CC Fly Invest ApS

Skindergade 7
1159 København K

CVR No 39 40 18 94

Annual report for

01.01.2021
-
31.12.2021

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:

Chairman

Peter Ryttergaard

Contents

Company Information

Company

CC Fly Invest ApS
Skindergade 7
DK - 1159 København K

Central Business Registration No	39 40 18 94
Registered in	Copenhagen

Financial period: 1 January - 31 December 2021

Executive Board

Jens Jørgen Hahn-Petersen
Rasmus Philip Buhl Lokvig
Vilhelm Eigil Hahn-Petersen
Peter Ryttergaard

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Cvr nr. 33 77 12 31

Management's Review

Primary activities

The Company's main activity is to act as a holding company of group subsidiaries.

Development in activities and finances

The income statement of the Company for 2021 shows a profit of KDKK 1,788 compared to profit in 2020 of KDKK 4,074 and at 31 December 2021 the balance sheet of the Company shows equity of KDKK 252.540 compared to 148,242 at 31 December 2020.

Subsequent events

There are no significant subsequent events.

Management's Statement

The Executive Board have today considered and adopted the Annual Report of CC Fly Invest ApS for the financial year 01.01.2021 - 31.12.2021.

The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31.12.2021 of the Company and of the results of the Company operations and cash flows for the financial year 01.01.2021 - 31.12.2021.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

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

Copenhagen, 24 February 2022

Executive Board

Jens Jørgen Hahn-Petersen

Rasmus Philip Buhl Lokvig

Vilhelm Eigil Hahn-Petersen

Peter Ryttergaard

Independent Auditor's Report

To the Shareholders of CC Fly Invest ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2021 and the results of the Company's operations and cash flows for the financial year of 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of CC Fly Invest ApS for the financial year 01.01.2021 - 31.12.2021, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Company ("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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in 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.

Independent Auditor's Report

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report 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 judgment and maintain professional skepticism 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 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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Kristian Højgaard Carlsen
State Authorised Public Accountant
mne44112

Profit and loss 1 January - 31 December

	Note	2021 KDKK	2020 KDKK
General and administrative expenses		-104	-61
Gross profit		**-104**	**-61**
Operating profit		**-104**	**-61**
Finance income		4.935	7.117
Finance costs	3	-2.980	-1.819
Profit before income tax		**1.852**	**5.237**
Income tax expenses	4	-64	-1.163
Profit for the period		**1.788**	**4.074**

Statement of comprehensive income 1 January - 31 December

	Notes	2021 KDKK	2020 KDKK
Profit for the period		1.788	4.074
Other comprehensive income for the period, net of tax		**0**	**0**
Total comprehensive income for the period		**1.788**	**4.074**

Balance sheet 31 December

	Notes	2021 KDKK	2020 KDKK
Investment in subsidiaries	5	254.919	142.081
Receivables from group entreprises		28.086	150.276
Financial assets		**283.005**	**292.357**
Total non-current assets		**283.005**	**292.357**
Corporation tax receivable		0	500
Corporation tax receivable from group enterprises		2.138	370
Deferred tax asset		0	0
Receivables from group entreprises		0	58.173
Receivables		**2.138**	**59.043**
Cash		**0**	**0**
Total current assets		**2.138**	**59.043**
Total assets		**285.144**	**351.400**

Balance sheet 31 December

	Notes	2021 KDKK	2020 KDKK
Share capital	6	110	60
Share premium		248.950	146.490
Retained earnings		3.480	1.692
Total equity		**252.540**	**148.242**
Bank debt		26.447	197.010
Corporation tax payable		3.570	1.039
Corporation tax payable to group enterprises		0	698
Payables to group enterprises		619	4.256
Other payables		1.968	155
Total current liabilities		**32.604**	**203.158**
Total liabilities		**32.604**	**203.158**
Total equity and liabilities		**285.144**	**351.400**

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Total
	KDKK	KDKK	KDKK	KDKK
Equity at 01.01.2021	60	146.490	1.692	148.242
Profit for the period	0	0	1.788	1.788
Capital increase	50	102.460		102.510
Equity at 31.12.2021	**110**	**248.950**	**3.480**	**252.540**

