

ANNUAL REPORT
2021

"ON THE RISE"

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INTRODUCTION

Ladies and gentlemen, dear colleagues,

You are now holding the Annual Report for 2021, a year that, although there was little to suggest it would be, ended up being a year full of records. I am pleased that you are interested in ABS Jets and its results.

Last year was again heavily marked by the ongoing coronavirus pandemic. Compared to the previous year, there were no significant changes and we were prepared to deal with the drop in demand for air services. Despite the many restrictions that affected passengers and our operations, it ended up being a record year in many ways. And not only in the demand for air travel in private aircraft, but also in other areas of our business. You will see for yourself in the following pages.

Despite the pandemic complications of last year, our certified technicians from the Aircraft Maintenance Department made a total of two dozen foreign trips to get grounded aircraft back into service. However, most of the section's activities traditionally took place on light or heavy maintenance in our hangars at Václav Havel Airport in Prague. Last year, technicians spent approximately 44,000 hours providing professional care to aircraft in our fleet and those of our external clients. They replaced approximately 2,300 parts during the service work. Throughout the year, we also worked to expand our service portfolio to include the maintenance of Gulfstream G550 and G650 aircraft. For this reason, we were also very pleased with the successful completion of the planned maintenance project on the Gulfstream G650 aircraft, including the repair of the fuel tanks. The introduction of a new type of maintenance always means many hours of preparation, training of technicians and a lot of necessary administrative work. At ABS Jets, however, we always see this as a great investment for the future with great potential to gain new business opportunities.

An important milestone for our handling department last year was the IS-BAH certificate at the highest level, i.e. level III. We were the first ever private aircraft handling company in Europe to gain it. The audit, which quite exceptionally took place over 3 days via online communication due to the ongoing pandemic, is an example of how we can use modern communication technologies effectively. The IS-BAH accreditation process includes auditing compliance with emergency procedures, training protocols, safety regulations, operating procedures and safety management systems. ABS Jets' handling operation came out of the audit with flying colours. In 2021, a historical record was set in this area in the number of aircraft handled at Václav Havel Airport in Prague in one month. In total, we managed to handle 319 flights in September, which is ten and a half planes per day. The handling department provided professional services to all these planes, including all care for handling the aircraft and passengers.

In 2021, our operational control room, i.e. the flight planning department, successfully planned almost 6,000 flights with 148 different aircraft. Thanks to our services, passengers on these flights were able to travel safely to a total of 584 different destinations worldwide. Mykonos, Geneva and Nice were among the most popular destinations. But there were also less traditional locations, especially in flight support for air expeditions and delivery flights.

As I reflect on the successes of the past year, I cannot leave out our Charter and Brokerage department. Here, colleagues can rightly be considered the corporate mover of the year for their achievements in the form of a 20 % increase in the number of flights sold. This increase in demand clearly reflects an increased interest in private flights.

In October, a total of 323,000 business flights were recorded globally, making it the strongest month in the history of business aviation ever. We hope that new and existing clients will like this mode of transport so much that they continue to fly with us privately.

In conclusion, I would like to thank our clients, business partners and shareholders for their trust, which obliges us to take our services further and further, but also to continue to improve as an attractive and stable employer for our current and future employees.

I wish you pleasant reading of the annual report for the record year 2021.

Marcel Dostal
Chairman of the Board of Directors





Review of the year and future plans in the words of *Jan Králík, CEO*

I would like to begin by stating that our expectations for 2021 were met. Compared to the previous year, it was indeed an extremely successful year, during which interest in the private aviation segment was fully manifested. And not only among corporations, as is usual in this area, but also among individuals.

In many respects, we exceeded the planned performance, which was positively reflected in the company's overall economic results.

Our results confirm that the business aviation sector is significantly more resilient in the current pandemic crisis than the still-stagnant commercial airlines.

The boom was reflected not only in the growth of our fleet, but also in the Sales department's charter results. In addition, in 2021 we started working with two private jet operators and are offering the capacity of their aircraft to the market.

In the Maintenance department, we took further important steps to develop the scheduled maintenance of Gulfstream aircraft, successfully completing several projects on the G550 and G650.

Our colleagues from handling in Prague **distinguished themselves again** this year **in terms of the number of rotations handled. In some months they averaged 21 aircraft movements per day, a truly incredible number.**

For 2022, our business plan is as ambitious as the previous year. However, in view of current world events, it will not be easy to fulfil it. Everything will depend on the extent of the sanctions currently applied in connection with the conflict in Ukraine. We need to be cautious of any further rise in inflation and the price of commodities and products from our suppliers. The big challenge will be the exchange rate impact. As in the days of the COVID pandemic, this means caution in the case of any cost increases.

Despite all the possible pitfalls that 2022 may bring, we want to return to the normal functioning of the company after two years of social isolation, also in terms of meetings and personal collaboration.

In 2023, we are expecting some exciting additions to the fleet, so we will start preparing for their arrival during the second half of 2022.



WINTER

Despite the difficult times, ABS Jets continued to actively improve traffic safety

The year 2021 was full of compromises and changes in business as usual due to the ongoing pandemic. Internally, the company's operations were affected by constraints, our clients' needs were different and complications arose with spare part manufacturers and suppliers. There were restrictions on entry into the territories of different countries; the functioning of aviation authorities with more regulations and legislation was much more complex. There were also limitations on staff training and less flight traffic, which resulted in fewer flight hours for the crews. Anti-epidemic measures continued to complicate operations, especially in the first half of the year – this was reflected in slightly lower flying time compared to 2019.

The company's management focused not only on rigorous monitoring of economic parameters, but also on monitoring safety. The company's safety culture introduced in previous years, including an internal reporting system, helped to manage the situation, allowing it to react in time, remedy the situation and not succumb to the general trend of the pandemic – a reduction in the level of air traffic safety.

Despite the more difficult times, ABS Jets continued to actively improve operational safety and **was the only company in the business transport segment in the Czech Republic to train and certify the transition to fully certified cabin crew according to the highest standards in air transport**. Our cabin crew is now fully trained not only to provide professional service, but also to ensure the highest possible level of passenger safety on board our aircraft.



Two Embraer Legacy aircraft have left our fleet. **At Line Maintenance, we mainly looked after our own fleet during the first few months of 2021, but as the measures gradually relaxed, we started to fly more and support was extended to our external customers' aircraft.**

In the first quarter, we completed 144-month C-checks on two aircraft. We also successfully completed two more C-checks and 15 smaller projects.

For Charter and Travel, 2021 was also a very significant year. We increased the number of flight hours sold by 63 % compared to our plan. Despite the pandemic and ever-changing restrictions, we set a **new standard for good results** this year.

The winter months were marked by long-haul flights and popular exotic destinations such as Dubai and the Maldives. March was the strongest in this period. In early March, we also launched a new project – the sale of charter flights with a Beechjet 400 A aircraft operated by a partner.

In 2021, we handled 37 % more rotations in Ground Handling Prague than in the previous year. External clients accounted for 85 % of the rotations.

The number of aircraft handled started to increase in February and March, and this favourable trend continued until the end of the year. In Ostrava and Prague, we supervised the handling of our “largest” Airbus A330-200 aircraft, operated by a European charter company.

Another significant event was the signing of a handling contract with a large international client – a major global provider of refuelling services.

Just as 2020 ended, so 2021 began – with one significant difference – in 2020 we were learning to deal with challenges in a new, unexpected and challenging situation, in 2021 we had learned to deal with them. There were fewer flights in January and February than in 2020, the next three months were average, but **May showed even better numbers than in “normal” 2019! And those great numbers held up for the rest of the year.**

At our Slovak base ABS Jets Bratislava, we started to handle external clients' aircraft after the previous COVID-affected year. We continue to make the most of handling, as we have extended the option to handle third parties for another year.

37 %

**year-on-year increase
in rotations handled at
Ground Handling Prague**

63 %

**increase in flight
hours sold compared
to the plan**



SPRING

Line Maintenance technicians are often sent abroad

With the advent of the vaccine, the vaccination option, and the gradual rollout, we slowly started to fly more, and we were able to get involved again in supporting our external customers' aircraft.

During May, Line Maintenance, in cooperation with Base Maintenance, successfully performed the first 13C inspection on a Gulfstream G550 aircraft – all requirements, including the avionics system upgrade, were successfully completed and valuable experience was gained for future inspections. During the following months, we were mostly taking care of our own fleet, which kept us busy.

