



## **Jettime a/s**

### Annual Report 2020/21

8 June 2020 –  
31 August 2021

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

18 January 2022

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Chairman Peter Schäfer

Jettime a/s  
Amager Strandvej 390-392  
DK-2770 Kastrup  
CVR No 41 41 06 39  
Annual Report 2020/21

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## **Statement by the Board of Directors and the Executive Board and Independent Auditor's Report**

### **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Jettime a/s for the financial year 8 June 2020 to 31 August 2021.

The Annual Report 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 Company's financial position at 31 August 2021 and of the results of the Company's operations and cash flows for the financial year 8 June 2020 – 31 August 2021.

Further, in our opinion, Management's Review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Kastrup, 18 January 2022

Executive Board:

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Jørgen Holme  
CEO

Board of Directors:

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Peter Schäfer  
Chairman

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Lars Thuesen

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Ingolf Pedersen

# **Statement by the Board of Directors and the Executive Board and Independent Auditor's Report**

## **Independent Auditor's Report**

To the Shareholders of Jettime a/s

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 August 2021, and of the results of the Company's operations and cash flows for the financial year 8 June 2020 - 31 August 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Jettime A/S for the financial year 8 June 2020 - 31 August 2021, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty relating to going concern**

We draw attention to note 0 in the Financial Statements, which indicates that the Company is dependent on active operation in a substantial part of 2021/22 in order to have sufficient liquidity available to perform repayment of loans in July 2022. Due to Covid-19 there is an increased inherent risk of additional travel restrictions impacting the Company's operation. This fact, along with other matters as set forth in note 0, indicate that a material uncertainty exist that may cast significant doubt upon the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

## **Statement by the Board of Directors and the Executive Board and Independent Auditor's Report**

### **Independent Auditor's Report (continued)**

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 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 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 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

## **Statement by the Board of Directors and the Executive Board and Independent Auditor's Report**

### **Independent Auditor's Report (continued)**

#### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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.

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, 18 January 2022

#### **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

## **Management's Review**

### **Company Details**

Jetttime a/s

Amager Strandvej 390-392

DK-2770 Kastrup

Telephone: +45 32 46 73 00

Website: [www.jet-time.dk](http://www.jet-time.dk)

CVR no.: 41 41 06 39

Incorporated: 8 June 2020

Registered office: Tårnby

Financial year: 08 June 2020 – 31 August 2021

### **Board of Directors**

Peter Schäfer (Chairman)

Lars Thuesen

Ingolf Pedersen

### **Executive Board**

Jørgen Holme

### **Auditors**

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

DK-2900 Hellerup

### **Annual General Meeting**

The Annual General Meeting will be held at the Company's address on 18 January 2022.

## Management's Review

### Financial Highlights

DKKm	2020/21
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#### Key figures

Revenue	80.8
Gross profit	-12.1
Profit/loss on ordinary operating activities	-65.3
Profit/loss from financial income and expenses	-3.3
<b>Profit/loss before tax</b>	<b>-68.6</b>
<b>Profit/loss for the year</b>	<b>-68.6</b>

Balance sheet total	265.8
<b>Equity</b>	<b>-43.6</b>

Cash flows from operating activities	-23.0
Cash flows from investing activities	-22.4
- Portion relating to investment in intangible assets and property, plant and equipment	-19.3
Cash flows from financing activities	59.8
<b>Total cash flows</b>	<b>14.5</b>

#### Financial ratios

Operating margin	-81%
Gross margin	-15%
Current ratio	67%
Solvency ratio / equity ratio	Neg.
Return on equity	Neg.

<b>Average number of full-time employees</b>	<b>54</b>
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<b>Average number of Boeing 737 aircraft</b>	<b>4.7</b>
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<b>Number of Boeing 737 aircraft, year end</b>	<b>5</b>
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Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines. For terms and definitions, please see the accounting policies.