Cash flow statement 1 January - 31 December

	Notes	2021 KDKK	2020 KDKK
Operating proft		-104	-61
Change in net working capital	11	2.123	100
Cash flows from primary operating activities		2.019	39
Interest income received		4.935	7.117
Interest expense paid		-2.980	-1.819
Provision for deferred tax		0	234
Other tax movements		634	-679
Net cash flow from operating activities		**4.609**	**4.892**
Payment for acquisition of subsidiary		-112.838	-40
Net cash flow from investing activities		**-112.838**	**-40**
Proceeds from borrowings - group enterprises		0	0
Proceeds from bank debt		-171.712	197.010
Loans to subsidiaries		177.432	-204.828
Capital increase		102.510	0
Cash flow from financing activities	**12**	**108.230**	**-7.818**
Net cash flow for the year		0	-2.966
Cash and cash equivalents, beginning of the year		0	2.966
Unrealised exchange rate gains and losses on cash		0	0
Cash and cash equivalents, end of the year		**0**	**0**

Notes

Notes

1. Accounting policies

CC Fly Invest ApS was founded on 12 March 2018

The Financial Statements for the company, CC Fly Invest ApS have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class B.

The annual report is prepared according to standards and interpretations effective for financial years beginning on 1 January 2020. No standards or interpretitations have been adopted early.

The functional currency of the Company is DKK.

General information on recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Consolidated financial statements

Referring to IFRS 10 no consolidated financial statements have been prepared, due to the fact that the ultimate parent company, CataCap II K/S, will publish IFRS financial statement as investment company, where the Company is recognised and measured at fair value.

New standards

The IASB has issued a number of new or amended standards and interpretations effective for financial years beginning after 1 January 2020.

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs.

General and administrative expenses

General and administrative expenses include expenses relating to the Company's ordinary activities.

Finance income

Finance income comprise interest income, including receivables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Finance expenses

Finance expenses comprise interest expenses, including payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Notes

1. Accounting policies - contiuned

Income tax and deferred tax

The Company is jointly taxed with its Danish subsidiaries. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are taxed under the Danish Tax Payment Scheme. Additions, deductions and allowances are recognised under financial income or financial costs.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Investments in subsidiaries

Investments in subsidiaries are measured at cost.

Impairment tests are performed on subsidiaries if events or changes in circumstances indicate that their carrying amount may not be recoverable. If cost exceeds the recoverable amount measured as value-in-use, the carrying amount is written down to the recoverable amount.

Notes

1. Accounting policies - contiuned

Receivables

Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value. Write-down is made to net realisable value to provide for expected losses.

Equity

Dividend distribution

Dividends are recognised as a liability at the time of adoption at the general meeting.

Other liabilities

Other debt or liabilities covering trade creditors and other debt are recognised at amortized cost, which usually corresponds to the nominal value.

Statement of cash flow

The cash flow statement shows the cash flows during the year distributed on operating, investing and financing activities, changes in cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are calculated using the indirect method and comprise profit for the year adjusted for non-cash items, changes in working capital, interest paid and received etc., and payments of corporate tax.

Cash flows from investing activities comprise payments in connection with acquisitions and divestment of businesses and purchase and sale of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases, and short term bank debt.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and bank deposits.

Notes

2. Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise.

The company is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Impairment test of investments in subsidiaries

The Company tests, if there are indicators of impairment, whether investments in subsidiaries have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units will be determined based on value-in-use calculations. These calculations require the use of estimates.

Investments in subsidiaries amounts to KDKK 282,995 and no impairment losses has been recognised in 2021.

Key assumptions used for impairment test of investments in subsidiaries

Following the negative impact from COVID-19 on the financial result in 2021 in its subsidiary there are indications of impairment. As a result, the carrying amount of the investments in subsidiaries is tested for impairment. Investments in subsidiaries consist of a single cash-generating unit.

The method applied is the discounted cash flow model, which uses cash flow projections based on financial budgets approved by the board and management covering a ten-year period. Management has based these projections on historical values of their exisiting business and expectations to future market and industry development.

A ten-year period has been used in the model as this time period aligns with the strategic time frame used by Management. The business in which the Company operates is not a cyclical business. It is Management’s opinion that no significant additional uncertainty arises from the use of a ten-year time period.

