JT3H ApS

Østergade 4, DK-4690

Annual Report for
1 October 2022 - 30 September 2023

CVR No. 37 30 42 39

The Annual Report was presented and adopted at the Annual General Meeting of the company on 15/1 2024

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 2022 - 30 September 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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.

Haslev, 15 January 2024

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 2023 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 2022 - 30 September 2023 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 2022 - 30 September 2023, 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 Financial 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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group´s and the Parent Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's 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 Parent 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 Parent 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.

Independent Auditor's report

Hellerup, 15 January 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Jakob Thisted Binder
State Authorised Public Accountant
mne42816

Company information

The Company	JT3H ApS Østergade 4 DK-4690 CVR No: 37 30 42 39 Financial period: 1 October 2022 - 30 September 2023 Incorporated: 15 December 2015 Municipality of reg. office: Faxe
Executive Board	Lars Thuesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022/23	2021/22	2021	2020/21	2019/20
	Mil. DKK	Mil. DKK	Mil. DKK 1 months	Mil. DKK 15 months	Mil. DKK
Key figures					
Profit/loss					
Revenue	1,708	1,044	40	81	0
Gross profit/loss	274	212	6	-1	-11
Profit/loss of ordinary primary operations	26	12	-3	-70	-17
Profit/loss before financial income and expenses	26	43	-2	-49	-17
Profit/loss of financial income and expenses	-1	-4	0	22	182
Net profit/loss	11	32	-3	-28	164
Balance sheet					
Balance sheet total	522	478	242	268	189
Investment in property, plant and equipment	10	5	0	0	18
Equity	-23	-11	-46	-44	-18
Cash flows					
Cash flows from:					
- operating activities	87	112	-12	-8	-15
- investing activities	-80	-8	0	-2	-20
- financing activities	15	-28	0	27	37
Change in cash and cash equivalents for the year	22	76	-13	17	73
Number of employees	405	181	77	54	29
Ratios					
Gross margin	16.0%	20.3%	15.0%	-1.2%	0.0%
Profit margin	1.5%	4.1%	-5.0%	-60.5%	0.0%
Return on assets	5.0%	9.0%	-0.8%	-18.3%	-9.0%
Solvency ratio	-4.4%	-2.3%	-19.0%	-16.4%	-9.5%
Return on equity	-64.7%	-112.3%	6.7%	90.3%	-113.9%

The financial highlights from 2019/20 includes the former subsidiary Jet Time A/S which filed for bankruptcy as at 21 July 2020.

Management reveiw

Principal activities

Jettime 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 and SMBCO Invest ApS. Jettime OY and SMBCO Invest ApS has no separate activity except of intercompany transactions with Jettime and the parent company.

Jettime is built on long-term partnerships with the customers and the suppliers, a model that has proved its value both before and after the pandemic.

Based on the post corona competition landscape The Group was established during summer 2020. As a whole, the airline industry has been through an unprecedented period, which has required extensive 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 this and the previous year has been to further strengthen the customer base and the operational platform as well as exploiting the benefits of the IOSA certification obtained in September 2022. This work has taken place in parallel to balancing post-pandemic and the Ukraine 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.

Development in activities and financial matters

The financial year 2022/23 was somewhat impacted by the aftermath of the covid-19 pandemic and the high inflation, leading to lower utilization of the fleet during the winter season. During the year, Jettime has increased its operation and has gradually improved the utilization on the fleet, increased the number of aircraft in the fleet as well as the number of employees.

The total flight production in 2022/23 amounted to 29.347 block hours compared to 20,405 in 2021/22.

At the end of 2022/23 The Group had a fleet of 11 Boeing 737 NG aircraft compared to 8 at the end of 2021/22.

The average number of employees during 2022/23 was 405 compared to 181 in 2021/22. And finally, at the end of 2022/23, The Group had 430 employees compared to 322 at the end of 2021/22.

The Group’s consolidated revenue in 2022/23 was DKK 1,708 million compared to DKK 1,044 million in 2021/22. The Group showed a profit before tax of DKK 24 million in 2022/23, which compares to a profit of DKK 39 million in 2021/22. At year end 2022/23, The Group showed a positive equity of DKK 5 million compared to a negative equity of DKK 10 million at the end of 2021/22. Free cash at bank and in hand was DKK 104 million at year end 2022/23 compared to DKK 81 million at the end of 2021/22.

