JT3H ApS

Krumtappen 4, st., DK-2500 Valby

Annual Report for 1 September 2020 - 31 August 2021

CVR No 37 30 42 39

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 1 /2 2022

Peter Schäfer
Chairman of the General Meeting

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of JT3H ApS for the financial year 1 September 2020 - 31 August 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 August 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020/21.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Valby, 1 February 2022

Executive Board

Lars Thuesen

Independent Auditor's Report

To the Shareholder of JT3H ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 August 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 September 2020 - 31 August 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of JT3H ApS for the financial year 1 September 2020 - 31 August 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”the Financial Statements”).

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 Group 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.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the Financial Statements, which indicates that the Group is dependent on active operation in a substantial part of 2021/22 in order to have sufficient liquidity available to perform repayment of loans in July 2022. Due to Covid-19 there is an increased inherent risk of additional travel restrictions impacting the Group's operation. This fact, along with other matters as set forth in note 1, indicate that a material uncertainty exist that may cast significant doubt upon the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 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:

- 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 Company’s and the Group’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 Group’s and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 1 February 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen
statsautoriseret revisor
mne18628

Jakob Thisted Binder
statsautoriseret revisor
mne42816

Company Information

The Company	JT3H ApS Krumtappen 4, st. DK-2500 Valby CVR No: 37 30 42 39 Financial period: 1 September - 31 August Incorporated: 15 December 2015 Municipality of reg. office: Copenhagen
Executive Board	Lars Thuesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2020/21	2019/20	2018/19	2017/18	2016/17
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Profit/loss					
Revenue	81	0	1,444	1,130	1,459
Gross profit/loss	-1	-11	286	218	374
Operating profit/loss	-70	-17	39	773	-4
Profit/loss before financial income and expenses	-49	-17	39	8	9
Net financials	22	182	-7	-5	4
Net profit/loss for the year	-28	164	30	3	12
Balance sheet					
Balance sheet total	268	189	415	189	242
Equity	-44	-18	-270	-434	-450
Cash flows					
Cash flows from:					
- operating activities	-8	-15	113	-37	-133
- investing activities	-2	-20	-20	16	39
including investment in property, plant and equipment	0	-18	-1	7	7
- financing activities	27	37	-20	-4	116
Change in cash and cash equivalents for the year	17	2	74	-25	22
Number of employees	54	29	397	373	583

Financial Highlights

	Group				
	2020/21	2019/20	2018/19	2017/18	2016/17
	MDKK	MDKK	MDKK	MDKK	MDKK
Ratios					
Gross margin	-1.2%	0.0%	19.8%	19.3%	25.6%
Profit margin	-60.5%	0.0%	2.7%	0.7%	0.6%
Return on assets	-18.3%	-9.0%	9.4%	4.2%	3.7%
Solvency ratio	-16.4%	-9.5%	-65.1%	-229.6%	-186.0%
Return on equity	90.3%	-113.9%	-8.5%	-0.7%	-2.6%

The financial highlights from 2018/19 and prior are including the former subsidiary Jet Time A/S which filed for bankruptcy as at 21 July 2020. Due to lack of information from Jet Time A/S (Luftfartsselskabet af 21. juli 2020 A/S under konkurs) the financial highlights for 2019/20 only includes information about the Group i.e JT3H ApS and Jettime A/S.

Management's Review

Key activities

The Group is solely engaged in the Business-to-Business market offering air transport solutions.

Unusual conditions in the comparatives

Due to the outbreak of Covid-19 in February / March 2020 all travel activities across the world was stopped resulting in the bankruptcy of the subsidiary Luftfartsselskabet af 21. juli 2020 A/S ("Jet Time") with effect from 21 July 2020.

Prior to the bankruptcy some assets and employees in Jet Time was transferred to the newly established 100 % owned subsidiary Jettime A/S ("Jettime").