Our technicians are often sent to different parts of the world to perform light and more involved service work on our clients' private planes. Despite the pandemic complications of last year, our professionals took around two dozen flights abroad. One of the most remote work assignments took place in Thailand at U-Tapao International Airport.

The MRO section carried out two major maintenance projects during the first half of the year, namely C-checks, 190-month and 144-month inspections, in addition to a number of minor service works.



However, we are still constrained by limitations on hiring external staff. Another positive trend is the exemplary streamlining of cooperation between MRO and Line Maintenance, which benefits both departments, so it clearly makes sense to continue deepening this cooperation. As planned, we are also slowly starting to reap the bonuses of last year's investment in mass type training of technicians on EMB 135/145. Several technicians who joined last year have successfully passed their authorisation exams and have formed a team of support certifying staff. We are executing our long-term plan for the development and training of our team and the results are already becoming visible. In spite of the considerable savings that our department is striving for in all respects, we are also continuing to make some necessary investments, be it in maintenance equipment or in some OHS and fire protection equipment. In the first quarter, a total of 8,862 man-hours were worked at MRO, compared to the planned 8,455 man-hours.

As client destinations gradually changed with the arrival of spring, the number of enquiries in the Charter and Brokerage department also increased and growth was on an upward trend. From May, the number of arranged transfers increased optimistically, the charter of the partner Beechjet became more widely known, and in June we established another similar cooperation project - the sale of the capacity of a Cessna CJ2+ aircraft operated by a partner.

8,862

*man-hours worked
at MRO*

17

MRO projects



SUMMER

Second half of the year outperformed 2019

In terms of flights, the second half of the year even exceeded 2019's results in some months, despite the restrictions still in force.

During the summer months, when the season was in full swing, together with Line Maintenance we made several trips to the Maldives to ensure the continued airworthiness of our aircraft. In June, colleagues from the Bratislava base successfully carried out an annual inspection of an Airbus H145, including the installation of the Spider tracking system.

At the Bratislava station, we successfully carried out several actions on it, during which we corrected many faults, but also performed planned maintenance whose intervals do not fall into heavy maintenance.

The summer period at MRO was dedicated to training and holidays, after the very busy previous months. With ambitious heavy maintenance plans for the autumn season, it was really necessary to recharge our batteries. Three technicians left the MRO team over the summer, but the COVID restrictions and uncertainty are slowly fading away, so the situation on the labour market is slowly changing - aircraft maintenance technicians are in high demand again. Therefore, recruitment for the vacant aircraft mechanic positions was initiated during this period.



In the Charter and Travel department, the summer season exceeded our expectations. The results of both sections were above average. In total, we sold 54 % more flight hours than planned this summer. The most common destinations were the Greek islands, Spain and Croatia. We were also successful in attracting new clients.

From February to the end of the year, under the supervision of Ground Handling Prague, extensive rebuilding of the stands at OP JIH was carried out. It was associated with several traffic restrictions in the form of cancelled stands near Hangar C, TWY RR and many others. The reconstruction of Terminals 3 and 4 began in August and will run until mid-2022.

While we at OCC, like other departments, started the year off weakly, with fewer flights in January and February than in 2020, and the next two months were mediocre, by May, with the easing of most of the restrictions, the data shot up to numbers that were even better than the pre-COVID year of 2019. And that (to our pleasant surprise) lasted for the rest of the year.

Even in Ground Handling Bratislava we achieved high numbers – the expected number of rotations with external clients exceeded 4*. Mainly thanks to the hot summer, in which there was much more flying than we expected.

Most of the movement is in the light and very light categories. Cross-selling works well, especially with our handling department in Prague, but also with Sales and Line Maintenance, where we send clients to each other.

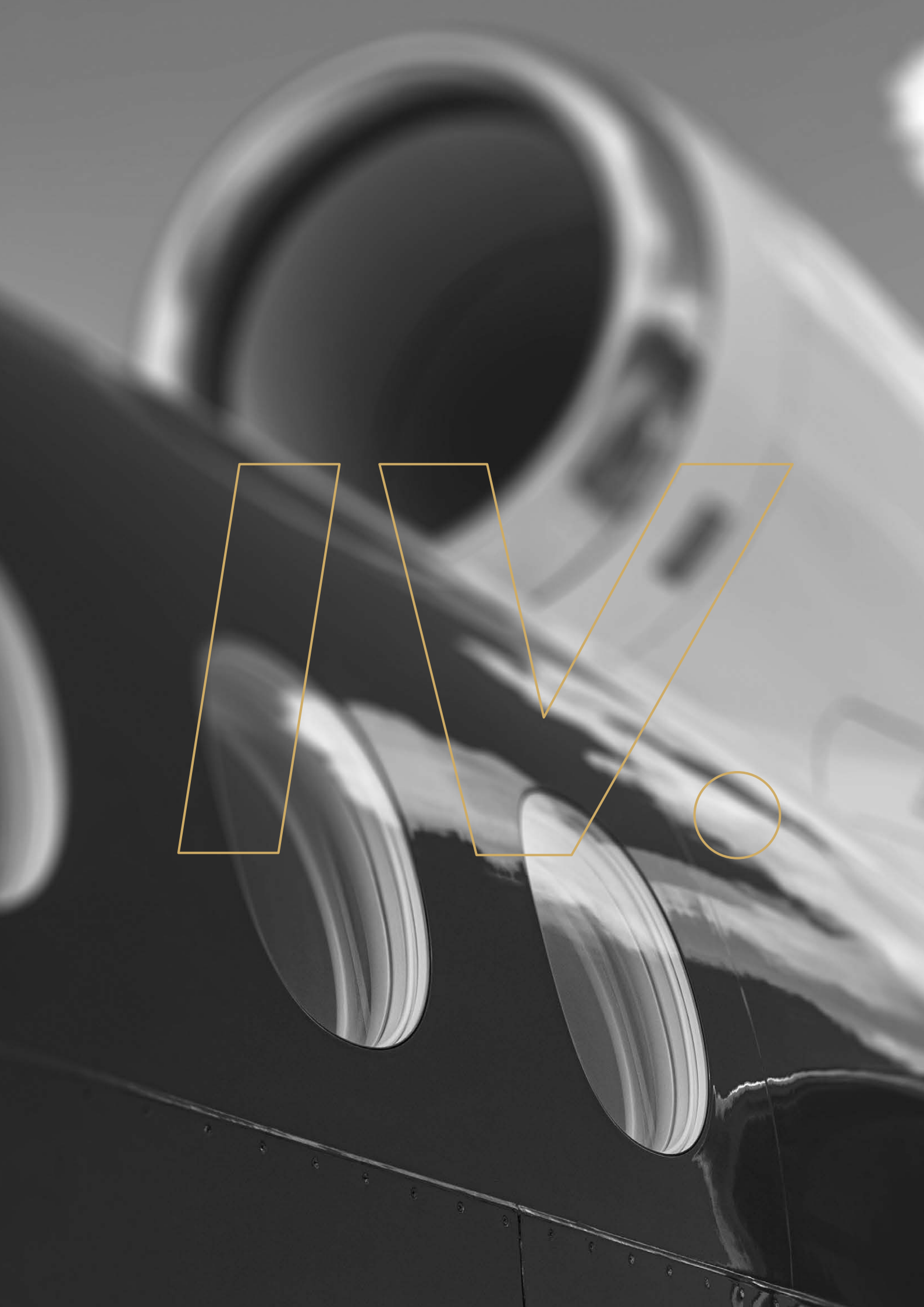
4x

**higher number of rotations
at Ground Handling
Bratislava**

54 %

**increase in flight
hours sold in summer
compared to the plan**

WV



AUTUMN

The usual post-seasonal decline did not occur in the autumn

The flight department had almost zero staff turnover during the year. The motivation and work commitment of the ABS Jets team in the flight section is phenomenal. Thanks to this, we were able to successfully complete the planned projects.

Despite the ongoing complicated situation, it was possible to maintain smooth operations. During the year, we continued with our projects as planned:

- Completed certification of the cabin crew training organisation
- Completion of the electronic logbook project for the live testing phase
- Complete revision of operating manuals

We also made significant progress in CAT II certification of the Falcon 7x fleet for operation in severe weather conditions. These operations are already approved on the Legacy 600/650, placing us among ten other European operators.

