JT3H ApS

Krumtappen 4, st., DK-2500 Valby

Annual Report for 1 October 2021 - 30 September 2022

CVR No 37 30 42 39

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 9 /2 2023

Peter Schäfer
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board has today considered and adopted the Annual Report of JT3H ApS for the financial year 1 October 2021 - 30 September 2022.

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 30 September 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021/22.

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, 9 February 2023

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 30 September 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 October 2021 - 30 September 2022 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 October 2021 - 30 September 2022, 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.

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.

Independent Auditor's Report

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, 9 February 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen	Jakob Thisted Binder
statsautoriseret revisor	statsautoriseret revisor
mne18628	mne42816

Company Information

The Company	JT3H ApS Krumtappen 4, st. DK-2500 Valby CVR No: 37 30 42 39 Financial period: 1 October - 30 September 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				
	2021/22	2021	2020/21	2019/20	2018/19
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Profit/loss					
Revenue	1,044	40	81	0	1,444
Gross profit/loss	212	6	-1	-11	286
Operating profit/loss	12	-3	-70	-17	39
Profit/loss before financial income and expenses	43	-2	-49	-17	39
Net financials	-4	0	22	182	-7
Net profit/loss for the year	32	-3	-28	164	30
Balance sheet					
Balance sheet total	478	242	268	189	415
Equity	-11	-46	-44	-18	-270
Cash flows					
Cash flows from:					
- operating activities	112	-12	-8	-15	113
- investing activities	-8	0	-2	-20	-20
including investment in property, plant and equipment	-5	0	0	-18	-1
- financing activities	-27	0	27	37	-20
Change in cash and cash equivalents for the year	77	-13	17	74	73
Number of employees	181	77	54	29	397

Financial Highlights

	Group				
	2021/22	2021	2020/21	2019/20	2018/19
	MDKK	MDKK	MDKK	MDKK	MDKK
Ratios					
Gross margin	20.3%	15.0%	-1.2%	0.0%	19.8%
Profit margin	4.1%	-5.0%	-60.5%	0.0%	2.7%
Return on assets	9.0%	-0.8%	-18.3%	-9.0%	9.4%
Solvency ratio	-2.3%	-19.0%	-16.4%	-9.5%	-65.1%
Return on equity	-112.3%	6.7%	90.3%	-113.9%	-8.5%

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.

The financial highlights for 2021 only consist of 1 month (1 September - 30 September 2021).

Management's Review

Key activities

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

Primarily;
- Nordic tour operators who are offered full charter aircraft

Secondarily;
- Other European airlines who are offered ad-hoc/short- and medium term capacity solutions (ACMI)
- Ad-hoc full charter aircraft.

The Group's activity is only performed through the subsidiary Jettime A/S ("Jettime"). Further the Group consist of a crewing company in Finland ("Jettime OY"), wholly owned by Jettime. Jettime OY has no separate activity except of intercompany transactions with Jettime.

Jettime is built on long term partnerships with the customers and the suppliers, a model that has proved its value both with and without the pandemic.

Based on the post corona competition landscape Jettime was established during summer 2020. As a whole, the airline industry has been going through an unprecedented period, which has required intensive capital investments and a high degree of agility, and it was, and still is the ambition to exploit the ongoing industry consolidation to the benefit of the Group.

After surviving a challenging hibernation and restart of operation during summer 2021 the focus during 2021/22 has been to further strengthening the customer base and the operational platform including qualifying for the IOSA certification and customer base. This work has taken place in parallel to balancing pandemic and war related challenges across the industry.

Jettime is well positioned to exploit market opportunities. Jettime is acknowledged as a competitive, agile, independent and experienced industry player in particularly the Nordic charter market. We are known for our agility and flexibility and we are used to work with different charter and ACMI partners, mimic their service concept and adapt quickly to new requirements.

Management's Review

Development in activities and financial matters

In the below sections 2021/22 refer to the current financial year which consist of 12 months, 2021 refer to the 1 month financial year in september 2021 and 2020/21 refer to the prolonged first financial year from June 2020 - august 2021.

The financial year 2021/22 year – was another year heavily impacted by the covid-19 pandemic.

Jettime was formed with an ambition to start operating from fall 2020 but due to the prolonged pandemic and travel restrictions operations didn't start until July 2021. During the year, Jettime has stepwise increased its operation and has gradually improved the utilization on the fleet and increased the number of aircraft in the fleet.

The total flight production in 2021/22 amounted to 20,405 block hours compared to 824 in 2021(the 1 month financial year in September 2021) and 1,634 in 2020/21.

At the end of 2021/22 the Group had a fleet of 8 Boeing 737 NG aircraft compared to 5 at the end of 2021 and 5 at the end of 2020/21.

