

SATAIR

Annual Report 2023

Adopted at the Annual General Meeting
on the 28th of June, 2024.

Chairman of the meeting:

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

DocuSigned by:

Sarah Weinreich Marsh

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Sarah Weinreich Marsh, Legal Counsel

Satair A/S

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Denmark

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The office is registered at the municipality of Tårnby, Denmark

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Key figures and financial ratios

USD million (unless otherwise stated)	2023	2022	2021	2020	2019
	12 mths	12 mths	12 mths	12 mths	12 mths
Income statement					
Revenue	640.1	463.9	316.0	247.7	434.1
Gross profit	84.6	40.3	23.5	12.6	53.0
Profit/(Loss) before depreciation and amortisation (EBITDA)	62.1	(3.3)	4.6	(36.9)	19.3
Operating profit/(loss) (EBIT)	54.7	(10.5)	(2.6)	(45.7)	5.2
Financial items, net	(0.2)	1.1	0.9	(1.2)	(1.6)
Profit/(Loss) before tax	54.5	(9.3)	(1.8)	(46.9)	53.6
Income tax expense	(12.0)	3.2	0.3	8.9	(2.5)
Net profit/(loss) for the year	42.4	(6.1)	(1.4)	(38.0)	51.1
Financial position					
Property, plant and equipment	7.4	8.0	7.8	8.4	9.4
Total assets	371.7	298.4	297.0	294.5	334.4
Working capital *)	170.6	141.9	122.3	150.3	166.7
Total equity	281.7	235.7	242.2	244.8	279.4
Net interest-bearing receivables/(debt)	(8.4)	(2.2)	(3.9)	(1.4)	(1.9)
Investment in property, plant and equipment	0.1	1.0	0.0	0.1	3.4
Cash flow					
Cash flow from operating activities	37.3	8.5	8.5	(0.0)	49.8
Cash flow from investing activities	(6.0)	(1.1)	(5.8)	2.9	(5.7)
Cash flow from financing activities	(31.3)	(7.8)	(2.8)	(2.9)	(44.0)
Free cash flow	31.3	7.4	2.6	2.9	44.1
Financial ratios					
Gross profit, %	13.2	8.7	7.4	5.1	12.2
EBITDA margin, %	9.7	(0.7)	1.4	(14.9)	4.4
EBIT margin, %	8.5	(2.3)	(0.8)	(18.5)	1.2
Return on equity, %	16.8	(2.5)	(0.6)	(15.1)	21.2
Equity ratio, %	75.8	79.0	81.5	83.1	83.5
USD/DKK, average	688.2	709.9	629.7	653.4	667.0
USD/DKK, end of financial year	674.5	697.2	656.1	605.8	667.6
Employees					
Number of FTE, average	357	242	233	273	266
Number of FTE, end of financial year	388	261	229	266	271
Gender composition of management					
Board of Directors	2023	2022	2021	2020	2019
Total number of Directors	3				
Underrepresented gender in %	33				
Target in %					
Target year for fulfillment of target					
Other management levels					
Total number of managers	34				
Underrepresented gender in %	26				
Target in %	40				
Target year for fulfillment of target	2028				

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

Satair in brief

Satair A/S provides spare parts, services and solutions for the aerospace industry. Satair connects manufacturers 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.

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

With more than 65 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 and is today an important part of Airbus' Customer Services division.

Our purpose

We profitably grow our company by providing peace-of-mind to our single- and multi-fleet customers for the required material flow to safely maximise the airtime of their fleet.

As a true Material Services & Supply Chain integrator and innovator, we strive to provide maximum value to both our airline customers and our OEM partners.

For Airbus, we excel in serving the needs of its aircraft customers while being a sustainable pillar of Airbus Customer Services' financial growth and performance.

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.

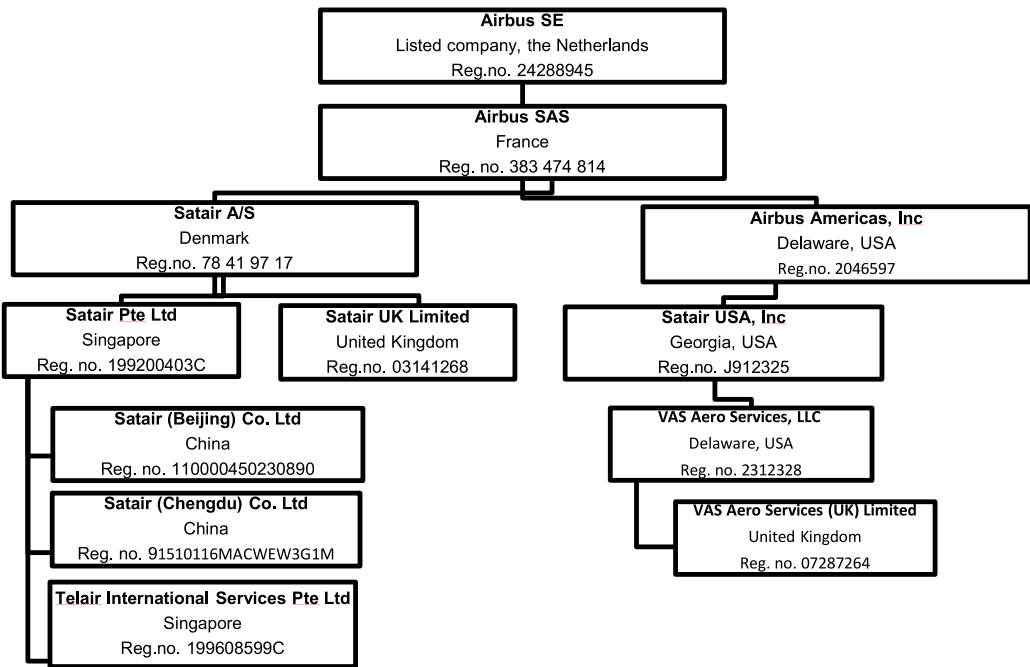
Being Innovative

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.

Abbreviations
* MRO: Maintenance, Repair and Overhaul
* OEM: Original Equipment Manufactures



Review of Satair A/S' operations

Market development in 2023

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

In 2023, the aftermarket players served more than 24,000 airliners (passenger aircraft above 100 seats & freighters with a payload above 10 tons). Airbus Customer Services, including Satair's activities, plays in this market with the aim of being the customers' companion in fleet management and operation all along the aircraft lifecycle, acting together for safe & sustainable aerospace.