## **Management's Review**

### **Principal activities**

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

- Primarily; Nordic tour operators who are offered full charter aircraft
- Secondly;
  - Other European airlines who are offered ad-hoc/short- and medium term capacity solutions (ACMI)
  - Ad-hoc full charter aircraft

### **Development in activities and financial matters**

The financial year 2020/21 - the Company's first operating year – was a year heavily impacted by the covid-19 pandemic. Jetttime a/s was established, following the bankruptcy of Jet Time A/S, through a partial transfer of business.

Jetttime was formed with an ambition to start operating from fall 2020 but due the prolonged pandemic and travel restrictions operations didn't start until July 2021, hence during the 14 months accounting year, Jetttime was only in operation during 2 months operating 2 aircraft.

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

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

The Company's revenue in 2020/21 was DKK 81 million and the Company showed a result before tax of DKK -69 million in 2020/21. At year end 2020/21, the Company showed negative equity of DKK 44 million. Cash at bank and in hand was DKK 16 million at year end 2020/21.

The total balance sheet was DKK 266 million in 2020/21. A significant part of this relates to provisions for future maintenance mainly related to the aircraft.

In light of the ongoing pandemic, the results have been severely impacted. As a result, the management consider the result before tax of DKK -69 million for the year as unsatisfactory.

### **Business idea, segments and markets**

During summer 2020, a New Normal business plan was established, based on the post-corona competition landscape. As a whole, the airline industry has been going through an unprecedented period, which has required intensive capital investments and a high degree of agility, and it was, and still is the ambition to exploit the expected industry consolidation to the benefit of the Company.

Jetttime is built on long term partnerships with the customers and the suppliers. During the pandemic, this model has proven its value and solutions have been found through dialogue and mutual benefit.

## **Management's Review**

### **Business idea, segments and markets (continued)**

The New Normal strategy is founded in the belief that the Covid pandemic will bring along long term opportunities, in term of market consolidation and "new normal" market conditions. After surviving the challenging hibernation and restart of operation during Summer 2021 the focus is now on further strengthening the platform enabling Jetttime to take advantage of the long term "new normal" opportunities.

The primary focus is on offering full charter aircraft solutions to Nordic tour operators and as market opportunities later may develop in addition ad-hoc/short- and medium term capacity solutions (ACMI) to other European airlines.

Jetttime is well positioned to exploit these new opportunities. Jetttime is acknowledged as a cost 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 partners, mimic their service concept and adapt quickly to new requirements.

### **Capital resources and liquidity**

Equity at 31 August 2021 was negative DKK 44 million. During the financial year 2020/21, DKK 25 million has been injected as equity, however as a result of the pandemic and the travel restrictions, the Company has only been in operating flights for 2 out of 14 months, hence the negative result for the year has also resulted in a negative equity.

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

- Drawn long term loans from shareholders, DKK 12 million
- Other drawn short term loans, DKK 25 million

The above loans are totaling DKK 37 million, with the DKK 12 million in shareholder loans maturing on 31 July 2024 and the DKK 25 million in other loans maturing on 15 July 2022. All loans carry an interest rate of 10% p.a.

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

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

The Company's capital resources, and liquidity is further described in note 0 (page 20).

### **Investments**

The Company's investments for the year were DKK 22 million in total, comprising of purchase of assets from the bankruptcy estate, DKK 19 million and import or modification of operationally leased aircraft, DKK 3 million.

## **Management's Review**

### **Risks**

#### ***Price risks***

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

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

#### ***Foreign currency risks***

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

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

#### ***Credit risks***

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

The Company 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 26 & note 27.

### **Subsequent events**

After the balance date, the Company has decided to change accounting year to a period from 1 October 2021 to 30 September 2022, hence as a result of this, there will be a 1 month transition accounting year from 1 September 2021 to 30 September 2021. Also refer to note 23 in the annual report.