The average number of employees during 2021/22 was 181 compared to 77 in 2021 and 54 in 2020/21.

And finally, at the end of 2021/22, the Group had 322 employees compared to 77 at the end of 2021 and 76 at the end of 2020/21.

The Group's consolidated revenue in 2021/22 was DKK 1,044 million compared to DKK 40 million in 2021 and DKK 81 million in 2020/21. The Group showed a profit before tax of DKK 39 million in 2021/22, which compares to a loss of DKK 3 million in 2021 and a loss of DKK 69 million in 2020/21. At year end 2021/22, the Group showed negative equity of DKK 11 million compared to negative equity of DKK 46 million at the end of 2021 and to negative equity of DKK 44 million at the end of 2020/21. Free cash at bank and in hand was DKK 82 million at year end 2021/22 compared to DKK 6 million at the end of 2021 and DKK 16 million at the end of 2020/21.

The total balance sheet increased from DKK 242 million in 2021 to DKK 478 million in 2021/22. A significant part of this increase comes from increase in provisions for future maintenance mainly related to the import of additional aircraft.

In light of the successful result of controlled growth during a period affected by pandemic and war related effects, Management considers the result before tax of MDKK 39 for 2021/22 as satisfactory.

Management's Review

Capital resources

Equity at 30 September 2021 was negative DKK 46 million. During the financial year 2021/22, equity has been improved with DKK 36 million leading to an equity at 30 September 2022 of negative DKK 10 million.

During 2021/22 the Group has repaid DKK 25 million in loans which were given during the lockdown period and had maturity during summer 2022. As of September 2022, the company has an outstanding shareholder loan of DKK 12 million from the purchase of the hangar facilities in Copenhagen Airport. The outstanding loan carries an interest rate of 10% p.a. and has a maturity in Summer 2024.

In Management's assessment, the liquidity from current free cash and from planned operations 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 year 2022/23.

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

Investments

The Group's investments for the year were DKK 8 million in total, comprising investments in assets under construction, DKK 5 million, and purchase of CO2 EU-ETS quotas, DKK 3 million.

Operating risks and financial 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. 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.

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 Group's USD costs with USD income and/or assets), and by means of forward exchange contracts and options to hedge expected costs in USD within the coming 12 months. Speculative forward exchange contracts are not made.

Management's Review

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.

Statement of corporate social responsibility

Jettime is still a relatively newly established airline and will over the coming years be increasing its production and add more aircraft to the fleet.

However, the Group is at the same time well aware that the aviation industry must become more sustainable – and that Jettime as an airline holds a responsibility to contribute to this development.

The framework for the overall strategic approach within CSR are the UN's Sustainable Development Goals number 12 ("Ensure Sustainable Consumption & production Patterns") and number 8 ("Decent Work & Economic Growth").

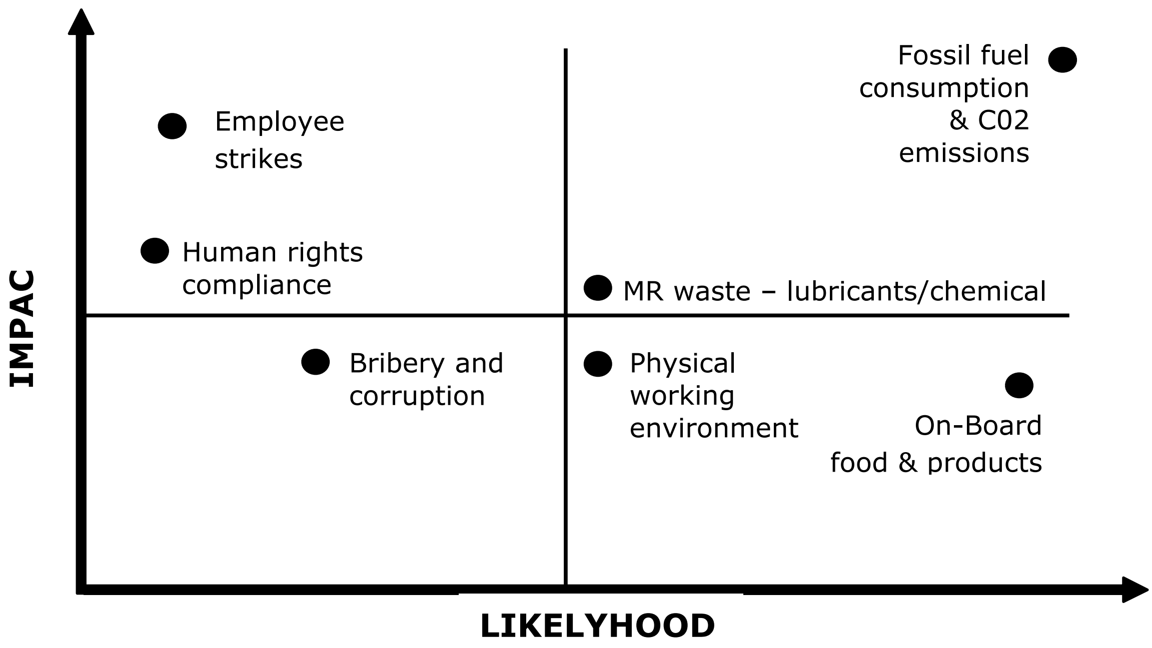
Jettime has a societal impact as employer, purchaser and producer of air transport solutions. At the same time, Jettime has as an airline a climate and environmental impact, most significantly through fossil fuels and consequent Co2 emissions into the atmosphere.