Satair's marketing potential is dependent on the activity level in the aviation industry including the types of aircrafts in operation, the scope of air carrier operations and the total number of aircraft. Key indicators of the level of activity in the aviation industry are Revenue Passenger Kilometres (RPKs) and flight cycles.

Throughout 2023, the air transport recovery continued strongly, with IATA reporting traffic (RPK) globally at 94.1% of 2019 volumes compared to 68.7% in 2022. Average passenger load factors increased to 82.3%, just short of the record 82.6% achieved in 2019. The lifting of China's "Zero-COVID" policy further accelerated the recovery with long-haul markets to/from China continuing their recovery into 2024.

Currently, the shortage of new aircraft has triggered maintenance investment in older aircraft which will stay in service longer until they can be replaced.

In 2023, Satair Group established a legal entity, Satair (Chengdu) Co. Ltd, in China. The creation of this new legal entity in the Satair group supports Satair's commercial strategy of ramping up Used Serviceable Material (USM) and localising services to support the substantial growth expected in both the Chinese and global commercial aviation USM markets (with 40% growth expected worldwide through 2027).

Financial performance

Revenue

Revenue reached 640.1 M.USD in 2023 (463.9 M.USD in 2022). This equals a 38% increase in revenue compared to 2022 and is caused by the strong recovery of the industry in 2023 as mentioned above. The increase is higher than the expected increase of 8% stated in the annual report for 2022 and caused by a significantly higher demand throughout the year than expected. Revenue grew 40% from the EMEA region, 36% from the Americas and 32% from the Asia Pacific region.

Gross profit/(loss)

Gross profit grew to 84.6 M.USD (40.3 M.USD) mainly due to higher revenues. The gross profit margin grew to 13.2% (8.7%). The margin in 2022 was negatively affected by write-downs on inventory and provisions for obsolescence on slow-moving parts 15.3 M.USD as well as scrapping 2.2 M.USD whereas the margin was positively affected in 2023 by reversals of inventory provisions for obsolescence 1.4 M.USD and negatively affected by scrapping 1.2 M.USD.

Other operating income

Other operating income is the management fee received from other Satair Group entities and related to the transfer pricing agreement. The management fee increased from 15.0 M.USD in 2022 to 43.5 M.USD in 2023 due to higher profitability in the group than the year before.

SG&A expenses

Staff and other operating expenses increased 7.4 M.USD from 58.6 M.USD in 2022 to 66.0 in 2023. The increase is related to higher staff costs (4.5 M.USD), consulting expenses (1.8 M.USD) and maintenance & repair costs (1.2 M.USD).

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment increased by 0.3 M USD from 7.2 M.USD in 2022 to 7.5 M USD in 2023.

Operating profit/(loss) (EBIT)

Operating profit increased 65 M.USD from a loss of 10.5 M.USD in 2022 to a profit of 54.7 M.USD in 2023. The drivers of this development are accounted for above. EBIT surpassed the expectation of 2 M.USD for the year stated in the Annual Report for 2022 due to higher revenues and higher management fees than expected.

Dividend received

No dividend was declared or paid in 2023 and 2022.

Financials

Net financial items decreased 1.3 M.USD from a gain of 1.1 M.USD in 2022 to a loss of 0.2 M.USD in 2023. The decrease is driven by foreign exchange adjustments.

Profit for the year

Profit in 2023 amounted to 42.4 M.USD (-6.1 M.USD).

Cash flows

Free cash flow of 31.3 M.USD in 2023 is due to a positive cash flow from operating activities (37.3 M.USD) countered by a negative cash flow from investing activities (6.0 M.USD). Investments in distribution rights account for 5.9 M.USD of investments.

Balance sheet

At the end of 2023, total assets increased 73.3 M.USD to 371.7 M.USD (298.4 M.USD). The increase in assets is driven by higher inventories (40.6 M.USD), higher receivables from other related parties (22.8 M.USD), higher intangible assets (7.9 M.USD) and higher trade receivables (3.5 M.USD).

Equity ended at 281.7 M.USD (235.7 M.USD) after the addition of the net profit for the year of 42.4 M USD. The proposed dividend for the year is 21 M.USD.

Derivatives

As at 31 December 2023, the company had currency hedge commitments for a total of 158.0 M.USD (115.1 M.USD) which were made against DKK at an average USD/DKK rate of 689.00.

The principal fair value of currency hedging contracts signed at 31 December 2023 amounts to 163.0 M.USD (114.5 M.USD). Unrealized gain (fair market value) amounts to 4.9 M.USD (loss 0.6 M.USD).

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, the global spread of Covid-19 in 2020 and the Russian invasion of Ukraine in 2022.

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 2023 the largest supplier accounted for approx. 10% of Satair A/S' consolidated revenue while the five largest suppliers together accounted for approx. 36% 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 a 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 has cooperated with most of its customers for many years. The ten largest customers accounted for 28% of the revenue in 2023 with 1 customer contributing with 8%.

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.

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.

Events after the reporting period

Satair A/S is not aware of any events subsequent to 31 December 2023, which are expected to have a material impact on the financial position as reflected in the Financial Statement for 2023. The current outlook for 2024 indicates that a going concern assumption is appropriate.

Outlook for 2024

IATA reported a strong start for the global industry in January 2024 with RPK globally at 99.6% of 2019 levels. In January 2024, the worldwide number of flight cycles (a completed take-off and landing sequence) had grown 12% year on year compared to January 2023 with the highest growth seen in China (30%), the Middle East (12%) and Africa (11%). The number of flight cycles in Latin America and South Asia remained largely unchanged.

The current disruption of Red Sea trade routes and similar events poses concerns over shipping costs, rising oil prices and persistent inflation. As more governments adopt a public policy to drive towards a net-zero 2050 carbon emissions aspirational target, decarbonisation is likely to be encouraged by regulatory measures including incentives and taxation to varied extents in different regions. This may increase the differentiation between the costs of operation of more or less fuel-efficient aircraft.

In 2024, the priority of Customer Services will be supporting its customers to face increasing air transport demand in a competitive way. To do so, a range of solutions are available to help reduce customers' operating costs, increase aircraft availability, and enhance the quality of their operations and passenger experience.

