

IQ Charter I A/S

Energivej 15
5260 Odense S
CVR No. 39641577

Annual report 2022

The Annual General Meeting adopted the
annual report on 05.06.2023

Matias Nørtoft Popp

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	8
Balance sheet at 31.12.2022	9
Statement of changes in equity for 2022	11
Notes	12
Accounting policies	15

Entity details

Entity

IQ Charter I A/S

Energivej 15

5260 Odense S

Business Registration No.: 39641577

Registered office: Odense

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Hans Bøgh-Sørensen

Jacob Lucassen

Erik Sandberg

Executive Board

Peter Brink Madsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of IQ Charter I A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Odense, 05.06.2023

Executive Board

Peter Brink Madsen

Board of Directors

Hans Bøgh-Sørensen

Jacob Lucassen

Erik Sandberg

Independent auditor's report

To the shareholder of IQ Charter I A/S

Opinion

We have audited the financial statements of IQ Charter I A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 05.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Nikolaj Thomsen

State Authorised Public Accountant
Identification No (MNE) mne33276

Management commentary

Primary activities

The Company's primary activities consists of investing in and operation of flight services.

Development in activities and finances

The results for 2022 shows a loss of kDKK 7,055 compared to a loss of kDKK 7,303 in 2021. The results for 2022 are considered unsatisfactory and effected by maintenance and repair of the aeroplane.

The opening balance of equity has been adjust with kDKK 897 refer to accounting policies applied for further description.

The Company's balance sheet as of 31 December 2022 shows a negative equity of kDKK 12,837. See note 1 for further description

Events after the balance sheet date

From the reporting date until today, no events have occurred which could change the assessments made in the Annual Report.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		(6,155)	(4,012)
Depreciation, amortisation and impairment losses	2	(857)	(1,302)
Other operating expenses		0	(1,928)
Operating profit/loss		(7,012)	(7,242)
Other financial expenses	3	(385)	(314)
Profit/loss before tax		(7,397)	(7,556)
Tax on profit/loss for the year	4	342	253
Profit/loss for the year		(7,055)	(7,303)
Proposed distribution of profit and loss			
Retained earnings		(7,055)	(7,303)
Proposed distribution of profit and loss		(7,055)	(7,303)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Goodwill		0	0
Intangible assets	5	0	0
Aeroplanes		13,335	14,188
Other fixtures and fittings, tools and equipment		0	4
Property, plant and equipment	6	13,335	14,192
Fixed assets		13,335	14,192
Deferred tax		0	253
Other receivables		247	93
Joint taxation contribution receivable		595	0
Prepayments		421	0
Receivables		1,263	346
Cash		0	719
Current assets		1,263	1,065
Assets		14,598	15,257

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		2,100	2,100
Retained earnings		(14,937)	(7,882)
Equity		(12,837)	(5,782)
Mortgage debt		0	1,781
Payables to group enterprises		4,250	0
Payables to owners and management		0	4,000
Non-current liabilities other than provisions	7	4,250	5,781
Bank loans		0	1,600
Trade payables		2,581	1,815
Payables to group enterprises		20,551	0
Payables to owners and management		0	11,801
Other payables		53	42
Current liabilities other than provisions		23,185	15,258
Liabilities other than provisions		27,435	21,039
Equity and liabilities		14,598	15,257
Going concern	1		
Employees	8		
Contingent liabilities	9		
Related parties with controlling interest	10		
Group relations	11		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,100	(6,985)	(4,885)
Corrections of material errors	0	(897)	(897)
Adjusted equity beginning of year	2,100	(7,882)	(5,782)
Profit/loss for the year	0	(7,055)	(7,055)
Equity end of year	2,100	(14,937)	(12,837)

Notes

1 Going concern

The Company has lost more than 50% of the contributed capital and is subject to the capital loss provisions in the Danish Companies Act. Management expects to re-establish the capital base through future earnings.

Orifarm Group A/S is the majority shareholder of IQ Charter I A/S and has submitted a declaration of support to the Company, which ensures sufficient liquidity so the Company can pay its liabilities as they fall due.

2 Depreciation, amortisation and impairment losses

	2022 DKK'000	2021 DKK'000
Depreciation of property, plant and equipment	857	1,302
	857	1,302

3 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	284	0
Other interest expenses	82	269
Other financial expenses	19	45
	385	314

4 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Change in deferred tax	253	(253)
Refund in joint taxation arrangement	(595)	0
	(342)	(253)

5 Intangible assets

	Goodwill DKK'000
Cost beginning of year	3,500
Cost end of year	3,500
Amortisation and impairment losses beginning of year	(3,500)
Amortisation and impairment losses end of year	(3,500)
Carrying amount end of year	0

6 Property, plant and equipment

	Aeroplanes DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	17,069	24
Cost end of year	17,069	24
Depreciation and impairment losses beginning of year	(2,881)	(20)
Depreciation for the year	(853)	(4)
Depreciation and impairment losses end of year	(3,734)	(24)
Carrying amount end of year	13,335	0

7 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK'000
Payables to group enterprises	4,250
	4,250

There are no outstandings non-current liabilities after 5 years.

8 Employees

In the financial year of 2022 the average number of employees was 0.

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where HBS Capital ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

10 Related parties with controlling interest

Related parties with controlling interest in IQ charter I A/S:

- Orifarm Group A/S, Central Business Registration No 27 34 72 82, Odense, Parent company
- Habico A/S, Central Business Registration No 75 12 85 17, Odense, Parent company
- Habico Holding A/S, Central Business Registration No 27 34 71 34, Odense, Parent company
- HBS Capital ApS, Central Business Registration No 41 00 08 80, Odense, Ultimate Parent company
- Hans Carl Bøgh-Sørensen, Odense, ultimate beneficial owner

All transactions with related parties are carried out on arms length.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
HBS Capital ApS, Odense, Central Business Registration Number 41 00 08 80.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Orifarm Group A/S, Odense, Central Business Registration Number 27 34 72 82.

Accounting policies

Reporting class

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

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

Material errors in previous years

The other external expenses was incorrect in prior financial years. The error is corrected retrospectively and the comparative figures for 2021 have been adjusted accordingly. The adjustment has effected other external expenses for 2021 by kDKK 1.150 and profit after tax of 2021 by kDKK 897. The equity at 1 January 2022 is negatively adjusted with kDKK 897.

Recognition and measurement

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

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

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

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

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of consumables and external expenses.

Revenue

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

Services are recognised as they are delivered in relation to the service contract based on the production method, whereby the net revenue corresponds to the sales value of the service performed throughout the year. This method is used when the total revenues and expenses related to the service as well as the degree of completion can be reliably determined, and it is probable that the financial advantages, including payments, will be obtained by the entity. The degree of completion is measured by comparing the incurred costs to the expected total costs of the service.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods and direct costs incurred to generate revenue, consumed in the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet

Goodwill

Goodwill is calculated as the difference between cost of investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. Goodwill is written down to 0.

Property, plant and equipment

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

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

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

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Aeroplanes	20 years

Estimated useful lives and residual values are reassessed annually.

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

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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