Jettime a/s

Annual Report 2021/22

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

9 Februar 2023

Chairman Peter Schäfer

Jettime a/s
Amager Strandvej 390-392
DK-2770 Kastrup
CVR No 41 41 06 39
Annual Report 2021/22

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Statement by the Board of Directors and the Executive Board and Independent Auditor's Report

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Jettime a/s for the financial year 1 October 2021 to 30 September 2022.

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

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 30 September 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 October 2021 – 30 September 2022.

Further, in our opinion, Management's Review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

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

Kastrup, 9 February 2023

Executive Board:

Jørgen Holme
CEO

Board of Directors:

Peter Schäfer Chairman	Lars Thuesen	Ingolf Pedersen

Statement by the Board of Directors and the Executive Board and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Jettime a/s

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Jettime a/s for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

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

Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable,

Statement by the Board of Directors and the Executive Board and Independent Auditor's Report

Independent Auditor's Report (continued)

Management's Responsibilities for the Financial Statements (continued)

matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Statement by the Board of Directors and the Executive Board and Independent Auditor's Report

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

Hellerup, 9 February 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen	Jakob Thisted Binder
State Authorised Public Accountant	State Authorised Public Accountant
mne18628	mne42816

Management's Review

Company Details

Jettime a/s
Amager Strandvej 390-392
DK-2770 Kastrup

Telephone:	+45 32 46 73 00
Website:	www.jet-time.dk

CVR no.:	41 41 06 39
Incorporated:	8 June 2020
Registered office:	Tårnby
Financial year:	1 October – 30 September

Board of Directors

Peter Schäfer (Chairman)
Lars Thuesen
Ingolf Pedersen

Executive Board

Jørgen Holme

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Annual General Meeting

The Annual General Meeting will be held at the Company's address on 9 February 2023.

Management's Review

Financial Highlights

DKKm	2021/22 12 mth	2021 1 mth	2020/21 15 mth
Key figures			
Revenue	1,044.3	40.0	80.8
Gross profit	212.5	5.9	-12.1
Profit/loss on ordinary operating activities	43.2	-2.5	-65.3
Profit/loss from financial income and expenses	-4.1	-0.3	-3.3
Profit/loss before tax	**39.1**	**-2.8**	**-68.6**
Profit/loss for the year	**32.8**	**-2.8**	**-68.6**
Balance sheet total	477.0	246.3	265.8
Equity	**-10.4**	**-46.4**	**-43.6**
Cash flows from operating activities	130.8	-12.3	-23.0
Cash flows from investing activities	-26.2	-0.4	-22.4
- Portion relating to investment in intangible assets and property, plant and equipment	-8.2	-0.2	-19.3
Cash flows from financing activities	-27.3	0	59.8
Total cash flows	**77.3**	**-12.6**	**14.5**
Financial ratios			
Operating margin	4%	-6%	-81%
Gross margin	20%	15%	-15%
Current ratio	104%	56%	67%
Solvency ratio / equity ratio	Neg.	Neg.	Neg.
Return on equity	Neg.	Neg.	Neg.
Average number of full-time employees	**181**	**77**	**54**
Average number of Boeing 737 aircraft	**7**	**5**	**5**
Number of Boeing 737 aircraft, year end	**8**	**5**	**5**

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines. For terms and definitions, please see the accounting policies.

Management's Review

Principal activities

Jettime is solely engaged in the Business-to-Business market offering air transport solutions for:

- Primarily; Nordic tour operators who are offered full charter aircraft
- Secondarily;
  - Other European airlines who are offered ad-hoc/short- and medium term capacity solutions (ACMI)
  - Ad-hoc full charter aircraft

Jettime is built on long-term partnerships with the customers and the suppliers, a model that has proved its value both before and after the pandemic.

Based on the post corona competition landscape the Company was established during summer 2020. As a whole, the airline industry has been through an unprecedented period, which has required extensive capital investments and a high degree of agility, and it was, and still is the ambition to exploit the ongoing industry consolidation to the benefit of the Company.

After surviving a challenging hibernation and restart of operation during summer 2021 the focus during 2021/22 has been to further strengthening the customer base and the operational platform including qualifying for the IOSA certification. This work has taken place in parallel to balancing pandemic and war related challenges across the industry.

Jettime is well positioned to exploit market opportunities. Jettime is acknowledged as a competitive, agile, independent and experienced industry player in particularly the Nordic charter market. We are known for our agility and flexibility and we are used to work with different charter and ACMI partners, mimic their service concept and adapt quickly to new requirements.

Development in activities and financial matters

The financial year 2021/22 - the Company's third operating year – was another year heavily impacted by the covid-19 pandemic.

Jettime was formed with an ambition to start operating from fall 2020 but due to the prolonged pandemic and travel restrictions operations didn't start until July 2021. During the year, Jettime has stepwise increased its operation and has gradually improved the utilization on the fleet, increased the number of aircraft in the fleet as well as the number of employees.

The total flight production in 2021/22 amounted to 20,405 block hours compared to 824 in 2021(the 1 month financial year in September 2021) and 1,634 in 2020/21 (the first operating year 15 month year with covid-19 closedown).

At the end of 2021/22 the Company had a fleet of 8 Boeing 737 NG aircraft compared to 5 at the end of 2021 and 5 at the end of 2020/21.