### **Outlook**

Based on the on-going pandemic and the change of accounting year, the Company expects a small loss for of DKK 3 million the short accounting year in September 2021, and the company expects a profit before tax of DKK 20-30 mio in 2021/22 and further profit next year, that taken together will enable the Company to reestablish a positive equity position and make it net debt free without further capital injections.

## **Management's Review**

### **Corporate Social Responsibility**

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

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

Jetttime will therefore in the coming year 2021/22 establish a CSR strategy focusing on the three pillars Planet, People and Profit with clear goals and commitments towards 2025 and onwards.

The strategy will address the Company's impact as an airline by looking at the most significant environmental impacts related to Jetttime's operation.

As part of its CSR focus, Jetttime will take inspiration from UN's Sustainable Development Goals with specific focus on Goal number 12 ("Ensure Sustainable Consumption & production Patterns") and number 8 ("Decent Work & Economic Growth"), which are the goals mostly linked to Jetttime's core business and where the Company has the biggest impacts. Moreover, Jetttime's ISO 14001:2015 certification will form basis for the structured work with the processes linked to airline's sustainability activities.

Jetttime's annual reporting on the Company's policies, actions and results in relation to its social responsibility is made on the basis of the airline's primary CSR risks as well as its strategic focus on Planet, People and Profit with description of the airline's underlying policies, initiatives and guidelines.

### **Environmental impact**

Jetttime ensures compliance with relevant environmental legislation through the airline's Environmental Management System. The Environmental Management System is continuously evaluated in order to ensure effectiveness of the system and the ongoing improvements.

Jetttime will in the coming year formalize its CSR strategy and define specific goals within a realistic timeframe year 2021-2025. The priority of the sustainable aviation activities will concentrate on reducing CO2 emissions, and the more passenger visible activities related to the "on board" experience.

Jetttime's primary focus will be to minimize CO2 emissions. The key performance indicator for Jetttime's operations and activities is defined as a more efficient fuel operation, lowering the overall CO2 emissions per passenger seat kilometer.

No severe incidents breaching any environmental permits were reported in the financial year 2020/2021.

### **Environmental legislative regulations**

The airline industry is under pressure with increasing legislative demands to mitigate the environmental impact of flight operation. It is therefore a priority for Jetttime to adjust to new legislation by increasing its focus on mitigation of the airline's environmental impact.

## **Management's Review**

### **Corporate Social Responsibility (continued)**

Since the formation of the company, Jetttime has worked with environmental management under the ISO 14001:2015 certification. The ISO 14001:2015 contributes with process demands and tools that among other things ensure a systematic effort to reduce fuel consumption and the emission of greenhouse gasses. Moreover, the ISO 14001:2015 provides the company with tools for environmental management in general throughout the entire production and organization.

To ensure impact in Jetttime's organization and production, the relevant parts of the existing initiatives 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 emission and reduction of single-use plastic on board the aircraft. Furthermore, Jetttime's internal ISO organization has been established as an integral and governing part of the work with Jetttime's sustainable aviation and its goals and commitments.

### ***Fossil fuel consumptions & CO2 emissions***

The work on the necessary improvement measures to achieve lower fuel consumption and CO2 emissions is an integrated part of Jetttime's environmental management system.

Reducing CO2 emission is a pivotal aspect of Jetttime's environmental focus, as this by far is the single most relevant environmental denominator for Jetttime and the airline industry in general. In relation to our CO2 emission, Jetttime is registered and reported to the regulations in EU Decree 2003/87EC where airlines can choose to register and report their CO2 emission.

One of the cross functional working groups has the responsibility to work specifically with selected initiatives to lower the weight of the aircraft and thereby reduce fuel consumption and consequently reduce CO2 emissions.

Jetttime works continually to modify its aircraft to utilize more advanced technology, improve aerodynamics and reduce weight. All of Jetttime's aircraft are for example mounted with winglets, which improves up-thrust and optimizes fuel economy, cutting off 2-3% of the fuel consumption of an aircraft. Two of Jetttime's aircraft are mounted with split scimitar winglets adding another 2% in CO2 emission reduction.