In general, ABS Jets is moving towards a completely digital work environment. The paperless cockpit project is running in parallel. The whole project is divided into three blocks:

- BLOCK 1 Electronic Logbook
- BLOCK 2 Electronic Operational Flight Plan
- BLOCK 3 Electronic Plotting Maps



At the end of the year, BLOCK 1 was in the phase of testing in real operation; BLOCK 3 is in the phase of approval by the Civil Aviation Authority of the Czech Republic. We expect to complete the project in its entirety in the coming year. The main goal **is to completely virtualise work activities and thus simplify the whole company's work – which will also set better conditions for the company's expansion into markets** without a physical presence, such as long-term aircraft operations outside the usual bases.

Anticipating inflationary pressure, we entered into long-term contracts at the beginning of the year with guaranteed price escalation at an average level of 3 % p.a. for five years. In particular in the flight crew training item, **the cumulative savings in absolute terms will exceed EUR 1,000,000 compared to spot prices.**

In Line Maintenance, in the traditionally very busy autumn period, we carried out the first 1C inspection on a Gulfstream G650 type, followed by another on the same type. **Thanks to the high level of commitment and cooperation with "heavy" maintenance, we broke the 8,000 standard hours mark – a record in the entire history of track maintenance.**

The last third of 2021 was also the most challenging for the MRO section. Partially overlapping C-checks and shorter projects fully tested our team's abilities – a big thank you to all involved for their exceptional performance during this period. Without their dedication, we would not have been able to successfully overcome this peak.

The usual post-season lull in the autumn did not occur in Charter and Brokerage – we continued to post record numbers. They were driven primarily by the charter boom, with charter aircraft from our fleet making a significant contribution. We saw a slight decrease in the Travel Management department, but the autumn results were still close to the planned numbers of transfers arranged.

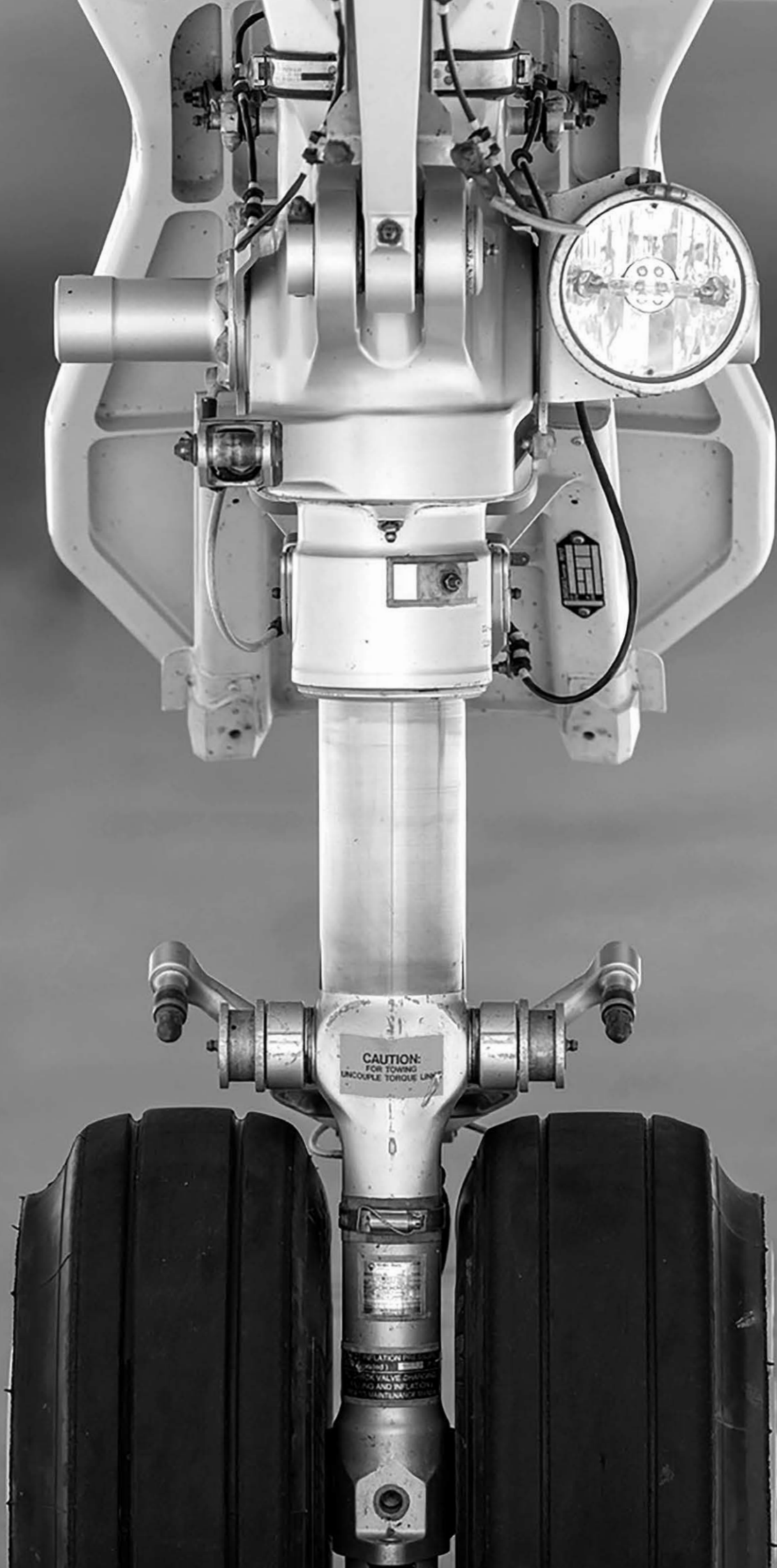
Similarly, at Ground Handling Prague we achieved another record in September – the highest number of rotations handled in one month in the entire history of Ground Handling.

We handled 6 % more aircraft than our previous monthly high in 2015.

In November we handled three Boeing B738s and a new Airbus A320. After half a year, a foreign army again arrived with its Embraer military transport special. The most complicated and, at the same time, the most interesting thing for us was handling a "rare" Air Force B707.

Throughout the year we handled some very interesting aircraft, such as an Airbus A319 that brought a member of the ruling family from a Middle Eastern country to Prague.

During the summer, we gained new operators at OCC, and thanks to this we did not see a drop in traffic in the autumn, on the contrary – **autumn 2020 saw departures almost 2* higher than in the pre-COVID period – 7,038 scheduled flights to 584 different destinations for 148 different aircraft.**



CAUTION:
FOR TOWING
UNCOUPLE TORQUE LINK

CAUTION:
DO NOT
OIL
OR
FLAME
CHARGES
AND
REFLECT
ON
MANTAINANCE

At the end of November, we made our usual trip to Brazil to visit our clients and once again saw that this is the most important market for us at the moment, with a very good reputation for our brand.

In 2021, MRO technicians replaced over 2,300 parts and worked 43,692 hours on both light and heavy aircraft maintenance.

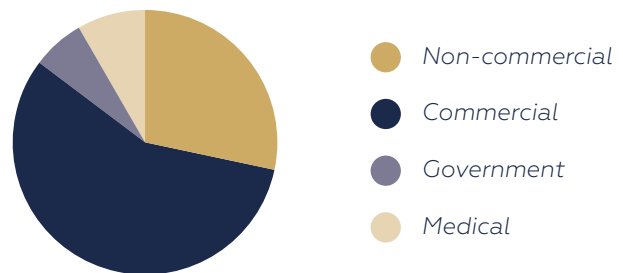
The IT department was busiest in 2021 preparing for a smooth transition to the new email servers. Another important project is invoice recognition using an OCR (Optical Character Recognition) solution, which will bring significant cost savings. The digitisation process and the paperless solutions also affected the internal cost approval solution for card payments. The internal process and system for airport approvals was also redesigned – transferring the agenda from the intranet, linking and drawing data from the internal AFOS system and integrating with our crew portal. Furthermore, the analysis of the existing intranet and the requirements for a new one are being continuously addressed.

In October, a total of 323,000 business flights were recorded globally, making it the strongest month in the history of Business Aviation ever.

Another great signal this year.