Management reveiw

The total balance sheet amounted to DKK 522 million in 2022/23 up from DKK 478 million in 2021/22.

In light of the result of controlled growth during a period affected by both post pandemic and war related effects, Management isolated considers the result before tax of MDKK 24 for 2022/23 as satisfactory. However, going forward a higher operational margin is needed given the industry related risk picture.

Capital resources and liquidity

Equity at 30 September 2022 was negative DKK 11 million. During the financial year 2022/23, equity has been aggravated with DKK 12 million leading to an equity at 30 September 2023 of negative DKK 23 million.

During 2022/23 The Group has repaid DKK 12 million in loans which were given to cover the purchase of the hangar facilities in Copenhagen Airport.

In Management's assessment, the liquidity from current free cash and from planned operations is sufficient to finance The Group's operation in the financial year 2023/24.

Investments

The Group's investments for the year were DKK 53 million in total, comprising deposits on operationally leased aircraft, DKK 2 million as well purchase of CO_2 EU-ETS quotas, DKK 41 million and other investments and changes in fixed assets DKK 10 million.

Risks

Price risks
The Group's use of jet fuel and CO_2 emission quotas implies a particular risk due to the significant fluctuations in the energy market. The Group aims at hedging energy prices by entering into hedging contracts corresponding to more than 90% of its exposure.

As a main rule, The Group enters into long-term flight agreements with charter companies. Hedging of energy 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 energy.

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.

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.

Recognition & measurement

The principles for recognition & measurement are described in the accounting policies in note 2 & note 26.

Management reveiw

Subsequent events

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

Outlook

The Group expects revenue of DKK 2.000 million and a profit before tax of DKK 20-30 million in 2023/24.

Corporate Social Responsibility

The business model has been described under the Principal activities in the Management's Review.

The Corporate Social Responsibility section concerns the group as a whole. The starting point is Jettime, as all activity in the group can primarily be attributed to Jettime.

Jettime has over the past year increased its production and added 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.

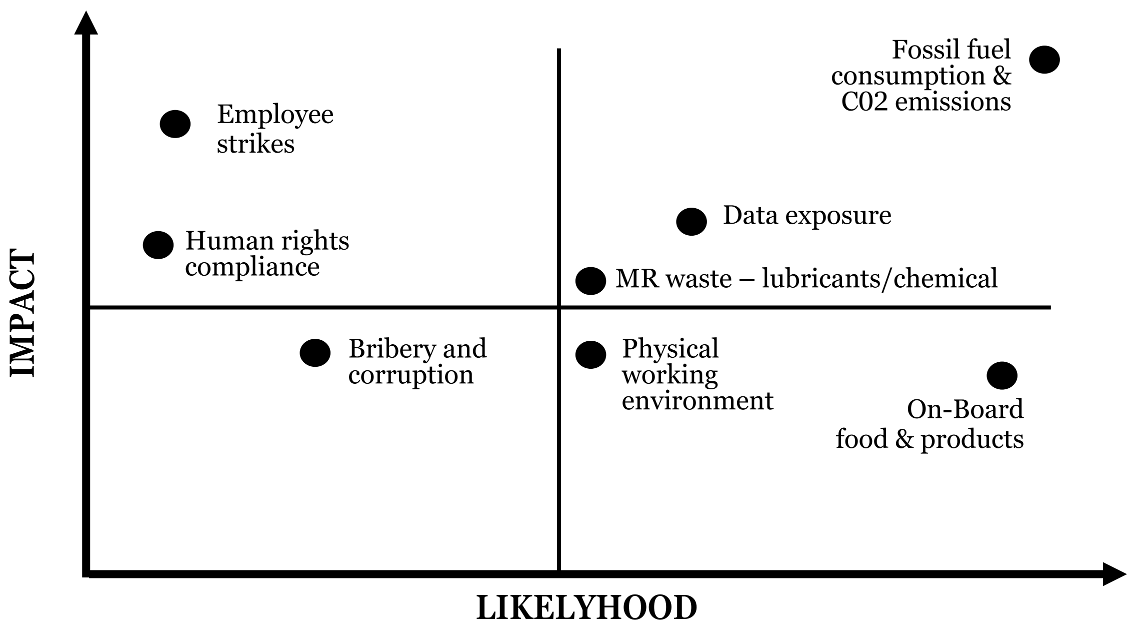
The framework for the overall strategic approach within CSR are the UN's Sustainable Development Goals number 12 ("Ensure Sustainable Consumption & production Patterns") and number 8 ("Decent Work & Economic Growth").