Revenues in Satair A/S are currently expected to be between 685 M.USD and 715 M.USD in 2024. Operating profit (EBIT) is expected to be positive in the range between 35 M.USD and 55 M.USD in 2024.

Corporate governance

Annual general meeting

The Annual General Meeting is held on the 28th of June 2024 at Satair A/S, Amager Landevej 147A, DK-2770 Kastrup.

Statement on Corporate Social Responsibility § 99a

CSR risks are related to the way we conduct our business, the operation of our facilities and the actions of our business partners. Please see section "Satair in brief" on page 5 and section "Commercial risks" on page 7 for a description of our business model.

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 of human rights does not exist within Satair or in the wider supply chain which could potentially lead to issues related to child labour and modern slavery. Satair has no tolerance for human rights violations and promotes awareness among employees of ethics & compliance topics as well as a "Speak-up culture".

As stated the year before, Satair continued to focus on human rights in 2023 including a special focus on modern slavery. Satair employees took 281 eLearnings on human rights and in addition 277 eLearnings specifically on modern slavery. No violations of human rights were reported in 2023.

Satair continues in 2024 to educate our employees in our Code of Conduct and continues to ask our suppliers to sign our Supplier Code of Conduct. The Supplier Code of Conduct sets clear expectations for suppliers to respect human rights including the avoidance of child labour and modern slavery.

Environment and climate

General objectives and principles

Satair's operation and business impose risks of impact to the environment and climate, water consumption, and waste generation. Aligning with Science Based Target Initiatives (SBTi) and the Greenhouse Gas (GHG) protocol in 2019, Satair set goals to be achieved by 2030: a 15% reduction in water consumption, a 30% reduction in energy consumption to reduce our CO₂ emissions (specifically under Scopes 1 & 2), 90% recycling of waste, 100% elimination of all single-use plastics, as well as a goal of 50% of suppliers being environmentally qualified.

Climate change

Following the GHG protocol for CO₂e emissions, Satair has identified that increased operations are inherently tied to increased emissions as a business. Scope 1 emissions include company facilities and vehicles consumption of fuels, while Scope 2 emissions are comprised of purchased electricity and heating. Satair has also identified four categories as relevant under Scope 3, which include: business travel, external warehouse and office, transportation/distribution, and waste.

Scope 1 emissions (+39%) are linked to higher natural gas usage due to colder weather conditions and increased headcount. Scope 2 emissions (-15%) reflect the ongoing commitment to energy-saving, optimization and stabilization projects. Satair purchases renewable energy certificates (RECs) to fully offset all emissions associated with site electrical demand. Additionally, Satair is switching company vehicles to hybrid or electricity powered options (4 out of 9), and good practices have been communicated for reduction of consumption. Scope 3 emissions (+51%) signal the maturation of Satair's carbon accounting program via the inclusion of additional emission categories improved data collection, but also reflect a trend of increased business travel. Additionally in 2023, Satair converted from plastic to paper packaging in warehouse operations and increased the recycling, reuse and refurbishment of IT equipment.

In 2024, Satair commits to continuous environmental monitoring, accounting, and reporting on climate change. This will be done through enhancement of energy consumption data, and improvement of emission data points- such as expanding on Scope 3 categories. Moreover, Satair is committed to converting the entire car fleet to hybrid or fully-electric vehicles.

Water consumption

Satair's water consumption is limited to domestic and sanitary uses, measured in cubic meters by meter readings and utility invoices. In 2023, Satair's water consumption increased 23% in comparison to 2022. This is due to higher operation volumes, business growth, and increase in headcount relative to previous years. In 2024 Satair commits to monitor and account for water consumption, and improve on implementation of activities for water savings i.e, changing of water pipes at the end of life.

Waste generation

Satair delineates waste into the following primary streams with weight receipts, following collection: paper (2%), cardboard (20%), plastic (3%), organic/food (6%), metal (1%), mixed/municipal (34%), wood (28%), and garden (3%). Miscellaneous waste streams, such as glass, e-scrap, etc. account for a combined total of 3%. The associated percentages reflect the portion of each specified waste stream relative to the annual 2023 total and approximately 59% of Satair's total waste was recycled. Please note that increased headcount and adverse local climate conditions- resulting in a facility flooding event in November-contributed to a 43% increase of overall waste generation compared to 2022.

In 2024 Satair commits to further reducing waste generation, as well as collaborating with local waste management sites and municipalities in order to properly manage, account, and report on waste streams. Moreover, Satair is committed to enhancing employees' knowledge with various prompts on the importance of proper waste segregation, food waste impact, and consideration of resource consumption in the workplace.

Mitigation of environmental risks

Satair has committed to mitigation of environmental risks, not only through monitoring and accounting on environmental performance but also through education and upskilling of employees. This is done through different mitigation measures, such as upskilling/educational training and the establishment of the Sustainability Core Team, which engages employees to develop initiatives and KPIs within their certain domain, team or department to increase overall environmental performance of our business.

Social and employee conditions

Risks include the possibility of injury and damage to both physical and mental health. Satair is committed to protecting our employees through responsible management and implementation of health, safety and well-being at work.

Satair hosted an "Environment, Health & Safety" week in September 2023 where employees could learn and contribute to a healthy and safe workplace. Satair further offered voluntary First Aid and CPR training as well as voluntary health checks to all employees in 2023. Satair has started posting "Flash safety alerts" on our internal website in order for employees to take more care of themselves and their surroundings during and after work hours and learn from others to avoid repeating incidents. Managers and employees completed 966 eLearnings in 2023 related to physical and mental health and safety.

Satair will again host an "Environment, Health & Safety" week in September 2024 with special focus on safety. Satair will participate in Ladywalk in May 2024. The purpose of Ladywalk is to promote the interest of walking sports in Denmark, as well as support organizations that support women suffering from different diseases.

Anti-bribery and corruption

Risks of bribery and corruption exist in the aerospace industry. Satair is committed to conducting our business ethically and responsibly and maintains a zero tolerance towards bribery and corruption of any kind.

As promised in our 2022 reporting, the Finance department documented its internal controls in 2023 in a new Finance Handbook. Management regularly followed up on our adherence to our policies on donations, gifts & hospitality and payments to third parties and no cases of bribery or corruption were detected. Satair A/S employees completed 683 eLearnings on topics related to anti-bribery and corruption.