Breakdown of flights to/ from Europe by purpose in 2021

(Source: EBAA)



7,038
planned flights

2,300
parts replaced during aircraft maintenance



FLEET

2× **Gulfstream G650**



2× Gulfstream G550



6× *Embraer Legacy 600/650*



1× **Dassault Falcon 7X**

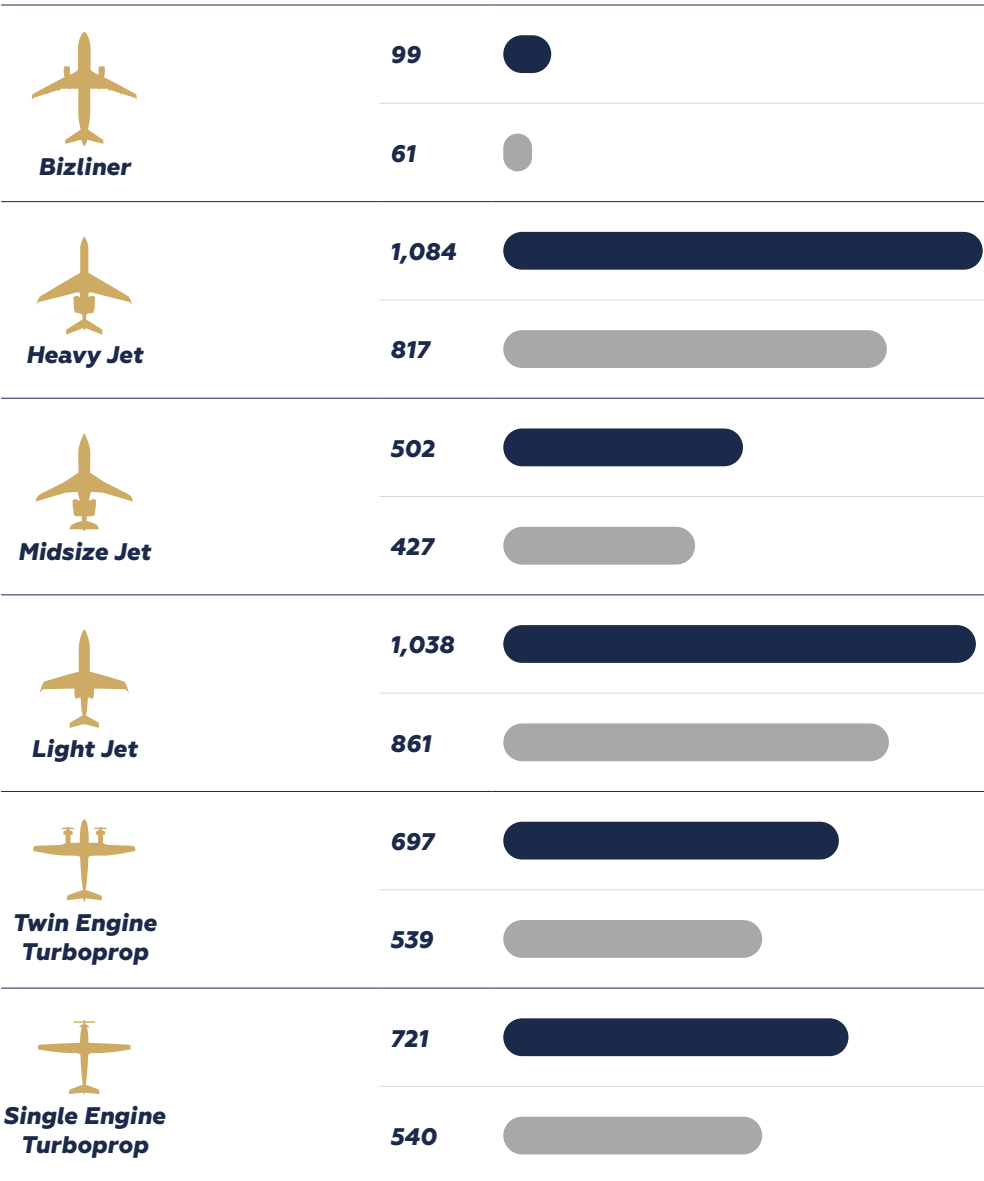


1× **Airbus H145**



Data about Fleets in Europe

(Source: EBAA)



● Based aircraft ● Registered aircraft



ABS JETS MAINTENANCE APPROVAL

	Line Maintenance	Base Maintenance
	Embraer Legacy 600/650	Embraer Legacy 600/650
	Embraer Phenom 100	Embraer Phenom 100
	Embraer Phenom 300	Embraer Phenom 300
 NEW IN 2021	Gulfstream G550	Gulfstream G550
	Gulfstream G650	Gulfstream G650
	Falcon 7X	



SUSTAINABILITY

Environmental issues and the promotion of sustainability principles have remained topical in recent years, despite the pandemic crisis. Not only in Europe, they are an integral and necessary part of the plans, strategies and forecasts of manufacturers, legislators, corporations and economists. One example is Embraer, which has a strategy in place until the middle of this century. The plan, which it presented in November 2021, envisages the production of new specific aircraft powered by SAF, electricity and hydrogen. Visionary, innovative, but above all bold. However, this also shows the extent to which major manufacturers are considering the issue of sustainability in the business aviation segment, where it is even a fundamental pillar of their long-term strategy. We will see how such visions are affected by the energy crisis and the current situation in Ukraine.

Although aviation produces only 2 % of all man-made carbon dioxide (CO₂) emissions, even this pollution is considered unnecessary by some. Whether rightly so remains a question. The business aviation sector has shown that it can be very useful – for example with repatriation flights and medical missions.

At ABS Jets, we are constantly addressing the issue of sustainability. In 2021, in addition to honest waste sorting, energy saving and the use of LED lights at our base, we also considered how to neutralise our carbon footprint and addressed the use of sustainable aviation fuel.

We have also gradually begun to **replace our vehicle fleet with electric vehicles** and are planning to add more environmentally-friendly electrically-powered equipment to our operations. We are not slacking in our efforts, we continue to think about sustainability in a holistic, strategic and practical way – because we know it makes sense.

Charities we supported:

We financially supported the St. Zdislava Asylum House in Aš, a Sue Ryder Home, and for Christmas we bought products from the GULE (Gastronomy Enabling People to Exist) organisation.

OUR **LEADERSHIP**



Jan Králík

Chief Executive Officer /
Accountable Manager



Andrea Brdiarová

Customer Support Director



Eva Stoklásková

Legal Advisor



Martin Orlita

Quality, Safety & Security Manager



Vladimír Šíp
Chief Technical Officer



Roman Pavlíček
Chief Finance Officer



Jan Kot'an
Flight Operations Manager



Michal Pazourek
Director of Ground Operations



Jan Krčil
Flight Operations Manager
(Helicopter Operations)

AFFIDAVIT

ABS Jets, a.s. solemnly declares that all information and data given in this annual report corresponds to the facts and no material circumstances have been omitted.

Prague, 17 May 2022



Marcel Dostal
Chairman of the Board of Directors



Jan Králík
Member of the Board of Directors

FINANCIAL STATEMENTS

as at 31 December 2021

*prepared in accordance with
Czech accounting legislation*

Company name:

ABS Jets, a.s.

