



ExecuJet Europe A/S

Ledreborg Alle 128 C, 1. th.
4000 Roskilde
Denmark

CVR no. 20 21 53 80

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

15 August 2022

Jackie Lund Nikolajsen
Chairman of the annual general meeting

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ExecuJet Europe A/S
Annual report 2021
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of ExecuJet Europe A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Roskilde, 15 August 2022
Executive Board:

Jackie Lund Nikolajsen

Board of Directors:

David van den
Langenberg
Chairman

Jackie Lund Nikolajsen

Robert Jean Charles Fisch

Independent auditor's report

To the shareholder of ExecuJet Europe A/S

Independent auditor's report on the financial statements

Opinion

We have audited the financial statements of ExecuJet Europe A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

Independent auditor's report

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

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

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 form of assurance conclusion thereon.

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

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

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



Independent auditor's report

Report on other legal and regulatory requirements

Non-compliance with the Danish Financial Statements Act

The Company has failed to file its annual report for 2021 with the Danish Business Authority within the filing deadline laid down by the Danish Financial Statements Act. The Company's Management may incur liability for this respect.

Copenhagen, 15 August 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
mne32271

ExecuJet Europe A/S
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Management's review

Company details

ExecuJet Europe A/S
Ledreborg Alle 128 C, 1. th.
4000 Roskilde
Denmark

Telephone: +45 46141516
Fax: +45 46118983
Website: www.execujet.com
E-mail: info@execujet.com

CVR no.: 20 21 53 80
Established: 1 July 1997
Registered office: Roskilde
Financial year: 1 January – 31 December

Board of Directors

David van den Langenbergh, Chairman
Jackie Lund Nikolajsen
Robert Jean Charles Fisch

Executive Board

Jackie Lund Nikolajsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Key figures					
Gross profit/loss	1,138	323	11,991	12,361	18,702
Operating profit/loss	-6,436	-10,272	2,931	3,256	7,514
Profit/loss from financial income and expenses	-1,514	17	-642	-596	272
Profit/loss for the year	-7,950	-10,255	2,289	2,660	7,786
Balance sheet					
Total assets	77,739	59,713	78,509	51,196	46,975
Equity	-25,996	-18,046	-7,791	-10,080	-12,740
Investment in property, plant and equipment	7	30	0	7	0
Ratios					
Solvency ratio	-33.44%	-30.22%	-9.92%	-19.69%	-27.12%
Other					
Average number of full- time employees	4	5	5	5	7

The financial ratios have been calculated as follows:

Solvency ratio

$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

Management's review

Operating review

The Company's activities

ExecuJet Europe A/S is active primarily within business aviation, including aircraft management. The managed aircrafts are also used for charter. Revenue is also generated from providing aircraft completion, delivery, acceptance and registration services, generally on behalf of aircraft management clients.

Development in activities and financial position

The Company's income statement for 2021 shows a loss of DKK -7,950 thousand as against DKK -10,255 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK -25,996 thousand as against DKK -18,046 thousand at 31 December 2020.

Capital resources

The Company's equity is negative by DKK 25,996 thousand as at 31 December 2021. The Company's primary financing comes from the parent company, Luxaviation Holding Company S.A. and from Customer deposits.

The Management reviews and report on a regular basis both the business performance and cash flow position. Weekly cash flow projections and debtor's reports are prepared and acted upon where appropriate. The company's cash flow forecast for the next 12 months supports that the Company can continue to meet its debts as they fall due over that period.

The company has a good relationship with both its bankers and credit card providers to ensure that sufficient working capital is always available. It is not envisaged that any cash support will be required from the Group, but that option is available if necessary as Management have received a letter of support from Luxaviation Holding Company S.A. The letter of support confirms, that sufficient financial support will be provided to the Company for it to satisfy, on a timely basis all liabilities and obligations of the Company as they fall due for a period of at least 12 months from the date of the annual general meeting.

The back-office costs apportioned to the entity are also supported by Luxaviation UK, who oversee the Newmarket operation, and they would also be able to assist with cash flow should the need arise. Again however, this is not envisaged and has not been the case to date.

On the above basis the Management assess the capital resources as sufficient for 2022 in support of the Company's going concern basis.

Outlook

The company's activities, and indeed aviation in general, suffered a downturn in 2020/21. Market activity and potential for growth has now returned as private aviation demand has increased significantly. Charter activity is expected to remain strong in Q3 and Q4, with gross profit increasing. The 2022/23 forecasts show the company improving its profitability and achieving growth through a net increase in aircraft under management in the second half of 2022 and early in 2023. The company is also reviewing its costs base in view of recent developments within the Lux Group of companies. A positive Cash Operating Result is forecast to be achieved in Q4.

Intellectual capital

As aviation is a highly regulated business, key management and staff must be appropriately qualified, so continuous training takes place to ensure that standards are maintained. In addition, ExecuJet Europe A/S is required to have the necessary quality and organizational systems in place to maintain flight operations regulated by the EU (EASA), without which the Company would be unable to meet its primary business activity objectives.

Management's review

Operating review

Particular risks

The risks associated with the Company financial statements are mainly linked to normal business risks in the business aviation sector, traditionally linked to corporate profits and regional wealth.

Foreign exchange risks, are also present as revenue is generated in currencies other than Danish Kroner.

