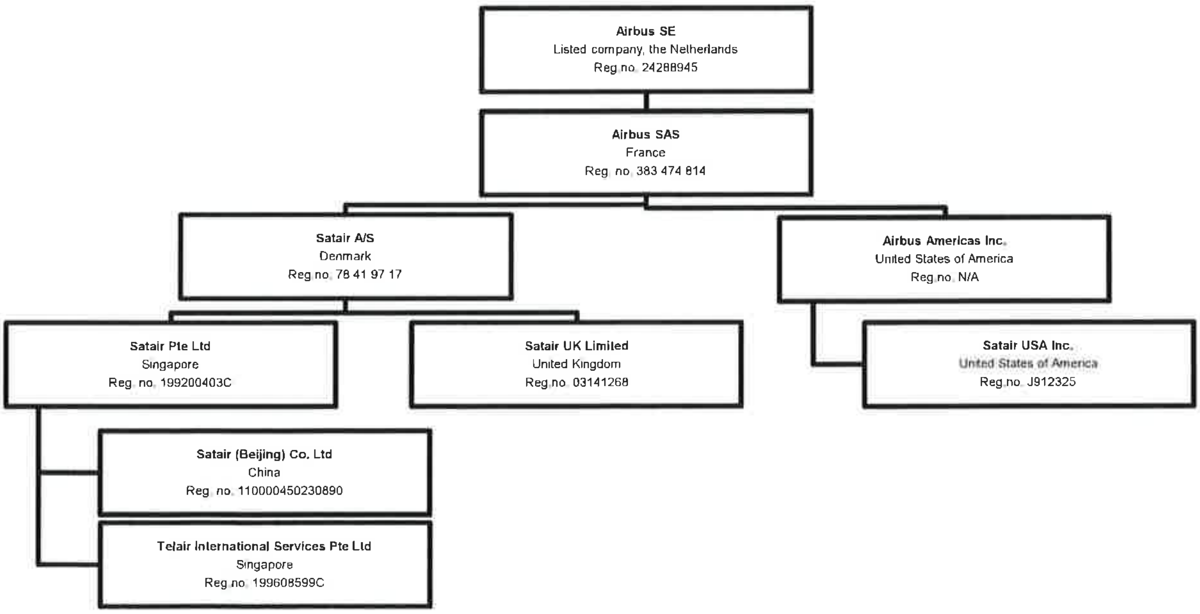
Can-do-Attitude
We meet challenges with passion and persistence and we pursue any initiative taken to improve our business.

World-Class Excellence
We act with integrity and we conduct our business professionally and efficiently.

Being Innovative
We are flexible and open-minded and we find new ways to satisfy the needs of our customers and suppliers.

Our organisation

Satair A/S is one of several legal entities within Satair. Below is an illustration of the Satair structure from a management responsibility perspective.



Review of Satair A/S' operations

Market development

The primary market is the aerospace aftermarket where Satair A/S' activities include sales and distribution to all types of commercial operators, maintenance workshops as well as military operators.

The air transport industry in 2019 was favourably influenced by global economic growth, a decrease in jet fuel prices of 7% for the year and strong consumer confidence. However, many airlines were impacted by the grounding of several hundreds Boeing 737 MAX airliners and several hundreds more awaiting delivery. The worldwide available capacity for passenger transport grew only 2% in 2019 compared to 6% in the years before. In addition, freight traffic in 2019 was negatively affected by trade conflicts and therefore largely unchanged from the year before.

Market outlook

In the Spring and Summer of 2020, approximately 65% of the global fleet of otherwise flying single aisle aircraft and 75% of wide-body aircraft are grounded as a result of the worldwide spread of Covid-19. From previous events we see that the speed with which passenger traffic is impacted and returns to previous levels were different after the terror attacks in 2001 (quick impact, slow recovery), the SARS regional epidemic in 2003 (quick impact and quick recovery) and the economic crisis in 2008 (slow impact and slow recovery). Covid-19 is characterised by its sudden and global effect but also by strong government reaction in many countries. It is highly uncertain when passenger airtraffic will return to the 2019 level but scenarios may include 2022 (optimistic) and 2025 (pessimistic).

The long term outlook for the aerospace aftermarket is still positive as air traffic historically has proven its resilience to sudden events and slow economic growth by outperforming global GDP and thereby demonstrating the world's appreciation of aviation.

Financial performance

Revenue

Revenue reached USD 434.1 million in 2019 (USD 430.5 million). This equals a 1% increase in revenue compared to 2018 and is lower than the expected increase of 2% stated in the Annual Report for 2018. Revenue from the Americas and Asia Pacific grew 10% whereas revenue from Europe, Middle East and Africa fell 3%.

Gross profit

Gross profit reached USD 53.0 million (USD 50.1 million) with a gross profit margin of 12.2% (11.6%). The increase in margin is mainly driven by a relatively higher proportion of revenue coming from proprietary parts; however partly countered by increasing write-offs on slow moving stock.

SG&A expenses

Operating expenses (Other operating income, staff and other expenses) totaled USD 33.7 million (USD 19.6 million) including management fees from group companies. The increase is mainly related to internal and external development costs for IT projects, realised exchange rate losses, insurance costs and staff expenses.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment of USD 14.1 million (USD 7.4 million) include an impairment of USD 6.4 million related to the discontinuation of an IT project.

Operating profit (EBIT)

Operating profit came to USD 5.2 million (USD 23.1 million). This is less than expected in the Annual Report for 2018 where an increase in EBIT was expected. The decrease in EBIT in 2019 compared to 2018 is mainly driven by consulting costs of 16.1 million USD (USD 8.7 million), an impairment of USD 6.4 million of an IT asset in 2019, staff costs of USD 30.3 million (USD 27.4 million), realised exchange rate losses of 2.1 million (USD -0.6 million), bad debt provision of USD 0 million (USD -1.1 million) and group insurance costs of USD 1.7 million (USD 0 million) partly countered by higher gross profit of USD 53.0 million (USD 50.1 million) and management fee income of 30.8 million (USD 29.4 million).

Dividend received

During 2019, Satair A/S' subsidiary Satair Pte Ltd. declared and paid a dividend of USD 50 million to Satair A/S. No dividend was declared or paid in the previous year.

Financials

Net financial items were negative by USD 1.6 million in 2019 against a net financial income of USD 5.8 million in 2018. The decrease is driven by lower interest income (USD 2.0 million) due to a repaid loan, higher tax related interest expenses (USD 1.2 million) and foreign exchange adjustments (USD 4.1 million).

Net profit for the year

Net profit for the year amounted to USD 51.1 million (USD 22.6 million) driven by received dividend of USD 50 million (USD 0 million).

Cash flows

Free cash flow came to USD 44.1 million (USD 232.8 million).

As of 31 December 2019, the company had currency hedge commitments for a total of USD 91.8 million (USD 89.8 million) which were made against DKK at an average USD/DKK rate of 625.37. The fair value of principal currency hedging contracts signed at 31 December 2019 amounts to USD 91.8 million (89.7 million). Unrealized losses (fair market value) amount to USD 3.0 million (USD 0.0 million).

Balance sheet

At the end of 2019, total assets amounted to USD 334.4 million (USD 327.2 million).

Working capital at year-end was USD 166.7 million (USD 135.9 million).

Net cash balance is positive by USD 0.6 million (positive USD 0.4 million).

Net interest-bearing debt amounted to USD 1.9 million against a receivable of USD 4.1 million in 2018.

Equity ended at USD 279.4 million (USD 230.5 million) resulting in an equity-ratio at 83.9% (70.5%).

Commercial risks

Satair A/S' business transactions involve a variety of commercial risks that may adversely affect the company's future operations and performance. Satair A/S is engaged in a continuous effort to identify these risks and, whenever possible, to counteract and reduce them. Below is an outline of the most important risks identified by Satair A/S. The outline does not necessarily constitute an exhaustive list of risk factors and the factors are not listed in any order of importance or priority.

Developments in aviation activity

For decades, the global aviation industry has seen growth in volumes of passengers and cargo at an average annual rate of approx. 4-5%, interrupted by the first Gulf war in 1991, the terrorist attack on September 11th 2001, the financial crisis of 2008 and the global spread of Covid-19 in 2020.

Satair A/S' marketing potential is primarily determined by the type of aircrafts in operation, the scope of air carrier operations and the total number of aircraft.

Aviation is sensitive to sudden and unexpected events such as war, terrorist attacks, natural catastrophes, accidents and epidemics. When they occur, such events may have dramatic and sudden effects on activity levels within aviation.