Registered office:

K letišti 549, Hangar C, 161 00 Praha 6 – Ruzyně, Czech Republic

Legal form:

Joint-stock company

Identification number:

271 63 628

Balance sheet

as at 31 December 2021 (in thousands of Czech crowns)

Ident. a	ASSETS b	line c	Current period		Prior period	
			Gross 1	Adjust. 2	Net 3	Net 4
	TOTAL ASSETS	1	1,083,872	-260,197	823,675	818,347
B.	Fixed assets	2	649,623	-245,574	404,049	417,083
B.I.	Intangible fixed assets	3	37,629	-33,144	4,485	5,618
B.I.2.	Intellectual property rights	4	33,791	-29,344	4,447	5,559
B.I.2.1.	Software	5	33,791	-29,344	4,447	5,559
B.I.4.	Other intangible fixed assets	6	3,838	-3,800	38	59
B.II.	Tangible fixed assets	7	611,994	-212,430	399,564	411,465
B.II.1.	Land and buildings	8	533,684	-153,215	380,469	391,523
B.II.1.1.	Land	9	74,134		74,134	74,134
B.II.1.2.	Buildings	10	459,550	-153,215	306,335	317,389
B.II.2.	Plant and equipment	11	75,880	-59,215	16,665	19,051
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	12	2,430		2,430	891
B.II.5.1.	Advance payments for tangible fixed assets	13	2,364		2,364	44
B.II.5.2.	Tangible fixed assets under construction	14	66		66	847
C.	Current assets	15	408,283	-14,623	393,660	381,533
C.I.	Inventories	16	97,952	-4,464	93,488	97,619
C.I.1.	Raw materials	17	97,198	-4,464	92,734	91,478
C.I.2.	Work-in-progress and semi-finished products	18				5,347
C.I.5.	Advance payments for inventories	19	754		754	794
C.II.	Receivables	20	285,568	-10,159	275,409	252,089
C.II.1.	Long-term receivables	21	4,905		4,905	4,871
C.II.1.1.	Trade receivables	22	4,905		4,905	4,871
C.II.2.	Short-term receivables	23	280,663	-10,159	270,504	247,218
C.II.2.1.	Trade receivables	24	211,358	-10,019	201,339	178,157
C.II.2.4.	Receivables – other	25	69,305	-140	69,165	69,061
C.II.2.4.3.	Tax receivables	26	2,502		2,502	3,562
C.II.2.4.4.	Short-term advances paid	27	14,474	-140	14,334	16,009
C.II.2.4.5.	Estimated receivables	28	49,272		49,272	45,491
C.II.2.4.6.	Other receivables	29	3,057		3,057	3,999
C.IV.	Cash	30	24,763		24,763	31,825
C.IV.1.	Cash in hand	31	184		184	250
C.IV.2.	Bank accounts	32	24,579		24,579	31,575
D.	Deferrals	33	25,966		25,966	19,731
D.1.	Prepaid expenses	34	25,941		25,941	19,707
D.3.	Accrued revenues	35	25		25	24

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	36	823,675	818,347
A.	Equity	37	276,366	258,515
A.I.	Registered capital	38	74,000	74,000
A.I.1.	Registered capital	39	74,000	74,000
A.III.	Funds from profit	40	5,085	5,085
A.III.1.	Other reserve funds	41	5,085	5,085
A.IV.	Retained earnings (+/-)	42	179,430	175,651
A.IV.1.	Retained profits or accumulated losses (+/-)	43	179,430	175,651
A.V.	Profit (loss) for the current period (+/-)	44	17,851	3,779
B. + C.	Liabilities	45	545,443	557,787
B.	Provisions	46	6,357	2,047
B.2.	Income tax provision	47	3,571	
B.4.	Other provisions	48	2,786	2,047
C.	Liabilities	49	539,086	555,740
C.I.	Long-term liabilities	50	203,515	221,683
C.I.2.	Liabilities to credit institutions	51	193,377	212,036
C.I.3.	Long-term advances received	52	9,210	9,202
C.I.8.	Deferred tax liability	53	928	445
C.II.	Short-term liabilities	54	335,571	334,057
C.II.2.	Liabilities to credit institutions	55	16,005	29,786
C.II.3.	Short-term advances received	56	52,675	88,769
C.II.4.	Trade payables	57	181,188	129,426
C.II.8.	Liabilities - other	58	85,703	86,076
C.II.8.3.	Payables to employees	59	17,029	17,623
C.II.8.4.	Social security and health insurance liabilities	60	7,488	8,133
C.II.8.5.	Tax liabilities and subsidies	61	3,382	4,114
C.II.8.6.	Estimated payables	62	56,635	55,000
C.II.8.7.	Other payables	63	1,169	1,206
D.	Accruals	64	1,866	2,045
D.1.	Accrued expenses	65	1,866	2,045

Income Statement – classification by nature

for the year ended 31 December 2021 (in thousands of Czech crowns)

Ident. a	INCOME STATEMENT b	Line c	Current period 1	Prior period 2
I.	Revenue from products and services	1	2,157,299	1,763,651
A.	Cost of sales	2	1,688,008	1,356,243
A.2.	Materials and consumables	3	238,106	168,541
A.3.	Services	4	1,449,902	1,187,702
B.	Change in inventory of own production (+/-)	5	5,347	-5,347
D.	Personnel expenses	6	372,049	350,888
D.1.	Wages and salaries	7	282,195	266,084
D.2.	Social security, health insurance and other expenses	8	89,854	84,804
D.2.1.	Social security and health insurance expenses	9	83,446	79,226
D.2.2.	Other expenses	10	6,408	5,578
E.	Adjustments relating to operating activities	11	16,059	23,335
E.1.	Adjustments to intangible and tangible fixed assets	12	21,270	18,946
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	13	21,270	18,946
E.2.	Adjustments to inventories	14	769	139
E.3.	Adjustments to receivables	15	-5,980	4,250
III.	Other operating revenues	16	6,936	9,780
III.1.	Proceeds from disposals of fixed assets	17	632	331
III.3.	Miscellaneous operating revenues	18	6,304	9,449
F.	Other operating expenses	19	40,870	28,866
F.3.	Taxes and charges	20	6,414	2,272
F.4.	Provisions relating to operating activity and complex prepaid expenses	21	739	-2,267
F.5.	Miscellaneous operating expenses	22	33,717	28,861
*	Operating profit (loss) (+/-)	23	41,902	19,446
VI.	Interest revenue and similar revenue	24	3	4
VI.2.	Other interest revenue and similar revenue	25	3	4
J.	Interest expense and similar expense	26	7,325	11,949
J.2.	Other interest expense and similar expense	27	7,325	11,949
VII.	Other financial revenues	28	21,474	53,281
K.	Other financial expenses	29	31,043	53,509
*	Profit (loss) from financial operations	30	-16,891	-12,173
**	Profit (loss) before tax (+/-)	31	25,011	7,273
L.	Income tax	32	7,160	3,494
L.1.	Current tax	33	6,677	1,950
L.2.	Deferred tax (+/-)	34	483	1,544
**	Profit (loss) after tax (+/-)	35	17,851	3,779
***	Profit (loss) for the accounting period (+/-)	36	17,851	3,779
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	37	2,185,712	1,826,716

Cash Flow Statement

for the year ended 31 December 2021 (in thousands of Czech crowns)

	Current period	Prior period
P. Cash and cash equivalents, beginning of period	31,825	33,843
Net operating cash flow		
Z. Accounting profit (loss) from ordinary activities	25,011	7,273
A.1. Non-cash transactions	23,488	34,984
A.1.1. Depreciation and amortisation of fixed assets	21,270	18,946
A.1.2. Change in:	-4,472	2,122
A.1.2.2. provisions and other adjustments	-4,472	2,122
A.1.3. Profit(-) Loss(+) on sale of fixed assets	-632	-331
A.1.5. Expense and revenue interests accounted for	7,322	11,945
A.1.6. Other non-cash transactions		2,302
A.* Net operating cash flow before taxation and changes in working capital	48,499	42,257
A.2. Changes in working capital	-5,974	85,671
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	-24,452	86,732
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	15,116	-10,520
A.2.3. Change in inventories	3,362	9,459
A.** Net operating cash flow before taxation	42,525	127,928
A.3. Interest paid excluding amounts capitalised	-7,325	-11,949
A.4. Interest received	3	4
A.5. Income tax paid on ordinary income and income tax relating to prior periods	-2,229	-2,230
A.*** Net operating cash flow	32,974	113,753
Investing activities		
B.1. Acquisition of fixed assets	-8,236	-33,147
B.1.1. Acquisition of tangible fixed assets	-8,236	-32,889
B.1.2. Acquisition of intangible fixed assets		-258
B.2. Proceeds from sales of fixed assets	632	331
B.2.1. Proceeds from sales of tangible and intangible fixed assets	632	331
B.*** Net cash flow from investing activities	-7,604	-32,816
Financing activities		
C.1. Change in long-term resp. short-term liabilities from financing	-32,432	-82,955
C.*** Net cash flow from financing activities	-32,432	-82,955
F. Net increase or decrease in cash balance	-7,062	-2,018
R. Cash and cash equivalents, end of period	24,763	31,825

Statement of Changes in Equity

for the year ended 31 December 2021 (in thousands of Czech crowns)

	Registered capital	Other reserve funds	Retained profits or accumulated losses (+/-)	Profit (loss) for the current period	Total
Balance as at 1. 1. 2021	74,000	5,085	175,651	3,779	258,515
Transfer of the profit (loss) of prior year period	--	--	3,779	-3,779	--
Profit (loss) for the current period	--	--	--	17,851	17,851
Balance as at 31. 12. 2021	74,000	5,085	179,430	17,851	276,366

	Registered capital	Other reserve funds	Retained profits or accumulated losses (+/-)	Profit (loss) for the current period	Total
Balance as at 1. 1. 2020	74,000	5,085	166,704	8,947	254,736
Transfer of the profit (loss) of prior year period	--	--	8,947	-8,947	--
Profit (loss) for the current period	--	--	--	3,779	3,779
Balance as at 31. 12. 2020	74,000	5,085	175,651	3,779	258,515

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS

1. Description and principal activities

Establishment and description of the Company

ABS Jets, a.s. ("the Company") was incorporated on 30 June 2004 by being recorded in the Commercial Register maintained by the Municipal Court in Prague, under file number 9421, section B.