Due to the bankruptcy of Jet Time it has not been possible to retrieve the financial information needed to include them in the comparatives in the consolidated financial statements from 1 September 2019 - 21 July 2020.

As such all financial information from Jet Time in the consolidated financial statements has been disposed as at 1 September 2019 resulting in a accounting gain of DKK 270 million in the comparative, of purely technical character, which equals to the negative equity in Jet Time at 31 August 2019.

Development in activities and financial matters

The financial year 2020/21 was the Group's sixt operating year.

As described in the section "unusual conditions in the comparatives" the subsidiary Jet Time filed bankruptcy resulting in a gain in 2019/20 in the consolidated financial statements of DKK 270 million.

Jettime was established 8 June 2020 with an ambition to start operating from fall 2020 but due the prolonged pandemic and travel restrictions operations didn't start until July 2021, hence Jettime was only in operation during 2 months operating 2 aircraft.

During the year, the Group has been the recipient of government support packages to compensate for the travel restrictions. As a result, the Group has received DKK 21 million which has been recognized under "Other Income".

The total flight production in 2020/21 amounted to 1,634 block hours. The average number of employees was 54 during 2020/21 and at the end of 2020/21, the Group had 138 employees. And finally, at the end of 2020/21 the Company had a fleet of 5 Boeing 737 NG aircraft.

The Group's consolidated revenue in 2020/21 was DKK 81 million and the Group showed a result before tax of DKK -28 million in 2020/21. At year end 2020/21, the Group showed negative equity of DKK 44 million. Cash at bank and in hand was DKK 19 million at year end 2020/21.

The total balance sheet was DKK 268 million in 2020/21. A significant part of this relates to provisions

Management's Review

for future maintenance mainly related to the aircraft. In light of the ongoing pandemic, the results have been severely impacted. As a result, the management consider the result before tax of DKK -27 million for the year as unsatisfactory.

Capital resources

Equity at 31 August 2021 was negative DKK 44 million. During the financial year 2020/21, DKK 2 million has been injected as equity, however as a result of the pandemic and the travel restrictions, the Group has only been operating flights for 2 out of 12 months, hence the negative result for the year has also resulted in a negative equity.

The Company obtained new loans during the year, and the framework of agreements on financing comprises the following at 31 August 2021:

- Other drawn short term loans, DKK 37 million.

Of the above loans DKK 25 million (excl. interests) are maturing in July 2022. The remaining loan is maturing in July 2024.

In Management's assessment, the liquidity contributed by the above financing agreements is sufficient to finance the Group's operation and it is Management's expectation that all loan terms also will be complied with in the financial years 2021 & 2021/22.

Moreover, in Management's assessment the above financing agreements are providing the basis required to ensure the Group the liquidity resources required to restore a sound business and positive earnings going forward.

The Company's capital resources, and liquidity is further described in note 1.

Risks

Price risks

The Group's use of jet fuel implies a particular risk due to the significant fluctuations to which the market for jet fuel is subject to. The Group aims at hedging the fuel prices by entering into hedging contracts corresponding to more than 90% of its consumption.

As a main rule, the Group enters into long-term flight agreements with charter companies. Hedging of fuel prices is made either by the Group at the time of contracting with the charter companies and in general at their expense - or by the charter companies where they carry the full price risk on fuel.

Management's Review

Foreign currency risks

Purchase of jet fuel as well as lease- and aircraft related expenses are mainly settled in USD. This means that profit/loss for the year, cash flows and equity are influenced by the USD exchange rate development.

It is Group policy to hedge commercial currency risks. Hedging is primarily performed by natural hedge (balancing the Company's USD costs with USD income and/or assets).

Credit risks

The Group's credit risks relate primarily to financial assets recognized in the balance sheet.

The Group does not have significant credit risks relating to one single customer or liaison as trading conditions request prepayment from the customer before operating flights.

Outlook

Based on the on-going pandemic and the change of accounting year, the Group expects a small loss for 2021, and a positive result exceeding DKK 25 mio. for 2021/22.

