

Annual report

01.07.2018 - 30.06.2019



Flyhjælp ApS
Holmbladsgade 133
2300 København S
BRN 36917490

The Annual General Meeting adopted the annual report on 15.11.2019

Chairman of the General Meeting

Name: Johan Thybo

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Entity details

Entity

Flyhjælp ApS
Holmbladsgade 133
2300 København S

Central Business Registration No (CVR): 36917490

Registered in: København

Financial year: 01.07.2018 - 30.06.2019

Executive Board

Gustav Frederik Thybo
Johan Thybo
Philip Alexander Brechmann

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors have today considered and approved the annual report of Flyhjælp ApS for the financial year 01.07.2018 - 30.06.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 15.11.2019

Executive Board

Gustav Frederik Thybo

Johan Thybo

Philip Alexander Brechmann

Independent auditor's report

To the shareholders of Flyhjælp ApS

Opinion

We have audited the financial statements of Flyhjælp ApS for the financial year 01.07.2018 - 30.06.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

København, 15.11.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Primary activities

The primary activity for Flyhjælp ApS is to practice legal business. The company primarily helps airline passengers to ensure financial compensation for flight delays, cancellations, and overbookings. Through legal expertise and automation of casework, Flyhjælp aims to bring justice to travelers in the most effective way.

Development in activities and finances

Flyhjælp's fourth financial year 2018/2019 has been a transformative year for the company with record revenue and profits.

Flyhjælp experienced growth in sales and profits across Denmark, Sweden, and Norway, which is well in line with the company's strategy to become the best flight compensation company in the Nordic countries.

During the financial year, Flyhjælp has invested considerably in developing the company's IT-systems, which has lowered the achieved profit in this fiscal year but is expected to provide positive returns in the following years. The management believes that large improvements in casework automation are up for grasp in the years to come.

In October 2018, the airline Primera Air went bankrupt, which has impacted the achieved revenue and profit substantially since Flyhjælp had a large outstanding amount of compensation claims against Primera Air.

To make space for new employees, Flyhjælp decided to move to a bigger office in Copenhagen. The construction of the new office at Holmbladsgade 133 was delayed, which led to the company temporarily having two offices. Flyhjælp moved into the new office at Holmbladsgade 133 after the end of this financial year in September 2019.

Profit for the year is positive by DKK 1,103 thousand, which is considered satisfactory.

At 30.06.2019, equity amounts to DKK 1,197 thousand and total assets amount to DKK 6,719 thousand.

Management believes that Flyhjælp has obtained a stronger financial position and that it will be further improved in the following years.

Outlook

For the financial year of 2019/20 further growth is expected.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Management commentary

	<u>Number</u>	<u>Nominal value DKK</u>	<u>Share of contributed capital %</u>	<u>Purchase/(s elling) price DKK</u>
Treasury shares				
Investments disposed of:				
Egne kapitalandele	6,944	6,944	13.8	550,000
	6,944	6,944	13.8	

The company decided last year to buy treasury shares in connection to changes in the ownership. Management later realized the company's equity resources did not allow the decision of buying treasury to be made in accordance to the Danish Company's Act § 196-201. The treasury shares was bought in May 2018 and as a result the equity was negative by DKK 337 thousand as of June 30, 2018.

As a result of the above mentioned conditions the company decided to sell the treasury shares to the existing shareholders within 6 month after the purchase to fulfill the Danish Companies Act §203. Management has therefore reestablished the equity resources and the company no longer owns treasury shares.

The classification of treasury shares in the comparative figures was not presented correct. The treasury shares was presented as a fixed asset investment and not directly deducted from equity under retained earnings. The treasury shares amounts to DKK 550 thousand. As the treasury shares has been sold to the existing shareholders which has been recognised in 2018/19 hence the treasury shares has no affect on the equity as of June 30, 2019.

As a result the comparative figures have been adjusted accordingly, which has caused no affect in the income statement and only affected the balancesheet value of the above mentioned account balances.