Jettime will strive to continually improve within the areas of climate and the environment, as well as taking charge of social responsibility. Sustainable growth and development also assume continuously striving for sustainable profitability and financial growth. Jettime concentrates the efforts to become a more sustainable airline on practical and operational improvements which the aim of reducing the amount of CO2 emissions from our aircraft. Likewise, several initiatives that are visible to our guests on board have been implemented.

Management's Review

Risk Matrix

In relation to corporate social responsibility, Jettime has assessed the potential negative impact of the airline's operation on climate and environment, social conditions, employee conditions, human rights and anti-corruption. Through this assessment, 8 potential CSR risks affiliated to Jettime's production or to the Company's suppliers and products have been identified. These risks will be addressed individually throughout the report.



The initial work with Jettime's CSR strategy and initiatives were at the end of the 2021/2022 financial year near completed, and during the 2022/2023 financial year the roll out will continue. To ensure impact in Jettime's organization and production, the relevant parts of the CSR strategy have been placed in the respective departments and teams of relevance who are working on the practical implementation of projects and initiatives such as reduction of C02 and reduction of single-use plastic. The accountability of the overall sustainability plan lies with the executive management.

1. Fossil fuel consumptions & C02 emissions

Reducing carbon dioxide is a pivotal aspect of Jettimes environmental focus, as this by far is the single most relevant environmental denominator for Jettime and the airline industry in general. In relation to C02 emission, Jettime is registered and reported by the regulations in EU Decree 2003/87EC where airlines can choose to register and report their C02 emission.

The work on the improvement measures to achieve lower fuel consumption and C02 emissions are concentrated on 3 different initiatives;

Split Scimitar Winglets (Aerodynamic, Weight and Efficiency Improvement)

Management's Review

Split scimitar winglets on the aircraft are by far the single biggest driver of lowering our fuel consumption and CO_2 emission. All of Jettimes aircraft are mounted with winglets which improve up-trust and optimize fuel economy by up till 2% according to official Boeing calculations. During the financial year Jettime invested in split scimitar winglets modification on one aircraft adding up to 4 aircraft in the fleet equipped with split scimitar winglets and thus adding another 2% fuel saving per aircraft. Further, Jettime has signed an agreement to retrofit two additional aircraft with split scimitar winglets to improve aerodynamics on the existing fleet.

Cooperation with FuelVision (fuel efficiency application)

Another area of development initiated during 2021/22 financial year was the exclusive partnership with the startup company Fuel Vision. Fuel Vision is a company founded by two pilots who have a dedicated interest in big data modeling, and they have developed a prototype application to measure fuel burn and CO_2 emission on each single flight. Jettime and FuelVision have initiated a cooperation to develop the prototype into a live product used by Jettime pilots. The overall ambition is to investigate and seek knowledge of current flight efficiency when it comes to fuel consumption and gain insights into ways of improving the current procedures. The first results are expected during this financial year. Jettime owns 25 % of the shares in Fuel Vision.

Fleet Renewal:

At year-end, Jettime operated one B737-700 and seven B737-800 aircraft. In the financial year 2021/2022, Jettime has added four newer aircraft to the fleet of the type B737-800 and returned one older B737-800. The B737-800 has a larger capacity than the B737-700 aircraft and can thus produce more effectively on one single aircraft, transporting more passengers at the time.

Due to the unification of Jettime's fleet to B737 NG aircraft and all aircraft mounted with winglet the targeted reduction of CO_2 emissions towards 2025 began to materialize. Due to the addition of more B737-800 aircraft in Jettime's fleet, the overall CO_2 emissions have gone up, however, the utilization of capacity has increased, which means that more passengers have been transported on each per flight affecting the CO_2 emission per seat kilometer positively. In the financial year 2021/22 Jettime managed an annual Co_2 reduction equal to 1,1% compared to its baseline and Jettime is working to reach a 10% reduction goal by 2025.