In 2024, Satair will continue to document and improve where possible our internal controls to prevent bribery and corruption. In addition, employees that are considered at high risk of being exposed to bribery and corruption will attend mandatory workshops on anti-bribery and corruption.

Gender distribution in Management, cf. §99b

The Board of Directors consisted in 2023 of 3 members (2 male and 1 female director elected by the shareholder). Therefore, the underrepresented gender constitutes 33%. Thus, we have achieved an equitable gender distribution in the Board of Directors.

Satair A/S' Other management level, below the Board of Directors, consists of 34 managers in total including 2 managers in the Executive Leadership Team (first level) and 32 managers below the level of the Executive Leadership Team (second level). At Satair A/S' Other management level, the number of women were 9 (26%) and the number of men were 25 (74%) at 31st. of December 2023. The gender balance the previous year was 26% vs. 74%. The targeted 40/60 minimum balance could not be achieved in 2023 because of the limited recruitment activity on the management level. Satair has set a target that no gender shall be underrepresented in the other management levels by April 1st. 2028.

Please see Gender composition of management under Key figures and financial ratios on page 4.

Our policy for the development of the gender composition in management is that we recruit, select, and develop our people on merit, irrespective of their race, colour, religion, gender, age, sexual orientation, gender identity, marital status, disability, or any other similar status; moreover, we encourage that the candidate base for all new recruitments include candidates with diverse profiles.

We strive to create an inclusive workplace where differences are embraced and where we leverage our differences to achieve better business outcomes.

Satair has a Diversity, Equity and Inclusion (DE&I) Council to support the principles of inclusive leadership, culture and environment in order to foster innovation, collaboration and engagement and consequently business performance. The Council is not just working on gender topics but also on ethnicity & cultural differences, age, psychological & cognitive differences as well as disabilities. The Council is putting in place the required initiatives and action plans to achieve the purpose with the support of senior management, Human Resource Business Partners and DE&I experts.

In 2023, managers organised DE&I workshops for their teams and worked to ensure that all new recruitments included candidates with diverse profiles.

Other reporting**Data Ethics**

A risk exists that Satair collects, analyses, stores and shares data in a manner that is non-compliant and/or unethical.

To address this, Satair has, amongst other measures, a data ethics policy governing both personal and non-personal data. The policy includes data ethics principles which must be adhered to when handling data and developing or applying new technology. The principles are related to transparency, privacy, quality, security and accountability. Satair will ensure that the company applies a high standard in relation to handling of data, such as only disclosing data where and when necessary and refraining from collecting data without purpose. Satair ensures the results from data processing are not discriminatory or biased in any way.

After a review of our data ethics policy in 2022, a tagging project was launched in 2023 to label all electronically stored documents in the company document repository according to the dimensions: personal data classification, export control classification, national security classification, company classification, business or private data classification. At year end, several departments had labeled all of their documents while some did not reach a full classification of documents. The tagging project continues in 2024 to reach a 100% coverage. To strengthen the awareness of the importance of data handling and data security, employees completed 427 eLearnings related to data handling in 2023.

Management statement

Kastrup, June 28th, 2024

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 2023.

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 2023 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2023.

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

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Richard Anthony Stoddart
Chief Executive Officer

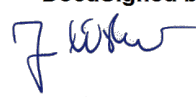
Board of Directors

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Cristina Aguilar Grieder
Chairman

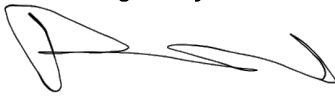
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Juergen Westermeyer

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Maria Silber
Employee representative

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Pedro Manuel Miranda Gonçalves Peixoto
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 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information. The financial statements are prepared in accordance with IFRS Accounting 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 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting 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' 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.

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 our procedures, 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 misstatement 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 IFRS Accounting 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, June 28th, 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Andersen
State Authorised Public Accountant
mne 34313



Rolan Atl Caballero Pena Espedal
State Authorised Public Accountant
mne 47789

Income statement

1 January - 31 December

USD thousands	Note	2023	2022
Revenue	3	640,128	463,899
Cost of goods sold	6	(555,508)	(423,622)
Gross profit/(loss)		84,620	40,277
Other operating income	4	43,482	14,990
Staff expenses	5	(34,226)	(29,762)
Other expenses		(31,751)	(28,813)
Profit/(Loss) before depreciation, amortisation and impairment (EBITDA)		62,125	(3,308)
Depreciation, amortisation and impairment losses	11, 12	(7,467)	(7,177)
Operating profit/(loss) (EBIT)		54,658	(10,485)
Financial income	15	1,735	3,463
Financial expenses	15	(1,932)	(2,324)
Profit/(Loss) before tax		54,461	(9,346)
Income tax expense	22	(12,020)	3,236
Net profit/(loss) for the year		42,441	(6,110)

Statement of comprehensive income

1 January - 31 December

USD thousands	Note	2023	2022
Net profit/(loss) for the year		42,441	(6,110)
Items that may be subsequently reclassified to the income statement			
Fair value adjustment of derivatives before tax		2,356	(3,584)
Hereof recl. of currency derivatives through the income statement	17	2,456	3,038
Tax on other comprehensive income	22	(1,218)	137
Other comprehensive income		3,594	(409)
Comprehensive income for the year		46,035	(6,519)

Statement of financial position

At 31 December

USD thousands	Note	2023	2022
Assets			
Intangible assets	11	23,326	15,405
Property, plant and equipment	12	7,401	8,047
Investments in subsidiaries	13	51,121	51,121
Deferred tax assets	23	2,436	10,579
Non-current assets		84,284	85,152
Inventories	6	181,664	141,018
Trade receivables	7	40,664	37,192
Receivables from intra group companies	21, 28	20,809	18,828
Receivables from other related parties	21	35,709	12,876
Other receivables	9	8,560	3,345
Current assets		287,406	213,259
Total assets		371,690	298,411

Statement of financial position

At 31 December

USD thousands	Note	2023	2022
Equity and liabilities			
Share capital	14	13,138	13,138
Reserves and retained earnings		247,566	222,531
Proposed dividend		21,000	-
Total equity		281,704	235,669
Staff related liabilities		22	50
Loans and borrowings	16	2,937	527
Leasing liabilities	18	539	964
Non-current liabilities		3,498	1,541
Current part of loans and borrowings	16, 19	5,421	1,624
Current part of leasing liabilities	18	360	477
Trade payables	16	51,688	36,347
Payables to intra-group companies	19, 21, 28	14,987	9,675
Payables to other related parties	21	2,166	7,639
Tax payable	16, 22	5,095	-
Other liabilities	10	6,772	5,439
Current liabilities		86,488	61,201
Total liabilities		89,986	62,742
Total equity and liabilities		371,690	298,411