### ***On-Board waste and single use plastic***

Waste generated in connection with Jetttime's flight operation has a potential, negative impact on the environment. Minimizing and handling waste more sustainably will be one of the primary focuses of Jetttime's coming CSR strategy.

In connection with the development towards a more electronically based communication, less paper has in the financial year 2020/2021 been used on board Jetttime's aircraft with the introduction of an Electronic Flightbag for both pilots and cabin crew as replacement of paper manuals.

To further systematize and optimize the handling of Jetttime's on-board waste, a task group with key operational expertise has been appointed to develop initiatives to reduce the amount of "on board" dry store products and replace single use plastic products with alternative recyclable materials. This work will serve as foundation for goals and activities in Jetttime's sustainable aviation strategy.

## **Management's Review**

### **Corporate Social Responsibility (continued)**

#### ***Maintenance Repair (MR) waste – lubricants/chemicals***

Jetttime has its own Technical Department in Copenhagen airport with service of the airline's aircraft. In this connection, Jetttime'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, Jetttime has contracted with the environmental service partner Stena Recycling, who ensures correct storage and disposal of problematic waste and chemicals, and further containers for hard plastic have been installed in Jetttime's Technical Department to enhance the recycling potential of plastic material waste.

#### ***On-board food***

Jetttime serves meals on board the airline's aircraft to the passengers who has preordered this service. In this context, the products we choose to serve to our customers each have an impact on the environment.

Jetttime has implemented a "No red meat" policy and the first result of this initiative has been to replace beef (all meat from animals with four legs) in Jetttime's hot meal menus on all flights with chicken, turkey, vegetarian or fish, which is a meal with much less environmental impact than beef in the production process. The hot meals are produced in kitchens run by wind power only. Further steps to reduce the environmental impact of Jetttime's on-board food and products will be taken as part of Jetttime's CSR strategy 2021-2025.

## Financial Statements 8 June 2020 - 31 August 2021

### Income Statement

DKK '000	Note	2020/21
<b>Revenue</b>	1	80.834
Other income	2	21.105
Production costs		-79.940
Lease costs		-9.492
Other external costs		-24.569
<b>Gross profit</b>		-12.062
Staff costs	3	-50.230
Amortisation, depreciation and impairment losses	7,8	-2.966
<b>Profit/loss before interests and tax</b>		-65.258
Other financial income	4	176
Other financial expenses	5	-3.496
<b>Profit/loss on ordinary activities before tax</b>		-68.578
Tax on profit/loss for the year	6	0
<b>Profit/loss for the year</b>		-68.578
<b>Proposed profit appropriation/distribution of loss</b>	15	

## Financial Statements 8 June 2020 - 31 August 2021

### Balance Sheet

DKK '000	Note	31AUG21
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
	7	
Brands		210
Software		348
		<u>558</u>
<b>Property, plant and equipment</b>		
	8	
Buildings		12.929
Fixtures and fittings, tools and equipment		2.708
Property, plant and equipment under construction		122
		<u>15.759</u>
<b>Investments</b>		
Receivable future maintenance	9	165.777
Deposits	10	3.117
		<u>168.894</u>
<b>Total non-current assets</b>		<u>185.211</u>
<b>Current assets</b>		
<b>Inventories</b>		
Inventories		3.363
		<u>3.363</u>
<b>Receivables</b>		
Trade receivables		23.212
Deferred tax asset	11	0
Receivable future maintenance	9	4.069
Other receivables	12	19.983
Prepayments	13	13.467
		<u>60.731</u>
<b>Cash at bank and in hand</b>	14	<u>16.459</u>
<b>Total current assets</b>		<u>80.553</u>
<b>Total assets</b>		<u><u>265.764</u></u>