Competition and prices

The market for distribution of aviation products is fiercely competitive. To be an attractive intermediary between customers and manufacturers, distributors must be able to deliver the right combination of a broad product range, competitive prices and attractive services.

The aftermarket is relatively fragmented and none of the distributors have captured a significant market share in the global market for spares. The majority of Satair A/S' products are exposed to competition.

Consolidation within aviation

Manufacturers in the industry may from time to time undergo a process of considerable consolidation and this may affect Satair A/S. In case an existing Satair supplier is acquired, there is a risk that the new owner will want to evaluate existing sales outlets with a view to optimize them in relation to the rest of their business activities. This may result in a change of distributor or the insourcing of distribution activities.

Airlines may from time to time enter into mergers and alliances and this may also result in a change of distributor.

Satair A/S endeavours to secure a favourable position for itself in the value chain of the aviation industry but as a result of pressure to constantly increase airline earnings as well as changes in the value chain of the industry there may be renewed and increased pressure on Satair A/S' earnings.

Dependency on suppliers

Satair A/S has a number of important suppliers. In 2019 the largest supplier accounted for approx. 11% of Satair A/S' consolidated revenue while the five largest suppliers together accounted for approx. 45% of the revenue.

Satair A/S' supplier contracts are highly varied with regards to the length of termination notices and in connection with negotiations and renegotiations, a specific aim is to ensure longer notices. Typically contracts may be terminated at a notice period of between 3 and 12 months and in the case of important suppliers, the duration of contracts is typically between three and five years.

Only few of Satair A/S' suppliers have terminated their distribution contracts. However, the loss of an important supplier could cause a significant decline in revenues and earnings in the short term.

Satair A/S is or may become a party to agreements with suppliers containing provisions concerning termination or changes to the contract which will or may take effect in case of a change in control of the company.

Dependency on customers

Satair A/S distributes products and offers related services to a wide range of customers worldwide. The distribution of Satair A/S' products and services is generally closely linked to developments in activity levels and the general financial situation within aviation and that is why sales to Satair A/S' existing customers and the conclusion of new customer agreements may be associated with some uncertainty.

Satair A/S sells to more than 980 international customers and has cooperated with most of its customers for many years. The ten largest customers accounted for approx. 36% of the revenue in 2019 with 1 customer contributing more than 8%.

The sales are sometimes based on framework agreements and under certain circumstances such contracts may be terminated prematurely, e.g. in the case of breach of contract on the part of Satair A/S. Framework agreements are, however, no prerequisite for conducting business between Satair A/S and its customer and a termination of an agreement is as such not resulting in a cease of joint business activities.

Satair A/S is or may become a party to agreements with customers containing provisions concerning termination or changes to the contract which will or may take effect in case of a change in control of the company.

Inventories
The most significant inventory risks relate to the situation where types of aircraft are grounded by the air carriers either permanently or for a long period of time. When that happens, Satair A/S' inventories of spares for that particular type of aircraft will fully or partially lose value. Until now, such changes in the use of aircraft types have occurred over a period of several years, thereby increasing the risk of obsolescence of spares for such aircraft.

Sales to the aviation industry are generally characterized by involving a very high number of part numbers many of which are sold relatively rarely. This increases the risk of obsolescence and Satair A/S' business model therefore allows for obsolescence being part of the cost side of distribution in aviation.

Covid-19
The Covid-19 pandemic in 2020 is an example of a sudden and unexpected event as mentioned before in the section on Developments in aviation activity. The short-term effect is felt in 2020 but the long-term effects are still unknown. Satair has taken initiatives related to revenues, costs and cash flow to counteract the economic effect of the pandemic.

Events after the reporting period
The worldwide spread of Covid-19 in 2020 will have a significantly negative effect on the aerospace industry and the market for spare parts in 2020 and the years immediately thereafter. The Financial Statement for 2019 has not been adjusted for this as the events in 2020 have not provided evidence that conditions already existed at the end of the reporting period that require adjustments to the Financial Statement.

Satair A/S is not aware of any other events subsequent to 31 December 2019, which are expected to have a material impact on the financial position as reflected in the Financial Statement for 2019. The current Outlook for 2020 indicates that a going concern assumption is appropriate.

Outlook for 2020
Satair expects revenue in 2020 to decrease 25-30% compared to 2019 due to the impact of Covid-19 on our customers. Satair is reviewing activities, projects and costs in order to adapt.

Operating profit in 2020 is expected to decrease significantly compared to 2019 mainly due to lower revenue and lower Other operating income.

Corporate governance

Annual general meeting

The Annual General Meeting is held on 28 August 2020 at Satair A/S, Amager Landevej 147A, DK-2770 Kastrup.

Corporate social responsibility

Satair A/S provides spare parts, services and solutions for the aerospace industry. Satair connects manufactures of spare parts with airlines and MROs with the aim to minimize the repair and maintenance time for aircraft by stocking the needed parts or being able to procure the needed parts quickly.
CSR risks relate to the way we conduct our business, the operation of our facilities and the actions of our business partners. Satair is committed to promoting responsible business conduct, which includes respect for human rights, environment and climate, social and employee conditions, anti-corruption and bribery as well as diversity.

Human rights

A risk exists that sufficient awareness to human rights does not exists within Satair or in the wider supply chain. Satair has no tolerance for human rights abuse and has in 2019 continued to rollout a program to create awareness among employees of Ethics & Compliance topics incl. our Code of Conduct. Team sessions on E&C were conducted during the year and employees were asked to conduct training in E&C. Training helps employees identify signs of human rights abuse and report any concerns they may have. In 2019, more than 90% of employees took training in E&C.

Environment and climate

Risks exists that the operation of our facilities damages the environment and climate. In 2019, Satair set goals to be achieved by 2030 of a 15% reduction in water consumption, a 30% reduction in energy consumption to reduce our CO_2 emissions, 90% recycling of waste, 100% elimination of all single- use plastics as well as a goal of 50% of suppliers being environmentally qualified. Finally, Satair set a goal of having our work processes related to the environment certified according to ISO14001 standard. The certification was achieved before the end of the year. Satair will measure and follow-up on our achievement towards our goals.

Social and employee conditions

Risks include the possibility of injury and damage to both physical and mental health. Satair is committed to protecting our people through responsible management of health, safety and well-being at work. In 2019, no injuries were reported and the company held a health and safety week to insure focus on good physical and mental health.

Anti-corruption and bribery

Risks of corruption and bribery exist in the aerospace industry. Satair is committed to conducting our business ethically and responsibly and maintains a zero tolerance towards corruption of any kind. In 2019, a screening of third parties was conducted resulting in the termination of 1 business relationship. Work was also begun to put systems in place for automated screening of payments to third parties.

Diversity

Section 139c of the Danish Companies Act stipulates that certain companies are obliged to set a target for the underrepresented gender in the Supreme Governing Body, i.e. the Board of Directors in Satair A/S' case. These companies are also required to establish a policy for other management levels in order to increase the level of the underrepresented gender.

The long-term purpose of such policy is to achieve a more equal balance of genders and once a company achieves a 40/60 balance between genders, one gender is no longer considered to be underrepresented.

The Danish Business Authority published revised Guidelines on this topic in March 2016 and according to these Guidelines, a company that has four members of the Board of Directors elected by the shareholder comprising three men and one woman, is considered to have adequate gender diversity, i.e. no underrepresentation of women exists in this case.
The Board of Directors currently consists of 5 members, two of whom were elected by the employees. The employees are entitled to elect 2 members.

The Board members elected by the shareholder consists of three men. The Board of Directors has set a target that no gender shall be underrepresented in the Board of Directors by April 1st. 2021.

The targeted 40/60 balance mentioned earlier could not be achieved in 2019 since candidates with the right competencies were not available.

At Satair A/S' other management levels, the number of women were 7 (19%) and the number of men were 29 (81%) at 31 December 2019 which was a slightly higher representation of men compared to the previous year.

The targeted 40/60 balance mentioned earlier could not be achieved in 2019 since candidates with the right competencies were not available.

The Board of Directors has revised its target date of having 40% of these management positions to be held by women. The revised target date is April 1st. 2021.

In order to achieve the objective, Satair A/S aims to have at least one of each gender among the last three candidates in the recruitment and appointment of new leaders.

Both of the abovementioned targets are set to be ambitious although achievable and Satair will endeavour to achieve the targets within the deadline.

Satair A/S is completely unprejudiced in its approach to employment of people regardless of their race, ethnicity, nationality, age, gender, sexual orientation etc. and is accustomed to a highly diverse staff mix.