Income statement for 2018/19

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Gross profit		13,323,817	5,793,094
Staff costs	1	(11,905,374)	(5,773,365)
Depreciation, amortisation and impairment losses		<u>(36,513)</u>	<u>0</u>
Operating profit/loss		1,381,930	19,729
Other financial income		35,043	0
Other financial expenses		<u>(262)</u>	<u>(5,441)</u>
Profit/loss before tax		1,416,711	14,288
Tax on profit/loss for the year	2	<u>(313,584)</u>	<u>(4,312)</u>
Profit/loss for the year		<u>1,103,127</u>	<u>9,976</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		230,000	120,000
Retained earnings		<u>873,127</u>	<u>(110,024)</u>
		<u>1,103,127</u>	<u>9,976</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Other fixtures and fittings, tools and equipment		273,369	0
Property, plant and equipment	3	<u>273,369</u>	<u>0</u>
Deposits		432,343	156,000
Other receivables		69,865	0
Fixed asset investments	4	<u>502,208</u>	<u>156,000</u>
Fixed assets		<u>775,577</u>	<u>156,000</u>
Trade receivables		413,207	146,274
Other receivables	5	1,380,948	578,361
Receivables		<u>1,794,155</u>	<u>724,635</u>
Cash		<u>4,149,182</u>	<u>2,936,039</u>
Current assets		<u>5,943,337</u>	<u>3,660,674</u>
Assets		<u>6,718,914</u>	<u>3,816,674</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Contributed capital		50,500	50,500
Retained earnings		916,047	(507,080)
Proposed dividend		<u>230,000</u>	<u>120,000</u>
Equity		<u>1,196,547</u>	<u>(336,580)</u>
Deferred tax		<u>9,011</u>	<u>0</u>
Provisions		<u>9,011</u>	<u>0</u>
Income tax payable		<u>304,573</u>	<u>0</u>
Non-current liabilities other than provisions		<u>304,573</u>	<u>0</u>
Trade payables		648,291	8,500
Income tax payable		6,605	45,628
Other payables	6	<u>4,553,887</u>	<u>4,099,126</u>
Current liabilities other than provisions		<u>5,208,783</u>	<u>4,153,254</u>
Liabilities other than provisions		<u>5,513,356</u>	<u>4,153,254</u>
Equity and liabilities		<u>6,718,914</u>	<u>3,816,674</u>
Unrecognised rental and lease commitments	7		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	50,500	42,920	120,000	213,420
Corrections of material errors	<u>0</u>	<u>(550,000)</u>	<u>0</u>	<u>(550,000)</u>
Adjusted equity, beginning of year	50,500	(507,080)	120,000	(336,580)
Sale of treasury shares	0	550,000	0	550,000
Ordinary dividend paid	0	0	(120,000)	(120,000)
Profit/loss for the year	<u>0</u>	<u>873,127</u>	<u>230,000</u>	<u>1,103,127</u>
Equity end of year	<u>50,500</u>	<u>916,047</u>	<u>230,000</u>	<u>1,196,547</u>

Notes

	2018/19	2017/18
	DKK	DKK
1. Staff costs		
Wages and salaries	11,132,596	5,455,788
Pension costs	1,742	0
Other social security costs	98,690	53,383
Other staff costs	672,346	264,194
	11,905,374	5,773,365
Average number of employees	33	10
	2018/19	2017/18
	DKK	DKK
2. Tax on profit/loss for the year		
Current tax	304,573	4,351
Change in deferred tax	9,011	0
Adjustment concerning previous years	0	(39)
	313,584	4,312
		Other fixtures and fittings, tools and equipment DKK
3. Property, plant and equipment		
Additions		309,882
Cost end of year		309,882
Depreciation for the year		(36,513)
Depreciation and impairment losses end of year		(36,513)
Carrying amount end of year		273,369

Notes

	Deposits	Other
	DKK	receivables
	DKK	DKK
4. Fixed asset investments		
Cost beginning of year	156,000	0
Additions	361,980	69,865
Cost end of year	517,980	69,865
Impairment losses for the year	(85,637)	0
Impairment losses end of year	(85,637)	0
Carrying amount end of year	432,343	69,865

5. Other receivables

Other receivables comprises primarily receivable court fee which is expected to be received between 12-24 months from the balancesheet date.

	2018/19	2017/18
	DKK	DKK
6. Other payables		
VAT and duties	973,796	1,345,462
Wages and salaries, personal income taxes, social security costs, etc payable	451,944	346,476
Holiday pay obligation	1,168,233	480,445
Other costs payable	1,959,914	1,926,743
	4,553,887	4,099,126

Other costs payable comprise compensation payable.

	2018/19	2017/18
	DKK	DKK
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	2,461,649	130,000

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Material errors in previous years

The classification of treasury shares in the comparative figures was not presented correct. The treasury shares was presented as a fixed asset investment and not directly deducted from equity under retained earnings. The treasury shares amounts to DKK 550 thousand. As mentioned in the management commentary the treasury shares has been sold to the existing shareholders which has been recognised in 2018/19 hence the treasury shares has no affect on the equity as of June 30, 2019.

As a result the comparative figures have been adjusted accordingly, which has caused no affect in the income statement and only affected the balancesheet value of the above mentioned account balances.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of plant and equipment.

Other financial income

Other financial income comprises interest income, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.