## Financial Statements 8 June 2020 - 31 August 2021

### Balance Sheet

DKK '000	Note	31AUG21
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	15	
Share capital		25.000
Retained earnings		-68.578
<b>Total equity</b>		-43.578
<b>Provisions</b>		
Provision, aircraft maintenance	16	173.298
Other provisions	17	223
<b>Total provisions</b>		173.521
<b>Non-current liabilities other than provisions</b>		
Loan from shareholders	18	13.374
Other payables	18	2.189
		15.563
<b>Current liabilities other than provisions</b>		
Trade payables		28.555
Prepayments received from customers		46.958
Other loan agreements		26.471
Other payables	19	18.274
		120.258
<b>Total liabilities other than provisions</b>		135.821
<b>Total equity and liabilities</b>		265.764
<b>Capital resources and liquidity</b>	0	
<b>Contingencies etc</b>	20	
<b>Mortgages and collateral</b>	21	
<b>Related party disclosures</b>	22	
<b>Subsequent events</b>	23	
<b>Accounting Policies</b>	27	

## Financial Statements 8 June 2020 - 31 August 2021

### Statement of Changes in Equity

DKK '000	Share capital	Retained earnings	Total
<b>Equity at 8 June 2020</b>	2.000	0	2.000
Capital increase	23.000	0	23.000
Value adjustment, hedging of future purchase and sale of fuel and foreign currency	0	0	0
Transferred, see profit appropriation/distribution of loss	0	-68.578	-68.578
<b>Equity at 31 August 2021</b>	25.000	-68.578	-43.578

## Financial Statements 8 June 2020 - 31 August 2021

### Cash Flow Statement

DKK '000	Note	2020/21
Profit/loss for the year		-68.578
Adjustments	24	5.994
Changes in working capital	25	39.628
Cash generated from operations (operating activities) before net financials		-22.956
Company tax paid		0
<b>Cash flows from operating activities</b>		<b>-22.956</b>
Investments in intangible assets and property, plant and equipment		-19.283
Changes in property, plant and equipment under construction		0
Disposal of tangible assets		0
Fixed asset investments		-3.117
Disposal of fixed asset investments		0
<b>Cash flows from investing activities</b>		<b>-22.400</b>
Credit institutions		0
Capital increase		23.000
Loan from shareholders		11.936
Other loan agreements		24.879
<b>Cash flows from financing activities</b>		<b>59.815</b>
<b>Cash flows for the year</b>		<b>14.459</b>
Cash and cash equivalents at 8 June		2.000
<b>Cash and cash equivalents at 31 August</b>		<b>16.459</b>

The cash flow statement cannot be directly derived from the other components of the Annual Report

## Financial statements 8 June 2020 - 31 August 2021

### Notes

#### 0 Capital resources and liquidity

The realized loss after tax in 2020/21 amounts to DKK 68.6 million resulting in the equity being negative with DKK 43.6 million 31 August 2021.

The Company was founded in June 2020 and purchased part of the bankruptcy assets and related liabilities from Luftfartsselskabet af 21. juli 2020 A/S ("Jet Time"). Due to ongoing travel restrictions as a result of Covid-19 no active operation in the Company has been in place before 1 July 2021. The result for 2020/21 is as such impacted by the limited operation however still with an organizational setup in order to maintain the AOC. The costs are only partly mitigated by received government support schemes.

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

During the period with no operation the Company has partly been funded by the shareholder, JT3H ApS, partly by another entity wholly owned by the ultimate shareholder (Jet Nordic Group A/S) and partly by an external third party. In total the Company has obtained external funding of approximately DKK 37 million of which DKK 25 million (before interests) are due 31 July 2022.