Management statement

Kastrup, 28 August 2020

The Board of Directors and the Management Board have today considered and adopted the Annual Report of Satair A/S for the financial year 1 January – 31 December 2019.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2019.

In our opinion, the management review includes a true and fair view of the circumstances described in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Management Board

Hubertus Johannes Dorotheus Reijnen
Chief Executive Officer

Board of Directors

Philippe André Louis Jean-Claude Mhun
Chairman

Didier Marcel Germain Loiselet

Klaus Röwe

Kathrine Louise Kahle
Employee representative

Jakob Muhammed Özcan
Employee representative

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We recommend that the Annual Report be adopted at the Annual General Meeting.

Management Board

Hubertus Johannes Dorotheus Reijnen
Chief Executive Officer

Board of Directors

Philippe André Louis Jean-Claude Mhun
Chairman

Didier Marcel Germain Loiselet

Klaus Röwe

Kathrine Louise Kahle
Employee representative

Jakob Muhammed Özcan
Employee representative

Independent auditors' report

To the shareholders of Satair A/S

Opinion
We have audited the financial statements of Satair A/S for the financial year 1 January – 31 December 2019, which comprise income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on the Management's review
Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatements of the 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 International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditors' report - continued

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 28 August 2020

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
mne 33717

Peter Andersen
State Authorised Public Accountant
mne 34313

Income statement

1 January - 31 December

USD thousands	Note	2019	2018
Revenue	3	434,105	430,516
Cost of goods sold	6	(381,069)	(380,384)
Gross profit		**53,036**	**50,132**
Other operating income	4	30,823	29,367
Staff expenses	5	(30,261)	(27,392)
Other expenses		(34,334)	(21,571)
Profit before depreciation, amortisation and impairment (EBITDA)		**19,264**	**30,536**
Depreciation, amortisation and impairment losses	11 + 12	(14,079)	(7,446)
Operating profit (EBIT)		**5,185**	**23,090**
Dividend from investments	13	50,000	-
Financial income	16	3,041	8,925
Financial expenses	16	(4,598)	(3,126)
Profit before tax		**53,628**	**28,889**
Income tax expense	23	(2,497)	(6,316)
Net profit for the year		**51,131**	**22,573**

Statement of comprehensive income

1 January - 31 December

USD thousands	Note	2019	2018
Net profit/(loss) for the year		**51,131**	**22,573**
Items that may be subsequently reclassified to the income statement			
Fair value adjustment of derivatives before tax		(4,963)	(4,614)
Hereof recl. of currency derivatives through the income statement (Staff expenses)	18	2,052	(622)
Tax on other comprehensive income	23	640	1,152
Other comprehensive income		**(2,271)**	**(4,084)**
Comprehensive income for the year		**48,860**	**18,489**

No dividend is expected to be paid to the owners.

Statement of financial position

At 31 December

USD thousands	Note	2019	2018
Assets			
Intangible assets	11	29,386	31,304
Property, plant and equipment	12	9,369	7,064
Investments in subsidiaries	13	51,121	51,121
Non-current assets		**89,876**	**89,489**
Inventories	6	164,436	138,576
Trade receivables	7	30,152	29,451
Receivables from intra group companies	22+29	19,781	13,528
Receivables from other related parties	22	23,595	51,083
Tax receivables	17	1,665	-
Other receivables	9	4,351	4,657
Cash and cash equivalents	15	556	367
Current assets		**244,536**	**237,662**
Total assets		**334,412**	**327,151**

Statement of financial position

At 31 December

USD thousands	Note	2019	2018
Equity and liabilities			
Share capital	14	13,138	13,138
Reserves and retained earnings		266,259	217,399
Total equity		**279,397**	**230,537**
Deferred tax liabilities	24	1,390	2,819
Staff related liabilities		1,031	-
Loans and borrowings	17	2,211	1,141
Leasing liabilities	19	1,241	-
Non-current liabilities		**5,873**	**3,960**
Current part of loans and borrowings	17 + 20	2,268	1,535
Leasing liabilities	19	752	-
Trade payables	17	27,850	32,145
Payables to intra-group companies	20+22+29	7,029	48,933
Payables to other related parties	22	2,608	1,569
Tax payable	17	-	3,384
Other liabilities	10	8,635	5,088
Current liabilities		**49,142**	**92,654**
Total liabilities		**55,015**	**96,614**
Total equity and liabilities		**334,412**	**327,151**

Statement of cash flows

1 January - 31 December

USD thousands	Note	2019	2018
Profit before depreciation and amortisation (EBITDA)		19,264	30,536
Non-cash items		3,943	(4,264)
Foreign exchange adjustments		123	4,899
Dividend received		50,000	
Interest received		81	3,247
Interest paid		(1,761)	(1,725)
Income taxes paid		(7,968)	(2,392)
Changes in working capital	8	(13,861)	(249,096)
Cash flow from operating activities		**49,821**	**(218,795)**
Acquisition of intangible assets	11	(11,759)	(5,670)
Disposal and impairment of intangible assets	11	7,116	689
Acquisition of property, plant and equipment	12	(1,031)	(398)
Loans to subsidiaries and related parties		-	223,500
Cash flow from investing activities		**(5,674)**	**218,121**
Repayment of debt	20	(43,450)	(2,403)
Leasing payments	19	(508)	-
Cash flow from financing activities		**(43,958)**	**(2,403)**
Net cash inflow/(outflow)		**189**	**(3,077)**
Cash and cash equivalents at 1 January		367	3,444
Net cash inflow/(outflow)		189	(3,077)
Cash and cash equivalents at 31 December	15	**556**	**367**

Statement of changes in equity

1 January - 31 December

USD thousands	Share capital	Share premium	Retained earnings	Hedging reserve	Total equity
Equity at 1 January 2019	13,138	46,010	171,399	(10)	230,537
Net profit/(loss) for the year	-	-	51,131	-	51,131
Fair value adjustment of derivatives before tax				(4,963)	(4,963)
Hereof recl. of currency derivatives through the income statement (Staff expenses)				2,052	2,052
Tax on other comprehensive income	-	-	-	640	640
Comprehensive income	**-**	**-**	**51,131**	**(2,271)**	**48,860**
Equity at 31 December 2019	**13,138**	**46,010**	**222,530**	**(2,281)**	**279,397**
Equity at 1 January 2018	13,138	46,010	148,826	4,074	212,048
Net profit/(loss) for the year	-	-	22,573	-	22,573
Fair value adjustment of derivatives before tax				(4,614)	(4,614)
Hereof recl. of currency derivatives through the income statement (Staff expenses)				(622)	(622)
Tax on other comprehensive income	-	-	-	1,152	1,152
Comprehensive income	**-**	**-**	**22,573**	**(4,084)**	**18,489**
Equity at 31 December 2018	**13,138**	**46,010**	**171,399**	**(10)**	**230,537**

SATAIR

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Note 1 Accounting policies

CORPORATE INFORMATION
Satair A/S is a limited liability company founded and headquartered in Denmark.

The Annual Report for Satair A/S was discussed and approved by the Management Board and the Board of Directors on 28 August 2020 and issued for approval at the subsequent Annual General Meeting on 28 August 2020.

BASIS FOR PREPARATION
The Annual Report for Satair A/S has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The accounts have been prepared under the historical cost convention, except for areas in which IFRS explicitly requires the use of fair values. The accounting policies outlined below have been applied consistently in the financial year and for the comparative figures. The financial year for Satair A/S is 1 January - 31 December. The accounting policies are unchanged compared to last year with the exception of the changes made necessary by IFRS 16.

New and amended standards and interpretations
Effective from 1 January 2019, Satair A/S has implemented the new standard on leases, IFRS 16, using the modified retrospective transition method and has therefore not restated the comparative figures, which are still presented in accordance with the rules of IAS 17 and IFRIC 4.

As opposed to previously, the company now recognise all leases in the balance sheet, including operating leases, with a few exceptions. Consequently, a lease commitment measured at the present value of the future lease payments, see description below, must now be realised together with a corresponding leased asset adjusted for payments made to the lessor prior to the commencement of the lease and incentive payments received from the lessor. The company has decided not to recognise costs directly related to the leased asset.

In accordance with the transitional provisions of IFRS 16, when implementing the standard, the Company has chosen: Not to recognise leases with a term of less than 12 months or of low value; Not to reassess whether a contract is or comprises a lease; To determine a discount rate on a portfolio of leases with similar characteristics.