Jettime has a societal impact as employer, purchaser and producer of air transport solutions. At the same time, as an airline, Jettime has a climate and environmental impact, most significantly through fossil fuels and consequent CO_2 emissions.

Jettime strives to continually improve within the areas of climate and the environmental impact, as well as taking a social responsibility. Sustainable growth and development also entails striving for sustainable profitability and financial growth. Jettime concentrates the efforts to become a more sustainable airline on practical and operational improvements with the aim of reducing the amount of CO_2 emissions from our aircraft operation. Likewise, several initiatives included in our service on board are visible to our guests.

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 Group's suppliers and products have been identified. These risks will be addressed individually throughout the report.



Management reveiw

This financial year Jettime has continued to prioritize two of the risk factors with high likelihood; “Fossil fuel consumptions & C02 emissions” and our “On board food and products”. In addition, IT security and data protection have been an area of attention and improvement the past year. The overall targets within sustainability and supporting the risk factors are;

For the period 2021-2025:

- Reduce CO2 emissions per passenger seat kilometer by 10%
- Reduce single use plastic products on board our aircraft by 50%

Even though fossil fuels are the main element in operating a fleet of aircraft, Jettime believes things can be done to continuously reduce the fuel consumption and thereby lowering the overall CO2 emissions. The “on board” service to our guests is a very visible element in our environmental work and a range of plastic products have been replaced by more sustainable alternatives.

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 CO2 and reduction of single-use plastic. The accountability of the overall sustainability plan is placed within the executive management.

1. Fossil fuel consumptions & CO2 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 CO2 emission, Jettime is registered and regulated by the EU Decree 2003/87EC where airlines register and report their CO2 emission.

The work on the improvement measures to achieve lower fuel consumption and CO2 emissions are concentrated on 3 different initiatives;

Split Scimitar Winglets (Aerodynamic, Weight and Efficiency Improvement)

All of Jettimes aircraft are equipped with winglets which improve up-trust and optimize fuel economy and CO2 emission by up to 1,8% according to official Boeing calculations.

Installing split scimitar winglets on the aircraft can further increase the fuel efficiency by lowering fuel consumption and CO2 emission by an extra 1,8%.

During the financial year Jettime has installed split scimitar winglets on two more aircraft, which brings the total up to 6 aircraft (more than half the fleet) which are equipped with split scimitar winglets.

Cooperation with FuelVision (fuel efficiency application)

Another area of development initiated during 2022/23 financial year was the exclusive partnership with the startup company FuelVision. FuelVision 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 CO2 emission on each single flight based on how the pilot performs the flight.

Jettime and FuelVision have initiated a cooperation to develop the prototype into a live product used by Jettime pilots. The application was put into use for the pilots in May 2023 and is constantly modified and adjusted. The overall ambition is to investigate and seek knowledge of current flight efficiency when it comes to fuel consumption and CO2 emissions. Based on this knowledge and new insights Jettime introduces new standard operating procedures for the pilots. The first results are expected during this financial year.

Management reveiw

Fleet Renewal
At year-end, Jettime operated one B737-700 and ten B737-800 aircraft. In the financial year 2022/23, Jettime has added three aircraft to the fleet of the type B737-800. The B737-800 has a larger capacity than the B737-700 aircraft and can thus produce more effectively and transporting more passengers at a time.

Due to the unification of Jettime's fleet (B737 NG aircraft) and due to all aircraft equipped with winglets the targeted reduction of CO2 emissions towards 2025 has started to materialize. The addition of more B737-800 aircraft in Jettime's fleet, the overall CO2 emissions have gone up, however, the utilization of capacity has increased, which means that more passengers were transported on each flight, hence affecting the CO2 emission per passenger seat kilometer positively. The passenger load factor on our flights has increased compared to the previous financial year and improves the CO2 emission per PSK. By 2025 our target is to reduce the CO2 emission by 10% per PSK and we have reached 8% reduction so far with a PSK this financial year of 67,0 g.