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

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

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

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

## Financial statements 8 June 2020 - 31 August 2021

### Notes

	DKK '000	2020/21
<b>1 Revenue</b>		
<u>Business segments:</u>		
Charter and ad hoc		80.497
ACMI		337
		<u>80.834</u>
<b>2 Special items</b>		
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.		
Income (Government support, COVID-19):		
Personnel costs		6.217
Other fixed costs		14.889
		<u>21.105</u>
Special items are recognized in the following items in the financial statements:		
Other income (Gross profit)		21.105
<b>Profit of special items, net</b>		<u><b>21.105</b></u>
<b>3 Staff Costs</b>		
Wages and salaries		45.923
Pension		3.873
Other social security costs		435
		<u>50.230</u>
Average number of full-time employees		<u>54</u>
Number of full-time employees at 31 August		<u>138</u>
Remuneration of the Executive Board		5.935
Remuneration of of the Board of Directors		1.039
Remuneration of the Executive Board and Board of Directors		<u>6.974</u>
During the financial year of 2020/21 the Executive Board has been reduced from 2 to 1.		
Remuneration of the Executive Board includes salary during the severance period.		

## Financial statements 8 June 2020 - 31 August 2021

### Notes

DKK '000		2020/21
<b>4 Other financial income</b>		
Other interest income		176
		<u>176</u>
<b>5 Other financial expenses</b>		
Interest expenses, credit institutions		30
Foreign exchange adjustments		194
Interest expenses, loans		3.030
Other interest expenses & fees		242
		<u>3.496</u>
<b>6 Tax on profit/loss for the year</b>		
Current tax		0
Adjustment re previous years		0
Adjustment of deferred tax		0
		<u>0</u>
<b>7 Intangible assets</b>		
	Brands	Software
Cost at 8 June 2020	0	0
Additions	250	559
Disposals	0	0
Cost at 31 August 2021	<u>250</u>	<u>559</u>
Impairment losses and amortisation at 8 June 2020	0	0
Impairment losses and amortisation	40	211
Amortisation, disposed assets	0	0
Impairment losses and amortisation at 31 August 2021	<u>40</u>	<u>211</u>
<b>Carrying amount at 31 August 2021</b>	<u>210</u>	<u>348</u>

## Financial statements 8 June 2020 - 31 August 2021

### Notes

#### 8 Property, plant and equipment

DKK '000	Buildings	Fixtures, fittings, tools and equipm.	Assets under construction
Cost at 8 June 2020	0	0	0
Additions	14.000	4.352	122
Transfer	0	0	0
Disposals	0	0	0
Cost at 31 August 2021	14.000	4.352	122
Impairment losses and amortisation at 8 June 2020	0	0	0
Depreciation and impairment losses	1.071	1.644	0
Depreciation, disposed assets	0	0	0
Impairment losses and amortisation at 31 August 2021	1.071	1.644	0
<b>Carrying amount at 31 August 2021</b>	<b>12.929</b>	<b>2.708</b>	<b>122</b>

#### 9 Receivable future maintenance

	2020/21
Between 1 and 5 years	165.777
After 5 years	0
Long-term part of receivable future maintenance	165.777
Within 1 year	4.069
	<b>169.846</b>

#### 10 Deposits

Cost at 8 June 2020	0
Additions	3.117
Disposals	0
Value adjustment for the year	0
	<b>3.117</b>

## Financial statements 8 June 2020 - 31 August 2021

### Notes

DKK '000	2020/21
<b>11 Deferred tax asset</b>	
Deferred tax 8 June 2020	0
Adjustment regarding profit for the year	0
Deferred tax 31 August	0
Deferred tax asset is regarding	
Other payables	0
Deferred tax 31 August	0
Other payables	
The Company has un-recognized tax assets of DKK 15 million.	
<b>12 Other receivables</b>	
Positive value of hedging of future purchase and sale of fuel and foreign currency	0
Deposited as security for future fuel hedging	0
VAT	2.137
Other receivables	17.846
	19.983
<b>13 Prepayments</b>	
Prepaid leases	440
Prepaid fuel	5.775
Other prepayments	7.252
	13.467
<b>14 Cash at bank and in hand</b>	
Free cash	16.434
Deposited as security for forward exchange transactions etc	25
	16.459

## Financial statements 8 June 2020 - 31 August 2021

### Notes

#### 15 Equity

The share capital comprises 25,000,000 shares of nominally DKK 1 each. No shares have special rights.