When assessing the future lease payments, the Company reviewed its operating leases and identified the lease payments related to a lease component that are fixed or variable but change in line with changes in an index or an interest rate. When assessing the expected lease term, the Company identified the non-cancellable lease term of the lease plus periods covered by an extension option that Management is reasonably likely to exercise and plus periods covered by a termination option that Management is reasonably unlikely to exercise.

When discounting the lease payments to present value, the Group used its incremental borrowing rate, which is the costs of obtaining external financing for a corresponding asset with a financing period corresponding to the term of the lease denominated in the currencies in which lease payments are settled.

In the assessment of the Group's incremental borrowing rate, the Group determined its incremental borrowing rate for its leases of properties based on an interest rate of a mortgage credit bond with a term corresponding to the term of the lease and denominated in the same currencies in which the lease payments are settled. The interest rate of the financing of the share for which a mortgage loan cannot be used is estimated based on a reference rate of a credit margin derived from the Group's current credit facilities. The Group has corrected the credit margin for the lessor's right to take back the asset in case of default on lease payments (secured debt).

Measurement of lease liabilities
USD Thousands

Reconciliation	
Operating lease obligations disclosed at December 31, 2018	2,311
Discounted using the lessee's incremental borrowing rate of at the date of initial application	26
Adjustments as a result of recognition of non-lease components	1,714
Initial recognition of lease components in 2019	1,821
Lease liabilities recognized at January 1, 2019	**2,392**

The company has applied the weighted average incremental borrowing rate of 4.2% as discount rate. The right-of-use assets are depreciated over the contractual lease period, up to 10 years from reporting date.

New standards not yet effective
The IASB has issued other standards and interpretations with effective date post 31 December 2019. Satair will implement the new standards and interpretations when they become mandatory.

Functional currency
USD is the primary currency used for operations. Hence USD is applied as functional currency for Satair A/S. USD has been chosen as the presentation currency in the presentation of the accounts.

Preparation of separate financial statements
According to IFRS 10, Satair A/S is exempt from preparing consolidated financial statements as:
- Satair A/S is a wholly-owned subsidiary of the ultimate parent company, Airbus SE, which has been informed and does not object to that Satair A/S is not presenting consolidated financial statements.
- Satair A/S is not a publicly listed company or have debt or equity instruments traded on public markets.
- Satair A/S has not filed, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

the ultimate parent company, Airbus SE, prepares and publishes consolidated financial statements in accordance with IFRS.

The consolidated financial statements can be found at www.https://www.airbus.com/investors/financial-results-and-annual-reports.html.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Foreign currency translation
Transactions denominated in foreign currencies in the course of the year are translated at the exchange rates at the transaction date. Gains and losses arising between the exchange rates at transaction date and date of payment are recognised in the income statement.

Receivables, payables and other monetary items denominated in foreign currencies which are not settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at balance sheet date and transaction date is recognised in the income statement.

Derivative financial instruments
Satair A/S' derivative financial instruments act as an efficient financial hedge under Satair A/S' risk management policy.

Derivative financial instruments that are seen to qualify for cash flow hedge accounting are called 'effective', whereas derivative financial instruments that are not seen to meet these criteria are called 'ineffective'.

Changes in the fair value of effective derivative financial instruments are recognised directly through other comprehensive income in shareholders' equity in a separate reserve and are released to the income statement in the period during which the hedged item affect the income statement.

Changes in the fair value of ineffective derivative financial instruments are recognised directly in the income statement as financial items.

Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included under Other receivables and Other liabilities respectively.

For both effective and ineffective derivative financial instruments, such part of the fair value adjustment as is attributable to the time value is always recognised directly in the income statement.

Fair value on derivatives is based on commonly quoted exchange rates and is calculated upon standard pricing models.

INCOME STATEMENT
Revenue from sale of goods
Revenue is recognised when Satair A/S transfers control (i.e. at a point in time) of the promised goods to the customer. Satair A/S measures revenue as the consideration to which Satair A/S is expected to be entitled in exchange for transferring promised goods. Variable considerations are included when it is highly probable that there will be no significant reversal of the revenue in the future. Satair A/S identifies the various performance obligations of the contract and allocates the transaction price to these performance obligations. Advances and pre-delivery payments are normal and not considered a significant financing component as they are intended to protect Satair A/S from the customer failing to complete its obligations under the contract.

Cost of goods sold
Cost of goods sold comprises the cost of commercial products consumed to achieve the revenue for the year and other direct, variable costs including write-downs for obsolescence.

Notes

Note 1 Accounting policies (continued)

Other operating income
Other operating income includes items of a secondary nature relative to the enterprise's core business. Operating income includes a management fee which is determined as a royalty on external sales based on the intra-group ownership of distribution rights, inventory levels, and market data.

Staff expenses
Staff expenses include wages, salaries and pensions for Satair A/S' employees as well as other staff-related expenses.

Other expenses
Other expenses comprise expenses to distribution, sales, advertising, administration etc.

Amortisation, depreciation and impairment
Amortisation includes amortisation of intangible assets, while depreciation and impairment comprise depreciation and impairment for the year of property, plant and equipment.

Financial income and expenses, net
Financial income and expenses, net comprise interest as well as foreign exchange adjustments relating to receivables and payables not stated in the functional currency.

Dividends on capital investments in subsidiaries are recognized as income in Satair A/S' income statement in the financial year in which the dividends are declared. Gain and losses from disposal of subsidiaries and associates are included in the income statement of Satair A/S at the time of disposal.

Tax
Income tax expenses consists of current tax and deferred tax for the year, the effect on deferred tax of changes in tax rates, and adjustments of current tax relating to previous years. Such part of tax for the year as is attributable to items directly under statement of comprehensive income is taken directly to this.
Current tax is calculated at the tax rate applicable for the year. Deferred tax is measured according to the tax rules and at the tax rates applicable by law in the respective countries at the balance sheet date when the deferred tax is expected to materialise as current tax.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Adjustment is made to deferred tax relating to the unrealised intra-group profits and losses.

Deferred tax assets, including the tax value of tax deficits eligible for carry forward, are measured at the value with which the asset is likely to be realised either in settlement of tax on future earnings or in settlement of deferred tax liabilities within the same legal tax entity.

FINANCIAL POSITION
Intangible assets
Acquired distribution rights are recognised at cost less amortisation. Rights under non-cancellable contracts are amortised on a linear basis over the contract term. Other rights are amortised on a linear basis over the expected useful life. Distribution rights are amortised over the expected useful life of the agreements ranging from 5 to 20 years.
Please refer to note 11 for further information on the amortisation profiles of the company's distribution rights.

Acquired IT-software and development costs are recognised at cost and measured at cost less accumulated amortisation and impairment.

The amortisation period is up to 20 years and is determined on the basis of the experience gained with regard to the useful life of the individual groups of assets.

The residual values and useful lives of assets are reassessed and changed annually, if deemed necessary.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition of the asset until the date when it is available for use. Borrowing costs are not recognised in the cost.

Leases applicable from 1 January 2019
Lease assets and lease commitments are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the company in the lease term and when the company obtains the right to almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

On initial recognition, lease commitments are measured at the present value of the future lease payments discounted by an incremental borrowing rate. The following lease payments are recognised as part of the lease commitment: Fixed payments, Variable payments that change concurrently with changes to an index and an interest rate based on said index or interest rate, Payments overdue subject to a residual value guarantee, Exercise price of call options that it is highly probable that Management will exercise, Payments subject to an extension option that it is highly probable that the Company will exercise, Penalty related to a termination option unless it is highly probable that the Company will not exercise the option.

The lease commitment is measured at amortised cost according to the effective interest method. The lease commitment is recalculated when the underlying contractual cash flows change due to changes in an index or an interest rate if the Company's estimate of a residual value guarantee changes or if the Company changes its assessment of whether call options, extension options or termination options can reasonably be expected to be exercised.

On initial recognition, the leased asset is measured at cost, corresponding to the value of the lease commitment adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like and less discounts or other types of incentive payments received from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in the income statement.

The leased asset is adjusted for changes to the lease commitment due to changes to the terms of the lease or changes to the cash flows of the lease concurrently with changes to an index or an interest rate.

The company presents the leased asset and the lease commitment separately in the balance sheet. The leased asset is presented within "Property Plant and equipment" and lease liabilities within "Leasing liabilities".

The company has chosen not to recognise leased assets of a low value and short-term leases in the balance sheet. Instead, related lease payments are recognised on a straight-line basis in the income statement.