Uncertainty regarding recognition and measurement

Refer to note 2.

Subsequent events

Refer to note 3 for details regarding subsequent events.

Income Statement 1 September - 31 August

	Note	Consolidated 2020/21 TDKK	Consolidated 2019/20 TDKK	Parent Company 2020/21 TDKK	Parent Company 2019/20 TDKK
Revenue		**80,834**	**0**	**0**	**0**
Production costs		-75,126	-4,813	0	0
Other operating income		21,105	0	0	0
Lease costs		-7,546	-1,966	0	0
Other external expenses		-20,147	-4,678	-101	-225
Gross profit/loss		**-880**	**-11,457**	**-101**	**-225**
Staff expenses	4	-45,652	-4,739	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2,597	-332	0	0
Profit/loss before financial income and expenses	5	**-49,129**	**-16,528**	**-101**	**-225**
Income from investments in subsidiaries	5	0	270,098	-8,804	-16,196
Financial income	6	25,113	64	26,437	0
Financial expenses	7	-3,497	-88,094	-1,469	-88,064
Profit/loss before tax		**-27,513**	**165,540**	**16,063**	**-104,485**
Tax on profit/loss for the year	8	0	-1,525	0	-1,525
Net profit/loss for the year		**-27,513**	**164,015**	**16,063**	**-106,010**

Balance Sheet 31 August

Assets

	Note	Consolidated 2020/21 TDKK	Consolidated 2019/20 TDKK	Parent Company 2020/21 TDKK	Parent Company 2019/20 TDKK
Software		348	382	0	0
Brands		210	245	0	0
Intangible assets	9	**558**	**627**	**0**	**0**
Land and buildings		12,929	13,980	0	0
Other fixtures and fittings, tools and equipment		2,708	4,025	0	0
Property, plant and equipment in progress		122	0	0	0
Property, plant and equipment	10	**15,759**	**18,005**	**0**	**0**
Investments in subsidiaries	11	0	0	0	8,804
Receivables from group enterprises	12	0	0	13,374	11,936
Deposits	12	3,117	1,352	0	0
Receivable future maintenance	12	165,777	159,527	0	0
Fixed asset investments		**168,894**	**160,879**	**13,374**	**20,740**
Fixed assets		**185,211**	**179,511**	**13,374**	**20,740**
Inventories		**3,363**	**3,000**	**0**	**0**
Trade receivables		23,212	0	0	0
Other receivables		19,982	1,272	0	0
Receivable future maintenance	13	4,069	0	0	0
Prepayments	14	13,467	3,446	0	0
Receivables		**60,730**	**4,718**	**0**	**0**
Cash at bank and in hand		**18,544**	**1,932**	**2,085**	**87**
Currents assets		**82,637**	**9,650**	**2,085**	**87**
Assets		**267,848**	**189,161**	**15,459**	**20,827**

Balance Sheet 31 August

Liabilities and equity

	Note	Consolidated		Parent Company	
		2020/21	2019/20	2020/21	2019/20
		TDKK	TDKK	TDKK	TDKK
Share capital		250	50	250	50
Retained earnings		-43,782	-18,069	-206	-18,069
Equity		**-43,532**	**-18,019**	**44**	**-18,019**
Provisions for aircraft maintenance		173,297	159,879	0	0
Other provisions	16	223	0	0	0
Provisions		**173,520**	**159,879**	**0**	**0**
Other loan agreements		13,373	36,936	13,373	36,936
Other payables		2,189	3,653	0	0
Long-term debt	17	**15,562**	**40,589**	**13,373**	**36,936**
Prepayments received from customers		46,958	0	0	0
Trade payables		28,907	4,149	352	250
Other loan agreements	17	26,471	0	0	0
Corporation tax		1,525	1,525	1,525	1,525
Other payables	17	18,437	1,038	165	135
Short-term debt		**122,298**	**6,712**	**2,042**	**1,910**
Debt		**137,860**	**47,301**	**15,415**	**38,846**
Liabilities and equity		**267,848**	**189,161**	**15,459**	**20,827**