DKK '000	2020/21
Proposed profit appropriation/distribution of loss	
Retained earnings	-68.578
	<u>-68.578</u>

#### 16 Provision, aircraft maintenance

Comprises:

Provision for future aircraft maintenance	176.127
Provision for obligation to return	4.272
	<u>180.399</u>

Provision at 8 June	0
Utilised during the year/disposals	0
Provision for the year	<u>180.399</u>
	<u>180.399</u>

Within 1 year	7.101
Between 1 and 5 years	173.298
After 5 years	0
	<u>180.399</u>

#### 17 Other provisions

Other provisions include provision for delay costs.

## Financial statements 8 June 2020 - 31 August 2021

### Notes

DKK '000	2020/21
<b>18 Long-term liabilities other than provisions</b>	
Between 1 and 5 years	13.374
After 5 years	2.189
Long-term part of credit institutions	15.563
Within 1 year	0
	<u>15.563</u>
<u>Loan from shareholders:</u>	
Between 1 and 5 years	13.374
After 5 years	0
Within 1 year	0
	<u>13.374</u>
<u>Other payables:</u>	
Between 1 and 5 years	0
After 5 years	2.189
Within 1 year	0
	<u>2.189</u>
Payments due within 1 year are recognised in current liabilities	
Other liabilities are recognised in non-current liabilities other than provisions	
<b>19 Other payables</b>	
Deposited as security for future fuel hedging	0
Holiday pay and other staff-related payables	10.997
Other payables	7.277
	<u>18.274</u>

## Financial statements 8 June 2020 - 31 August 2021

### Notes

DKK '000	2020/21
<b>20 Contingencies etc</b>	
Rent and lease obligations (operating leases) falling due after the balance sheet date	172.998
Falling after 5 years	0
Falling due within 5 years	143.211
Falling due within 1 year	29.787
Total obligations are grouped as follows:	
Aircraft leases	158.598
Rental of property, hangar, etc	14.400
Other leases	0
	172.998

### 21 Mortgages and collateral

The Company has issued mortgage of DKK 40 million to a shareholder for a debt of DKK 11.9 million, secured in a building with a carrying amount of DKK 12.9 million.

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

The company is taxed jointly with the parent company JT3H ApS. The current tax expense is allocated among the companies of the Danish tax pool in proportion to their taxable income (full absorption with refunds for tax losses).

### 22 Related party disclosures

#### Controlling interest

JT3H ApS, c/o Nosca A/S Kruntappen 4, st., 2500 Valby

Majority shareholder and  
ultimate owner

Jetttime A/S is part of the consolidated report for JT3H ApS

Transactions are conducted on market terms and conditions.

## Financial statements 8 June 2020 - 31 August 2021

### Notes

#### 23 Subsequent events

The travel restrictions as a result of Covid-19 have partly continued into 2021/22, especially after the outbreak of the Omikron mutation. At the time of signing of the annual report for 2020/21 the Company only expects limited impact of travel restrictions and still considers the budget realistic.

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

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

DKK '000

2020/21

#### 24 Cash flow statement - adjustments

Amortisation of intangible assets and depreciation of property, plant and equipment	2.966
Gain and loss from sales of fixed assets	0
Financial items	3.028
Change in deferred tax	0
Current tax for the year	0
Other adjustments	0
	<u>5.994</u>

#### 25 Cash flow statement - change in working capital

Change in receivables	-226.508
Change in inventories	-3.363
Change in provisions	173.521
Change in other short-term payables	95.978
	<u>39.628</u>

#### 26 Uncertainty relation to recognition and measurement

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

The Company accrues for future aircraft maintenance. The future costs for aircraft maintenance is subject to accounting estimates. Such accounting estimates are subject to more uncertainty due to i.e. changes in pricing for the separate events. The Company has recognized a receivable regarding future maintenance (prepayments) which is expected to offset future aircraft 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.