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.

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 their food production. The amount of dry store products on board has been reduced and plastic stirrers, plastic straws and plastic coffee cups are no longer part of the assortment.

Inflight 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 to paper waste, just as it has lowered the weight of the aircraft and thereby reduced the annual CO2 emission.

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

Jettime has its own Technical Department in CPH airport which mantians 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 the environmental service partner Stena Recycling, who ensures correct storage and dispose of problematic waste and chemicals.

No significant spillages have been reported in connection with technical maintenance of Jettime's aircraft in the financial year 2022/23.

On board our aircraft the cabin crew conduct waste sorting as a standard procedure.

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, 4 in Denmark and 2 in Finland, takes place within the framework of national laws and agreements affecting the unit concerned, and Jettime expects a continued constructive cooperation with the unions in the years to come.

5. *Physical Working Environment*

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

Jettime has a 'Health and Safety and Environment Policy' as well as a 'Health and Safety and Environment Committee'. The Committee ensures compliance with legislation, policies on health, safety and environmental aspects and representatives from the 4 employee groups including Jettime oy in Finland meet 4 times a year.

In connection with Jettime's internal Workplace Assessment from February 2022 (APV), one of the major key points was the quality of the crew meals. Both Danish cabin and cockpit crew expressed a wish for more variation, larger portions, and more greens. These three requests have been accommodated with an adjusted meal concept for Danish crew in May 2023.

During the Summer 2023 a similar workplace survey was conducted in our Finnish company. The results revealed no areas of concern.

Jettime employees have the benefit of a private health insurance provider which offers a wide range of treatments and services.

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 Group will cooperate with the relevant union representative to reach a fair conclusion of the matter.

6. *Bribery and Corruption*

Jettime work with a code of conduct which includes our expectations towards our suppliers on anti-corruption.

Due to the fact that The Group'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 Group becomes involved with corruption or bribery is limited. As a buyer, Jettime uses the services of a number of subcontractors. To mitigate this, relevant suppliers will sign the code of conduct as part of the contract procedure. Jettime does not accept bribery and corruption and expects our partners to maintain the same integrity in relation to all business affairs.

In the on-going follow-up with suppliers, Jettime has found no breaches regarding anti-corruption, anti-competitive behavior, anti-trust or monopoly practices in the financial year 2022/23, and Jettime expects this practice to continue onwards.

7. 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.

In September 2022 Jettime launched a formal Whistleblower reporting platform on our Intranet for the employees to use in case of suspicion or concerns regarding bribery, corruption or human rights violation etc. The platform is administered by an external law firm. No reports have been filed so far.

The Group’s Employee Handbook contains a general corporate policy applying to all employees. Moreover, Jettime promotes a ’Just Culture’ policy that applies to the entire Company. 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. 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.

Reporting on the Danish Financial Statement Act 99 b

Since the parent Company's management consists exclusively of the male owner on the balance sheet date, no reporting has been made on the gender composition of senior management in the parent company. As well as no reporting on policy for target figures in the management either.

For reporting on gender composition in the senior management of the subsidiary Jettime A/S, where the Group's activity is located, refer to Jettime A/S's annual report for 2022/23.

Jettime aims to ensure equal opportunities and representation for men and women and performs internal leadership training among The Group’s mid-level managers with the ambition of qualifying both male and female employees to enter the Senior Management or mid management level. Furthermore, Jettime strives to always have both genders represented in the final job interview when selecting new hires to enhance diversity in our employee groups.

Management reveiw

8. Data exposure & data ethics

Throughout its business, Jettime is working with data and complies with GDPR legislation including performing internal audits according to a fixed schedule among our system owners.

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.

Data ethics is governed in Jettime's IT policy manual section 9, which describes the data policy and the how to protect and govern access to private and other data. Jettime is actively working to further improve IT and data security and has engaged with external IT security experts.

Finally, Jettime is actively working to protect all data, and has implemented data processing agreements with relevant suppliers.