The Company's principal activities are:

- the operation of commercial air transport;
- the development, design, manufacture, testing, maintenance, repair and modification of, and structural changes to, aircraft, aircraft parts and aviation technology;
- the provision of handling services at Praha-Ruzyně South Airport, including technical and operational aircraft handling on the apron, and passenger and baggage check-in;
- pre-flight preparation and flight monitoring services;
- catering services;
- brokerage of trade and services;
- the lease of real estate, apartments and non-residential premises, including the provision of basic services ensuring the due operation of the real estate, apartments and non-residential premises;
- the manufacture, trade and services not specified in Annexes 1 to 3 to the Trades Licensing Act;
- road motor transport - passenger transport operated by vehicles designed for transporting a maximum of nine passengers including the driver.

Owners of the Company as at 31 December 2021

J&T PRIVATE EQUITY GROUP LIMITED	50% of shares
Bridgehill Limited	50% of shares

Registered office

ABS Jets, a.s.
K letišti 549, Hangar C
161 00 Praha 6 – Ruzyně
Czech Republic

Identification number

271 63 628

Members of the board of directors and supervisory board as at 31 December 2021**Members of the board of directors:**

Marcel Dostal (chairman)
Andrea Brdiarová (member)
Jan Králík (member)

Members of the supervisory board:

Richard Sedláčko (chairman)
Markéta Bobková (member)
Stanislav Kučera (member)

The Company does not prepare the consolidated financial statements for groups of entities nor is it part of any group of entities.

2. General accounting principles, accounting policies and their changes and deviations

These financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, as amended, ("the Act on Accounting") and Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, as amended, for business entities using double-entry bookkeeping, ("the Decree").

The financial statements have been prepared on a going concern basis.

a) Tangible and intangible fixed assets

The Company accounts for tangible and intangible assets using asset accounts. Tangible assets comprise land and structures, including buildings, regardless of their cost and useful life, and individual movable assets with a value of at least TCZK 40 and a useful life of more than one year. Intangible assets comprise individual intangible assets with a value of at least TCZK 60 and a useful life of more than one year. Tangible assets costing between TCZK 20 and TCZK 40 and having a useful life exceeding one year are recorded by the Company as low value assets with a depreciation period of 24 months.

The cost of internally produced fixed assets includes direct materials, direct wages and overheads directly related to the creation of the asset until it is put into use.

Tangible and intangible fixed assets are depreciated/amortised based on their cost and estimated useful life on a monthly straight-line basis, starting in the month following the date on which the asset is put into use. Land is not depreciated.

Assets are depreciated using the following methods over the following periods:

Assets	Number (range) of years
<i>Buildings, halls and structures</i>	30–50
<i>Machinery and equipment</i>	2–5
<i>Vehicles</i>	4–10
<i>IT equipment</i>	2–5
<i>Intangible assets</i>	3–10

In the income statement, depreciation is presented in "Depreciation and amortisation of intangible and tangible fixed assets".

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term and their estimated useful lives.

b) Inventories

The Company measures inventories using the weighted average method applied to the costs of identical materials. Cost includes the purchase price of the inventory and related customs duties and in-transit storage and freight costs incurred in delivering the inventory to the manufacturing facility.

c) Establishment of adjustments and provisions

Receivables

The Company establishes adjustments for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables. In the income statement, the establishment and release of adjustments is presented in "Adjustments to receivables".

Inventories

Adjustments are established to reduce the cost of inventory to net realisable value. In the income statement, the establishment and release of adjustments is presented in "Adjustments to inventories".

Provisions

As at the balance sheet date, a provision for untaken holidays is established based on an analysis of untaken holidays in the accounting period and average payroll expenses, including social security and health insurance expenses per employee.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables. If the result is a liability, it is recorded in the income tax provision.

d) Foreign currency translation

The Company applies the Czech National Bank official rate to foreign currency transactions. During the year foreign exchange gains and losses are only recognised when realised at the time of settlement. As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the Czech National Bank official rate prevailing on the transaction date. Unrealised foreign exchange gains and losses are recognised in profit or loss.

e) Leased assets

Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price (replacement cost).

f) Recognition of revenues and expenses

Expenses and revenues are generally recognised on an accrual basis, i.e. in the period to which they relate in terms of substance and timing.

g) Income tax

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

h) Classification of liabilities

The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

3. Intangible and tangible fixed assets

a) Intangible fixed assets

	Software	Other intangible fixed assets	Total 2021	Total 2020
Acquisition cost				
Opening balance	33,791	3,838	37,629	37,869
Additions	--	--	--	258
Disposals	--	--	--	-498
Transfers	--	--	--	--
Closing balance	33,791	3,838	37,629	37,629
Accumulated amortisation				
Opening balance	28,232	3,779	32,011	32,470
Amortisation expense	1,112	21	1,133	39
Disposals	--	--	--	-498
Transfers	--	--	--	--
Closing balance	29,344	3,800	33,144	32,011
Net book value 1 Jan	5,559	59	5,618	5,399
Net book value 31 Dec	4,447	38	4,485	5,618

b) Tangible fixed assets

	Land	Buildings	Machinery, equipment and vehicles	Low value assets	Tangible fixed assets under construction	Advances paid	Total 2021	Total 2020
Acquisition cost								
Opening balance	74,134	457,078	65,011	9,287	847	44	606,401	576,893
Additions	--	2,472	1,993	1,385	66	2,320	8,033	32,889
Disposals	--	--	-2,342	-301	--	--	-2,440	-3,381
Transfers	--	--	847	--	-847	--	--	--
Closing balance	74,134	459,550	65,509	10,371	66	2,364	611,994	606,401
Accumulated depreciation								
Opening balance	--	139,689	47,098	8,149	--	--	194,936	179,410
Depreciation expense	--	13,526	5,624	987	--	--	20,137	18,907
Disposals	--	--	-2,342	-301	--	--	-2,643	-3,381
Transfers	--	--	--	--	--	--	--	--
Closing balance	--	153,215	50,380	8,835	--	--	212,430	194,936
Net book value 1 Jan	74,134	317,389	17,913	1,138	847	44	411,465	397,483
Net book value 31 Dec	74,134	306,335	15,129	1,536	66	2,364	399,564	411,465

4. Inventories

At the stocktaking held on 31 December 2021 the Company identified gross balance of material inventories of TCZK 97 198 (2020 – TCZK 95 173). Approx. 90% of these are spare parts for aircraft, with the most expensive items being spare parts for engines and recording devices.

As at 31 December 2021, the Company created an adjustment to inventories of TCZK 4 464 (2020 – TCZK 3 695).

5. Trade receivables and payables

- a) Short-term trade receivables total TCZK 211 358 (2020 – TCZK 194 156), of which TCZK 55 979 (2020 – TCZK 68 316) is overdue. An adjustment of TCZK 10 019 (2020 – TCZK 15 999) was set up at 31 December 2021 for doubtful receivables.

The Company records long-term trade receivables of TCZK 4 905 (2020 – TCZK 4 871).

The Company records no long-term receivables that are due in more than five years.

- a) Short-term trade payables total TCZK 181 188 (2020 – TCZK 129 426), of which TCZK 88 637 (2020 – TCZK 38 250) is overdue. The Company monitors overdue payables on an ongoing basis and has assessed that the risk of inability to pay due liabilities is very low.