The average number of employees during 2021/22 was 181 compared to 77 in 2021 and 54 in 2020/21. And finally, at the end of 2021/22, the Company had 322 employees compared to 77 at the end of 2021 and 76 at the end of 2020/21.

The Company's consolidated revenue in 2021/22 was DKK 1,044 million compared to DKK 40 million in 2021 and DKK 81 million in 2020/21. The Company showed a profit before tax of DKK 39 million in 2021/22, which compares to a loss of DKK 3 million in 2021 and a loss of DKK 69 million in 2020/21. At year end 2021/22, the Company showed negative

Management's Review

Development in activities and financial matters (continued)

equity of DKK 10 million compared to negative equity of DKK 46 million at the end of 2021 and to negative equity of DKK 44 million at the end of 2020/21. Free cash at bank and in hand was DKK 81 million at year end 2021/22 compared to DKK 4 million at the end of 2021 and DKK 16 million at the end of 2020/21.

The total balance sheet amounted to DKK 477 million in 2021/22 up from DKK 246 million in 2021 and DKK 266 million in 2020/21. A significant part of this increase comes from increase in provisions for future maintenance mainly related to the import of additional aircraft.

In light of the successful result of controlled growth during a period affected by pandemic and war related effects, Management considers the result before tax of MDKK 39 for 2021/22 as satisfactory.

Capital resources and liquidity

Equity at 30 September 2021 was negative DKK 46 million. During the financial year 2021/22, equity has been improved with DKK 36 million leading to an equity at 30 September 2022 of negative DKK 10 million.

During 2021/22 the company has repaid DKK 25 million in loans which were given during the lockdown period and had maturity during summer 2022. As of September 2022, the company has an outstanding shareholder loan of DKK 12 million from the purchase of the hangar facilities in Copenhagen Airport. The outstanding loan carries an interest rate of 10% p.a. and has a maturity in Summer 2024.

In Management's assessment, the liquidity from current free cash and from planned operations is sufficient to finance the Company's operation and it is Management's expectation that all loan terms also will be complied with in the financial year 2022/23.

The Company's capital resources and liquidity is further described in note 0 (page 23).

Investments

The Group's investments for the year were DKK 26 million in total, comprising investment in associates and deposits on operationally leased aircraft, DKK 18 million as well purchase of CO2 EU-ETS quotas, DKK 3 million and other investments and changes in fixed assets DKK 5 million,

Risks

Price risks

The Company's use of jet fuel implies a particular risk due to the significant fluctuations to which the market for jet fuel is subject. The Company aims at hedging the fuel prices by entering into hedging contracts corresponding to more than 90% of its consumption.

As a main rule, the Company enters into long-term flight agreements with charter companies. Hedging of fuel prices is made either by the Company at the time of contracting with the charter companies and in general at their expense - or by the charter companies where they carry the full price risk on fuel.

Management's Review

Risks (continued)

Foreign currency risks

Purchase of jet fuel as well as lease- and aircraft related expenses are mainly settled in USD. This means that profit/loss for the year, cash flows and equity are influenced by the USD exchange rate development.

It is company policy to hedge commercial currency risks. Hedging is primarily performed by natural hedge (balancing the Company's USD costs with USD income and/or assets), and by means of forward exchange contracts and options to hedge expected costs in USD within the coming 12 months. Speculative forward exchange contracts are not made.

Credit risks

The Company's credit risks relate primarily to financial assets recognized in the balance sheet.

The Company does not have significant credit risks relating to one single customer or liaison as trading conditions request prepayment from the customer before operating flights.

Recognition & measurement

The principles for recognition & measurement are described in the accounting policies in note 24 & note 25.

Subsequent events

No events have occurred after the balance sheet date which affect the Annual Report or the Company's financial position.

Outlook

The Company expects revenue of DKK 1.700 million and a profit before tax of DKK 0-10 million in 2022/23.

Although substantial uncertainties, mainly caused by the war in Ukraine, inflationary pressure and volatile currency- and jet fuel markets, faces the aviation industry as a whole, the Company expects further profit, achieved through growth and strict cost control, in the coming years that will enable it to reestablish a positive equity position and make it net debt free without further capital injections.

Management's Review

Corporate Social Responsibility

Jettime is still a relatively newly established airline and has over the past year increased its production and added more aircraft to the fleet.

However, the Company is at the same time well aware that the aviation industry must become more sustainable – and that Jettime as an airline holds a responsibility to contribute to this development.