Environmental matters

The aircrafts operated by ExecuJet Europe A/S are modern and fulfill all current and known future environmental requirements in terms of noise and emissions as well as regulatory requirements for current and future safety equipment.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross profit		1,138	323
Staff costs	2	-7,563	-10,582
Depreciation, amortisation and impairment losses		-11	-13
Loss before financial income and expenses		-6,436	-10,272
Other financial income	3	1,330	2,253
Other financial expenses	4	-2,844	-2,236
Loss before tax		-7,950	-10,255
Tax on loss for the year	6	0	0
Loss for the year		-7,950	-10,255

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		<u>16</u>	<u>20</u>
Investments			
Deposits		<u>131</u>	<u>127</u>
Total fixed assets		<u>147</u>	<u>147</u>
Current assets			
Receivables			
Trade receivables		31,887	20,400
Receivables from group entities	7	32,165	30,224
Other receivables		<u>5,990</u>	<u>4,842</u>
		<u>70,042</u>	<u>55,466</u>
Cash at bank and in hand		<u>7,550</u>	<u>4,100</u>
Total current assets		<u>77,592</u>	<u>59,566</u>
TOTAL ASSETS		<u><u>77,739</u></u>	<u><u>59,713</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	8	1,000	1,000
Retained earnings		-26,996	-19,046
Total equity		<u>-25,996</u>	<u>-18,046</u>
Liabilities			
Current liabilities			
Customer deposits		28,827	39,081
Trade payables		36,285	16,535
Payables to group entities		35,662	12,565
Other payables		<u>2,961</u>	<u>9,578</u>
		<u>103,735</u>	<u>77,759</u>
Total liabilities		<u>103,735</u>	<u>77,759</u>
TOTAL EQUITY AND LIABILITIES		<u><u>77,739</u></u>	<u><u>59,713</u></u>
Contractual obligations, contingencies, etc.	9		
Related party disclosures	10		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	1,000	-19,046	-18,046
Transferred over the distribution of loss	<u>0</u>	<u>-7,950</u>	<u>-7,950</u>
Equity at 31 December 2021	<u><u>1,000</u></u>	<u><u>-26,996</u></u>	<u><u>-25,996</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of ExecuJet Europe A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Luxuvation Holding Company S.A., 4A, rue albert Borschette, L-1246 Luxembourg.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss which includes revenue, cost of sales, operating income and other external cost.

Revenue

Revenue from the sale of services is recognised in the income statement when the services have been delivered, and revenue can be reliably measured.

Revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to generate revenue for the year which includes air craft costs, fuel, repairs etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. Refunds from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3 years
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Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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

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

Investments

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Prepayments received for customers

Prepayments received for customers comprises advance invoicing regarding income in subsequent years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred 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 value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2021</u>	<u>2020</u>
2 Staff costs		
Wages and salaries	6,682	3,333
Pensions	382	570
Other social security costs	499	718
Allocated costs related to salaries	<u>0</u>	<u>5,961</u>
	<u>7,563</u>	<u>10,582</u>
Average number of full-time employees	<u>4</u>	<u>5</u>
Remuneration to the Executive Board is not disclosed in accordance with the Danish Financial statements act § 98, 3. Members of the Board of directors are not directly remunerated by the Company. The Company pays a group Management service fee which also includes Board of directors services.		
3 Other financial income		
Interest income from group entities	102	98
Foreign exchange gains	<u>1,228</u>	<u>2,155</u>
	<u>1,330</u>	<u>2,253</u>
4 Other financial expenses		
Foreign exchange losses	<u>2,844</u>	<u>2,236</u>
	<u>2,844</u>	<u>2,236</u>
5 Proposed distribution of loss		
Retained earnings	<u>-7,950</u>	<u>-10,255</u>
	<u>-7,950</u>	<u>-10,255</u>

Financial statements 1 January – 31 December

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6 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment
Cost at 1 January 2021	136
Additions for the year	7
Cost at 31 December 2021	143
Depreciation and impairment losses at 1 January 2021	-116
Depreciation for the year	-11
Depreciation and impairment losses at 31 December 2021	-127
Carrying amount at 31 December 2021	16

7 Receivables from group entities

No terms of repayments have been agreed with the Group entities. A significant part of receivables from group entities are not expected to be received within 1 year.

8 Contributed capital

The contributed capital consists of 10.000 shares of nom. DKK 100 each.

All shares rank equally.

9 Contractual obligations, contingencies, etc.

The Company has entered into lease agreements with a remaining term of up to 12 months. The total residual lease payment amounts to DKK 146 thousand.

Supplier guarantees have been provided for an amount of DKK 0.4 million.

The Company has a deferred tax asset of DKK 18 million, which has not been recognised due to uncertainty regarding its utilisation.

10 Related party disclosures

ExecuJet Europe A/S' related parties comprise the following:

Control

ExecuJet Europe A/S is part of the consolidated financial statements of Execujet Finance Limited, 21 Priory Hall Stillorgan Co. Dublin Ireland, and the consolidated financial statements of Luxuvuation Holding Company S.A., 4A, rue albert Borschette, L-1246 Luxembourg, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

Financial statements 1 January – 31 December

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The consolidated financial statements of Execujet Finance Limited, 21 Priory Hall Stillorgan Co. Dublin Ireland and the consolidated financial statements of Luxuvuation Holding Company S.A., 4A, rue albert Borschette, L-1246 Luxembourg can be obtained by contacting the companies at the addresses above.

Related party transactions

DKK'000	<u>2021</u>	<u>2020</u>
Cost of sales	28,858	14,708
Revenue	545	5,018
Managements fee	3,342	2,879