Leases applicable before 1 January 2019
For financial reporting purposes, leases are classified as finance leases and operating leases.
A lease is classified as a finance lease when the most significant risks and rewards of ownership of the leased asset are transferred to the lessee. All other leases are classified as operating leases.
The cost of assets held under finance leases is recognised at the lower of fair value of the assets and the present value of the future minimum lease payments. For the calculation of the net present value, the interest rate implicit in the lease or the Company's incremental borrowing rate is used as discount rate.
Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.
Assets held under operating leases are recognised, measured and presented in the balance sheet as the Company's other similar assets. Lease income is recognised in the income statement on a straight-line basis over the lease term.

Notes

Note 1 Accounting policies (continued)

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition of the asset until the date when it is available for use. Borrowing costs are not recognised in the cost.

Right-of-use asset
From January 1, 2019, the company recognizes right-of-use assets and lease liabilities for most of its leases with the exception of short-term leases and leases of low value. The leases relate to real estate assets (such as storage facilities and offices), company cars and equipment.
The company uses the following practical method for leases previously classified as operating leases:
– a single discount rate is applied to a portfolio of leases with reasonably similar characteristics
– the right of use is measured in relation to the amount of the lease liability using the discount rate
The Company has presented right-of-use assets within "Property, plant and equipment" and lease liabilities within "Financing liabilities" and classified the principal portion of lease payments within financing activities and the interest portion within operating activities.

Depreciation
Depreciation is calculated on the basis of cost less any residual value and on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Owned assets:	
• Office and warehouse buildings	30 - 50 years
• IT-hardware	3-5 years
• Fixtures, fittings, tools and equipment	3-7 years
Right-of-use assets:	
• Office and warehouse buildings	5 - 10 years
• Operating equipment	3-4 years

The depreciation periods are based on experience with regard to the duration of the period in which such assets are in use.
The residual values and useful lives of assets are reassessed and changed, if necessary, at each balance sheet date.

Gains and losses on the disposal of plant, property and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under other operating income/expenses.

Investments
Investments in subsidiaries are measured at cost. Impairment testing is carried out if there is an indication of impairment. The carrying amount is written down to recoverable amount whenever the carrying amount exceeds the recoverable amount. The impairment loss is recognized as a finance cost in profit and loss.

Loans to subsidiaries are recognised under long-term assets when these are seen to be part of the investment.

Impairment of non-current assets
The carrying amount of non-current assets is measured at the lower of recoverable amount and carrying amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use. The fair value less cost to sell is determined based on recent market transactions. The value in use is determined as the net present value of the estimated future cash-flows.

For assets which do not generate cash-flows independently of other assets, the recoverable amount is calculated for the smallest cash-generating unit of which the asset forms part. The determination of cash-generating units follows the management structure, internal finance management and reporting in the company. A cash-generating unit may constitute up to but no more than one segment.

Inventories
Inventories (aircraft spare parts) are recognised at acquisition cost on the basis of the lower of average acquisition cost and net realisable value and kept at weighted landing cost.

Net realisable value is measured on the basis of an individual assessment. Write-downs for obsolescence are made on aircraft spare parts based on a model providing for slow-moving products.

The acquisition cost of aircraft spare parts is measured at purchase price plus delivery costs.

Receivables
Receivables are classified as current except for those falling due 12 months after the balance sheet date or later. The amounts are included under Trade receivables and Other receivables.

Receivables are recognised in the balance sheet at fair value and are subsequently measured at amortised cost. For current non-interest-bearing receivables and receivables with a floating interest, this usually corresponds to the fair value.

The company uses the method under IFRS 9 to make writedowns on receivables for expected credit loss. On top of the expected loss method, the company also assess indications of impairment of significant individual receivables. This assessment is done on the basis of an age criteria and objective indicators of a debtor's financial difficulties.

Cash and cash equivalents
Cash and short term deposits in the statement of financial position comprise cash at banks and cash on hand.

Shareholders' equity
Dividend is recognised as a liability at the date when it is adopted at the annual general meeting. Dividend proposed for the financial year is shown separately in the equity.

Distribution of dividend in kind is recognised in equity at the fair value of the assets as at the date of declaration.

Hedging adjustments comprise changes in the fair value of hedging transactions that qualify for recognition as cash flow hedges and where the hedge transactions has not yet been realised.

Provisions
Provisions are recognised when, as a result of events happening before or at the balance sheet date, Satair A/S has a legal or a constructive obligation and it is probable that there may be an outflow of economic benefits to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Financial liabilities
Amounts owed to credit institutions are recognised at the date of borrowing at fair value corresponding to the net proceeds received less transaction costs paid. In subsequent periods, the amounts are measured at amortised cost, meaning that the effective interest rate is recognised in the income statement over the term of the loan.

Other financial liabilities, which include payables to suppliers and subsidiaries, are recognised at the date of borrowing at fair value and subsequently measured at amortised cost which, for these items, usually corresponds to the nominal value.

Other payables are measured at net realizable value.

Notes

Note 2 Significant accounting estimates and judgements

Fair value measurement
Satair uses the fair value concept in connection with certain disclosure requirements and for recognition of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date ("exit price").

The fair value is a market-based and not an entity-specific measurement. The entity uses the assumptions that the market participants would use for the pricing of the asset or liability based on the current market conditions, including risk assumptions. The entity's purpose of holding the asset or settling the liability is thus not taken into account when the fair value is determined. The fair value measurement is based on the principal market. If a principal market does not exist, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and transport costs.

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are categorised into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement, see below:
Level 1: Quoted priced in an active market for identical assets or liabilities
Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly or indirectly
Level 3: Inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data)

STATEMENT OF CASH FLOWS
The statement of cash flows is based on the indirect method and shows Satair A/S' cash flows for the year from operating, investing and financing activities.

Cash flow from operating activities is calculated as EBITDA of the year adjusted for non-cash operating items, interest received, interest paid, income taxes paid and working capital changes. Cash flow from investing activities comprises payments in connection with acquisition and divestment of enterprises or assets. Cash flow from financing activities comprises the raising of loans, installments on loans, payment of dividends and increases of the share capital.
Cash flow concerning acquired companies is recognized from the date of acquisition, while cash flow concerning divested companies is recognized until the date of divestment.

Cash and cash equivalents include cash reserves but not cash pool.

Debt to credit institutions recognised in the balance sheet under current debt is included in cash flows from financing activities insofar as it is considered to be capital debt.

Ratios
The ratios mentioned in the five-year summary are calculated as described in the notes.

Uncertainties in the estimates
Calculation of the book value of certain assets and liabilities will require certain assessments, estimates and assumptions regarding future events. The estimates made are based on historic experience and other factors deemed proper and adequate under the circumstances by the management, but which by nature are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur.

Estimates of importance for the financial reporting are made in the following areas:

Accounting estimates
On acquisitions of distribution rights, the company's management makes an assessment as to whether, in accounting terms, the acquisition concerns a "business" or a series of individual assets and liabilities. The assessment is based on whether the acquisition is integrated activities or assets.
Upon entering into new distribution rights agreements, the company's management evaluates the useful life, value and potential liabilities inherent in the contract.
Impairment tests of distribution rights are performed upon first recognition in the balance sheet, if and when objective signs of impairment occur, and at least once per fiscal year.
All distribution rights are amortised based on contract period. Refer to note 11 for specification of useful lives of significant contracts.

When entering into new inventory consignment contracts Satair's management determines whether the company is entering into an agency relationship by evaluating if the company is exposed to the significant risks and rewards associated with the sale of goods. There are four criteria that, individually or in combination, indicate that the company is acting as principal:
- Satair has the primary responsibility for providing the goods to the customer or for fulfilling the order;
- Satair has the inventory risk before the customer order or on return;
- Satair has latitude in establishing prices, either directly or indirectly;
- Satair bears the customer's credit risk on the receivable due from the customer.

Impairment of inventories
Inventories are recognised at cost less write-down to net realisable value in case of impairment due to failing demand. The estimate of the required write-downs is made on the basis of a mathematical model based on the individual characteristics and historical information on the sales patterns for the inventories in the perspective of value loss over time. In addition, further write-downs are made to the extent there are specific indications of impairment. The mathematical model ensures reversal of write-downs made for products which are subsequently sold. It is estimated that the write-downs made are sufficient and that the financial uncertainty linked to the depreciation to net realisable value on inventories is considered limited.

Impairment of trade receivables
Credit loss allowances on individual receivables are made on the basis of the customers' payment capacity, historic information on payment patterns and doubtful debts, and customer concentration, customers' credit worthiness and financial trends in the company's sales channels. In addition to this, allowances for expected credit losses are made on the remaining trade receivables based on a simplified approach.