Statement of cash flows

1 January - 31 December

USD thousands	Note	2023	2022
Profit/(Loss) before depreciation and amortisation (EBITDA)		62,125	(3,308)
Non-cash items	8	5,079	16,729
Foreign exchange adjustments		(329)	102
Interest received		2	40
Interest paid		129	151
Income taxes paid		-	(10)
Changes in working capital	8	(29,725)	(5,212)
Cash flow from operating activities		37,281	8,492
Acquisition of intangible assets	11	(5,922)	(1,000)
Acquisition of property, plant and equipment	12	(98)	(62)
Cash flow from investing activities		(6,020)	(1,062)
Credit facilities	16	(28,095)	(4,794)
Repayment of debt	19	(2,671)	(2,521)
Leasing payments	18	(494)	(437)
Cash flow from financing activities		(31,260)	(7,752)
Net cash inflow/(outflow)		-	(322)
Cash and cash equivalents at 1 January		-	322
Net cash inflow/(outflow)		-	(322)
Cash and cash equivalents at 31 December		-	-

Given the nature of the Group's cash pooling agreements, cash pool balances are not considered cash, but are recognized under "Receivables from other related parties" or "Payables to other related parties".

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 2023	13,138	46,010	176,986	(465)	235,669
Net profit/(loss) for the year	-	-	42,441	-	42,441
Fair value adjustment of derivatives before tax				2,356	2,356
Hereof recl. of currency derivatives through the income statement (Staff expenses)				2,456	2,456
Tax on other comprehensive income	-	-	-	(1,218)	(1,218)
Comprehensive income	-	-	42,441	3,594	46,035
Equity at 31 December 2023	13,138	46,010	219,427	3,129	281,704
Equity at 1 January 2022	13,138	46,010	183,096	(56)	242,188
Net profit/(loss) for the year	-	-	(6,110)	-	(6,110)
Fair value adjustment of derivatives before tax				(3,584)	(3,584)
Hereof recl. of currency derivatives through the income statement (Staff expenses)				3,038	3,038
Tax on other comprehensive income	-	-	-	137	137
Comprehensive income	-	-	(6,110)	(409)	(6,519)
Equity at 31 December 2022	13,138	46,010	176,986	(465)	235,669

SATAIR

**Notes
2023**

Notes

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Note 1 Accounting policies

CORPORATE INFORMATION

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

BASIS FOR PREPARATION

The Annual Report for Satair A/S has been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of the Danish Financial Statements Act in accordance with reporting class C large.

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 accounting policies are unchanged compared to last year. Satair will implement the new standards and interpretations issued by IASB and adopted by the EU when they become mandatory.

Accounting period

The financial year for Satair A/S is 1 January - 31 December.

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 <https://www.airbus.com/en/investors/financial-results-annual-reports>

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 meets its performance obligation; that is, at the point in time when Satair transfers control 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. Payment terms are usually "net 30 days" but may in some instances vary according to specific contractual terms. 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.

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, depreciation and impairment comprise amortisation and impairment of intangible assets as well as depreciation and impairment 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.

Notes

Note 1 Accounting policies (continued)

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.

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

Amortization

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.

The expected useful lives are as follows:

Owned assets:

- Distribution rights 2 - 20 years
- IT-Software and development costs 3 - 5 years

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

Please refer to note 11 for further information on the amortisation profiles of the company's distribution rights.

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.

Leases

Lease assets and lease liabilities 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 liabilities 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 liabilities: 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 liability is measured at amortised cost according to the effective interest method. The lease liability 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 liability 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 liability 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 liability 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.

Notes

Note 1 Accounting policies (continued)

Right-of-use asset

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 has presented right-of-use assets within "Property, plant and equipment" and lease liabilities within "Leasing 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 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. Cash pool with the Airbus Group is presented as intragroup receivable/payable.

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 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 and the net present value of the assets and liabilities inherent in the contract. Distribution rights are amortised based on contract period. Refer to note 11 for specification of useful lives of significant contracts.

Impairment tests of distribution rights are performed if and when objective signs of impairment occur. A review is performed at least once per fiscal year.

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	2023	2022
Europe, Middle East, Africa	443,546	317,264
Americas	104,025	76,607
Asia Pacific	92,557	70,028
	640,128	463,899

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	2023	2022
Management fee 1)	43,482	14,958
Other operating income	-	32
	43,482	14,990

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	2023	2022
Wages, salaries and fees	29,917	26,166
Pensions, defined contribution	2,510	2,196
Other social security expenses, etc.	80	188
Other staff related expenses	1,719	1,212
	34,226	29,762
Average number of employees (FTE)	357	242

Salary and bonus to the Management Board in 2023 amounted to 468 T.USD. Salary and bonus to the Management Board in 2022 is not shown with reference to ARL § 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	2023	2022
Commercial products	180,390	139,317
Prepayments to vendors	1,274	1,701
Inventory	181,664	141,018
Cost of goods sold exclusive of write-downs	(555,679)	(406,086)
Inventory write-down for the year 1)	(3,337)	(17,586)
Reversal of inventory write-downs for the year due to sale	3,508	50
Cost of goods sold	(555,508)	(423,622)

1) Write-downs relate to sales of stock to third parties below acquisition price and provision for obsolescence on slow-moving parts.