A fixed EBIT-margin is used in the model to reflect the nature of the industry in which the Company operates. The industry is non-cyclical and competion in the marketplace is high.

Cash flows during the ten-year period are discounted, and beyond the ten-year period cash flows are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the entertainment industry and similar companies.

The recoverable amount is calculated based on value-in-use. The following key assumptions are applied in the calculation:

Notes

2. Critical accounting estimates and judgements - continued

Annual sales growth 2 %, EBIT-margin – constant at 15,6 %, WACC 7.7 % and growth in the terminal period of 1.0%.

A sensitivity analysis of the main assumptions in the impairment test has been carried out to identify the lowest and/or highest discount rate and the lowest growth rate for the investment.

With a sales growth of 2 %, EBIT-margin – constant at 15.6 %, pre-tax WACC 8.7% and 1.0 % growth in the terminal period is the equity value above the booked value of the investment.

Based on the impairment test performed as at 31 December 2021, no impairment is required.

Notes

	2021 KDKK	2020 KDKK
3. Financial expenses		
Interest expenses	2.980	1.819
	2.980	**1.819**
4. Tax on profit for the year		
Current tax:		
Current tax on profits for the year	-64	-1.397
Current tax on profits for previous years	698	0
Change in deferred tax	0	234
Total current tax expense	634	-1.163
Income tax expenses for the period	**634**	**-1.163**
Income tax expenses are specified as follows:		
Calculated 22.0% tax on profit for the year before income tax	**407**	**1.152**
Tax effects of:		
Adjustments in respect of prior years	227	11
	634	**1.163**
Effective tax rate	34%	22%

Notes

5. Investment in subsidiaries

	2021 KDKK	2020 KDKK
Cost:		
At 01.01.2021	142.081	142.041
Additions during the year	163.838	40
Disposals during the year	-50.999	0
At 31.12.2021	254.919	142.081
Carrying amount 31.12.2021	**254.919**	**142.081**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Vote	Ownership
CC Fly Holding I ApS	Copenhagen	60,56%	44,03%
Rekom ManCo ApS	Copenhagen	100,00%	0,0%
CC Mist New Holding ApS	Copenhagen	100,00%	100%

Notes

6. Share capital

The share capital comprise 110.001 shares of a nominal value of DKK 1 each. All shares carry one vote. No transactions have been carried out on the share capital in the financial year.

7. Related parties

The group's ultimate parent is CataCap II K/S.

Related parties with significant influence consist of the Group's Board of Directors and Executive Management plus close relatives of these persons.
Related parties also include companies over which these persons exert considerable influence.

All trantactions were carried out on terms equivalent to arm's lenght principles.

Notes

8. Commitments and contingent liabilities

Contingent liabilities

Joint taxation

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Rekom Group. The total amount of corporation tax payable is disclosed in the Annual Report of CC Fly Invest ApS, which is the management company of the joint taxation. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

9. Financial risk management

Credit risks

Credit risks are limited to intercompany receivables, where the credit risk is considered low. No significant credit risk is tied to the Company's receivables.

Liquidity risks

The Company is not exposed to any significant liquidity risks, due to the fact that the Company's main activity is to own shares in subsidiaries. Short term bank debt is a standing credit facility.

Foreign exchange risk and interest rate risk

Management considers the foreign exchange risk as immaterial due to the limited number of transactions in foreign currency. The Company is not exposed to any significant interest rate risk related to borrowings.

Capital management

The Company’s objectives when managing capital are to secure the Group’s (investments in subsidiaries) ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. Any surplus liquidity is used to reduce debt.

Management monitors the share and capital structure to ensure that the Company's capital resources support the strategic goals.

Notes

10. Events after the balance sheet date

No events have occurred after the balance sheet date of importance to the Annual Report.

	2021	**2020**
	KDKK	**KDKK**

11. Changes in net working capital

Changes in trade and other payables	2.123	100
	2.123	**100**

12. Changes in liabilities arising from financing activities

Proceeds from borrowings - group enterprises		0
Proceeds from bank debt	-171.712	197.010
Loans to subsidiaries	177.442	-204.828
Capital increase	102.510	0
Cash flow from financing activities	**108.230**	**-7.818**