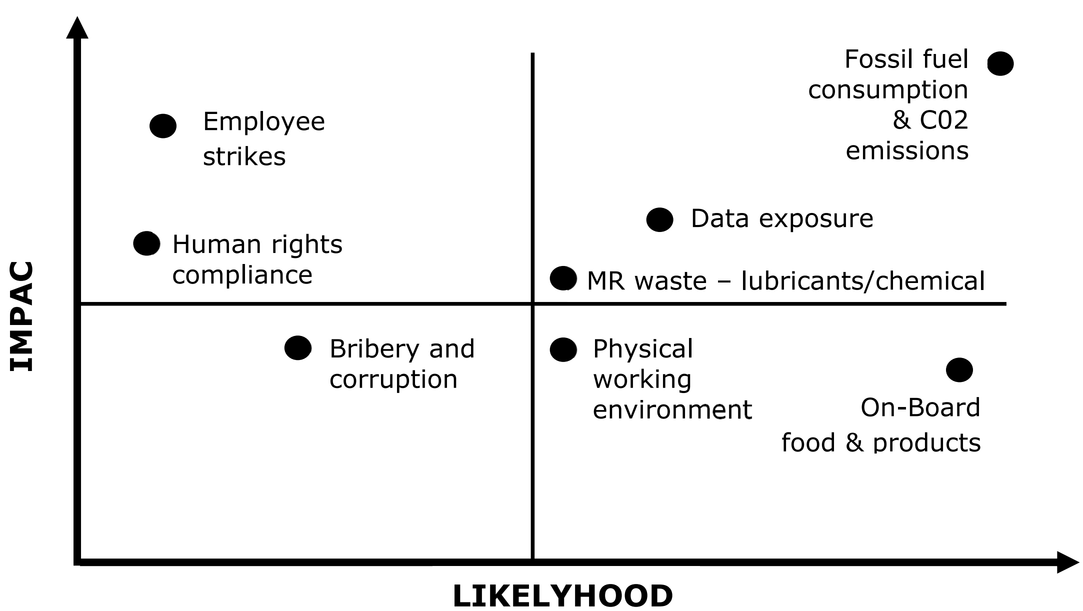
The framework for the overall strategic approach within CSR are the UN's Sustainable Development Goals number 12 ("Ensure Sustainable Consumption & production Patterns") and number 8 ("Decent Work & Economic Growth").

Jettime has a societal impact as employer, purchaser and producer of air transport solutions. At the same time, as an airline, Jettime has a climate and environmental impact, most significantly through fossil fuels and consequent CO_2 emissions into the atmosphere.

Jettime will strive to continually improve within the areas of climate and the environment, as well as take a social responsibility. Sustainable growth and development also assume continuously striving for sustainable profitability and financial growth. Jettime concentrates the efforts to become a more sustainable airline on practical and operational improvements with the aim of reducing the amount of CO_2 emissions from our aircraft operation. Likewise, several initiatives that are visible to our guests on board have been implemented.

Risk Matrix

In relation to corporate social responsibility, Jettime has assessed the potential negative impact of the airline's operation on climate and environment, social conditions, employee conditions, human rights and anti-corruption. Through this assessment, 8 potential CSR risks affiliated to Jettime's production or to the Company's suppliers and products have been identified. These risks will be addressed individually throughout the report.



Management's Review

Corporate Social Responsibility (continued)

Jettime has this financial year focused on two of the risk factors with high likelihood; "Fossil fuel consumptions & C02 emissions" and our "On board food and products". The overall targets supporting the risk factors are;

For the period 2021-2025:

Reduce CO2 emissions per passenger seat kilometer by 10%

Reduce single use plastic products on board our aircraft by 50%

Despite the fact that fossil fuels are the main element in operating a fleet of aircraft Jettime believe things can be done to continuously reduce the fuel consumption and thereby lowering the overall CO2 emissions. The "on board" service to our guests is a very visible element in our environmental work and a range of plastic products have been replaced by more sustainable alternatives.

The initial work with Jettime's CSR strategy and initiatives were at the end of the 2021/22 financial year near completed, and during the 2022/2023 financial year the roll out will continue.

To ensure impact in Jettime's organization and production, the relevant parts of the CSR strategy have been placed in the respective departments and teams of relevance who are working on the practical implementation of projects and initiatives such as reduction of CO2 and reduction of single-use plastic. The accountability of the overall sustainability plan is placed within the executive management.

1. Fossil fuel consumptions & CO2 emissions

Reducing carbon dioxide is a pivotal aspect of Jettimes environmental focus, as this by far is the single most relevant environmental denominator for Jettime and the airline industry in general. In relation to CO2 emission, Jettime is registered and reported by the regulations in EU Decree 2003/87EC where airlines can choose to register and report their CO2 emission.

The work on the improvement measures to achieve lower fuel consumption and CO2 emissions are concentrated on 3 different initiatives;

Split Scimitar Winglets (Aerodynamic, Weight and Efficiency Improvement)

All of Jettimes aircraft are mounted with winglets which improve up-trust and optimize fuel economy and CO2 emission by up to 2% according to official Boeing calculations.

Installing Split scimitar winglets on the aircraft can further increase the fuel efficiency by lowering fuel consumption and CO2 emission by an extra 1,8%.

During the financial year Jettime invested in split scimitar winglets modification on one aircraft, which brings the total up to 4 aircraft in the fleet which are equipped with split scimitar winglets. Further, Jettime has signed an agreement to retrofit two additional aircraft with split scimitar winglets to improve aerodynamics on the existing fleet.

Cooperation with FuelVision (fuel efficiency application)

Another area of development initiated during 2021/22 financial year was the exclusive partnership with the startup company FuelVision. FuelVision is a company founded by two pilots who have a dedicated interest in big data modeling, and they have developed a prototype application to measure fuel burn and CO2 emission on each single flight. Jettime

Management's Review

Corporate Social Responsibility (continued)

and FuelVision have initiated a cooperation to develop the prototype into a live product used by Jettime pilots. The overall ambition is to investigate and seek knowledge of current flight efficiency when it comes to fuel consumption and gain insights into ways of improving the current procedures. The first results are expected during this financial year.

Fleet Renewal

At year-end, Jettime operated one B737-700 and seven B737-800 aircraft. In the financial year 2021/22, Jettime has added four newer aircraft to the fleet of the type B737-800 and returned one older B737-800. The B737-800 has a larger capacity than the B737-700 aircraft and can thus produce more effectively on one single aircraft, transporting more passengers at the time.