2. On-Board food and products

The service delivery on board Jettime flights in terms of meals served and products used in the dry store have continued changing towards more sustainable alternatives during the financial year.

Our guest meals served on board does not contain meet from 4 legged animals, instead we serve hot meals with lots of vegetables and chicken or pure vegetarian. Single use plastic is replaced by a food box and food bowl made from degradable material and the cutlery is a EU certified wooden product. Our food supplier holds an ISO 14001 certification and use pure wind energy in the food production. The amount of dry store products on board has been reduced and plastic stirrers and straws are no longer part of the assortment.

Management's Review

In flight magazines on board for the guests have been removed thus reducing both the weight of the aircraft and the paper used in production.

Both pilots and cabin crew perform a mandatory "green briefing" on board all flights and thereby enhance the guest experience and give them insight into the Jettime initiatives to become a more sustainable airline.

In connection with the development towards more electronically based communication and working equipment for our flight crew, less paper has been used on board Jettimes aircraft with the introduction of an Electronic Flightbag as replacement of paper manuals for both pilots and cabin crew.

This means, that two digital tablets holding the same information have replaced approximately 20 kg of paper in each cockpit. This saves a significant amount of production related paper waste, just as it has lowered the weight of the aircraft and thereby reducing the annual Co2 emission.

3. Maintenance Repair (MR) waste – lubricants/chemicals

Jettime has its own Technical Department in CPH airport with service of the airline's aircraft. In this connection, Jettime's mechanics handle different types of waste that can pose a health risk. Likewise, the waste has a potential negative impact on the environment if not handled correctly.

To mitigate these risks, Jettime has contracted with the environmental service partner Stena Recycling, who ensures correct storage and disposable of problematic waste and chemicals.

No significant spillages have been reported in connection with technical maintenance of Jettime's aircraft in the financial year 2021/2022.

4. Employee strikes

Strikes among employees of the airline can potentially have a major impact on Jettime's ability to live up to its customer promise and the service experience expected of the airline's passengers. Since the start-up of Jettime, there have been no strikes among any of Jettime's employee groups.

However, to mitigate this potential risk, Jettime has a number of policies relating to working environment and working conditions. Moreover, six different groups of employees are in Jettime covered by collective agreements, and employees engaged in the same activities are guaranteed the same working conditions, making all employees covered by local collective agreements.

Cooperation with the six unions in Jettime takes place within the framework of national laws and agreements affecting the unit concerned.

5. Physical Working Environment

As an employer, Jettime is responsible for ensuring decent work conditions and a healthy working environment.

Management's Review

Jettime has a 'Health and Safety and Environment Policy' as well as a 'Health and Safety and Environment Committee'. The Committee ensures compliance with policies on health, safety and environmental aspect.

In connection with Jettime's internal Workplace Assessment from February 2021 (APV), one of the major key points was the crew meals. Both Danish Cabin and Cockpit Crew expressed a wish for more variation, larger portions and more greens. These three wishes have in the financial year 2021/2022 been accommodated with a new crew meal concept for Danish crew with effect from May 28, 2022.Jettime is in close dialogue with union representatives to prevent labor right violations. Should a potential labor violation occur in relation to an employee's employment, the Company will cooperate with the relevant union representative to reach a fair conclusion of the matter.

6. Bribery and Corruption

Jettime has implemented a code of conduct which includes policies on anti-corruption.

Due to the fact that the company's main activities take place in the Nordic region, in which local authorities demand full compliance with legislation on anti-corruption, it is management's assessment that the risk that the company becomes involved with corruption or bribery is limited.

As a buyer, Jettime uses the services of a number of subcontractors – also in countries where bribery and corruption is more common than in the Nordic Region. To mitigate this, relevant suppliers will sign the code of conduct as part of the contract procedure.

There have been no legal actions for anti-competitive behavior, anti-trust or monopoly practices reported in the financial year 2021/2022.

7. Data exposure

Throughout its business, Jettime is working with data and complies with the GDPR guidelines. Further, Jettime is actively working to protect all data, and has implemented data processing agreements with relevant suppliers. As part of a highly regulated industry, Jettime has already implemented high standards for IT security and is currently evaluating steps to further improve the IT security and data protection standards.

8. Human Rights Compliance

Jettime has no specific policies on human rights. As an operator in the Nordic region, we have deemed compliance with human rights a given.

By being an operator in the Nordic region, which is characterized by a high degree of protection of human rights, the risk that the Group's activities have a negative impact on human rights is considered low. Consequently, a separate policy on human rights has not been deemed necessary. We do, however, always comply with all relevant legislation both locally and globally.

The Group's Employee Handbook contains a general corporate policy applying to all employees.