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Statement of Changes in Equity

Consolidated

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 September	50	-18,069	-18,019
Cash capital increase	200	1,800	2,000
Net profit/loss for the year	0	-27,513	-27,513
Equity at 31 August	**250**	**-43,782**	**-43,532**

Parent Company

	Share capital	Retained earnings	Total
Equity at 1 September	50	-18,069	-18,019
Cash capital increase	200	1,800	2,000
Net profit/loss for the year	0	16,063	16,063
Equity at 31 August	**250**	**-206**	**44**

Cash Flow Statement 1 September - 31 August

	Note	Consolidated 2020/21 TDKK	2019/20 TDKK
Net profit/loss for the year		-27,513	164,015
Adjustments	21	-19,595	-179,969
Change in working capital	22	38,668	1,313
Cash flows from operating activities before financial income and expenses		**-8,440**	**-14,641**
Financial income		113	0
Financial expenses		0	-8
Cash flows from operating activities		**-8,327**	**-14,649**
Purchase of intangible assets		0	-650
Purchase of property, plant and equipment		-281	-18,352
Fixed asset investments made etc		-1,765	-1,353
Cash flows from investing activities		**-2,046**	**-20,355**
Raising of other long-term debt		24,985	36,936
Cash capital increase		2,000	0
Cash flows from financing activities		**26,985**	**36,936**
Change in cash and cash equivalents		**16,612**	**1,932**
Cash and cash equivalents at 1 September		1,932	126,823
Disposal of cash - bankruptcy		0	-126,823
Cash and cash equivalents at 31 August		**18,544**	**1,932**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		18,544	1,932
Cash and cash equivalents at 31 August		**18,544**	**1,932**

Notes to the Financial Statements

1 Capital resources and liquidity

The realized loss after tax in 2020/21 amounts to DKK 27.5 million resulting in the equity being negative with DKK 43.5 million 31 August 2021.

The Group has been heavily impacted by the travel restrictions during 2020/21. Due to ongoing travel restrictions as a result of Covid-19 no active operation in the newly established subsidiary Jettime A/S has been in place before 1 July 2021. The result for 2020/21 is as such impacted by the limited operation however still with an organizational setup in order to maintain the AOC. The costs are only partly mitigated by received government support schemes.

The Group has been in active operation since July 2021 and expects continuesly increasing activity over the coming months with a total of 7 aircraft in operation in the summer 2022.

During the period with no operation the Group has partly been funded by the by another entity wholly owned by the ultimate shareholder (Jet Nordic Group A/S) and partly by an external third party. In total the Group has obtained external funding of approximately DKK 37 million of which DKK 25 million (before interests) are due 31 July 2022.

The Group has prepared a budget for 2021/22 and forecasts for coming years showing positive results and increasing liquidity available. The budget and forecasts are based on the assumption that the Group only to a limited extent will be impacted by travel restrictions going forward.

The Group expects to have sufficient liquidity available to perform the repayment of loans with expiry date in July 2022.

In worse case scenarios where a lockdown, as seen in 2020/21, took place, the Group would probably need additional funding. This potential additional funding is at the time of signing the annual report not in place. However, based on the current situation with only limited restrictions in the winter 2021/22 Management finds the risk for a lockdown for very limited.

In general the impact of Covid-19 continues to create considerable uncertainty for the aviation industry. The need for additional funding if additional travel restrictions occur indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to adopt a going concern basis of preparation for the financial statements. Management assesses that the Group will maintain sufficient liquidity over the next 12 months and that is accordingly appropriate to adopt a going concern basis for the preparation of these financial statements.