Notes

Note 3 Specification of revenue

USD thousands	2019	2018
Europe, Middle East, Africa	297,560	306,047
Americas	61,841	55,995
Asia Pacific	74,704	68,474
	434,105	**430,516**

Revenue is recognised when Satair A/S transfers control (i.e. at a point in time) of the promised goods (spare parts) to the customer. Satair A/S measures revenue as the consideration to which Satair A/S is expected to be entitled in exchange for transferring promised goods. (ref. note 1)

Note 4 Other operating income

USD thousands	2019	2018
Management fee [1)]	30,823	29,367
	30,823	**29,367**

1) The management fee is based on a transfer pricing agreement between the entities within Satair Group and takes ownership of distribution rights, inventory levels, financing of inventory and revenue into consideration

Note 5 Staff expenses

USD thousands	2019	2018
Wages, salaries and fees	(26,719)	(23,401)
Pensions, defined contribution	(2,112)	(1,883)
Other social security expenses, etc.	(272)	(265)
Other staff related expenses	(1,158)	(1,843)
	(30,261)	**(27,392)**
Average number of employees (FTE)	266	237

Salary and bonus to the Management Board in 2019 is not shown with reference to ÅRL § 98b.
A group of senior managers are part of a Long-Term Incentive Plan (LTIP) which is designed to reward long-term commitment, company performance as well as engagement on financial targets subject to cumulative performance over a three-year period.

Notes

Note 6 Inventory

USD thousands	2019	2018
Commercial products	163,829	138,481
Prepayments to vendors	607	95
Inventory	**164,436**	**138,576**
Cost of goods sold exclusive of write-downs	(376,563)	(379,220)
Inventory write-down for the year	(5,095)	(1,288)
Reversal of inventory write-downs for the year due to sale	589	124
Cost of goods sold	**(381,069)**	**(380,384)**

Note 7 Trade receivables

USD thousands	2019	2018
Not due	22,473	23,169
Overdue 1 - 60 days	4,524	3,895
Overdue 61 - 360 days	4,045	2,456
Overdue more than 360 days	1,617	2,326
Gross trade receivables	**32,658**	**31,845**
Write-downs at 1 January	(2,394)	(3,602)
Write-down for the year	(112)	(235)
Reversal of write-downs previously recognised	-	1,443
Write-downs at 31 December	**(2,506)**	**(2,394)**
Net trade receivables (maximum credit risk)	**30,152**	**29,451**

Trade receivables ECL model 31 December 2019

	Current	1-30	31-60	61-90	91-180	181-360	+360	Total
Expected credit loss rate	0.2%	0.6%	2.0%	4.2%	6.6%	14.9%	44.4%	
USD thousands Balance 31 December 2019	21,402	2,121	2,410	1,092	1,510	1,221	514	**30,269**
Legally bad debt	-	-	-7	147	22	54	1,103	**1,318**
Additional writeoffs							522	**522**
Expected credit loss	**51**	**12**	**40**	**192**	**122**	**236**	**1853**	**2506**

Notes

Trade receivables ECL model 31 December 2018

	Current	1-30	31-60	61-90	91-180	181-360	+360	Total
Expected credit loss rate	0.3%	0.6%	2.3%	4.9%	7.7%	16.6%	90.2%	
USD thousands Balance 31 December 2018	23,169	2,228	1,667	1,469	617	371	2,326	**31,845**
Expected credit loss	**64**	**13**	**38**	**73**	**47**	**62**	**2,097**	**2,394**

Note 8 Change in working capital

USD thousands	2019	2018
Change in trade receivables	(701)	3,912
Change in inventory	(35,118)	4,806
Change in other receivables	306	1,838
Change in trade payables	(4,295)	(15,204)
Change in intra-group trade balances	21,370	(4,096)
Change in other liabilities	4,577	(6,876)
	(13,861)	**(15,620)**

Note 9 Other receivables

USD thousands	2019	2018
Prepayments to suppliers	4,326	4,647
Other receivables	25	10
	4,351	**4,657**

Note 10 Other liabilities

USD thousands	2019	2018
Prepayments from customers	457	-
Derivatives	2,952	41
Staff related liabilities	5,455	2,515
Other liabilities	(230)	2,532
	8,634	**5,088**

Notes

Note 11 Intangible assets

2019 USD thousands	Distribu-tion rights	Software and other intan-gible assets	Total
Cost at 1 January	44,902	16,223	61,125
Additions	7,594	4,165	11,759
Disposals	(716)	-	(716)
Cost at 31 December	**51,780**	**20,388**	**72,168**
Amortisation and impairment losses at 1 January	(20,064)	(9,757)	(29,821)
Amortisation	(5,319)	(1,242)	(6,561)
Impairment loss		(6,400)	(6,400)
Amortisation and impairment losses at 31 December	**(25,383)**	**(17,399)**	**(42,782)**
Carrying amount at 31 December	**26,397**	**2,989**	**29,386**

As of 31 December 2019 carrying amounts of distribution rights agreements that are material on their own comprise:
- Distribution rights regarding sale of specific product lines amortised fully in year 2026: USD 20.3 million
- Distribution rights regarding sale of specific product lines amortised fully in year 2027: USD 1.9 million
- Distribution rights regarding sale of specific product lines amortised fully in year 2028: USD 0.9 million

As per 31 December 2019 there is no indication of impairment of the value of the distribution rights.

The impairment loss in 2019 of 6.4 M.USD is due to the discontinuation of an internal IT-project.

2018 USD thousands	Distribu-tion rights	Software and other intan-gible assets	Total
Cost at 1 January	44,591	11,553	56,144
Additions	1,000	4,670	5,670
Disposals	(689)	-	(689)
Cost at 31 December	**44,902**	**16,223**	**61,125**
Amortisation and impairment losses at 1 January	(14,657)	(8,474)	(23,131)
Amortisations	(5,407)	(1,283)	(6,690)
Amortisation and impairment losses at 31 December	**(20,064)**	**(9,757)**	**(29,821)**
Carrying amount at 31 December	**24,838**	**6,466**	**31,304**

Notes

Note 12 Property, plant and equipment

2019

USD thousands	Land and buildings	Right-of-use Land and buildings	Plant and equipment	Right-of-use Plant and equipment	Total
Cost at 1 January	10,217	-	5,197	-	15,414
Additions	526	2,128	505	264	3,423
Cost at 31 December	**10,743**	**2,128**	**5,702**	**264**	**18,837**
Depreciation and impairment losses at 1 January	(4,076)	-	(4,274)	-	(8,350)
Depreciation	(222)	(261)	(510)	(125)	(1,118)
Depreciation and impairment losses at 31 December	**(4,298)**	**(261)**	**(4,784)**	**(125)**	**(9,468)**
Carrying amount at 31 December	**6,445**	**1,867**	**918**	**139**	**9,369**

2018

USD thousands	Land and buildings	Plant and equipment	Total
Cost at 1 January	10,050	4,966	15,016
Additions	167	231	398
Cost at 31 December	**10,217**	**5,197**	**15,414**
Depreciation and impairment losses at 1 January	(3,874)	(3,720)	(7,594)
Depreciation	(202)	(554)	(756)
Depreciation and impairment losses at 31 December	**(4,076)**	**(4,274)**	**(8,350)**
Carrying amount at 31 December	**6,141**	**923**	**7,064**

Notes

Note 13 Investments in subsidiaries

The investments consist of the wholly owned subsidiaries Satair Pte. Ltd., Singapore and Satair UK Ltd., United Kingdom.

USD thousands	2019	2018
Cost at 1 January	51,121	51,121
Carrying amount at 31 December	**51,121**	**51,121**

As per 31 December 2019 there is no indication of impairment of the investments in subsidiaries.

Satair A/S has received a dividend of USD 50,000,000 from Satair Pte. Ltd.

Note 14 Share capital

The share capital consists of 4,384,196 shares in denominations of DKK 20, corresponding to a total capital of DKK 87,683,920. Translated into historical cost, the share capital amounts to USD 13,138,366.
There are no specific rights, preferences or restrictions attached to the shares. The share capital has remained unchanged for 5 years.
No dividend is expected to be paid to the owners and the solvency ratio is expected to remain unchanged.
Please refer to Note 28 regarding subsidiaries.