Management's Review

Moreover, Jettime has adopted a 'Just Culture' policy that applies to the entire Group. This implies that all employees have access to a reporting tool by means of which all potential safety issues may be reported anonymously and without consequence, which promotes openness about errors and incidents. In that way, a safer working environment with a focus on communication and openness is ensured.

As a buyer, Jettime uses the services of a number of subcontractors – also in countries where a safe and healthy working environment can be challenged. Jettime has therefore introduced a Jettime Code of Conduct. The document is mandatory for bigger partners and suppliers to sign, and it demands decent working conditions for anyone involved in the work for Jettime.

Statement on gender composition

Board of Directors

At the end of the financial year 2021/22, the Group's Board of Directors comprised of two male non-owners members and one male owner.

Jettime has a target of by 2025 to have at least one person of each gender represented on Jettime's Board of Directors.

Jettime has not in the financial year 2021/2022 reached the target of gender representation on the Board, as there have been no changes, additions or recruitments for Jettime's Board in this period.

Jettime's Senior Management

Jettime's Senior Management is defined by the Group's Executive Team – consisting of the CEO, VP Finance & Business Support, CCO, VP Technical, VP Flight Operations and VP Management Support. At the end of the financial year 2021/2022, the Executive Team consisted of five male and one female member.

The ratio in Jettime's senior management by the end of the 2021/2022 financial year was 83% male and 17% female while ratio in Jettime's mid-level management by the end of the 2021/2022 financial year was 65% male and 35% female.

Recognition & measurement

The principles for recognition & measurement are described in the accounting policies in note 25

Subsequent events

No events have occurred after the balance sheet date which affect the Annual Report or the Company's financial position.

Management's Review

Outlook

Due to the negative implications to demand caused by the war in Ukraine the Group expects revenue of DKK 1.700 million and a profit before tax of DKK 0-10 mio in 2022/23. Although substantial uncertainties exist for the aviation industry as a whole further profit in the coming years is expected and which will enable the Group to reestablish a positive equity position and make it net debt free without further capital injections.

Income Statement 1 October - 30 September

	Note	Consolidated 2021/22	Consolidated 2021	Parent Company 2021/22	Parent Company 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	4	**1,044,271**	**40,013**	**0**	**0**
Other operating income	5	31,371	44	0	0
Production costs		-798,697	-31,199	0	0
Other external expenses		-64,719	-2,381	-259	0
Gross profit/loss		**212,226**	**6,477**	**-259**	**0**
Staff expenses	6	-165,920	-8,752	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	7	-3,316	-217	0	0
Profit/loss before financial income and expenses		**42,990**	**-2,492**	**-259**	**0**
Financial income	8	775	178	1,291	111
Financial expenses	9	-4,972	-457	-1,378	-105
Profit/loss before tax		**38,793**	**-2,771**	**-346**	**6**
Tax on profit/loss for the year	10	-6,360	0	0	0
Net profit/loss for the year		**32,433**	**-2,771**	**-346**	**6**

Balance Sheet 30 September

Assets

	Note	Consolidated 2021/22 TDKK	Consolidated 2021 TDKK	Parent Company 2021/22 TDKK	Parent Company 2021 TDKK
Acquired licenses		146	332	0	0
Acquired trademarks		171	207	0	0
Acquired other similar rights		6,169	0	0	0
Intangible assets	11	**6,486**	**539**	**0**	**0**
Land and buildings		11,918	12,851	0	0
Other fixtures and fittings, tools and equipment		1,137	2,587	0	0
Modifications of leased aircrafts		3,654	0	0	0
Property, plant and equipment in progress		1,248	364	0	0
Property, plant and equipment	12	**17,957**	**15,802**	**0**	**0**
Investments in subsidiaries	13	0	0	0	0
Investments in associates	14	2,250	0	0	0
Receivables from group enterprises	15	0	0	12,264	13,485
Deposits	15	18,947	3,236	0	0
Receivable future maintenance	15	266,186	173,390	0	0
Fixed asset investments		**287,383**	**176,626**	**12,264**	**13,485**
Fixed assets		**311,826**	**192,967**	**12,264**	**13,485**
Inventories	16	**5,372**	**3,471**	**0**	**0**
Trade receivables		26,905	2,088	0	0
Other receivables		25,364	25,178	25	0
Corporation tax receivable from group enterprises		0	0	6,360	0
Prepayments	17	26,383	12,176	0	0
Receivables		**78,652**	**39,442**	**6,385**	**0**
Cash at bank and in hand		**82,431**	**5,927**	**1,255**	**2,080**
Currents assets		**166,455**	**48,840**	**7,640**	**2,080**
Assets		**478,281**	**241,807**	**19,904**	**15,565**