Due to the unification of Jettime's fleet to B737 NG aircraft and all aircraft mounted with winglets the targeted reduction of CO2 emissions towards 2025 began to materialize. Due to the addition of more B737-800 aircraft in Jettime's fleet, the overall CO2 emissions have gone up, however, the utilization of capacity has increased, which means that more passengers were transported on each flight, hence affecting the CO2 emission per seat kilometer positively. In the financial year 2021/22 Jettime managed an annual CO2 reduction equal to 1,1% compared to its baseline and Jettime is working to reach a 10% reduction goal by 2025.

2. On-Board food and products

The service delivery on board Jettime flights in terms of meals served and products used in the dry store have continued changing towards more sustainable alternatives during the financial year.

Our guest meals served on board does not contain meet from 4 legged animals, instead we serve hot meals with lots of vegetables and chicken or pure vegetarian. Single use plastic is replaced by a food box and food bowl made from degradable material and the cutlery is a EU certified wooden product. Our food supplier holds an ISO 14001 certification and use pure wind energy in the food production. The amount of dry store products on board has been reduced and plastic stirrers and straws are no longer part of the assortment.

Inflight magazines on board for the guests have been removed thus reducing both the weight of the aircraft and the paper used in production.

Both pilots and cabin crew perform a mandatory "green briefing" on board all flights and thereby enhance the guest experience and give them insight into the Jettime initiatives to become a more sustainable airline.

In connection with the development towards more electronically based communication and working equipment for our flight crew, less paper has been used on board Jettimes aircraft with the introduction of an Electronic Flightbag as replacement of paper manuals for both pilots and cabin crew.

This means, that two digital tablets holding the same information have replaced approximately 20 kg of paper in each cockpit. This saves a significant amount of production related to paper waste, just as it has lowered the weight of the aircraft and thereby reduced the annual CO2 emission.

Management's Review

Corporate Social Responsibility (continued)

3. Maintenance Repair (MR) waste – lubricants/chemicals

Jettime has its own Technical Department in CPH airport with service of the airline's aircraft. In this connection, Jettime's mechanics handle different types of waste that can pose a health risk. Likewise, the waste has a potential negative impact on the environment if not handled correctly.

To mitigate these risks, Jettime has contracted the environmental service partner Stena Recycling, who ensures correct storage and disposable of problematic waste and chemicals.

No significant spillages have been reported in connection with technical maintenance of Jettime's aircraft in the financial year 2021/22.

4. Employee strikes

Strikes among employees of the airline can potentially have a major impact on Jettime's ability to live up to its customer promise and the service experience expected of the airline's passengers. Since the start-up of Jettime, there have been no strikes among any of Jettime's employee groups.

However, to mitigate this potential risk, Jettime has a number of policies relating to working environment and working conditions. Moreover, six different groups of employees are in Jettime covered by collective agreements, and employees engaged in the same activities are guaranteed the same working conditions, making all employees covered by local collective agreements.

Cooperation with the six unions in Jettime, 4 in Denmark and 2 in Finland, takes place within the framework of national laws and agreements affecting the unit concerned, and Jettime expects a continued constructive cooperation with the unions in the years to come.

5. Physical Working Environment

As an employer, Jettime is responsible for ensuring decent work conditions and a healthy working environment.

Jettime has a 'Health and Safety and Environment Policy' as well as a 'Health and Safety and Environment Committee'. The Committee ensures compliance with policies on health, safety and environmental aspect.

In connection with Jettime's internal Workplace Assessment from February 2021 (APV), one of the major key points was the crew meals. Both Danish Cabin and Cockpit Crew expressed a wish for more variation, larger portions and more greens. These three wishes have in the financial year 2021/22 been accommodated with a new crew meal concept for Danish crew with effect from May 28, 2022. Jettime is in close dialogue with union representatives to prevent labor right violations. Should a potential labor violation occur in relation to an employee's employment, the Company will cooperate with the relevant union representative to reach a fair conclusion of the matter.

Management's Review

Corporate Social Responsibility (continued)

6. Bribery and Corruption

Jettime has implemented a code of conduct which includes our expectations towards our suppliers on anti-corruption.

Due to the fact that the company's main activities take place in the Nordic region, in which local authorities demand full compliance with legislation on anti-corruption, it is management's assessment that the risk that the company becomes involved with corruption or bribery is limited. As a buyer, Jettime uses the services of a number of subcontractors. To mitigate this, relevant suppliers will sign the code of conduct as part of the contract procedure. Jettime does not accept bribery and corruption and expects our partners to maintain the same integrity in relation to all business affairs.

In the on-going follow-up with suppliers, Jettime has found no breaches regarding anti-corruption, anti-competitive behavior, anti-trust or monopoly practices in the financial year 2021/22, and Jettime expects this practice to continue onwards.

7. Human Rights Compliance

Jettime has no specific policies on human rights. As an operator in the Nordic region, we have deemed compliance with human rights a given.

By being an operator in the Nordic region, which is characterized by a high degree of protection of human rights, the risk that the company's activities have a negative impact on human rights is considered low. Consequently, a separate policy on human rights has not been deemed necessary. We do, however, always comply with all relevant legislation both locally and globally.