Income statement 1 October 2022 - 30 September 2023

	Note	Group 2022/23	Group 2021/22	Parent company 2022/23	Parent company 2021/22
		TDKK	TDKK	TDKK	TDKK
Revenue	3	1,707,812	1,044,271	0	0
Other operating income	4	0	31,371	1,800	0
Direct expenses		-1,336,047	-798,697	0	0
Other external expenses		-97,396	-64,719	-222	-259
Gross profit		**274,369**	**212,226**	**1,578**	**-259**
Staff expenses	5	-244,315	-165,920	-50	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-4,473	-3,316	0	0
Profit/loss before financial income and expenses		**25,581**	**42,990**	**1,528**	**-259**
Income from investments in subsidiaries		0	0	4,965	0
Income from investments in associates		-722	0	0	0
Financial income	6	6,098	775	863	1,291
Financial expenses	7	-6,494	-4,972	-1,751	-1,378
Profit/loss before tax		**24,463**	**38,793**	**5,605**	**-346**
Tax on profit/loss for the year	8	-13,271	-6,360	-971	0
Net profit/loss for the year	9	**11,192**	**32,433**	**4,634**	**-346**

Balance sheet 30 September 2023

Assets

	Note	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent company 2022/23 TDKK	Parent company 2021/22 TDKK
Acquired licenses		0	146	0	0
Acquired trademarks		5,718	171	0	0
Acquired other similar rights		40,926	6,169	0	0
Intangible assets	10	**46,644**	**6,486**	**0**	**0**
Land and buildings		10,983	11,918	0	0
Other fixtures and fittings, tools and equipment		328	1,137	0	0
Airplanes		5,977	3,654	0	0
Property, plant and equipment in progress		6,696	1,248	0	0
Property, plant and equipment	11	**23,984**	**17,957**	**0**	**0**
Investments in subsidiaries	12	0	0	4,965	0
Investments in associates	13	1,528	2,250	0	0
Receivables from group enterprises	14	0	0	0	12,264
Deposits	14	20,922	18,946	0	0
Other receivables	14	252,934	287,102	0	0
Fixed asset investments		**275,384**	**308,298**	**4,965**	**12,264**
Fixed assets		**346,012**	**332,741**	**4,965**	**12,264**
Inventories	15	**7,855**	**5,372**	**0**	**0**
Trade receivables		10,445	26,905	0	0
Receivables from group enterprises		0	0	1,800	0
Other receivables		25,324	4,451	2	25
Corporation tax receivable from group enterprises		0	0	22,170	6,360
Prepayments	17	28,158	26,384	0	0
Receivables		**63,927**	**57,740**	**23,972**	**6,385**

Balance sheet 30 September 2023

Cash at bank and in hand	**104,249**	**82,431**	**598**	**1,255**
Current assets	**176,031**	**145,543**	**24,570**	**7,640**
Assets	**522,043**	**478,284**	**29,535**	**19,904**

Balance sheet 30 September 2023

Liabilities and equity

		Group		Parent company	
	Note	2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Share capital		250	250	250	250
Reserve for hedging transactions		3,415	0	0	0
Reserve for exchange rate conversion		-35	1	0	0
Other reserves		3,634	3,225	0	0
Retained earnings		-30,431	-14,125	-23,412	-546
Equity		**-23,167**	**-10,649**	**-23,162**	**-296**
Other provisions	18	338,474	330,455	0	0
Provisions		**338,474**	**330,455**	**0**	**0**
Corporation tax		15,445	6,360	18,357	6,360
Other payables		28,109	13,264	29,109	13,264
Long-term debt	19	**43,554**	**19,624**	**47,466**	**19,624**
Prepayments received from customers		50,812	75,904	0	0
Trade payables		33,829	21,335	0	0
Corporation tax	19	4,624	0	4,624	0
Other payables	19	73,917	41,615	607	576
Short-term debt		**163,182**	**138,854**	**5,231**	**576**
Debt		**206,736**	**158,478**	**52,697**	**20,200**
Liabilities and equity		**522,043**	**478,284**	**29,535**	**19,904**

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Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Other reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	250	0	-1	3,225	-14,123	-10,649
Exchange adjustments	0	0	-34	0	0	-34
Fair value adjustment of hedging instruments, end of year	0	4,378	0	0	0	4,378
Tax on adjustment of hedging instruments for the year	0	-963	0	0	0	-963
Other equity movements	0	0	0	0	-27,500	-27,500
Transfers, reserves	0	0	0	409	0	409
Net profit/loss for the year	0	0	0	0	11,192	11,192
Equity at 30 September	**250**	**3,415**	**-35**	**3,634**	**-30,431**	**-23,167**

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 October	250	-546	-296
Other equity movements	0	-27,500	-27,500
Net profit/loss for the year	0	4,634	4,634
Equity at 30 September	**250**	**-23,412**	**-23,162**

Other equity movements relate to the acquistion of SMBCO Invest ApS.