The Company records no long-term payables that are due in more than five years.

6. Short-term advances received

As at 31 December 2021, the Company records short-term advances received that represent advances paid on the aircraft maintenance (replacement and repairs of spare parts, repairs of aircraft and other) of TCZK 52 675 (2020 – TCZK 88 769).

7. Estimated receivables

As at 31 December 2021, the estimated receivables of TCZK 49 272 (2020 – TCZK 45 491) include in particular uninvoiced revenue from aircraft maintenance and flight sales.

8. Estimated payables

As at 31 December 2021, the estimated payables of TCZK 56 635 (2020 – TCZK 55 000) include uninvoiced expenses incurred for the lease and operation of aircraft (handling, airport and overflight charges, fuel, etc.) and uninvoiced expenses on aircraft maintenance.

9. Adjustments

	Adjustment to inventory	Adjustment to receivables	Total
Balance at 1/1/2021	3,695	16,139	19,834
Additions/release/utilisation	769	-5,980	-5,211
Balance at 31/12/2021	4,464	10,159	14,623

10. Registered capital

	Registered capital
Balance at 31/12/2020	74,000
72 shares at CZK 1 000 000 per share	72,000
4 shares at CZK 500 000 per share	2,000
Balance at 31/12/2021	74,000
72 shares at CZK 1 000 000 per share	72,000
4 shares at CZK 500 000 per share	2,000
Registered capital	74,000

11. Equity

As at the date of preparation of the financial statements, no decision was taken on the distribution of profit for 2021.

12. Provisions

In 2021, the income tax provision of TCZK 6 353 (2020 – TCZK 1 655) was reduced by income tax prepayments of TCZK 2 782 (2020 – TCZK 2 532). The net payable of

TCZK 3 571 is recorded in income tax provision (2020 – the net receivable of TCZK 877 was recorded in tax receivables).

Other provisions of TCZK 2 786 (2020 – TCZK 2 047) represent a provision for untaken holidays of employees.

13. Liabilities to credit institutions

Loans and other financial liabilities

31 December 2021	Currency	Nominal interest rate	Maturity date	Carrying amount	Due within 1 year	Due in 1 to 5 years	Due in more than 5 years
Loan PPF banka a.s.	CZK	6M PRIBOR + 2.5% p.a.	30 September 2026	209,377	16,000	193,377	--
Loan KTK* PPF banka a.s.	CZK	1M PRIBOR / EURIBOR / LIBOR + 2.20% p.a.	--	--	--	--	--
Loan KTK*	CZK	1M PRIBOR / EURIBOR / LIBOR + 2.20 % p. a.	--	--	--	--	--
Komerční banka, a.s.	CZK	13% p.a.	20 January 2022	5	5	--	--
Total				209,382	16,005	193,377	--

* Overdraft loan

31 December 2020	Currency	Nominal interest rate	Maturity date	Carrying amount	Due within 1 year	Due in 1 to 5 years	Due in more than 5 years
Loan PPF banka a.s.	CZK	6M PRIBOR + 2.5% p.a.	30/9/2026	226,036	14,000	56,000	156,036
Loan KTK* PPF banka a.s.	CZK	1M PRIBOR / EURIBOR / LIBOR + 2.20% p.a.	18/6/2021	15,540	15,540	--	--
Loan KTK*	CZK	1M PRIBOR / EURIBOR / LIBOR + 2.20 % p. a.	--	--	--	--	--
Komerční banka, a.s.	CZK	13% p.a.	20/1/2021	246	246	--	--
Total				241,822	29,786	56,000	156,036

* Overdraft loan

As at 31 December 2021, the Company drew an overdraft loan "KTK Komerční banka, a.s." of TCZK 5 (2020 – TCZK 246) with a credit line of up to TCZK 250.

As at 31 December 2021, the Company drew an overdraft loan "KTK PPF banka a.s." of TCZK 0 (2020 – TCZK 15 540) with a credit line of up to TCZK 160 000 and a long-term fixed-term loan "Loan PPF banka" of TCZK 209 377 (2020 – TCZK 226 036).

The loan from PPF banka a.s. is secured by a real estate pledge agreement, an agreement on the pledge of receivables arising from a bank account, a blank promissory note, and an agreement on the pledge of receivables and an assignment request confirmed by the insurance company.

- *Compliance with financial covenants*

The bank loans provided by PPF banka, totalling TCZK 209 377 (2020 – TCZK 241 576), are subject to financial covenants, with which the Company complies.

14. Segment information

Revenues by geography (based on the customer's registered office) and by major segments for 2021 and 2020 are disclosed in the following tables:

	<i>Flights and related services</i>	<i>Maintenance</i>	<i>Other</i>	Total 2021
Czech Republic	600,666	11,996	156,278	768,940
Cyprus	149,733	36,654	132,255	318,642
Ireland	6,746	103,115	172,515	282,376
Slovakia	231,098	1,401	23,781	256,280
Switzerland	149,965	2,600	13,080	165,645
Monaco	63,390	0	4,785	68,175
Austria	0	58,252	1,096	59,348
Nigeria	0	33,706	488	34,194
France	0	21,189	3,291	24,480
Russia	0	22,176	712	22,888
Portugal	0	21,994	261	22,255
Other	16,716	58,847	58,513	134,076
Total	1,218,314	371,930	567,055	2,157,299

	<i>Flights and related services</i>	<i>Maintenance</i>	<i>Other</i>	Total 2020
Czech Republic	428,422	4,058	86,664	519,144
Ireland	20,882	116,735	174,369	311,986
Cyprus	175,997	17,241	105,915	299,152
Slovakia	179,546	1,544	16,099	197,190
Switzerland	128,033	2,932	1,552	132,516
Monaco	54,626	0	1,219	55,845
France	0	41,071	338	41,409
Austria	0	31,261	553	31,814
British Virgin Islands	17,035	9,962	953	27,951
Other	15,803	98,545	32,295	146,643
Total	1,020,344	323,349	419,957	1,763,651

15. Services

	2021	2020
Lease of aircraft*	962,741	738,764
Airport charges	30,302	24,037
Navigation charges	24,028	18,033
Handling	46,845	34,543
Fees for replacement of spare parts	37,089	34,284
Accommodation	20,793	18,475
Training and workshops	46,770	38,521
Labour hire	15,481	17,048
Meal allowance	8,525	7,550
Repair of aircraft	36,245	67,387
Repair of spare parts	41,509	48,193
Travel expenses	5,192	5,694
Lease of land and buildings	27,607	23,507
Change service	19,745	20,083
Hangarage and parking aircraft	15,777	11,218
Other services	111,253	80,365
Total	1,449,902	1,187,702

* The expenses incurred on the lease of aircraft are described in detail in note 23.

16. Materials and consumables

	2021	2020
Aviation fuel	104,637	66,544
Spare parts for aircraft	83,627	60,971
Catering	18,215	13,493
Other	31,627	27,533
Total	238,106	168,541

17. Fees payable to statutory auditors

As at 31 December 2021, the Company records expenses incurred on statutory audit totalling TCZK 618 (2020 – TCZK 600).

18. Employees and members of management, supervisory and administrative bodies

Average number of employees and members of management and supervisory bodies

	Average FTE number	
	2021	2020
Employees	277	262
Members of management bodies	3	3
Members of supervisory bodies	3	3
Total	283	268

19. Social security and health insurance liabilities

As at 31 December 2021, social security and health insurance liabilities total TCZK 7 488 (2020 – TCZK 8 133), of which TCZK 4 432 (2020 – TCZK 4 851) relates to social security liabilities and TCZK 3 056 (2020 – TCZK 3 282) to health insurance liabilities. None of these liabilities are overdue.

20. Tax Payables

As at 31 December 2021, tax liabilities amount to TCZK 3 382 (2020 – TCZK 4 114). This amount primarily includes employee income tax prepayments withheld. None of these liabilities are overdue.

21. Income tax

a) Current tax

Current income tax comprises the tax estimate for 2021 of TCZK 6 353 (2020 – TCZK 1 655) and an adjustment to the tax estimate for 2020 of TCZK 324 (2020 – TCZK 295).

b) Deferred tax

The deferred tax liability value of TCZK 928 (2020 – TCZK 445) is not significant. The deferred tax arises in particular from differences between the carrying and tax value of fixed assets, in respect of provisions and adjustments.