The Company's Employee Handbook contains a general corporate policy applying to all employees. Moreover, Jettime has adopted a 'Just Culture' policy that applies to the entire Company. This implies that all employees have access to a reporting tool by means of which all potential safety issues may be reported anonymously and without consequence, which promotes openness about errors and incidents. In that way, a safer working environment with a focus on communication and openness is ensured.

As a buyer, Jettime uses the services of a number of subcontractors. Jettime has therefore introduced a Jettime Code of Conduct. The document is mandatory for bigger partners and suppliers to sign, and it demands decent working conditions for anyone involved in the work for Jettime.

Board of Directors

At the end of the financial year 2021/22, the Company's Board of Directors comprised of two male non-owners members and one male owner. Jettime has a target of by 2025 to have at least one person of each gender represented on Jettime's Board of Directors.

Jettime has not in the financial year 2021/22 reached the target of gender representation on the Board, as there have been no changes, additions or recruitments for Jettime's Board in this period.

Management's Review

Corporate Social Responsibility (continued)

Jettime's Senior Management

Jettime's Senior Management is defined by the Company's Executive Team – consisting of the CEO, VP Finance & Business Support, CCO, VP Technical, VP Flight Operations and VP Management Support.

The ratio in Jettime's senior management by the end of the 2021/22 financial year was 83% male and 17% female while ratio in Jettime's mid-level management by the end of the 2021/22 financial year was 65% male and 35% female.

Jettime aims to increase equal opportunities and representation, and performs internal leadership training among the Company's mid-level managers with the ambition of qualifying both male and female employees to enter the Senior Management. Furthermore, Jettime strives to always have both genders represented in the final interview round when selecting new hires as we as securing diversity in our employee groups.

8. Data exposure & data ethics

Throughout its business, Jettime is working with data and complies with the GDPR guidelines.

As part of a highly regulated industry, Jettime has already implemented high standards for IT security and is currently evaluating steps to further improve the IT security and data protection standards.

The data ethics is governed in Jettime's IT policy manual section 9, which describes the data policy and the how to protect and govern access to private and other data. Jettime is actively working to further improve the IT and data security through work with security experts.

Finally, Jettime is actively working to protect all data, and has implemented data processing agreements with relevant suppliers.

Financial Statements 1 October - 30 September

Income Statement

DKK '000	Note	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
Revenue	1	1,044,271	40,028	1,044,265	40,028
Other income	2	31,371	0	31,371	0
Production costs		-728,294	-29,063	-728,294	-29,063
Lease costs		-70,406	-2,135	-70,406	-2,135
Other external costs		-64,445	-2,920	-72,872	-2,920
Gross profit		212,497	5,910	204,063	5,910
Staff costs	3	-165,933	-8,185	-157,683	-8,185
Amortisation, depreciation and impairment losses	7.8	-3,316	-217	-3,316	-217
Profit/loss before interests and tax		43,248	-2,492	43,064	-2,492
Other financial income	4	775	178	775	178
Other financial expenses	5	-4,885	-463	-4,879	-463
Profit/loss on ordinary activities before tax		39,138	-2,777	38,960	-2,777
Tax on profit/loss for the year	6	-6,360	0	-6,360	0
Profit/loss for the year		32,778	-2,777	32,600	-2,777
Proposed profit appropriation/distribution of loss	13				

Financial Statements 1 October - 30 September

Balance Sheet

		Consolidated		Parent Company	
DKK '000	Note	30SEP22	30SEP21	30SEP22	30SEP21
ASSETS					
Non-current assets					
Intangible assets	7				
Brands		171	207	171	207
Software		146	332	146	332
CO2 Quotas		6,169	0	6,169	0
		6,485	539	6,485	539
Property, plant and equipment	8				
Aircraft		3,654	0	3,654	0
Buildings		11,918	12,851	11,918	12,851
Leasehold improvements		0	0	0	0
Fixtures and fittings, tools and equipment		1,136	2,587	1,136	2,587
Property, plant and equipment under construction		1,247	364	1,247	364
		17,955	15,802	17,955	15,802
Investments					
Investments in subsidiaries	9	0	0	176	0
Investments in associates	10	2,250	0	2,250	0
Receivable future maintenance	11	287,102	177,630	287,102	177,630
Deposits	12	18,946	3,236	18,946	3,236
		308,298	180,866	308,474	180,866
Total non-current assets		332,738	197,207	332,914	197,207
Current assets					
Inventories					
Inventories		5,372	3,471	5,372	3,471
		5,372	3,471	5,372	3,471
Receivables					
Trade receivables		26,905	2,088	26,905	2,088
Other receivables		4,424	20,938	4,405	20,938
Prepayments		26,384	12,176	26,384	12,176
		57,713	35,202	57,695	35,202
Cash at bank and in hand		81,179	3,847	80,531	3,847
Total current assets		144,264	42,520	143,598	42,520
Total assets		477,002	239,727	476,512	239,727

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Balance Sheet

DKK '000	Note	Consolidated 30SEP22	Consolidated 30SEP21	Parent Company 30SEP22	Parent Company 30SEP21
EQUITY AND LIABILITIES					
Equity	13				
Share capital		25,000	25,000	25,000	25,000
Retained earnings		-35,354	-71,356	-35,354	-71,356
Total equity		-10,354	-46,356	-10,354	-46,356
Provisions					
Provision, aircraft maintenance	14	327,600	181,282	327,600	181,282
Other provisions	15	2,855	111	2,855	111
Total provisions		330,455	181,393	330,455	181,393
Non-current liabilities other than provisions					
Loan from shareholders	16	12,264	13,485	12,264	13,485
Corporate tax	16	6,360	0	6,360	0
Other payables	16	0	2,189	0	2,189
		18,624	15,674	18,624	15,674
Current liabilities other than provisions					
Trade payables		21,335	26,433	22,088	26,433
Prepayments received from customers		75,904	16,786	75,904	16,786
Other loan agreements		642	26,763	642	26,763
Other payables	17	40,397	19,034	39,153	19,034
		138,278	89,016	137,787	89,016
Total liabilities other than provisions		156,901	104,690	156,411	104,690
Total equity and liabilities		477,002	239,727	476,512	239,727

