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Flexflight ApS

Lufthavnsvej 50, 4000 Roskilde

Company reg. no. 27 37 67 70

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 20 July 2023.

Christian Ejnar Honoré
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of Flexflight ApS for the financial year 1 January - 31 December 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Roskilde, 20 July 2023

Managing Director

Christian Ejnar Honoré

Board of directors

Erik Martin Troelsen Pretzmann   Adam Randall Weiss   Lasse Meilsøe

Independent auditor's report

To the Shareholders of Flexflight ApS

Opinion

We have audited the financial statements of Flexflight ApS for the financial year 1 January - 31 December 2022, which comprise income statement, statement of financial position, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the results of the company's activities for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that Management’s Review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management’s Review.

Copenhagen, 20 July 2023

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company	Flexflight ApS Lufthavnsvej 50 4000 Roskilde	
	Company reg. no.	27 37 67 70
	Established:	1 October 2003
	Financial year:	1 January - 31 December
Board of directors	Erik Martin Troelsen Pretzmann Adam Randall Weiss Lasse Meilsøe	
Managing Director	Christian Ejnar Honoré	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management´s review

The principal activities of the company

The Company's activity is to provide taxiplane and air services, and together with WorldTicket A/S to market other airline companies in the entire world via socalled interline and codeshare. This activity facilitates the sale of flight tickets in more than 100 countries.

Development in activities and financial matters

Income or loss from ordinary activities after tax totals 3.042 DKK against 672 DKK last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

No events have occured after the end of the financial year.

Income statement 1 January - 31 December

DKK thousand.

Note		2022	2021
	Gross profit	**24.871**	**15.748**
1	Staff costs	-19.641	-13.537
	Depreciation and impairment of property, land, and equipment	-527	-329
	Operating profit	**4.703**	**1.882**
2	Other financial income	39	3
	Impairment of financial assets	0	-5
3	Other financial costs	-833	-1.018
	Pre-tax net profit or loss	**3.909**	**862**
4	Tax on net profit or loss for the year	-863	-190
	Net profit or loss for the year	**3.046**	**672**
	Proposed distribution of net profit:		
	Reserves for net revaluation according to the equity method	0	-575
	Transferred to retained earnings	3.046	1.247
	Total allocations and transfers	**3.046**	**672**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2022	2021
	Non-current assets		
5	Property	1.015	1.159
6	Plant and equipment	664	1.047
	Total property, plant, and equipment	1.679	2.206
7	Equity investments in group enterprises	26	198
8	Deposits	7.238	940
	Total investments	7.264	1.138
	Total non-current assets	**8.943**	**3.344**
	Current assets		
	Trade receivables	6.082	6.866
	Receivables from group enterprises	74.407	37.933
	Other receivables	11.369	2.153
	Prepayments and accrued income	1.760	4.763
	Total receivables	93.618	51.715
	Cash on hand and demand deposits	10.474	27.076
	Total current assets	**104.092**	**78.791**
	Total assets	**113.035**	**82.135**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		2022	2021
	Equity		
	Contributed capital	130	130
	Reserve for net revaluation according to the equity method	5	5
	Retained earnings	18.414	4.613
	Total equity	**18.549**	**4.748**
	Provisions		
	Provisions for deferred tax	106	170
	Other provisions	3.034	0
	Total provisions	**3.140**	**170**
	Liabilities other than provisions		
	Other payables	805	724
	Total long term liabilities other than provisions	805	724
	Bank loans	648	78
	Prepayments received from customers	66.372	49.599
	Trade payables	12.640	14.974
	Payables to group enterprises	6.944	1.070
	Income tax payable	1.593	0
	Income tax payable to group enterprises	928	193
	Other payables	1.416	7.808
	Accruals and deferred income	0	2.771
	Total short term liabilities other than provisions	90.541	76.493
	Total liabilities other than provisions	**91.346**	**77.217**
	Total equity and liabilities	**113.035**	**82.135**

9 **Collateral**

10 **Contingencies**

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2022	130	5	4.613	4.748
Material mistatements	0	0	10.755	10.755
Adjusted equity 1 January 2022	130	5	15.368	15.503
Share of profit or loss	0	0	3.046	3.046
	130	**5**	**18.414**	**18.549**

Notes

DKK thousand.

		2022	2021
1.	**Staff costs**		
	Salaries and wages	17.876	12.469
	Pension costs	380	229
	Other costs for social security	212	136
	Other staff costs	1.173	703
		19.641	**13.537**
	Average number of employees	28	20
2.	**Other financial income**		
	Interest, banks	39	3
		39	**3**
3.	**Other financial costs**		
	Other financial costs	833	1.018
		833	**1.018**
4.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	928	195
	Adjustment of deferred tax for the year	-65	-5
		863	**190**
5.	**Property**		
	Cost 1 January 2022	1.250	1.250
	Cost 31 December 2022	**1.250**	**1.250**
	Depreciation and writedown 1 January 2022	-91	-81
	Amortisation and depreciation for the year	-144	-10
	Depreciation and writedown 31 December 2022	**-235**	**-91**
	Carrying amount, 31 December 2022	**1.015**	**1.159**

Notes

DKK thousand.

		31/12 2022	31/12 2021
6.	**Plant and equipment**		
	Cost 1 January 2022	1.860	1.297
	Disposals concerning company transfer	0	-11
	Additions during the year	0	574
	Cost 31 December 2022	**1.860**	**1.860**
	Depreciation and writedown 1 January 2022	-813	-494
	Amortisation and depreciation for the year	-383	-319
	Depreciation and writedown 31 December 2022	**-1.196**	**-813**
	Carrying amount, 31 December 2022	**664**	**1.047**
7.	**Equity investments in group enterprises**		
	Cost 1 January 2022	193	193
	Cost 31 December 2022	**193**	**193**
	Revaluations, opening balance 1 January 2022	5	10
	Net profit or loss for the year before amortisation of goodwill	0	-5
	Other movements in capital 1	-172	0
	Revaluation 31 December 2022	**-167**	**5**
	Carrying amount, 31 December 2022	**26**	**198**
8.	**Deposits**		
	Cost 1 January 2022	940	940
	Additions during the year	6.298	0
	Cost 31 December 2022	**7.238**	**940**
	Carrying amount, 31 December 2022	**7.238**	**940**

Notes

DKK thousand.

9. Collateral

As security for a supplier t.DKK 523 has been deposited.

The company has a security for banks with a nominal value of 975tDKK.

10. Contingencies

Contingent liabilities

Joint taxation

With Worldticket A/S, company reg. no 29794626 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Accounting policies

The annual report for Flexflight ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Material misstatement

In the financial year 2022, management has identified a material misstatement relating to customer debt for earlier years. The misstatement has been corrected as a material misstatement with adjustment of the opening equity in the current financial year for 2022.
The misstatement is due to a difference between the actual value of customer debt according to statements received and the recognized amount.
The effect of the correction is an increase in equity which amounts to 10.755.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs of goods used to generating the year's revenue.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

Accounting policies

	Useful life
Property	50 years
Plant and Equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Investments

Investments in subsidiaries

Equity investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Accounting policies

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Flexflight ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.