Note 7 Trade receivables

USD thousands	2023	2022
Not due	26,778	27,912
Overdue 1 - 60 days	9,865	7,603
Overdue 61 - 360 days	3,968	5,420
Overdue more than 360 days	4,175	362
Gross trade receivables	44,786	41,297
Write-downs at 1 January	(4,105)	(2,055)
Write-down for the year	(17)	(2,050)
Write-downs at 31 December	(4,122)	(4,105)
Net trade receivables (maximum credit risk)	40,664	37,192

Trade receivables ECL model 31 December 2023

	Current	1-30	31-60	61-90	91-180	181-360	+360	Total
Expected credit loss rate	0.2%	0.4%	1.4%	2.1%	3.1%	5.2%	7.9%	
USD thousands								
Balance 31 December 2023	26,778	7,552	2,313	494	1,283	2,190	4,175	44,786
Legally bad debt	-	-	-	-	0	53	1,810	1,863
Additional writeoffs							1,651	1,651
Expected credit loss	52	31	31	10	40	167	3,791	4,122

Notes

Trade receivables ECL model 31 December 2022

	Current	1-30	31-60	61-90	91-180	181-360	+360	Total
Expected credit loss rate	0.2%	0.4%	1.4%	2.9%	5.1%	14.3%	41.1%	
USD thousands								
Balance 31 December 2022	27,912	4,285	3,318	1,251	1,995	2,175	362	41,297
Legally bad debt	-	(6)	(6)	(0)	(28)	63	1,721	1,745
Additional writeoffs							1,644	1,644
Expected credit loss	55	12	41	37	73	374	3,514	4,106

Note 8 Non-cash items and changes in working capital

Non-cash items 5.1 M.USD consist of provisions for obsolescence for slow-moving parts in inventory.

USD thousands	2023	2022
Change in trade receivables	(3,472)	(15,886)
Change in inventory	(45,717)	(21,894)
Change in other receivables	(302)	(1,121)
Change in trade payables	15,341	3,600
Change in intra-group trade balances	3,120	34,848
Change in other liabilities	1,305	(4,759)
	(29,725)	(5,212)

Note 9 Other receivables

USD thousands	2023	2022
Prepayments to suppliers	2,563	2,421
Derivatives	4,913	-
Other receivables	1,084	924
	8,560	3,345

Note 10 Other liabilities

USD thousands	2023	2022
Prepayments from customers	201	259
Derivatives	-	623
Staff related liabilities	6,321	4,258
Other liabilities	250	299
	6,772	5,439

Notes

Note 11 Intangible assets

2023

USD thousands	Distribu- tion rights	Software and other intan- gible assets	Total
Cost at 1 January	58,231	19,102	77,333
Additions	13,697	946	14,643
Disposals	(14,726)	-	(14,726)
Cost at 31 December	57,202	20,048	77,250
Amortisation, disposals and impairment losses at 1 January	(43,905)	(18,023)	(61,927)
Amortisation	(6,156)	(567)	(6,723)
Disposals	14,726	-	14,726
Amortisation and impairment losses at 31 December	(35,335)	(18,589)	(53,924)
Carrying amount at 31 December	21,867	1,459	23,326

As of 31 December 2023 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 2024: USD 7.6 million
- Distribution rights regarding sale of specific product lines amortised fully in year 2025: USD 6.6 million
- Distribution rights regarding sale of specific product lines amortised fully in year 2026: USD 3.1 million
- Distribution rights regarding sale of specific product lines amortised fully in year 2027: USD 2.5 million
- Distribution rights regarding sale of specific product lines amortised fully in year 2028: USD 0.8 million
- Distribution rights regarding sale of specific product lines amortised fully in years 2029-2036: USD 1.4 million

2022

USD thousands	Distribu- tion rights	Software and other intan- gible assets	Total
Cost at 1 January	57,231	19,102	76,333
Additions	1,000	-	1,000
Cost at 31 December	58,231	19,102	77,333
Amortisation, disposals and impairment losses at 1 January	(38,204)	(17,218)	(55,422)
Amortisation	(5,701)	(805)	(6,505)
Amortisation and impairment losses at 31 December	(43,905)	(18,023)	(61,927)
Carrying amount at 31 December	14,326	1,080	15,405

Notes

Note 12 Property, plant and equipment

2023

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	10,807	2,750	2,981	536	17,074
Additions	-	-	98	-	98
Cost at 31 December	10,807	2,750	3,079	536	17,172
Depreciation and impairment losses at 1 January	(5,020)	(1,069)	(2,616)	(323)	(9,028)
Depreciation	(234)	(335)	(101)	(74)	(743)
Depreciation and impairment losses at 31 December	(5,254)	(1,404)	(2,717)	(397)	(9,771)
Carrying amount at 31 December	5,554	1,346	362	139	7,401

2022

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	10,793	2,128	2,933	264	16,118
Additions	14	622	48	272	956
Cost at 31 December	10,807	2,750	2,981	536	17,074
Depreciation and impairment losses at 1 January	(4,778)	(800)	(2,519)	(258)	(8,355)
Depreciation	(242)	(269)	(97)	(65)	(672)
Depreciation and impairment losses at 31 December	(5,020)	(1,069)	(2,616)	(323)	(9,027)
Carrying amount at 31 December	5,788	1,681	365	213	8,047

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	2023	2022
Cost at 1 January	51,121	51,121
Carrying amount at 31 December	51,121	51,121

There is no indication of impairment of the investments in subsidiaries as per 31 December 2023.

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 14,475,026. There are no specific rights, preferences or restrictions attached to the shares. The share capital has remained unchanged for 5 years.

USD thousands	Nominal value	Number of shares
Share capital at 31 December 2023	13,138	4,384,196

Notes

Note 15 Financial income and expenses

USD thousands	2023	2022
Financial income		
Interest income 1)	158	192
Foreign exchange adjustment	1,577	3,271
	1,735	3,463
Financial expenses		
Other financial expenses	(107)	513
Foreign exchange adjustment	(1,824)	(2,837)
	(1,932)	(2,324)
Net income/(expense)	(197)	1,139

1) Relates to Airbus SE (ultimate parent company) and SEB bank

Notes

Note 16 Financial assets and liabilities

Financial risks

Satair A/S' risk management policy

Satair A/S is exposed to changes in foreign exchange rates and interest rates due to its operations, investments and financing. 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. Cash flows in DKK primarily relate to staff costs and other operating expenses.

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 and EUR with USD as the functional currency. Of the total revenue, sales in USD account for approximately 93% and does not represent a currency risk. The remainder has not been hedged.

Supplies are purchased in USD, DKK, EUR, GBP, JPY, CHF, SGD and AED with USD as the primary currency. Purchases in USD account for 89% of total purchases. Hence cash flows related to purchase of supplies have not been hedged.

Satair A/S and its subsidiaries pay most of 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 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 0.5 million (USD 0.6 million), all other variables being held constant.