Capital resources and liquidity	0
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Statement of Changes in Equity

	Consolidated		
DKK '000	Share capital	Retained earnings	Total
Equity at 1 October 2021	25,000	-71,356	-46,356
Exchange adjustments relating to foreign entities	0	-1	-1
Fair value adjustment of Co2-quotas, end of year	0	3,225	3,225
Net profit/loss for the year	0	32,776	32,776
Equity at 30 September 2022	25,000	-35,356	-10,356

	Parent Company		
DKK '000	Share capital	Retained earnings	Total
Equity at 1 October 2021	25,000	-71,356	-46,356
Exchange adjustments relating to foreign entities	0	-1	-1
Fair value adjustment of Co2-quotas, end of year	0	3,225	3,225
Net profit/loss for the year	0	32,776	32,776
Equity at 30 September 2022	25,000	-35,356	-10,356

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Cash Flow Statement

DKK '000	Note	Consolidated 2021/22	Consolidated SEP2021
Profit/loss for the year		32,778	-2,777
Adjustments	22	14,368	621
Changes in working capital	23	88,374	-10,095
Cash generated from operations (operating activities) before net financials		135,521	-12,251
Financiel income		190	0
Financiel expense		-4,885	0
Cash flows from operating activities		130,825	-12,251
Investments in intangible assets and property, plant and equipment		-2,943	-242
Changes in property, plant and equipment under construction		-5,247	0
Fixed asset investments		-17,960	-119
Cash flows from investing activities		-26,150	-361
Loan from shareholders		-1,222	0
Other loan agreements		-26,121	0
Cash flows from financing activities		-27,342	0
Cash flows for the year		77,333	-12,612
Cash and cash equivalents at 1 September		3,847	16,459
Cash and cash equivalents at 30 September		81,180	3,847

The cash flow statement cannot be directly derived from the other components of the Annual Report

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0 Capital resources and liquidity

The Group has realized a gain before tax of DKK 39.1 million. The equity though is still negative with DKK 10.4 million 30 September 2022.

The Group has experienced continously increasing activity over the financial year 2021/22 with a total of 8 aircraft in operation in the summer 2022. The Group has only to a limited extent been impacted by travel restrictions following Covid-19 in the financial year 2021/22.

The Group has prepared a budget for 2022/23 and forecast for the following years. The budget and forecasts are subject to more uncertainty than normally due to the ongoing economic environment with high inflation and expectation of a "cool down" in the world economy which might impact the leisure travel market significantly. The budget for 2022/23 shows results and cash flows on a significant lower level than in 2021/22, however still positive. Management has partly mitigated the increased uncertainties regarding budget 2022/23 by adapting the number of aircrafts available for charter operation into other business areas (ACMI).

Further Covid-19 still creates some uncertainty for the aviation industry, however the uncertainty is significantly reduced compared to last year with more or less all countries fully open for foreigners.

It is Management assessment that sufficient funding will be available and that the budget for 2022/23 show sufficient liquidity headroom in order for the Company to continue as going concern.

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DKK '000	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
1 Revenue				
Geographical segments:				
Revenue, Denmark	1,015,216	39,286	1,015,209	39,286
Revenue, Export	29,055	742	29,055	742
	1,044,271	40,028	1,044,265	40,028
Business segments:				
Charter and ad hoc	1,015,216	39,286	1,015,209	39,286
ACMI	29,055	742	29,055	742
	1,044,271	40,028	1,044,265	40,028

2 Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognized in the income statement.

DKK '000	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
Income (Government support, COVID-19):				
Personnel costs	2,926	0	2,926	0
Other fixed costs	28,445	0	28,445	0
	31,371	0	31,371	0
Special items are recognized in the following items in the financial statements:				
Other income (Gross profit)	31,371	0	31,371	0
Profit of special items, net	**31,371**	**0**	**31,371**	**0**

DKK '000	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
3 Staff Costs				
Wages and salaries	151,693	7,826	144,715	7,557
Pension	11,355	550	10,169	550
Other social security costs	2,884	78	2,798	78
	165,933	8,454	157,683	8,185
Average number of full-time employees	181	77	152	77
Number of full-time employees at 30 September	322	77	272	77
Remuneration of the Executive Board and Board of Directors	3,591	326	3,591	326

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Notes

	DKK '000	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
4	**Other financial income**				
	Exchange gains	585	0	585	0
	Other interest income	190	178	190	178
		775	178	775	178
5	**Other financial expenses**				
	Interest expenses, credit institutions	160	82	159	82
	Foreign exchange adjustments	0	33	0	33
	Interest expenses, loans	3,317	329	3,317	329
	Other interest expenses & fees	1,409	20	1,403	20
		4,885	463	4,879	463
6	**Tax on profit/loss for the year**				
	Current tax	6,360	0	6,360	0
		6,360	0	6,360	0