2 Uncertainty relation to recognition and measurement

In connection with the preparation of the financial statements, management applies accounting estimates and judgements. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Financial Statements

2 Uncertainty relation to recognition and measurement (continued)

The Company accrues for future aircraft maintenance. The future costs for aircraft maintenance is subject to accounting estimates. Such accounting estimates are subject to more uncertainty due to i.e. changes in pricing for the separate events.

The Company has recognized a receivable regarding future maintenance (prepayments) which is expected to offset future aircraft maintenance costs. The utilization of the receivable is subject to uncertainty due to the expected share of future maintenance costs to be covered by the receivable etc.

The parent company has recognized a receivable against the subsidiary Jettime A/S of DKK 13.4 million. The repayment of the receivable is dependent on positive operations and cash flows in the future. Due to the inherent risk in the aviation industry as described in note 1 the receivable is subject to increased uncertainty.

3 Subsequent events

The travel restrictions as a result of Covid-19 have partly continued into 2021/22, especially after the outbreak of the Omikron mutation.

At the time of signing of the annual report for 2020/21 the Group only expects limited impact of travel restrictions.

In December 2021 the Group formalised amendments to its loan arrangement with its shareholder and other third party loan arrangements including interest profile, maturity etc.

After the balance date, the Group has decided to change financial year to a period from 1 October to 30 September, hence as a result of this, there will be a 1 month transition financial year from 1 September 2021 to 30 September 2021.

Beside of the above-mentioned matters no material events have occurred after the balance sheet date.

Notes to the Financial Statements

	Consolidated		Parent Company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
4 Staff expenses				
Wages and salaries	41,327	4,288	0	0
Pensions	3,873	382	0	0
Other social security expenses	435	41	0	0
Other staff expenses	17	28	0	0
	45,652	**4,739**	**0**	**0**
Average number of employees	**54**	**29**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

5 Special items

The consolidated financial statements include income from government support schemes. The total income from government support schemes amount to tDKK 21,105 relating from compensation of personnel costs of tDKK 6,217 and compensation of other fixed costs of tDKK 14,889.

	Consolidated		Parent Company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
6 Financial income				
Interest income group enterprises	0	0	1,437	0
Other financial income	25,113	0	25,000	0
Exchange adjustments	0	64	0	0
	25,113	**64**	**26,437**	**0**
7 Financial expenses				
Impairment on receivable from group enterprises	0	100,000	0	0
Other financial expenses	3,303	-11,927	1,469	88,064
Exchange adjustments, expenses	0	21	0	0
Exchange loss	194	0	0	0
	3,497	**88,094**	**1,469**	**88,064**

Notes to the Financial Statements

8 Tax on profit/loss for the year

	Consolidated		Parent Company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	0	1,525	0	1,525
	0	**1,525**	**0**	**1,525**

9 Intangible assets

Consolidated

	Software	Brands
	TDKK	TDKK
Cost at 1 September	400	250
Additions for the year	159	0
Cost at 31 August	559	250
Impairment losses and amortisation at 1 September	18	5
Amortisation for the year	193	35
Impairment losses and amortisation at 31 August	211	40
Carrying amount at 31 August	**348**	**210**

Notes to the Financial Statements

10 Property, plant and equipment

Consolidated

	Land and buildings	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 September	14,000	4,352	0
Additions for the year	0	0	122
Cost at 31 August	14,000	4,352	122
Impairment losses and depreciation at 1 September	20	327	0
Depreciation for the year	1,051	1,317	0
Impairment losses and depreciation at 31 August	1,071	1,644	0
Carrying amount at 31 August	**12,929**	**2,708**	**122**

Notes to the Financial Statements

	Parent Company	
	2020/21	2019/20
	TDKK	TDKK

11 Investments in subsidiaries

	2020/21 TDKK	2019/20 TDKK
Cost at 1 September	25,000	0
Additions for the year	0	25,000
Cost at 31 August	25,000	25,000
Value adjustments at 1 September	-16,196	0
Net profit/loss for the year	-52,383	-16,196
Other adjustments	43,579	0
Value adjustments at 31 August	-25,000	-16,196
Carrying amount at 31 August	**0**	**8,804**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Jettime a/s, Amager Strandvej 390-392, DK-2770 Kastrup	Denmark	100%