## **Financial Statements 8 June – 31 August**

### **Notes**

#### **Note 27 Accounting Policies**

The Annual Report of Jettime a/s for the period 8 June 2020 – 31 August 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to small enterprises of reporting class C. Furthermore, the Company has decided to comply with certain rules applying to reporting class C enterprises (medium sized enterprises).

#### **Recognition and measurement**

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the Financial Statements that evidence conditions existing at the balance sheet date are taken into account.

Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Equally, costs incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement.

#### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest Financial Statements is recognized in the income statement as financial income or financial expenses.

#### **Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases), are recognized 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 approximated value 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 Company.

The remaining lease obligation is capitalized and recognized 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 recognized in the income statement on a straight-line basis over the lease term.

## **Financial Statements 8 June – 31 August**

### **Notes**

#### **Note 27 Accounting Policies (Continued)**

##### **Income statement**

###### **Revenue**

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

###### **Production costs**

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

###### **Lease costs**

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

###### **Other external costs**

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

###### **Staff costs**

Staff costs comprise wages, salaries, pension and social security costs to own staff. To the extent major maintenance work is performed in-house on own aircraft, staff costs are capitalized.

###### **Other income / costs**

Other income comprise income from secondary activities including government support concerning COVID-29 related to personnel costs and other fixed costs.

###### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as extra payments and repayment under the on-account tax scheme, etc.

###### **Tax on profit/loss for the year**

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in equity.

## Financial Statements 8 June – 31 August

### Notes

#### Note 27 Accounting Policies (Continued)

##### Balance sheet

##### Intangible assets

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

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

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

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

##### Property, plant and equipment

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

The cost comprises the purchase price and any costs directly attributable to the acquisition until such time as the asset is available for use. Borrowing costs are recognized in the income statement.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives. The expected useful lives are as follows:

Modifications, leased aircraft	Remaining term of the lease, however not exceeding 5 years
Maintenance, aircraft on finance leases and own aircraft	According to production intensity
Buildings	15 years
Fixtures and fittings, tools and equipment	3-5 years

Depreciation period and residual value are reassessed annually.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement as other income.

##### Deposits

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

## **Financial Statements 8 June – 31 August**

### **Notes**

#### **Note 27 Accounting Policies (Continued)**

##### **Impairment losses**

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. If the recoverable amount is lower than the carrying amount, the asset is written down to its lower recoverable amount.

##### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than the cost, inventories are written down to this lower value.

The cost of goods for resale and raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

##### **Receivables**

Receivables are measured at amortised cost. Write-down is made for bad debt losses after an individual assessment of receivables.

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.

##### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

##### **Corporation tax and deferred tax**

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognized under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## **Financial Statements 8 June – 31 August**

### **Notes**

#### **Note 27 Accounting Policies (Continued)**

##### **Provisions**

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

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

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

##### **Liabilities other than provisions**

Financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### **Cash flow statement**

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of the establishment and of additions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from the establishment and acquisitions of enterprises are recognized in the cash flow statement from the date of acquisition/date of establishment. Cash flows from disposals of enterprises are recognized up until the date of disposal.

##### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the Company's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

##### **Cash flows from investing activities**

Cash flows from investing activities comprise payments in connection with establishment, acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

##### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

## Financial Statements 8 June – 31 August

### Notes

#### Note 27 Accounting Policies (Continued)

##### Segmentation

The Company is engaged in charter flights for package tour operators, ACMI flights on short- or long-term agreements with other airlines.

Segment information is disclosed in note 1.

##### Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the statement of financial highlights have been calculated as follows:

Operating margin:  $\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$

Gross margin:  $\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$

Current ratio:  $\frac{\text{Current assets at year end} \times 100}{\text{Total current liabilities at year end}}$

Solvency ratio:  $\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Return on equity:  $\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$