



ExecuJet Europe A/S

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

CVR no. 20 21 53 80

Annual report 2019

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

10 July 2020

Jackie Nikolajsen
chairman

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ExecuJet Europe A/S
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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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Roskilde, 10 July 2020
Executive Board:

Niclas Fortunat von Planta

Board of Directors:

Patrick Joseph Albert
Hansen
Chairman

David Hugh Dalrymple

Niclas Fortunat von Planta

Carsten Andersen



Independent auditor's report

To the shareholder of ExecuJet Europe A/S

Opinion

We have audited the financial statements of ExecuJet Europe A/S for the financial year 1 January – 31 December 2019 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Emphasis of matter regarding matters in the financial statements

Without modifying our opinion, we draw attention to the Company's negative equity and the disclosures in note 2, in which Management explains that it has received a letter of support from the parent company.

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.



Independent auditor's report

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.

Copenhagen, 10 July 2020

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

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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

Patrick Joseph Albert Hansen, Chairman
David Hugh Dalrymple
Niclas Fortunat von Planta
Carsten Andersen

Executive Board

Niclas Fortunat von Planta

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Annual general meeting

The annual general meeting will be held on 10 July 2020.

Management's review

Operating review

Significant changes in the Company's activities and financial position

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 current accounting period shows a profit of DKK 2,289 thousand compared to DKK 2,660 thousand in 2018.

Capital resources

The Company's equity is negative by DKK 7,791 thousand. The cash flow budget for 2020 shows a profit, but should further cash be necessary Luxaviation Holding Company S.A. has confirmed that it will provide financial support to the Company sufficient 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. On this basis the Management assess the capital resources as sufficient for 2020.

Outlook

The regional demand for business aviation sales, aircraft management and charter solutions gives grounds for optimism, principally because business aviation today is in a far better position than it was only five years ago to withstand the effects of a severe economic downturn.

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.

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.

Management's review

Operating review

Events after the balance sheet date

A significant factor impacting the company this year is reduced activity due to government implemented travel restrictions related to the Covid-19 pandemic. ExecuJet Denmark experienced normal business operations until Mid-March at which point there was a significant reduction in activity. It is not possible to reliably forecast at this stage the impact of the Covid19 pandemic but management is doing everything possible to mitigate the risks and utilise all government support available. Given the uncertainty, the management has implemented strict cash management procedures and has used a reasonable worst case scenario to forecast to the end of the fiscal year 2020 and is confident it can meet its commitments even under this unlikely scenario.

Apart from the above no events have occurred after the end of the financial year of material importance to the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2019	2018
Gross profit		11,991	12,361
Staff costs	3	-9,057	-9,094
Depreciation, amortisation and impairment losses		-3	-11
Operating profit		2,931	3,256
Financial income	4	1,334	1,776
Financial expenses	5	-1,976	-2,372
Profit before tax		2,289	2,660
Tax on profit/loss for the year		0	0
Profit for the year		2,289	2,660
Proposed profit appropriation			
Retained earnings		2,289	2,660
		2,289	2,660

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	2018
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		<u>3</u>	<u>5</u>
Financial assets			
Deposits		<u>123</u>	<u>103</u>
Total fixed assets		<u>126</u>	<u>108</u>
Current assets			
Receivables			
Trade receivables		27,403	25,758
Receivables from group entities	7	33,954	16,547
Other receivables		<u>12,827</u>	<u>3,017</u>
		<u>74,184</u>	<u>45,322</u>
Cash at bank and in hand		<u>4,199</u>	<u>5,766</u>
Total current assets		<u>78,383</u>	<u>51,088</u>
TOTAL ASSETS		<u><u>78,509</u></u>	<u><u>51,196</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,000	1,000
Retained earnings		-8,791	-11,080
Total equity		-7,791	-10,080
Liabilities			
Non-current liabilities			
Other payables		155	0
Current liabilities			
Prepayments received from customers		36,905	37,566
Trade payables		21,430	18,455
Payables to group entities		10,688	1,412
Other payables		17,122	3,843
		86,145	61,276
Total liabilities		86,300	61,276
TOTAL EQUITY AND LIABILITIES		78,509	51,196
Contractual obligations, contingencies, etc.	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2019	1,000	-11,080	-10,080
Transferred over the profit appropriation	0	2,289	2,289
Equity at 31 December 2019	1,000	-8,791	-7,791

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Pursuant to section 78a of the Danish Financial Statements Act, the annual report of ExecuJet Europe A/S for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus or minus the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

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 profit

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Other operating income

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

Other external costs

Other external costs comprise of distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

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 profit/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 profit/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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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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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.

Financial assets

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of fixtures and fittings, tools and equipment, and deposits are 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Cash at bank and in hand

Cash at bank and in hand comprises cash.

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.

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

Liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

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2 Going concern and subsequent events

The Company's equity is negative by DKK 7,791 thousand. The cash flow budget for 2020 shows a profit, but should further cash be necessary Luxaviation Holding Company S.A. has confirmed that it will provide financial support to the Company sufficient 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. On this basis the Management assess the capital resources as sufficient for 2020.

A significant factor impacting the company this year is reduced activity due to government implemented travel restrictions related to the Covid-19 pandemic. ExecuJet Denmark experienced normal business operations until Mid-March at which point there was a significant reduction in activity. It is not possible to reliably forecast at this stage the impact of the Covid19 pandemic but management is doing everything possible to mitigate the risks and utilise all government support available. Given the uncertainty, the management has implemented strict cash management procedures and has used a reasonable worst case scenario to forecast to the end of the fiscal year 2020 and is confident it can meet its commitments even under this unlikely scenario.

DKK'000	<u>2019</u>	<u>2018</u>
3 Staff costs		
Wages and salaries	3,602	4,246
Pensions	483	326
Other social security costs	553	36
Allocated costs related to salaries	<u>4,419</u>	<u>4,486</u>
	<u>9,057</u>	<u>9,094</u>
Average number of full-time employees	<u>5</u>	<u>5</u>
4 Financial income		
Interest income from group entities	89	52
Foreign exchange gains	<u>1,245</u>	<u>1,724</u>
	<u>1,334</u>	<u>1,776</u>
5 Financial expenses		
Foreign exchange losses	1,976	2,361
Interest expense, bank	<u>0</u>	<u>11</u>
	<u>1,976</u>	<u>2,372</u>

Financial statements 1 January – 31 December

Notes

6 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment
Cost at 1 January 2019	106
Cost at 31 December 2019	106
Depreciation and impairment losses at 1 January 2019	-101
Depreciation for the year	-2
Depreciation and impairment losses at 31 December 2019	-103
Carrying amount at 31 December 2019	3

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 Contractual obligations, contingencies, etc.

The Company has entered into lease agreements with a remaining term of up to 41 months. The total residual lease payment amounts to DKK 217 thousand.

The Company has a deferred tax asset of DKK 14 million, which has not been recognised due to uncertainty regarding its utilisation.

9 Related party disclosures

Control

ExecuJet Europe A/S is part of the consolidated financial statements of ExecuJet Finance Limited, Ireland, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of ExecuJet Finance Limited can be obtained by contacting the Company.

Related party transactions

DKK'000	2019	2018
Cost of sales	33,589	30,018
Revenue	3,327	970
Management fee	800	758