Interest rates

Satair A/S' interest rate risk relates to its credit facilities with its ultimate owner Airbus SE. The total net cash amounts to USD 0.0 million (USD 0.0 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 2023 consist of 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 16 Financial assets and liabilities (continued)

USD thousands	2023	2022
Financial assets measured at amortised cost 1)		
Trade receivables	40,664	37,192
Receivables from intra-group companies and other related parties	56,518	31,704
Other receivables	8,560	3,345
	105,742	72,241
Financial assets measured at fair value 2)		
Derivatives	4,913	
Financial liabilities measured at amortised cost 1)		
Payables to intra-group companies and other related parties	(17,153)	(17,314)
Trade payables	(51,688)	(36,347)
Non-current part of loans and borrowings	(2,937)	(527)
Current part of loans and borrowings	(5,421)	(1,624)
Tax payable	(5,095)	-
	(82,294)	(55,812)
Financial liabilities measured at fair value 2)		
Derivatives		(623)
Net financial assets/(liabilities)	28,361	15,806

¹⁾ The carrying amount of financial assets and liabilities measured at amortised cost is 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 2,937k (USD 527k) which are expected to mature within 1-5 years. Please see note 20.

Satair A/S has credit facilities in total of 221 M.USD (213 M.USD) of which 219 M.USD (207 M.USD) are not utilised. The not utilised credit facilities are deemed sufficient to secure Satair A/S' ongoing operations.

Notes

Note 17 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 2023.

As at 31 December 2023, the company had currency hedge commitments for a total of USD 158.0 million (USD 115.1 million) which were made against DKK at an average USD/DKK rate of 689.00. The principal fair value of currency hedging contracts signed at 31 December 2023 amounts to USD 163.0 million (114.5 million). Unrealized gain (fair market value) amounts to USD 4.9 million (USD 0.6 million loss).

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

2023

USD thousands	Contract value at year-end	Principal fair value at year-end	Realised gain/(loss)	Unrealised gain/(loss)	Maturity
DKK currency	-	-	(2,456)	-	2023
DKK currency	76,194	79,386	-	3,192	2024
DKK currency	81,851	83,572	-	1,721	2025
	158,045	162,958	(2,456)	4,913	

2022

USD thousands	Contract value at year-end	Principal fair value at year-end	Realised gain/(loss)	Unrealised gain/(loss)	Maturity
DKK currency	-	-	(3,038)	-	2022
DKK currency	58,113	55,831	-	(2,282)	2023
DKK currency	57,008	58,667	-	1,659	2024
	115,121	114,498	(3,038)	(623)	

Notes

Note 18 Lease liabilities

Lease liabilities	Right of use Land and buildings	Right of use Plant and equipment	Total
Balance 1 January 2023	1,094	347	1,441
Addition in the year		14	14
Unwinding of interest	42	13	55
Payments	-472	-139	-611
Balance 31-12-2023	664	235	899
Lease liabilities, undiscounted			
Less than 1 year	440	133	573
Between 1 and 5 years	423	128	551
Lease liabilities undiscounted 31-12-2023	863	261	1,124
Leasing liabilities recognized on balance			
Current	398	141	539
Non - current	266	94	360
Total	664	235	899
Amount recognized in the income statement			
Depreciation expense of right-of-use-assets	335	74	409
Interest expense on lease liabilities	42	43	85
Total cash outflow for leases in 2023	377	117	494

Lease liabilities	Right of use Land and buildings	Right of use Plant and equipment	Total
Balance 1 January 2022	852	184	1,036
Addition in the year	622	272	894
Unwinding of interest	88	15	103
Payments	-468	-125	-592
Balance 31-12-2022	1,094	347	1,441
Lease liabilities, undiscounted			
Less than 1 year	403	123	526
Between 1 and 5 years	762	232	994
Lease liabilities undiscounted 31-12-2022	1,165	355	1,520
Leasing liabilities recognized on balance			
Current	362	115	477
Non - current	732	232	964
Total	1,094	347	1,441
Amount recognized in the income statement			
Depreciation expense of right-of-use-assets	269	65	334
Interest expense on lease liabilities	88	15	103
Total cash outflow for leases in 2022	357	80	437

Notes

Note 19 Changes in liabilities arising from financing activities

2023 - USD thousands	1 January	Cash flows	Other	31 December
Current interest bearing loans & borrowings	1,624	(2,671)	6,468	5,421
Non-current interest bearing loans & borrowings	527	-	2,410	2,937
Total liabilities from financing activities	2,151	(2,671)	8,878	8,358

2022 - USD thousands	1 January	Cash flows	Other	31 December
Current interest bearing loans & borrowings	2,421	(2,521)	1,724	1,624
Non-current interest bearing loans & borrowings	1,776	-	(1,249)	527
Total liabilities from financing activities	4,197	(2,521)	475	2,151

Notes

Note 20 Fees to auditors elected at the Annual General Meeting

USD thousands	2023	2022
Audit services	153	110
Other assistance	1	1
	154	111

Note 21 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	2023	2022
Trade		
Sales to intra-group companies 1)	195,666	139,899
Purchase from intra-group companies 1)	(138,538)	(92,977)
Sales to related parties 2)	43,865	33,749
Purchase from related parties 2)	(43,734)	(23,353)
	57,260	57,319
Balances		
Receivables from intra-group companies 1)	20,809	18,828
Payables to intra-group companies 1)	(14,987)	(9,675)
Receivables from related parties 2)	12,403	12,876
Payables to related parties 2)	(2,166)	(7,639)
Cash pool with related parties 3)	23,306	-
	39,365	14,390

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 4 for further information on Management Fee.

Please refer to Note 5 for further information on transactions with Management.

Please refer to Note 16 for further information on financial income from and expenses to intra-group companies and related parties.

Satair A/S participates in a cash pool agreement within the Airbus Group. Airbus SE is the cash pool master and Satair A/S is a sub-account holder together with the group's other affiliated companies. Satair A/S' accounts in the cash pool agreement, which are included in the Annual Report under receivables and payables to related parties, amounts to 23,306 T.USD as of 31 December 2023. (2022: -4,789 T.USD.)

Airbus SE sweeps excess cash out of the individual bank accounts to the cash pool master accounts on a daily basis.