USD thousands	Nominal value	Number of shares
Share capital at 31 December 2018	**13,138**	**4,384,196**
Movements during the year	-	-
Share capital at 31 December 2019	**13,138**	**4,384,196**

Note 15 Net cash balance

USD thousands	2019	2018
Cash and cash equivalents	556	367
	556	**367**

Satair A/S has credit facilities in total of M.USD 224 million (USD 11.5 million) of which M.USD 224 million (USD 11.5 million) are not utilised. The not utilised credit facilities are deemed sufficient to secure Satair A/S' ongoing operations.
Please refer to note 17 for further information.

Notes

Note 16 Financial income and expenses

USD thousands	2019	2018
Financial income		
Derivatives income from intra-group companies	296	1,103
Interest income from intra-group companies [1]	79	3,243
Interest income to related parties [2]	1,065	-
Other financial income	2	4
Foreign exchange adjustment	1,599	4,575
	3,041	**8,925**
Financial expenses		
Interest expenses to intra-group companies	(1,509)	(1,585)
Interest expenses to related parties [2]	-	(81)
Derivatives expenses to related parties [2]	(296)	(1,103)
Other financial expenses	(1,317)	(59)
Foreign exchange adjustment	(1,476)	(298)
	(4,598)	**(3,126)**
Net income/(expense)	**(1,557)**	**5,799**

1) Relates to the related party Satair UK Limited. Please refer to Note 29 for further information.

2) Relates to Airbus SE (ultimate parent company)

Note 17 Financial assets and liabilities

Financial risks
Satair A/S' risk management policy
Because of the nature of Satair A/S' operations, investments, and financing, it is exposed to changes in foreign exchange rates and interest rates. It is Satair A/S' policy not to engage in speculation in financial risks.

Satair A/S engages in hedging of forecasted major cash flows in DKK through currency forward agreements. These cash flows primarily pertain from staff costs and other operating expenses. According to the company's hedging policy Satair A/S will hedge up to 100% of its forecasted DKK cash flows in the nearest 3 future years. All hedging facilities are paid in USD.

Market risk
Currency
Invoicing is in USD, GBP and EUR currencies, with USD as the functional currency. Of the total revenue, sales in USD account for approximately 98% and does not represent a currency risk. The remainder has not been hedged.

Purchases of supplies are done in USD, CHF, GBP, EUR and DKK currencies, with USD as the primary currency. Of total purchases of supplies, purchases in USD account for 94%. Hence cash flows to purchase of supplies have not been hedged.

Satair A/S and its subsidiaries defray their own operating costs in local currency, i.e. DKK, SGD and GBP. Assessments and possible cover of the currency risks are done in accordance with the adopted policy and only by Satair A/S by means of forward contracts .

A 10% increase of USD against DKK for the financial assets and commitments recognised in the balance sheet will have a positive impact on Satair A/S' profit and shareholders' equity of USD 1.0 million (USD 0.3 million), all other variables being held constant.

Interest rates
Satair A/S' interest rate risk concerns loans with group companies, credit institutions, vendors and cash funds. The total net cash amounts to USD 18.1 million (USD 45.8 million).

Capital management
The carrying amount of shareholders' equity is considered to be Satair A/S' capital. Satair A/S' capital structure is characterised by a high equity interest of which the purpose is to ensure stable conditions for the execution of the approved corporate strategy.

Credit risk
Satair A/S is exposed to credit risks related to its receivables and bank deposits. The maximum credit risk corresponds to the book value. No credit risks are found to be associated with cash and cash equivalents, as the counterparts are banks and the parent company, all with good credit ratings. In accordance with the established procedure, outstanding receivables are regularly followed up on by corporate management. If any uncertainty should arise concerning a customer's ability or will to pay a given receivable, and the outstanding balance is found to be risk-prone, write-downs are made to cover this risk.

Satair A/S is using the simplified expected credit loss model. The model implies that the expected loss over the lifetime of the asset is recognised in the profit and loss immediately and is monitored on an ongoing basis until realisation. Historically there has been limited losses on trade receivables. The inputs to the expected credit loss model reflects this. Please see note 7 for specification of the expected credit loss on trade receivables

Liquidity risk
Satair A/S' financial reserves at 31 December 2019 consist of loans and credits taken out with the parent company or with banks.

Categories of financial instruments
Financial assets and liabilities at fair value are related to foreign exchange rate forward contracts which have been valued using a valuation technique with market observable inputs (level 2).

Satair A/S enters into derivative financial instruments with Airbus SE. Foreign exchange forward contracts are valued using market observable inputs. The most frequently applied valuation techniques include forward pricing models using present value calculations. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and Satair A/S' own non-performance risk.

Notes

Note 17 Financial assets and liabilities (continued)

USD thousands	2019	2018
Financial assets measured at amortised cost [1]		
Trade receivables	30,152	29,451
Receivables from intra-group companies and other related parties	43,376	19,194
Other receivables	4,351	4,657
Cash and cash equivalents	556	367
	78,435	**53,669**
Financial liabilities measured at amortised cost [1]		
Payables to intra-group companies and other related parties	(9,637)	(50,502)
Trade payables	(27,850)	(32,145)
Loans and borrowings	(4,479)	(2,676)
Tax payable	-	(3,384)
	(41,966)	**(88,707)**
Financial liabilities measured at fair value		
Derivatives [2]	(2,952)	(41)
Net financial assets/(liabilities)	**33,516**	**(35,079)**

[1] The carrying amount of financial assets and financial liabilities measured at amortised cost are a fair approximation of the fair value.

[2] Valued using a valuation technique with market observable inputs (level 2).

The financial liabilities are expected to mature within one year except for USD 2,281k (USD 1,200k) which are expected to mature within 1-5 years.

Notes

Note 18 Derivatives

Satair A/S uses forward contracts to manage the currency risk. Use of forward contracts are included in the company's risk management. The risk management includes proper identification of the hedged transactions which are related to operating costs in foreign currencies. The risk management includes effectiveness analysis including identification of the transactions which are deemed to be highly probable and presents an actual exposure to affect profit and loss. All derivatives are qualified as effective cash-flow hedging at the balance sheet date. No ineffectiveness regarding cash-flow hedges has occurred in 2019.

As at 31 December 2019, the company had currency hedge commitments for a total of USD 91.8 million (USD 89.8 million) which were made against DKK at an average USD/DKK rate of 625.37. The fair value of principal currency hedging contracts signed at 31 December 2019 amounts to USD 91.8 million (89.7 million). Unrealized loss (fair market value) amounts to USD 3.0 million (loss USD 0.0 million).

The following net outstanding forward contracts at 31 December were used as a hedge of future transactions:

2019

USD thousands		Contract value at year-end	Principal fair value at year-end	Realised gain/(loss)	Unrealised gain/(loss)	Maturity
DKK currency		-	-	(2,052)	-	2018
DKK currency	Year 1	48,258	46,134	-	(2,124)	2019
DKK currency	Year 2	46,481	45,652	-	(828)	2020
		94,738	**91,786**	**(2,052)**	**(2,952)**	

2018

USD thousands		Contract value at year-end	Principal fair value at year-end	Realised gain/(loss)	Unrealised gain/(loss)	Maturity
DKK currency		-	-	622	-	2018
DKK currency	Year 1	43,703	43,598	-	(105)	2019
DKK currency	Year 2	46,070	46,134	-	63	2020
		89,774	**89,732**	**622**	**(41)**	

Notes

Note 19 Lease liabilities

Lease liabilities	Right of use Land and buildings	Right of use Plant and equipment	Total
Effect at transition 1. january 2019	2,128	264	**2,392**
Regulated balance 1. january 2019	2,128	264	**2,392**
Accretion of interest	77	44	**122**
Payments	-294	-227	**-521**
Balance 31. december 2019	**1,911**	**82**	**1,993**
Lease commitments, undiscounted			
Less than 1 year	398	125	**523**
Between 1 and 5 years	1,482	14	**1,496**
Lease commitments undiscounted 31 December 2019	**1,879**	**139**	**2,018**
Current	670	82	**752**
Non - current	1,241	-	**1,241**
Total	**1,911**	**82**	**1,993**
Amount recognized in the income statement			
Depreciation expense of right-of-use-assets	261	125	**386**
Interest expense on lease liabilities	77	44	**122**
Total cash outflow for leases in 2019	**338**	**169**	**508**

Notes

Note 20 Changes in liabilities arising from financing activities

USD thousands	1 January	Cash flows	Other	31 December
Current interest bearing loans & borrowings	1,535	-	733	2,268
Non-current interest bearing loans & borrowings	1,200	(2,450)	3,531	2,281
Payables to intra-group companies *)	39,000	(41,000)		-2,000
Total liabilities from financing activities	41,735	(43,450)	4,264	2,549

*) Payables to intra-group companies in the Statement of Financial Position includes liabilities resulting from ordinary operating activities that are not shown here.