Balance Sheet 30 September

Liabilities and equity

	Note	Consolidated 2021/22 TDKK	Consolidated 2021 TDKK	Parent Company 2021/22 TDKK	Parent Company 2021 TDKK
Share capital		250	250	250	250
Retained earnings		-10,899	-46,556	-546	-200
Equity		**-10,649**	**-46,306**	**-296**	**50**
Provision, aircraft maintenance and other provisions	19	339,713	181,393	0	0
Provisions		**339,713**	**181,393**	**0**	**0**
Other loan agreements		12,264	13,473	12,264	13,473
Corporation tax		6,360	0	6,360	0
Other payables	21	1,000	2,189	1,000	0
Long-term debt	20	**19,624**	**15,662**	**19,624**	**13,473**
Other loan agreements	20	642	26,763	0	0
Prepayments received from customers		75,904	16,786	0	0
Trade payables		12,081	26,785	0	352
Corporation tax	20	0	1,525	0	1,525
Other payables	20	40,966	19,199	576	165
Short-term debt		**129,593**	**91,058**	**576**	**2,042**
Debt		**149,217**	**106,720**	**20,200**	**15,515**
Liabilities and equity		**478,281**	**241,807**	**19,904**	**15,565**

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Statement of Changes in Equity

Consolidated

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 October	250	-46,556	-46,306
Exchange adjustments relating to foreign entities	0	-1	-1
Fair value adjustment of hedging instruments, end of year	0	3,225	3,225
Net profit/loss for the year	0	32,433	32,433
Equity at 30 September	**250**	**-10,899**	**-10,649**

Parent Company

	Share capital	Retained earnings	Total
Equity at 1 October	250	-200	50
Net profit/loss for the year	0	-346	-346
Equity at 30 September	**250**	**-546**	**-296**

Cash Flow Statement 1 October - 30 September

	Note	Consolidated 2021/22 TDKK	2021 TDKK
Net profit/loss for the year		32,433	-2,771
Adjustments	22	14,455	428
Change in working capital	23	71,265	-10,087
Cash flows from operating activities before financial income and expenses		**118,153**	**-12,430**
Financial income		190	177
Financial expenses		-5,004	-4
Cash flows from ordinary activities		**113,339**	**-12,257**
Corporation tax paid		-1,525	0
Cash flows from operating activities		**111,814**	**-12,257**
Purchase of intangible assets		-2,944	0
Purchase of property, plant and equipment		-5,248	-241
Fixed asset investments made etc		212	-119
Cash flows from investing activities		**-7,980**	**-360**
Repayment of other loan agreements		-27,330	0
Cash flows from financing activities		**-27,330**	**0**
Change in cash and cash equivalents		**76,504**	**-12,617**
Cash and cash equivalents at 1 October		5,927	18,544
Cash and cash equivalents at 30 September		**82,431**	**5,927**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		82,431	5,927
Cash and cash equivalents at 30 September		**82,431**	**5,927**

Notes to the Financial Statements

1 Capital resources and liquidity

The Group has realized a gain before tax of DKK 39 million. The equity though is still negative with DKK 11 million 30 September 2022.

The Group has experienced continuesly increasing activity over the financial year 2021/22 with a total of 8 aircraft in operation in the summer 2022. The Group has only to a limited extent been impacted by travel restrictions following Covid-19 in the financial year 2021/22.

The Group has prepared a budget for 2022/23 and forecast for the following years. The budget and forecasts are subject to more uncertainty than normally due to the ongoing economic environment with high inflation and expectation of a "cool down" in the world economy which might impact the leisure travel market significantly. The budget for 2022/23 shows results and cash flows on a significant lower level than in 2021/22, however still positive. Management has partly mitigated the increased uncertainties regarding budget 2022/23 by adapting the number of aircrafts available for charter operation into other business areas (ACMI).

Further Covid-19 still creates some uncertainty for the aviation industry, however the uncertainty is significantly reduced compared to last year with more or less all countries fully open for foreigners.

It is Management assessment that sufficient funding will be available and that the budget for 2022/23 show sufficient liquidity headroom in order for the Company to continue as going concern.

2 Uncertainty regarding 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.

The Group 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 Group 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.

3 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

		Consolidated		Parent Company	
		2021/22	2021	2021/22	2021
		TDKK	TDKK	TDKK	TDKK
4	**Revenue**				
	Geographical segments				
	Revenue, Denmark	1,015,216	39,270	0	0
	Revenue, export	29,055	743	0	0
		1,044,271	**40,013**	**0**	**0**
	Business segments				
	Charter and ad hoc	1,011,071	39,270	0	0
	ACMI	29,055	743	0	0
	Other	4,145	0	0	0
		1,044,271	**40,013**	**0**	**0**

5 Other operating income

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognized in the income statement.