Notes

Note 22 Income taxes

USD thousands	2023	2022
Current tax on profit/(loss) for the year	5,095	-
Deferred tax on profit/(loss) for the year	6,925	2,002
Adjustments regarding previous years	-	1,234
Income taxes	12,020	3,236
Tax specification		
Tax charged to the income statement	12,020	3,236
Tax charged to the equity	1,218	137
	13,239	3,373
Reconciliation of tax percentage		
Danish tax percentage	22.0%	22.0%
Tax effect from previous years	0.1%	12.6%
Effective tax percentage	22.1%	34.6%

Note 23 Deferred tax

USD thousands	2023	2022
Deferred tax (assets)/liabilities at 1 January	(10,579)	(8,591)
Deferred tax on profit/(loss) for the year	6,925	(2,002)
Tax on other comprehensive income/equity	1,218	(137)
Deferred tax regarding previous years	-	151
Deferred tax (assets)/liabilities at 31 December	(2,436)	(10,579)
Deferred tax specification		
Tax loss carry forward	(4,363)	(12,260)
Property, plant and equipment	349	323
Derivatives	1,081	(137)
Other	496	1,495
	(2,436)	(10,579)

Pillar Two - Global Minimum Tax rate

On 7 December 2023, the Danish Parliament passed the Minimum Taxation Act effective from January 1st, 2024 (Minimumsbeskatningsloven) and thereby implemented the EU Minimum Tax Directive. The Directive is based on the OECD's Global Anti-Base Erosion ("GloBE") rules, often referred to as "Pillar Two".

Satair A/S follows the Minimum Taxation Act as we are part of Airbus SE with revenues above 750 M.EUR. Neither Airbus SE nor Satair A/S expect a material effect of Pillar Two.

An amendment to IAS12 "Income Taxes - International Tax Reform - Pillar Two Model Rules" has introduced a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. As a consequence, no deferred tax assets or liabilities are recognised in Satair A/S financial statements related to Pillar Two income taxes.

Notes

Note 24 Contingent liabilities

Satair A/S has issued a guarantee of USD 3.5 million for its subsidiary Satair UK Ltd. related to a lease agreement.

Satair A/S has guaranteed a bank debt of USD 60 thousands as a security of delivery of certain spare parts to one specific customer.

Note 25 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 4.45 million has been issued and is in the company's possession.

Note 26 Commitments

At 31. December 2023, Satair A/S had commitments of USD 2,434 thousands (2022: USD 2.078 thousands) relating to SAP, hosting, backup, communication and similar IT related services. USD 2,385 thousands fall due within 1 year and USD 49 thousands fall due after more than 1 year.

Notes

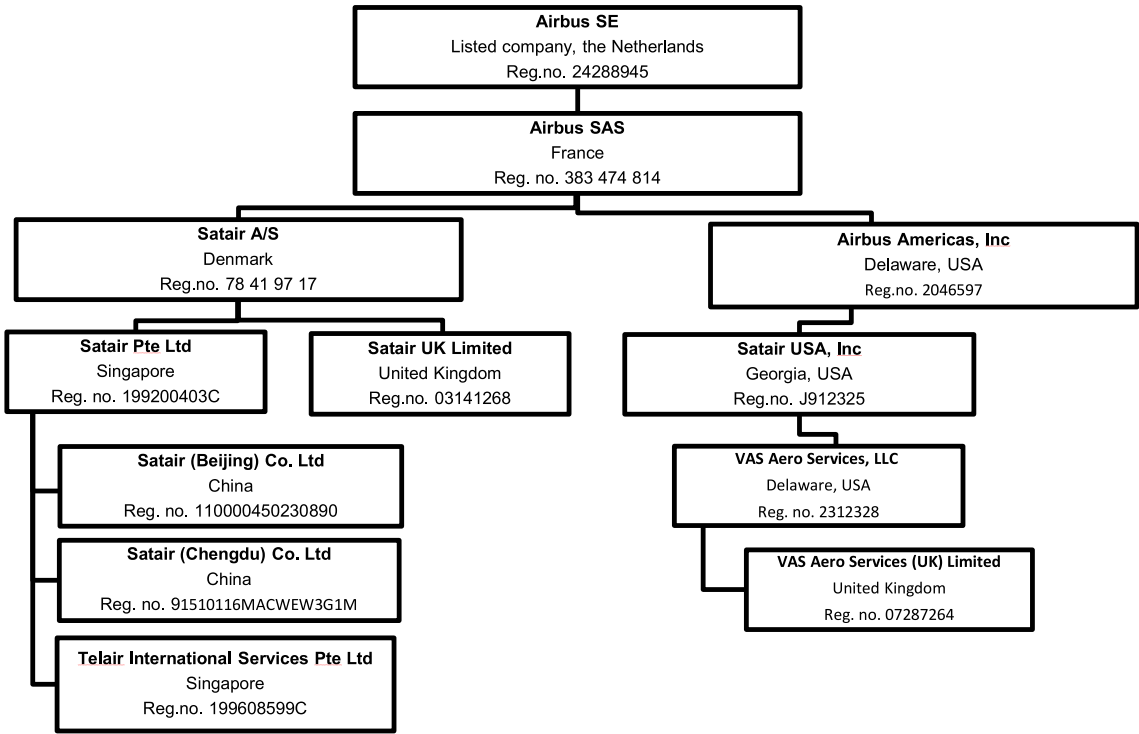
Note 27 Events after the reporting period

Satair A/S is not aware of any events subsequent to 31 December 2023, which are expected to have a material impact on the financial position as reflected in the Financial Statement for 2023. The current forecast for 2024 indicates that a going concern assumption is appropriate.

Note 28 Subsidiaries

USD thousands (2022 figures)	Country	Ownership	Net profit	Equity
Subsidiaries				
Satair UK Ltd.	United Kingdom	100%	237	9,178
Satair Pte. Ltd.	Singapore	100%	(2,252)	90,072

Legal structure including related group companies



Definitions

The key figures and ratios are calculated as stated below:

Gross margin	$\frac{\text{Gross profit/(loss)} \times 100}{\text{Revenue}}$
SG&A margin	$\frac{\text{Selling, General and Administrative expenses} \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{Profit/(Loss) before depreciation and amortisation (EBITDA)} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Operating profit/(loss) (EBIT)} \times 100}{\text{Revenue}}$
Return on equity	$\frac{\text{Net profit/(loss) for the year} \times 100}{\text{Average equity - Minorities}}$
Equity ratio	$\frac{\text{Total equity} \times 100}{\text{Total assets}}$
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