Notes

Note 21 Fees to auditors elected at the Annual General Meeting

USD thousands	2019	2018
Audit services	91	95
Non-audit services	-	2
	91	**97**

Note 22 Transactions with related parties

The sole shareholder of Satair A/S, Airbus SAS, has controlling influence in the company. The ultimate controlling company of Satair A/S is Airbus SE. Please refer to Note 28 for relationship information.

USD thousands	2019	2018
Trade		
Sales to intra-group companies [1)]	135,235	124,429
Purchase from intra-group companies [1)]	(77,331)	(82,924)
Sales to related parties [2)]	18,686	16,360
Purchase from related parties [2)]	(25,078)	(14,122)
	51,512	**43,743**
Balances		
Receivables from intra-group companies [1)]	19,780	13,528
Payables to intra-group companies [1)]	(7,029)	(48,933)
Receivables from related parties [2)]	6,061	5,666
Payables to related parties [2)]	(2,608)	(1,569)
Cash pool with related parties [3)]	17,534	45,417
	33,737	**14,109**

[1)] Relates to Satair Group entities including the related party Satair USA Inc. Please refer to note 28 for further information.
[2)] Relates to other Airbus Group entities
[3)] Relates to Airbus SE (ultimate parent company)

Please refer to Note 16 for further information on financial income from and expenses to intra-group companies and related parties.
Please refer to Note 5 for further information on transactions with Management.
Please refer to Note 4 for further information on Management fee.

Please note that the intercompany loan between Satair A/S and Satair Pte. Ltd. has been repaid during 2019. At the same time Satair Pte. Ltd. paid a dividend to Satair A/S.

Notes

Note 23 Income taxes

USD thousands	Note	2019	2018
Current tax on profit/(loss) for the year		(1,834)	(5,776)
Deferred tax on profit/(loss) for the year		723	(618)
Adjustments regarding previous years	25	(1,386)	78
Income taxes		**(2,497)**	**(6,316)**
Tax specification			
Tax charged to the income statement		(2,497)	(6,316)
Tax charged to the equity		640	1,152
		(1,857)	**(5,164)**
Reconciliation of tax percentage			
Danish tax percentage		22.0%	22.0%
Tax effect from previous years		4,6%	-0.3%
Tax effect from received dividends		-20.5%	0.0%
Other deviations		0.6%	0.2%
Effective tax percentage		**4.7%**	**21.9%**

Note 24 Deferred tax

USD thousands	2019	2018
Deferred tax (assets)/liabilities at 1 January	2,819	3,238
Tax on profit/(loss) for the year	(723)	618
Tax on other comprehensive income/equity	(640)	(1,152)
Deferred tax regarding previous years	(66)	115
Deferred tax (assets)/liabilities at 31 December	**1,390**	**2,819**
Deferred tax specification		
Property, plant and equipment	569	1,657
Derivatives	(650)	(9)
Other	1,471	1,171
	1,390	**2,819**

Notes

Note 25 Contingent liabilities

The Danish Tax Authorities made a ruling in 2019 regarding a dispute over transfer pricing between Satair A/S and one of its subsidiaries in 2013. The ruling increases taxable income for Satair A/S for the year 2013 by USD 10.2 million. Satair A/S decided to pay the associated taxes, surcharges and interests of USD 3.8 million in December 2019 and the taxes, surcharges and interests have therefore been fully integrated in the Income Statement for 2019. Satair A/S does not agree with the ruling and has therefore appealed the ruling to the Danish National Tax Tribunal in January 2020. The outcome of the appeal is uncertain and as such, no receivables or benefits have been accounted for as a consequence of the appeal.

Satair A/S has issued a guarantee of USD 5.0 million for its subsidiary Satair UK Ltd. related to a lease agreement.

Note 26 Pledges and security

A mortgage bond registered to Satair A/S at a total value of DKK 30 million (DKK 30 million) equal to USD 4.5 million has been issued and is in the company's possession.

Note 27 Commitments

At 31. December 2019, Satair A/S had commitments of USD 2,052 thousands (2018: USD 1,714 thousands) relating to SAP, hosting, backup, communication and similar IT related services. USD 1,942 thousands fall due within 1 year and USD 110 thousands fall due after more than 1 year.

Notes

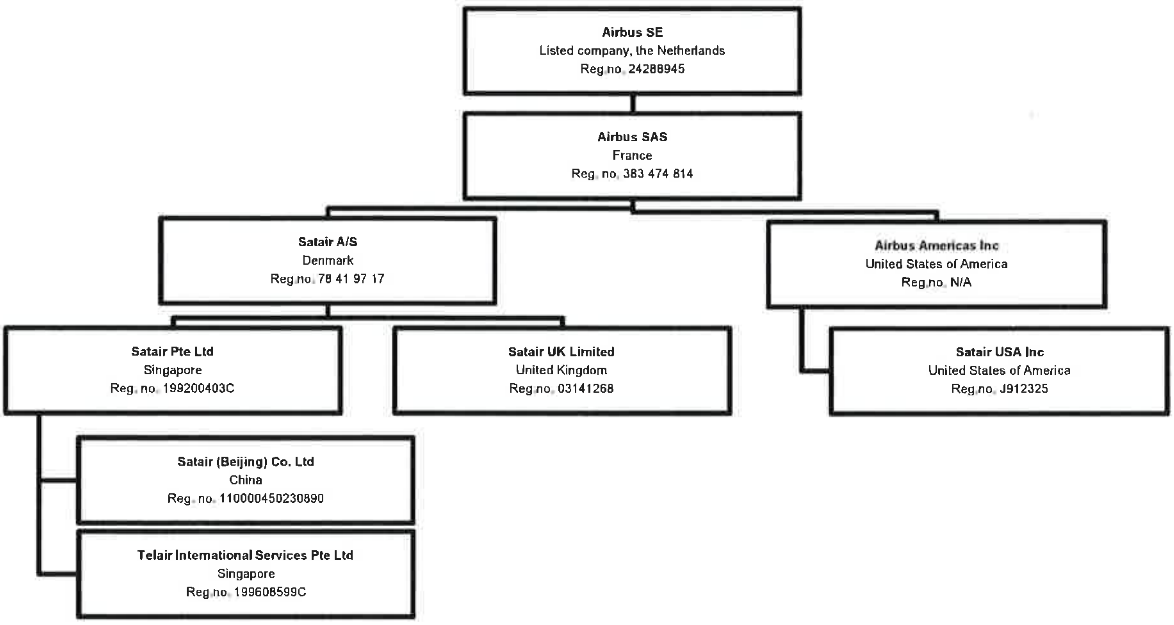
Note 28 Events after the reporting period

The worldwide spread of Covid-19 in 2020 will have a significantly negative effect on the aerospace industry and the market for spareparts in 2020 and the years immediately thereafter. The Financial Statement for 2019 has not been adjusted for this as the events in 2020 have not provided evidence that conditions already existed at the end of the reporting period that require adjustments to the Financial Statement. Satair A/S is not aware of any other events subsequent to 31 December 2019, which are expected to have a material impact on the financial position as reflected in the Financial Statement for 2019. The current forecast for 2020 indicates that a going concern assumption is appropriate.

Note 29 Subsidiaries

USD thousands (2018 figures)	Country	Ownership	Net profit	Equity
Subsidiaries				
Satair UK Ltd.	United Kingdom	100%	598	8,402
Satair Pte. Ltd.	Singapore	100%	11,118	136,940

Legal structure including related group companies



Definitions

The key figures and ratios are calculated in accordance with "Recommendations and Key Figures issued by the Danish Association of Financial Analysts and as stated below:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
SG&A margin	$\frac{\text{Selling, General and Administrative expenses x 100}}{\text{Revenue}}$
EBITDA margin	$\frac{\text{Profit before depreciation and amortisation (EBITDA) x 100}}{\text{Revenue}}$
EBIT margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Return on equity	$\frac{\text{Net profit/(loss) for the year x 100}}{\text{Average equity - Minorities}}$
Equity ratio	$\frac{\text{Total equity x 100}}{\text{Total assets}}$
Net interest-bearing receivables/(debt)	Cash and cash equivalents +/- Loan and borrowings - Interest-bearing intra-group receivables/payables +/- Interest-bearing related parties receivables/payables
Free cash flow	Cash flow from operating activities - Cash flow from investing activities