Grant Thornton

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Flexflight ApS

Lufthavnsvej 50, 4000 Roskilde

Company reg. no. 27 37 67 70

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 14 July 2021.

Claus Boysen
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the executive board have presented the annual report of Flexflight ApS for the financial year 1 January - 31 December 2020.

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 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

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 by the general meeting.

Roskilde, 14 July 2021

Executive board

Christian Ejnar Honoré	Rasmus Koch Wilsom	Ran Piontek

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 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. 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 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 international ethical requirements for auditors (IESBA’s Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 commentary
Management is responsible for the management commentary.

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 commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary 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 commentary.

Copenhagen, 14 July 2021

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

Anders Flymer-Dindler
State Authorised Public Accountant
mne35423

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	
Executive board	Christian Ejnar Honoré Rasmus Koch Wilsom Ran Piontek	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management commentary

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 from ordinary activities after tax totals DKK 2.264.395 against DKK 1.364.473 last year, and the balance sheet at 31 December 2020 shows equity of DKK 5.274.523. Management considers the net profit for the year satisfactory.

Events occurring after the end of the financial year

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

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.

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.

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.

Accounting policies

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

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 6 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

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.

Accounting policies

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

	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.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity investments in group enterprises

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

Accounting policies

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.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

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

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property.

The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

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.

Accounting policies

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.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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.

Income statement 1 January - 31 December

DKK in thousands.

Note		2020	2019
	Gross profit	**15.654**	**20.450**
1	Staff costs	-10.239	-11.202
	Depreciation, amortisation, and impairment	-118	-7.167
	Operating profit	**5.297**	**2.081**
2	Other financial income	763	965
3	Other financial costs	-1.170	-1.297
	Pre-tax net profit or loss	**4.890**	**1.749**
4	Tax on net profit or loss for the year	-2.626	-385
	Net profit or loss for the year	**2.264**	**1.364**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	2.264	1.342
	Transferred to other reserves	0	22
	Total allocations and transfers	**2.264**	**1.364**

Statement of financial position at 31 December

DKK thousand.

Assets

Note		2020	2019
	Non-current assets		
5	Concessions, patents, licenses, trademarks, and similar rights acquired	0	33.453
	Total intangible assets	0	33.453
6	Property	1.169	1.180
7	Plant and equipment	803	292
	Total property, plant, and equipment	1.972	1.472
8	Equity investments in group enterprises	2.215	1.737
9	Deposits	940	2.214
	Total investments	3.155	3.951
	Total non-current assets	**5.127**	**38.876**
	Current assets		
	Manufactured goods and goods for resale	19	26
	Total inventories	19	26
	Trade receivables	1.205	4.030
	Receivables from group enterprises	40.454	17.965
	Deferred tax assets	0	1.053
	Other receivables	1.970	1.060
	Prepayments and accrued income	247	2.055
	Total receivables	43.876	26.163
	Cash on hand and demand deposits	9.429	11.549
	Total current assets	**53.324**	**37.738**
	Total assets	**58.451**	**76.614**

Statement of financial position at 31 December

DKK thousand.

Equity and liabilities

Note		2020	2019
	Equity		
	Contributed capital	130	130
	Revaluation reserve	580	580
	Retained earnings	4.564	2.300
	Total equity	**5.274**	**3.010**
	Provisions		
	Provisions for deferred tax	175	0
	Total provisions	**175**	**0**
	Liabilities other than provisions		
	Bank loans	0	273
10	Prepayments received from customers	37.334	66.781
	Trade payables	5.117	4.631
	Income tax payable to group enterprises	1.398	0
	Other payables	9.153	1.883
	Accruals and deferred income	0	36
	Total short term liabilities other than provisions	53.002	73.604
	Total liabilities other than provisions	**53.002**	**73.604**
	Total equity and liabilities	**58.451**	**76.614**

11 Collateral

12 Contingencies

Statement of changes in equity

DKK thousand.

	Contributed capital	Revaluation reserve	Retained earnings	Total
Equity 1 January 2019	130	558	958	1.646
Retained earnings for the year	0	0	1.342	1.342
Revaluations for the year	0	22	0	22
Equity 1 January 2020	130	580	2.300	3.010
Retained earnings for the year	0	0	2.264	2.264
	130	**580**	**4.564**	**5.274**

Notes

DKK in thousands.

		2020	2019
1.	**Staff costs**		
	Salaries and wages	9.457	10.265
	Pension costs	172	182
	Other costs for social security	124	153
	Other staff costs	486	602
		10.239	**11.202**
	Average number of employees	18	19
2.	**Other financial income**		
	Interest, banks	12	0
	Interest, outstanding loans	0	124
	Exchange differences	751	841
		763	**965**
3.	**Other financial costs**		
	Other financial costs	1.170	1.297
		1.170	**1.297**
4.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	1.398	0
	Adjustment of deferred tax for the year	1.228	385
		2.626	**385**

Notes

DKK in thousands.

		31/12 2020	31/12 2019
5.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 January 2020	42.263	42.263
	Disposals during the year	-42.263	0
	Cost 31 December 2020	**0**	**42.263**
	Amortisation and writedown 1 January 2020	-8.810	-1.771
	Amortisation and depreciation for the year	0	-7.039
	Depreciation, amortisation, and impairment loss for the year, assets disposed of	8.810	0
	Amortisation and writedown 31 December 2020	**0**	**-8.810**
	Carrying amount, 31 December 2020	**0**	**33.453**

6.	**Property**		
	Cost 1 January 2020	1.250	1.250
	Cost 31 December 2020	**1.250**	**1.250**
	Depreciation and writedown 1 January 2020	-71	-94
	Amortisation and depreciation for the year	-10	24
	Depreciation and writedown 31 December 2020	**-81**	**-70**
	Carrying amount, 31 December 2020	**1.169**	**1.180**

Notes

DKK thousand.

		31/12 2020	31/12 2019
7.	**Plant and equipment**		
	Cost 1 January 2020	678	1.111
	Additions during the year	619	-515
	Disposals during the year	0	82
	Cost 31 December 2020	**1.297**	**678**
	Depreciation and writedown 1 January 2020	-386	-314
	Amortisation and depreciation for the year	-108	-72
	Depreciation and writedown 31 December 2020	**-494**	**-386**
	Carrying amount, 31 December 2020	**803**	**292**
8.	**Equity investments in group enterprises**		
	Cost 1 January 2020	2.215	1.737
	Cost 31 December 2020	**2.215**	**1.737**
	Carrying amount, 31 December 2020	**2.215**	**1.737**
9.	**Deposits**		
	Cost 1 January 2020	940	2.214
	Cost 31 December 2020	**940**	**2.214**
	Carrying amount, 31 December 2020	**940**	**2.214**
10.	**Prepayments received from customers**		
	Prepayments received from customers	37.334	66.781
		37.334	**66.781**

Notes

DKK in thousands.

11. Collateral

As security for a cooperation with a partner t.DKK 6,000 has been deposited.

12. 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.