12 Other fixed asset investments

	Consolidated		Parent Company
	Deposits	Receivable future maintenance	Receivables from group enterprises
	TDKK	TDKK	TDKK
Cost at 1 September	1,352	159,527	13,936
Additions for the year	1,765	6,250	0
Disposals for the year	0	0	-562
Cost at 31 August	3,117	165,777	13,374
Carrying amount at 31 August	**3,117**	**165,777**	**13,374**

Notes to the Financial Statements

13 Receivable future maintenance

	Consolidated		Parent Company	
	2020/21 TDKK	2019/20 TDKK	2020/21 TDKK	2019/20 TDKK
Within 1 year	4,069	0	0	0
Between 1 and 5 years	165,777	0	0	0
After 5 years	0	0	0	0
	169,846	**0**	**0**	**0**

14 Prepayments

Prepayments in 2021 consists of prepaid leases, fuel and other prepaid costs.

15 Provision, aircraft maintenance

	Consolidated		Parent Company	
	2020/21 TDKK	2019/20 TDKK	2020/21 TDKK	2019/20 TDKK
Comprises:				
Provision for future aircraft maintenance	176,127	159,527	0	0
Provision for obligation to return	4,272	352	0	0
	180,399	**159,879**	**0**	**0**
Within 1 year	7,101	0	0	0
Between 1 and 5 years	173,298	159,660	0	0
After 5 years	0	219	0	0
	180,399	**159,879**	**0**	**0**

16 Other provisions

Other provisions include provision for delay costs.

Notes to the Financial Statements

17 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Consolidated		Parent Company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Other loan agreements				
Between 1 and 5 years	13,373	36,936	13,373	36,936
Long-term part	13,373	36,936	13,373	36,936
Other short-term debt to owners and Management	26,471	0	0	0
	39,844	**36,936**	**13,373**	**36,936**
Other payables				
After 5 years	2,189	3,653	0	0
Long-term part	2,189	3,653	0	0
Other short-term payables	18,440	1,038	165	135
	20,629	**4,691**	**165**	**135**

18 Distribution of profit

Retained earnings	-27,513	164,015	16,063	-106,010
	-27,513	**164,015**	**16,063**	**-106,010**

19 Contingent assets, liabilities and other financial obligations

	Consolidated		Parent Company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	29,787	9,559	0	0
Between 1 and 5 years	143,211	173,302	0	0
After 5 years	0	13,685	0	0
	172,998	**196,546**	**0**	**0**

Lease obligations comprise of aircrafts, rent and other minor obligations.

Other contingent liabilities

The Group has issued mortgage of DKK 40 million to external third party for a debt of DKK 11.9 million (before accrued interests) secured in a building with a carrying amount of DKK 12.9 million.

The Group has issued corporate mortgage of DKK 5 million for a debt of 4 million concerning other loan agreements.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The group companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the group's liability constituting a larger amount.

Notes to the Financial Statements

20 Related parties

	Basis
Controlling interest	
Lars Thuesen	IC King Street St. James London SW1Y 6QG United Kingdom

21 Cash flow statement - adjustments

	Consolidated	
	2020/21	2019/20
	TDKK	TDKK
Financial income	-25,113	-64
Financial expenses	3,497	88,094
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,597	332
Income from investments in subsidiaries	0	-270,098
Tax on profit/loss for the year	0	1,525
Other adjustments	-576	242
	-19,595	**-179,969**

22 Cash flow statement - change in working capital

	2020/21	2019/20
Change in inventories	-363	-3,000
Change in receivables	-62,262	-164,597
Change in other provisions	13,642	160,231
Change in trade payables, etc	87,651	8,679
	38,668	**1,313**

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of JT3H ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020/21 are presented in TDKK.