7	**Intangible assets**	Consolidated/Parent Company		
		Brands	Software	CO2 quotas
	Cost at 1 October 2021	250	559	0
	Additions	0	0	2,944
	Disposals	0	0	0
	Cost at 30 September 2022	250	559	2,944
	Revaluations for the year	0	0	3,225
	Revaluations at 30 September	0	0	3,225
	Impairment losses and amortisation at 1 October 2021	43	227	0
	Impairment losses and amortisation	36	186	0
	Amortisation, disposed assets	0	0	0
	Impairment losses and amortisation at 30 September 2022	79	413	0
	Carrying amount at 30 September 2022	171	146	6,169

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8 Property, plant and equipment

DKK '000	Aircraft	Buildings	Fixtures, fittings, tools and equipm.	Assets under construction
	Consolidated/Parent Company			
Cost at 1 October 2021	0	14,000	4,352	364
Additions	0	0	0	5,247
Transfer	4,364	0	0	-4,364
Disposals	0	0	0	0
Cost at 30 September 2022	4,364	14,000	4,352	1,247
Impairment losses and amortisation at 1 October 2021	0	1,149	1,765	0
Depreciation and impairment losses	710	933	1,450	0
Depreciation, disposed assets	0	0	0	0
Impairment losses and amortisation at 30 September 2022	710	2,082	3,215	0
Carrying amount at 30 September 2022	3,654	11,918	1,137	1,247

DKK '000	Parent Company 2021/22	SEP2021
9 Investments in subsidiaries		
Cost at 1 October	0	0
Cost at 30 September	0	0
Value adjustment at 1 October	0	0
Exchange adjustments	-1	0
Net profit/loss for the year	177	0
Value adjustment at 30 September	176	0
Carrying amount at 30 September	176	0

Investments in associates are specified as follows:

Name	Placement of registered	Share capital	Votes and ownership
Jettime OY	Finland	0	100%

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DKK '000	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
10 Investments in associates				
Cost at 1 October	0	0	0	0
Additions for the year	2,250	0	2,250	0
Carrying amount at 30 September	2,250	0	2,250	0

Investments in associates are specified as follows:

Name	Placement of registered	Share capital	Votes and ownership
Fuel Vision ApS	Copenhagen	53 TDKK	25%

	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
11 Receivable future maintenance				
Between 1 and 5 years	266,186	173,390	266,186	173,390
After 5 years	0	0	0	0
Long-term part of receivable future maintenance	266,186	173,390	266,186	173,390
Within 1 year	20,916	4,240	20,916	4,240
	287,102	177,630	287,102	177,630
12 Deposits				
Cost at 1 October 2021	3,236	3,117	3,236	3,117
Additions	13,940	46	13,940	46
Disposals	-360	0	-360	0
Value adjustment for the year	2,130	73	2,130	73
	18,946	3,236	18,946	3,236

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13 Equity

The share capital comprises 25,000,000 shares of nominally DKK 1 each. No shares have special rights.

	Consolidated		Parent Company	
DKK '000	2021/22	SEP2021	2021/22	SEP2021
Proposed profit appropriation/distribution of loss	0	0	0	0
Retained earnings	32,778	-2,777	32,600	-2,777
	32,778	-2,777	32,600	-2,777

14 Provision, aircraft maintenance

Comprises:

Provision for future aircraft maintenance	323,118	185,929	323,118	185,929
Provision for obligation to return	4,482	4,601	4,482	4,601
	327,600	190,530	327,600	190,530
Provision at 1 October	190,530	180,399	190,530	180,399
Utilised during the year/disposals	0	0	0	0
Provision for the year	137,070	10,131	137,070	10,131
	327,600	190,530	327,600	190,530
Within 1 year	20,916	9,248	20,916	9,248
Between 1 and 5 years	306,684	181,282	306,684	181,282
After 5 years	0	0	0	0
	327,600	190,530	327,600	190,530

15 Other provisions

Other provisions include provision for delay costs.

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DKK '000	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
16 Long-term liabilities other than provisions				
Between 1 and 5 years	18,624	13,485	18,624	13,485
After 5 years	0	2,189	0	2,189
Long-term part of credit institutions	18,624	15,674	18,624	15,674
Within 1 year	0	0	0	0
	18,624	15,674	18,624	15,674
Loan from shareholders:				
Between 1 and 5 years	12,264	13,485	12,264	13,485
After 5 years	0	0	0	0
Within 1 year	0	0	0	0
	12,264	13,485	12,264	13,485
Other payables:				
Between 1 and 5 years	6,360	2,189	6,360	2,189
After 5 years	0	0	0	0
Within 1 year	0	0	0	0
	6,360	2,189	6,360	2,189

Payments due within 1 year are recognised in current liabilities

Other liabilities are recognised in non-current liabilities other than provisions

17 Other payables

	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
Deposited as security for future fuel hedging	0	0	0	0
Holiday pay and other staff-related payables	20,393	11,659	20,393	11,659
Other payables	20,004	7,375	18,760	7,375
	40,397	19,034	39,153	19,034

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DKK '000	Consolidated 2021/22	Consolidated SEP2021	Parent Company 2021/22	Parent Company SEP2021
18 Contingencies etc				
Rent and lease obligations (operating leases) falling due after the balance sheet date	390,158	171,013	390,158	171,013
Falling after 5 years	0	0	0	0
Falling due within 5 years	282,764	139,341	282,764	139,341
Falling due within 1 year	107,394	31,672	107,394	31,672
Total obligations are grouped as follows:				
Aircraft leases	380,298	156,901	380,298	156,901
Rental of property, hangar, etc	9,860	14,112	9,860	14,112
Other leases	0	0	0	0
	390,158	171,013	390,158	171,013

19 Mortgages and collateral

The Company has issued mortgage of DKK 40 million to a shareholder for a debt of DKK 11.9 million, secured in a building with a carrying amount of DKK 11.9 million.