The only activity in SMBCO Invest ApS is an option to buy 49% Jettime A/S. Hence JT3H ApS already owns a controlling interest in Jettime A/S the excess value has been booked directly to equity.

Cash flow statement 1 October 2022 - 30 September 2023

	Note	Group 2022/23 TDKK	Group 2021/22 TDKK
Result of the year		11,192	32,433
Adjustments	20	18,704	12,930
Change in working capital	21	57,215	71,907
Cash flow from operations before financial items		**87,111**	**117,270**
Financial income		6,098	190
Financial expenses		-6,102	-5,004
Cash flows from ordinary activities		**87,107**	**112,456**
Corporation tax paid		0	0
Cash flows from operating activities		**87,107**	**112,456**
Purchase of intangible assets		-40,611	-2,944
Purchase of property, plant and equipment		-10,047	-5,248
Fixed asset investments made etc		-29,476	0
Sale of fixed asset investments made etc		0	212
Cash flows from investing activities		**-80,134**	**-7,980**
Repayment of other long-term debt		0	-27,972
Raising of other long-term debt		14,845	0
Cash flows from financing activities		**14,845**	**-27,972**
Change in cash and cash equivalents		**21,818**	**76,504**
Cash and cash equivalents at 1 October		82,431	5,927
Cash and cash equivalents at 30 September		**104,249**	**82,431**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		104,249	82,431
Cash and cash equivalents at 30 September		**104,249**	**82,431**

The accumulated cost for purchases of CO_2 quotas in the financial year, which has still not been utilized are presented as part of the investing activities in the cash flow statement.

Notes to the Financial Statements

1. Going concern

The Group has realized a gain before tax of DKK 24.4 million. The equity though is still negative with DKK 22.2 million 30 September 2022.

The Group has experienced continously increasing activity over the financial year 2022/23 with a total of 11 aircraft in operation in the summer 2023.

The Group has prepared a budget for financial year 2023/24 which show a positive result and significant headroom in the liquidity throughout the year.

2. Uncertainty relating 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.

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 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.

3. Revenue

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
Revenue, Scandinavia	1,707,812	1,044,271	0	0
	1,707,812	**1,044,271**	**0**	**0**
Business segments				
Charter and ad hoc	1,549,510	1,015,216	0	0
ACMI	158,302	29,055	0	0
	1,707,812	**1,044,271**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
4. Other operating income				
Government support, COVID-19 - Personnel costs	0	2,926	0	0
Government support, COVID-19 - Other fixed costs	0	28,445	0	0
Other income	0	0	1,800	0
	0	**31,371**	**1,800**	**0**

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.

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
5. Staff Expenses				
Wages and salaries	221,060	151,600	50	0
Pensions	19,716	11,353	0	0
Other social security expenses	3,539	2,967	0	0
	244,315	**165,920**	**50**	**0**

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

Average number of employees	**405**	**181**	**0**	**0**

Notes to the Financial Statements

6. Financial income

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Interest received from group enterprises	0	0	863	1,291
Other financial income	1,099	190	0	0
Exchange gains	4,999	585	0	0
	6,098	**775**	**863**	**1,291**

7. Financial expenses

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Other financial expenses	6,494	4,972	1,751	1,378
	6,494	**4,972**	**1,751**	**1,378**

8. Income tax expense

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	12,300	6,360	0	0
Adjustment of tax concerning previous years	971	0	971	0
	13,271	**6,360**	**971**	**0**

9. Profit allocation

	Parent company	
	2022/23	2021/22
	TDKK	TDKK
Retained earnings	4,634	-346
	4,634	**-346**