	2021/22	2021	2021/22	2021
Government support, COVID-19 - Personnel costs	2,926	28	0	0
Government support, COVID-19 - Other fixed costs	28,445	16	0	0
	31,371	**44**	**0**	**0**

Notes to the Financial Statements

		Consolidated		Parent Company	
		2021/22	2021	2021/22	2021
		TDKK	TDKK	TDKK	TDKK
6	**Staff expenses**				
	Wages and salaries	151,562	8,124	0	0
	Pensions	11,353	550	0	0
	Other social security expenses	2,967	78	0	0
	Other staff expenses	38	0	0	0
		165,920	**8,752**	**0**	**0**
	Average number of employees	**181**	**77**	**0**	**0**

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

7	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Depreciation of property, plant and equipment	3,316	217	0	0
		3,316	**217**	**0**	**0**
8	**Financial income**				
	Interest income group enterprises	0	0	1,291	111
	Other financial income	190	178	0	0
	Exchange gains	585	0	0	0
		775	**178**	**1,291**	**111**
9	**Financial expenses**				
	Other financial expenses	4,972	424	1,378	105
	Exchange loss	0	33	0	0
		4,972	**457**	**1,378**	**105**

Notes to the Financial Statements

10 Tax on profit/loss for the year

	Consolidated		Parent Company	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	6,360	0	0	0
	6,360	**0**	**0**	**0**

Notes to the Financial Statements

11 Intangible assets

Consolidated

	Acquired licenses	Acquired trademarks	Acquired other similar rights
	TDKK	TDKK	TDKK
Cost at 1 October	559	250	0
Additions for the year	0	0	2,944
Cost at 30 September	559	250	2,944
Revaluations at 1 October	0	0	0
Revaluations for the year	0	0	3,225
Impairment losses and amortisation at 1 October	227	43	0
Amortisation for the year	186	36	0
Impairment losses and amortisation at 30 September	413	79	0
Carrying amount at 30 September	**146**	**171**	**6,169**

12 Property, plant and equipment

Consolidated

	Land and buildings	Other fixtures and fittings, tools and equipment	Modifications of leased aircrafts	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 October	14,000	4,352	0	364
Additions for the year	0	0	0	5,248
Transfers for the year	0	0	4,364	-4,364
Cost at 30 September	14,000	4,352	4,364	1,248
Impairment losses and depreciation at 1 October	1,149	1,765	0	0
Depreciation for the year	933	1,450	710	0
Impairment losses and depreciation at 30 September	2,082	3,215	710	0
Carrying amount at 30 September	**11,918**	**1,137**	**3,654**	**1,248**

Notes to the Financial Statements

	Parent Company	
	2021/22	2021
	TDKK	TDKK
13 Investments in subsidiaries		
Cost at 1 October	25,000	25,000
Cost at 30 September	25,000	25,000
Value adjustments at 1 October	-25,000	-25,000
Net profit/loss for the year	0	-2,777
Other adjustments	0	2,777
Value adjustments at 30 September	-25,000	-25,000
Carrying amount at 30 September	**0**	**0**

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%

	Consolidated		Parent Company	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
14 Investments in associates				
Cost at 1 October	0	0	0	0
Additions for the year	2,250	0	0	0
Carrying amount at 30 September	**2,250**	**0**	**0**	**0**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Fuel Vision ApS	Copenhagen	53 TDKK	25%

Notes to the Financial Statements

15 Other fixed asset investments

	Consolidated		Parent Company
	Deposits	Receivable future maintenance	Receivables from group enterprises
	TDKK	TDKK	TDKK
Cost at 1 October	3,236	266,186	13,485
Additions for the year	15,711	0	0
Disposals for the year	0	0	-1,221
Cost at 30 September	18,947	266,186	12,264
Carrying amount at 30 September	**18,947**	**266,186**	**12,264**

16 Inventories

	Consolidated		Parent Company	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
Flight components	5,372	3,471	0	0
	5,372	**3,471**	**0**	**0**

17 Prepayments

Prepayments consist of prepaid expenses concerning leases, fuel, heavy maintenance checks and other.

18 Distribution of profit

	Parent Company	
	2021/22	2021
	TDKK	TDKK
Retained earnings	-346	6
	-346	**6**

19 Provision, aircraft maintenance and other provisions

	Consolidated		Parent Company	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
Other provisions	2,855	111	0	0
Provision, aircraft maintenance	336,858	181,282	0	0
	339,713	**181,393**	**0**	**0**
The provisions are expected to mature as follows:				
Within 1 year	27,213	9,248	0	0
Between 1 and 5 years	312,500	172,145	0	0
	339,713	**181,393**	**0**	**0**

20 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	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
Other loan agreements				
Between 1 and 5 years	12,264	13,473	12,264	13,473
Long-term part	12,264	13,473	12,264	13,473
Other short-term debt to credit institutions	642	26,763	0	0
	12,906	**40,236**	**12,264**	**13,473**
Corporation tax				
Between 1 and 5 years	6,360	0	6,360	0
Long-term part	6,360	0	6,360	0
Within 1 year	0	1,525	0	1,525
	6,360	**1,525**	**6,360**	**1,525**

Notes to the Financial Statements

20 Long-term debt (continued)

	Consolidated		Parent Company	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
Other payables				
Between 1 and 5 years	1,000	2,189	1,000	0
Long-term part	1,000	2,189	1,000	0
Other short-term payables	40,968	19,199	576	165
	41,968	**21,388**	**1,576**	**165**

21 Derivative financial instruments

The Parent Company has granted an option to sell 49 % of the subsidiary Jettime A/S to a third party. The option must be exercised before 30 November 2024 to a fixed price of DKK 25 million. If the option has not been called within the option period, the option will automatically lapse at 30 November 2024.

An option fee of DKK 1 million has been paid. The option fee is measured at cost which is estimated to equal to fair value.

22 Cash flow statement - adjustments

	Consolidated	
	2021/22	2021
	TDKK	TDKK
Financial income	-775	-178
Financial expenses	4,972	457
Depreciation, amortisation and impairment losses, including losses and gains on sales	3,316	216
Tax on profit/loss for the year	6,360	0
Other adjustments	582	-67
	14,455	**428**

Notes to the Financial Statements

23 Cash flow statement - change in working capital

	Consolidated	
	2021/22	2021
	TDKK	TDKK
Change in inventories	-1,901	-108
Change in receivables	-150,179	7,112
Change in other provisions	158,320	7,873
Change in trade payables, etc	65,025	-24,964
	71,265	**-10,087**

Notes to the Financial Statements

24 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Consolidated		Parent Company	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	107,394	31,672	0	0
Between 1 and 5 years	282,764	139,341	0	0
	390,158	**171,013**	**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.

As described in note 21 the parent company has granted an option to sell 49 % of the subsidiary to a third party. The option fee is fixed at DKK 25 million and must be exercised 30 November 2024 at latest.

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.

25 Related parties

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

Notes to the Financial Statements

25 Related parties (continued)

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

26 Fee to auditors appointed at the general meeting

	Consolidated		Parent Company	
	2021/22	2021	2021/22	2021
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	1,250	350	100	100
	1,250	**350**	**100**	**100**

Notes to the Financial Statements

27 Accounting Policies

The Annual Report of JT3H ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021/22 are presented in TDKK.

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.

Basis of consolidation

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.

Notes to the Financial Statements

27 Accounting Policies (continued)

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.

All leases of aircrafts are considered operating leases.

Notes to the Financial Statements

27 Accounting Policies (continued)

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.

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

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

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 including lease costs.

Lease costs

The Group has entered into agreements on operating leases of aircraft. Payments relating to

Notes to the Financial Statements

27 Accounting Policies (continued)

operatingleases are recognized in the income statement over the term of the lease.

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 and hired full-time consultants.

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 operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including government support concerning COVID-19 related to personnel costs and other fixed costs.

Income from investments in subsidiaries and associates

Dividends from associates are recognised as income in the income statement when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments.

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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the

Notes to the Financial Statements

27 Accounting Policies (continued)

joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Trademarks and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Trademarks is amortised on a straight-line basis over its usefull life, which is assessed to be 7 years. Licences are amortised over the licence period; however not exceeding 3-8 years.

Other similar rights consist of Co2-quotas. At initial recognition Co2-quotas are measured at cost. Subsequently Co2-quotas are measured at fair value. The revaluation is booked directly on equity.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated 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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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:

Buildings	15	years
Other fixtures and fittings, tools and equipment	3-5	years
Modifications, leased aircraft	5	

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.

Notes to the Financial Statements

27 Accounting Policies (continued)

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

Investments in subsidiaries and associates

Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

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

Deposits are initially recognized at cost. Subsequently, deposits denominated in foreign currencies are measuredat the exchange rate at the balance sheet date.

Receivable future maintenance comprises the contribution made to lessors for future maintenance work which is recognized to the extent that the payments are expected to be reimbursed at the time of incurrence of future maintenance costs.

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.

Notes to the Financial Statements

27 Accounting Policies (continued)

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 subsequent financial years.

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 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.

Notes to the Financial Statements

27 Accounting Policies (continued)

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 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

27 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	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$