The company is taxed jointly with the parent company JT3H ApS. The current tax expense is allocated amon the companies of the Danish tax pool in proportion to their taxable income (full absorption with refunds for t losses).

20 Related party disclosures

Controlling interest

JT3H ApS, c/o Nosca A/S Krumtappen 4, st., 2500 Valby	Majority shareholder and ultimate owner

Jettime A/S is part of the consolidated report for JT3H ApS

Transactions are conducted on market terms and conditions.

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Notes

Consolidated

21 Subsequent events

No subsequent events have occured which impact the result of the financial statements 2021/22

DKK '000	2021/22	SEP2021
22 Cash flow statement - adjustments		
Financial income	-775	0
Financial expenses	4,885	329
Depreciation, amortisation and impairment losses, inclusing losses and gains on sale	3,316	217
Tax on profit/loss of the year	6,360	0
Other adjustments	582	75
	14,368	621

	2021/22	SEP2021
23 Cash flow statement - change in working capital		
Change in receivables	-131,980	7,110
Change in inventories	-1,901	-108
Change in provisions	149,062	7,872
Change in other short-term payables	73,194	-24,969
	88,374	-10,095

24 Uncertainty relation to recognition and measurement

In connection with the preparation of the financial statements, management applies accounting estimates ar judgements. Estimates and judgements are continually evaluated and based on historical experience and otl factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company accrues for future aircraft maintenance. The future costs for aircraft maintenance is subject to accounting estimates. Such accounting estimates are subject to more uncertainty due to i.e. changes in pricing for the separate events. The Company has recognized a receivable regarding future maintenance (prepayments) which is expected to offset future aircraft costs. The utilization of the receivable is subject to uncertainty due to the expected share of future maintenance costs to be covered by the receivable etc.

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Note 25 Accounting Policies

The Annual Report of Jettime a/s for the period 1 October 2021 – 30 September 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021/22 are presented in TDKK. With reference to section 96(3) of the Danish Financial Statements Act and to the note fee to auditor appointed at the general meeting included in the consolidated financial statements of JT3H ApS, the Company and the Group have not prepared the note fee to auditor appointed at the general meeting.

Changes to comparatives

Minor non-significant reclassifications have been made to the comparatives. The reclassifications have no effect on the profit/loss or equity

Recognition and measurement

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

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

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

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

Business combinations

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration con- tingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are re- cognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

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Note 25 Accounting Policies (continued)

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

All leases of aircrafts are considered operating leases.

Translation policies

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

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

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

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue is recognized based on completed flights, including income related to the flights.

Production costs

Production costs comprise e.g. costs of fuel, charges in connection with air transport and other costs of maintenance and operation of the aircraft fleet including lease costs.

Lease costs

The Company has entered into agreements on operating leases of aircraft. Payments relating to operating leases are recognized in the income statement over the term of the lease.

Other external expenses

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

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Note 25 Accounting Policies (continued)

Staff expenses

Staff costs comprise wages, salaries, pension and social security costs to own staff and hired full-time consultants.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including government support concerning COVID-19 related to personnel costs and other fixed costs.

Income from investments in subsidiaries and associates

Dividends from associates are recognised as income in the income statement when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments.

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Brands and Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Brands are amortised on a straight-line basis over its useful life, which is assessed to be 7 years. Software are amortised over the licence period; however not exceeding 3-8 years.

Other similar rights consist of CO2-quotas. At initial recognition CO2-quotas are measured at cost. Subsequently CO2-quotas are measured at fair value. The revaluation is booked directly on equity.

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Note 25 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	15 years
Other fixtures and fittings, tools and equipment	3-5 years
Modification, leased aircraft	5 years

The fixed assets' residual values are determined at nil. Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries and associates

Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of Deposits, Receivable future maintenance and Receivables from group enterprises.

Deposits are initially recognized at cost. Subsequently, deposits denominated in foreign currencies are measured at the exchange rate at the balance sheet date.

Receivable future maintenance comprises the contribution made to lessors for future maintenance work which is recognized to the extent that the payments are expected to be reimbursed at the time of incurrence of future maintenance costs.

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Note 25 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years.

Provisions

Provision for aircraft maintenance comprises a provision for future maintenance work on aircraft on operating leases as well as provision for the costs of returning aircraft on operating leases.

Other provisions primarily comprise the costs of a few pending lawsuits, without material affect on the Annual Report or the Company's financial position. Provisions are initially recognized at cost and are subsequently measured at net realisable value or value in use.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

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Notes

Note 25 Accounting Policies (continued)

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial ratios

The financial ratios stated in the statement of financial highlights have been calculated as follows:

Operating margin: $\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$

Gross margin: $\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$

Current ratio: $\frac{\text{Current assets at year end x 100}}{\text{Total current liabilities at year end}}$

Solvency ratio: $\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$

Return on equity: $\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$