10. Intangible fixed assets

Group

	Acquired licenses	Acquired trademarks	Acquired other similar rights
	TDKK	TDKK	TDKK
Cost at 1 October	559	250	2,942
Additions for the year	0	6,000	66,578
Disposals for the year	0	0	-32,228
Cost at 30 September	559	6,250	37,292
Revaluations at 1 October	0	0	3,225
Revaluations for the year	0	0	409
Revaluations at 30 September	0	0	3,634
Impairment losses and amortisation at 1 October	413	79	0
Amortisation for the year	146	453	0
Impairment losses and amortisation at 30 September	559	532	0
Carrying amount at 30 September	**0**	**5,718**	**40,926**

Acquired other similar consist of CO2 quotas. CO2 quotas are expensed when utilized over production costs. CO2 quotas are measured at fair value on the balance sheet date. The fair value adjustment is booked directly on the equity.

Notes to the Financial Statements

11. Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Airplanes	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 October	14,000	4,352	4,363	1,247
Additions for the year	0	370	0	9,533
Transfers for the year	0	0	4,084	-4,084
Cost at 30 September	14,000	4,722	8,447	6,696
Impairment losses and depreciation at 1 October	2,082	3,214	710	0
Depreciation for the year	935	1,180	1,760	0
Impairment losses and depreciation at 30 September	3,017	4,394	2,470	0
Carrying amount at 30 September	**10,983**	**328**	**5,977**	**6,696**

Notes to the Financial Statements

	Parent company	
	2022/23	2021/22
	TDKK	TDKK

12. Investments in subsidiaries

	2022/23 TDKK	2021/22 TDKK
Cost at 1 October	25,000	25,000
Additions for the year	27,500	0
Cost at 30 September	52,500	25,000
Value adjustments at 1 October	-25,000	-25,000
Other adjustments	-27,500	0
Reversals for the year of revaluations in previous years	4,965	0
Value adjustments at 30 September	-47,535	-25,000
Carrying amount at 30 September	**4,965**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Jettime a/s, Amager Strandvej 390-392, DK-2770 Kastrup	Denmark	100%
SMBCO Invest ApS, Skovly Mark 27, DK-2840 Holte	Denmark	100%

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
13. Investments in associated companies				
Cost at 1 October	2,250	0	0	0
Additions for the year	0	2,250	0	0
Cost at 30 September	2,250	2,250	0	0
Net profit/loss for the year	-500	0	0	0
Amortisation of goodwill	-222	0	0	0
Value adjustments at 30 September	-722	0	0	0
Carrying amount at 30 September	**1,528**	**2,250**	**0**	**0**
Positive differences arising on initial measurement of associates at net asset value	2,224	0	0	0

Investments in associates are specified as follows:

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

Notes to the Financial Statements

14. Other fixed asset investments

Group

	Deposits	Other receivables
	TDKK	TDKK
Cost at 1 October	18,946	287,102
Additions for the year	1,976	85,946
Disposals for the year	0	-120,114
Cost at 30 September	20,922	252,934
Carrying amount at 30 September	**20,922**	**252,934**

Parent company

	Receivables from group enterprises
	TDKK
Cost at 1 October	12,264
Disposals for the year	-12,264
Cost at 30 September	0
Carrying amount at 30 September	**0**

Other receivables primarily consists of receivables regarding future maintenance.

Of other receivables on TDKK 252,934, TDKK 24,059 is falling due within 1 year

15. Inventories

	Group		**Parent company**	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Inventories	7,855	5,372	0	0
	7,855	**5,372**	**0**	**0**

Notes to the Financial Statements

16. Derivative financial instruments

The Parent Company has granted an option to sell 49 % of the subsidiary Jettime A/S to SMBCO Invest ApS. 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.

The option fee has been eliminated in the group figures.