In accordance with the accounting policy described in note 2g), a tax rate of 19% was used to calculate deferred tax (2020 – 19%).

22. Related parties

a) Transactions with related parties

In 2021 and 2020, the Company did not carry out any transactions with shareholders. In 2021 and 2020, the Company did not carry out any transactions with related parties that were not concluded based on the arm's length principle.

- b) In 2021 and 2020 members of management, supervisory and administrative bodies received no advances, deposits, loans, guarantees or other benefits, nor do they hold any shares/equity investments in the Company.

As at 31 December 2021 and 31 December 2020, the Company had incurred no pension liabilities to former members of management, supervisory and administrative bodies.

23. Leased assets – operating leases

The Company has long-term lease contracts for the land under Hangar N, the car park in front of Hangar C, and land and a hangar in Bratislava. The Company also leases non-residential premises in Kunovice, an office, an information booth, and a hangar position in Hangar A at Václav Havel Airport. In 2021, the total cost of the leases amounted to TCZK 27 607 (2020 – TCZK 23 507).

Lease payments under non-cancellable operating leases are payable as follows:

	31 December 2021	31 December 2020
Less than one year	6,509	6,307
Between two and five years	26,036	25,228
More than five years	58,581	63,070
Total	91,126	94,605

The cost of the lease of aircraft as disclosed in note 15 relates to aircraft leased from related and third parties. The Company does not have its own aircraft. Instead, based on customer demand, it uses special operating leases to lease aircraft, which it then subleased to its customers. The cost of the lease of aircraft depends on the type of aircraft leased and the amount of hours flown during the lease term. The amount of revenue from flights is also based on the type of aircraft leased and the number of hours flown during the time that the aircraft is leased to the customer. The total term of the special operating lease of individual aircraft is significantly lower than their useful lives. The Company leases 9 aircraft and one helicopter under these special long-term operating leases. In the event of increased customer demand, it uses short-term leases to lease the additional number of aircraft required to satisfy increased demand. The total cost of the lease of aircraft in 2021 was TCZK 962 741 (2020 – TCZK 738 764).

In 2021, the Company had an operating lease for five vehicles (2020 – four vehicles); the cost totalled TCZK 667 (2020 – TCZK 691).

24. Contingencies and commitments

As at 31 December 2021, the Company records a bank guarantee of TCZK 14 000 (2020 – TCZK 14 000) in favour of Letiště Praha, a.s.

25. Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at the bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash. Cash and cash equivalents as at the year end are as follows:

	Balance as at 31/12	
	2021	2020
Cash	24,763	31,825
Cash and cash equivalents	24,763	31,825

In the cash flow statement, cash flows from operating, investing or financing activities are reported on a gross basis.

26. Assessment of the impact of COVID-19 pandemic

In 2021, the Company's activities were affected by the continued COVID-19 pandemic and the measures to contain the pandemic outbreak adopted by the Czech government and the governments of the countries where the Company's major business partners and customers are located.

The Company provides commercial air transport, development, design, testing, maintenance, repair, modification and structural changes to, aircraft, aircraft parts and aviation technology. It also ensures the brokerage of trade and services, the provision of handling services at Praha-Ruzyně South Airport, including technical and operational aircraft handling on the apron, and passenger and baggage check-in, pre-flight preparation and flight monitoring services.

Despite the impact of the COVID-19 pandemic, the Company was able to achieve higher sales and result of operations than in previous years, and neither its operations nor supplies were interrupted. The financial position of the Company is stable. The Company's management has thus concluded that the use of the going concern basis was adequate in preparing these financial statements.

27. Material subsequent events

In connection with the military conflict in Ukraine and imposition of international sanctions on the Russian Federation, the Company has analysed and evaluated the possible effects on the Company's assets and liabilities as at 31 December 2021, covering among others the following areas:

- decrease in the value of both financial and non-financial assets as a result of the sanctions imposed on the Russian Federation
- impairment of investments

- interruption of supplier and customer relations and other disruptions of entrepreneurial activities
- disruption of current or future cash flows, having impact on the liquidity and financial position of the entity
- breach of contractual obligations, inability to fulfil contractual terms and conditions or termination of business contracts
- disclosure on the sanction lists or voluntary declaration of other entities on suspension or termination of cooperation
- affecting the going concern basis of the entity.

Based on the analysis and evaluation, the Company has concluded that the Company is not facing any significant adverse impact, except for the potential loss of a part of the planned contracts for service in 2022 in the volume of single percent numbers of the Company's overall turnover because of the imposed sanctions. The Company has been striving to replace such lost contracts with new contracts from the open European market and has clearly conformed to the imposed sanctions and refuses contracts of an unclear origin or contracts whose origin cannot be authenticated. The Company does not face the risks resulting from the inability to pay or the inability to make bank transfers that Russian entities have been encountering. As at the date of preparation of the financial statements, the going concern basis has not been harmed in any way. The Company has assessed the impact of the potentially lost contracts in 2022 because of the imposed sanctions to be immaterial, i.e., they will not significantly impact further operation of the Company.

The Company's management is not aware of any other events that have occurred since the balance sheet date that would have any material impact on the financial statements as at 31 December 2021.

Prepared on: 17 May 2022



Marcel Dostal
Chairman of the board of directors



Jan Králík
Member of the board of directors

AUDITOR'S REPORT



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This document is an English translation of the Czech auditor's report.
 Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of ABS Jets, a.s.

Opinion

We have audited the accompanying financial statements of ABS Jets, a.s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2021, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations 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 Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, 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.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the



other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body 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, the statutory body 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 unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

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 the above regulations 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 in accordance with the above regulations, 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 the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Statutory Auditor Responsible for the Engagement

Martina Štegová is the statutory auditor responsible for the audit of the financial statements of ABS Jets, a.s. as at 31 December 2021, based on which this independent auditor's report has been prepared.

Prague
17 May 2022

KPMG Česká republika Audit
KPMG Česká republika Audit, s.r.o.
Registration number 71

M. Štegová
Martina Štegová
Partner
Registration number 2082

Registered office and delivery address

ABS Jets, a.s.

K Letišti 549 – Hangár C
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Czech Republic



Registered office of the Bratislava base and delivery address

ABS Jets, a.s., organizačná zložka

Letisko M. R. Štefánika
823 11 Bratislava
Slovak Republic

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ABS Jets, a.s., was established on 30 June 2004 by registration in the Commercial Register. The Company is registered in the Commercial Register kept at the Municipal Court in Prague, Section B, Entry 9421. The Company's main objectives are, among other things, the operation of commercial air transport, development, design, manufacture, testing, maintenance, repair, modification and design changes to aircraft, their components and aviation products, intermediation of trade and services, provision of services in the handling process at Prague - Ruzyně South Airport, including technical and operational aircraft handling on the apron, check-in of passengers and their luggage, pre-flight preparation and flight monitoring services.

ABS Jets, a.s. has been doing business in the Slovak Republic since 2007 through its branch abroad: ABS Jets, a.s., organizačná zložka, which is registered in the Commercial Register maintained by the Regional Court in Bratislava I, Section B, Entry 1523/B.

Ownership structure of the company valid and effective as at 31 December 2021:

- J&T PRIVATE EQUITY GROUP LIMITED, registered office: Klimentos, 41-43, Klimentos Tower, 2nd Floor, Flat/Office 22, Nicosia 1061, Republic of Cyprus: 50 % of certificated shares to name
- BRIDGEHILL LIMITED, registered office: Spyrou Kyprianou, 18, Flat/Office 301, P.C. 1075, Nicosia, Republic of Cyprus: 50 % of certificated shares to name

The annual report reflects the activities of all operational centres at the Prague base (Aircraft Management, Flight Section, Technical Section, CAMO - Continuing Airworthiness Management, Charter & Travel, Aircraft Handling, Operational Dispatching), operational centres at the Bratislava base (Aircraft Line Maintenance, Aircraft Handling) and support units of the entire company.

The company did not acquire any treasury shares this year and did not undertake any activities in the research and development area. Significant subsequent events at the date of the annual report that have an impact on the Company's performance are set out in the notes to the financial statements included in this annual report.