Change in classification

When the Consolidated Financial Statements for 2019/20 were prepared the Group did not have sufficient information to estimate the gross amounts for the receivable and provisions for future aircraft maintenance. The audit opinion for 2019/20 was qualified regarding this matter.

During the financial year 2020/21 the Group has obtained sufficient information to estimate the gross amounts for the receivable and provisions for future aircraft maintenance as of 31 August 2020.

Consequently comparatives have been updated to reflect this resulting in an increase in "receivable future maintenance" under assets of tDKK 159,527 and in an increase of "provisions for aircraft maintenance" under provisions of TDKK 159,527.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Notes to the Financial Statements

23 Accounting Policies (continued)

Basis of consolidation

In accordance with section 114, para. 2 of the Danish Financial Statements Act. the former subsidiary Jet Time A/S has not been included in the Consolidated Financial Statements in 2019/20 (comparatives).

The Consolidated Financial Statements comprise the Parent Company, JT3H ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Notes to the Financial Statements

23 Accounting Policies (continued)

Income Statement

Revenue

Revenue is recognized based on completed flights, including income related to the flights.

Lease costs

The Company has entered into agreements on operating leases of aircraft. Payments relating to operating leases are recognized in the income statement over the term of the lease.

Production costs

Production costs comprise e.g. costs of fuel, charges in connection with air transport and other costs of maintenance and operation of the aircraft fleet.

Other external expenses

Other external expenses comprise rent and related costs, IT costs, travelling expenses, training and education costs, administrative expenses and marketing, etc.

Staff expenses

Staff costs comprise wages, salaries, pension and social security costs to own staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other income comprise income from secondary activities including government support concerning COVID-19 related to personnel costs and other fixed costs.

Income from investments in subsidiaries

The proportionate share of the results after tax of the individual group entities is recognized in the income statement of the Parent Company after full elimination of intra-group profits/losses.

Notes to the Financial Statements

23 Accounting Policies (continued)

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 as well as extra payments and repayment under the on account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Brands and software are measured at cost less accumulated amortisation and impairment losses.

Cost comprises the acquisition price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Amortisation is provided on a straight-line basis over the assets' expected useful lives. The expected useful lives are 3-8 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognized in the incomestatement as amortisation.

Property, plant and equipment

Aircraft, modifications of aircraft as well as major maintenance work on aircraft on finance leases, buildings, leasehold improvements, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Notes to the Financial Statements

23 Accounting Policies (continued)

Buildings and installations: 15 years
Other fixtures and fittings, tools and equipment: 3-5 years
Modifications, leased aircraft: Remaining term of the lease, however not exceeding 5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

Investments in group entities are measured at the proportionate share of the entities' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in group entities with negative net asset values are measured at DKK 0 (nil), and any amounts owed are written down if the amount owed is irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized under provisions.

Net revaluation of investments in group entities is recognized in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from group entities which are expected to be adopted before the approval of the Annual Report of JT3H ApS are not recognized in the reserve for net revaluation.

On acquisition of enterprises, the purchase method is applied.

Other fixed asset investments

Other fixed asset investments consist of Deposits, Receivable future maintenance og Receivables from group enterprises.

Notes to the Financial Statements

23 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning costs incurred concerning subsequent financial years.

Equity

Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method.

The reserve is eliminated in case of losses, realisation of investments or a change in accounting estimates.

Provisions

Provision for aircraft maintenance comprises a provision for future maintenance work on aircraft on operating leases as well as provision for the costs of returning aircraft on operating leases.

Other provisions primarily comprise the costs of a few pending lawsuits, without material affect on the Annual Report or the Company's financial position.

Provisions are initially recognized at cost and are subsequently measured at net realisable value or value in use.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax

Notes to the Financial Statements

23 Accounting Policies (continued)

entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term

Notes to the Financial Statements

23 Accounting Policies (continued)

debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

23 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$