17. Prepayments

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

18. Other provisions

	Group		**Parent company**	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Accrued delay costs	7,279	2,855	0	0
Provision, aircraft maintenance	324,601	323,118	0	0
Provision for obligation to return	6,594	4,482	0	0
	338,474	**330,455**	**0**	**0**

The provisions are expected to mature as follows:

Within 1 year	57,408	20,916	0	0
Between 1 and 5 years	281,066	309,539	0	0
After 5 years	0	0	0	0
	338,474	**330,455**	**0**	**0**

Notes to the Financial Statements

19. 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:

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Corporation tax				
After 5 years	0	0	0	0
Between 1 and 5 years	15,445	6,360	18,357	6,360
Long-term part	15,445	6,360	18,357	6,360
Within 1 year	4,624	0	4,624	0
	20,069	**6,360**	**22,981**	**6,360**
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	28,109	13,264	29,109	13,264
Long-term part	28,109	13,264	29,109	13,264
Other short-term payables	73,917	41,615	607	576
	102,026	**54,879**	**29,716**	**13,840**

20. Cash flow statement - Adjustments

	Group	
	2022/23	2021/22
	TDKK	TDKK
Financial income	-6,098	-775
Financial expenses	6,494	4,972
Depreciation, amortisation and impairment losses, including losses and gains on sales	4,473	3,316
Income from investments in associates	722	0
Tax on profit/loss for the year	13,271	6,360
Other adjustments	-158	-943
	18,704	**12,930**

21. Cash flow statement - Change in working capital

	Group 2022/23 TDKK	Group 2021/22 TDKK
Change in inventories	-2,483	-1,901
Change in receivables	27,981	-150,182
Change in other provisions	8,019	158,320
Change in trade payables, etc	19,320	65,670
Fair value adjustments of hedging instruments	4,378	0
	57,215	**71,907**

22. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	143,749	107,394	0	0
Between 1 and 5 years	328,784	282,764	0	0
	472,533	**390,158**	**0**	**0**
Aircraft leases	463,438	380,290	0	0
Rental of property, hangar, etc	9,095	9,860	0	0

Other contingent liabilities

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.

23. Related parties

	Basis
Controlling interest	
Lars Thuesen	Malmøgade 5, 3. 2100 København Ø Denmark

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.

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

24. Fee to auditors appointed at the general meeting

	2022/23	2021/22	2022/23	2021/22
PricewaterhouseCoopers				
Audit fee	963	1,250	100	100
Tax advisory services	331	0	0	0
Non-audit services	548	0	0	0
	1,842	**1,250**	**100**	**100**

25. Subsequent events

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

26. Accounting policies

The Annual Report of JT3H ApS for 2022/23 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 Financial Statements and the Parent Company Financial Statements for 2022/23 are presented in TDKK.

Minor immaterial adjustments have been made to the comparatives. The adjustments are individually and aggregated immaterial to the financial statements.

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.

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

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.

Segment information on revenue

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

Income statement

Net sales

Income from the sale of charter and ACMI flights is recognised in the income statement on the departure date.

Income from the sale of duty-free and non-duty-free goods, included and reported as “Ancillary and Other”, is recognised in the income statement on delivery date. Revenue is recognised exclusive of VAT, taxes and sales discounts.

Direct expenses

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.

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

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff costs comprise wages, salaries, pension and social security costs to own staff and hired full-time consultants.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment. CO2-quotas are expensed as production costs when utilized.

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

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include 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 joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Acquired trademarks and acquired licenses are measured at the lower of cost less accumulated amortisation and recoverable amount. Acquired trademarks are amortised on a straight-line basis over its useful life, which is assessed to be 5 years. Acquired licenses 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. The cost price for CO2-quotas are recognized based on the expected average price for the CO2-quotas used in the financial year. Subsequently CO2-quotas are measured at fair value. The revaluation is booked directly on equity. CO2-quotas are expensed when utilized over production costs in the financial statements.

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.

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

Airplanes	5 years

Airplanes primarily consist of repatriating costs as well as cost for modifications of leased aircrafts. The costs are depreciated over the leasing period which usually equals 5 year.

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 and investments 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 and associates

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

The items "Investments in subsidiaries" and "Investments in associates" 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 and associates 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 and the associates.

Subsidiaries and associates 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 and costs of completion. 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 subsequent financial years.

Provisions

Other provisions consist of provision for future maintenance work on aircrafts, provision for the costs of returning aircraft on operating leases and accrued delay costs. 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, including the tax base of tax loss carry-forwards, 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.

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.

Notes to the Financial Statements

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.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit before financials x 100 / Revenue
Return on assets	Profit before financials x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity