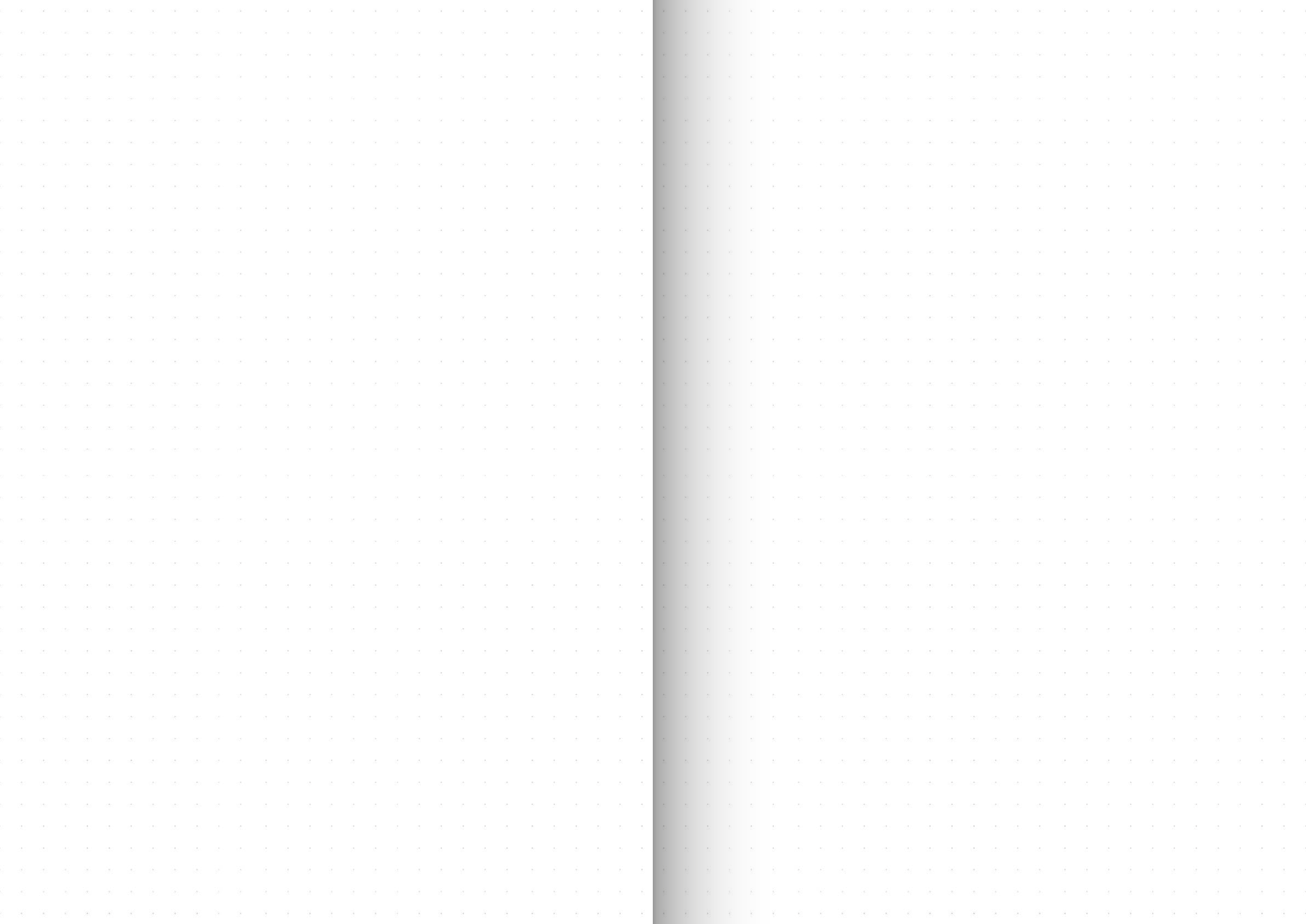


# 2020

A YEAR THAT WILL  
GO DOWN IN OUR LOGBOOK  
AND HISTORY







ABS JETS

2020 – A YEAR THAT WILL GO DOWN  
IN OUR LOGBOOK AND HISTORY



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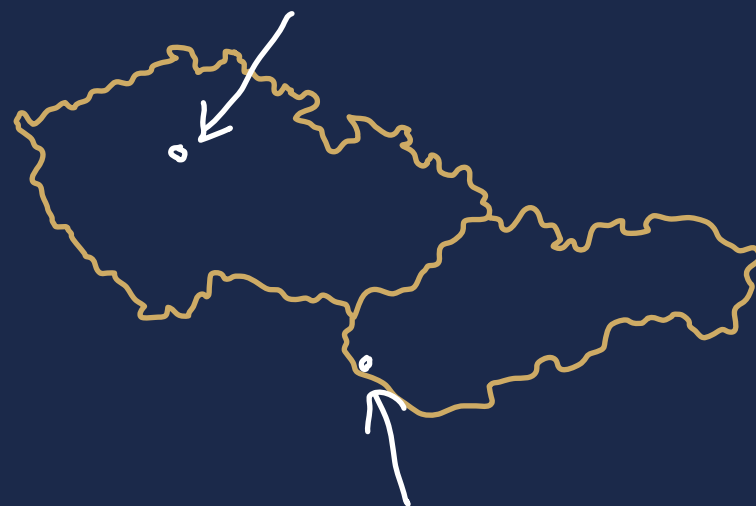
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161 00 Prague 6 – Ruzyně  
Czech Republic



**Registered office of the Bratislava base and delivery address**

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ABS Jets, a.s. was established on 30 June 2004 with its entry into the Commercial Register. The company is entered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 9421. The company's main business activity is the operation of commercial air transport, including the development, design, production, testing, maintenance, repair and modification of aircraft, design changes to aircraft, components and aeronautical products, mediation of trade and services, provision of services during the handling process at Prague Airport – Ruzyně Jih, including technical and operational aircraft handling on the apron, check-in of passengers and luggage, pre-flight preparation services and flight monitoring.

ABS Jets, a.s. has been operating in the Slovak Republic since 2007 through its foreign branch: ABS Jets, a.s., organizačná zložka, which is entered in the Commercial Register kept at the Regional Court in Bratislava I, Section B, File 1523/B.

**The ownership structure of the company valid and effective as of 31 December 2020:**

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

The annual report reflects the activities of all operating centres at the Prague base (Aircraft Management, Flight Division, Technical Division, CAMO – Airworthiness Management, Charter & Travel Department, Aircraft Ground Handling, Operational Control Centre), operating centres of the Bratislava base (Line Maintenance of Aircraft, Aircraft Ground Handling) and support departments throughout the company.

**The company did not acquire any of its own shares this year.**

**Any subsequent events that have occurred since the annual report date that would have any material impact on the company's financial condition and results are disclosed in the notes to the financial statements in this annual report.**



# FOREWORD

Despite unfavourable circumstances, 2020 was a turning point for the company. ABS Jets maintained its leading position as the operator of the largest fleet of business jets in the Czech Republic and Slovakia. Over the year, we expanded our portfolio of aircraft with a completely new type – a Dassault Falcon 7X – which is also the first aircraft from this manufacturer with Czech registration OK-. Shortly after, we added another aircraft to our fleet – a Gulfstream G550 – and then a new Gulfstream 650ER. This validates our expertise in managing ultra-long-range aircraft and our close cooperation with the world's largest aircraft manufacturers.

In addition to developing its fleet and continuing operations, ABS Jets expanded its international safety standard certifications this year. Following an audit, IBAC extended our IS-BAO Stage III (International Standards Business Aviation Organisation), our highest certification, declaring compliance with high international safety standards in commercial air transport. At the end of the year, our handling base in Prague was audited for IS-BAH Stage III, and we became the first European company to hold this high level of certification. Not long thereafter, the Bratislava branch successfully passed a historically first IS-BAH Stage I audit. We are thus one of the few jet operators in the world which has achieved the highest level of IS-BAO and IS-BAH certifications at the same time.

ABS Jets was also affected by the worldwide pandemic. We registered a decrease of approximately 20% in departments directly related to their operations. Although the Operational Control Centre had to repeatedly deal with changing and often unclear restrictions, dispatchers planned 4,785 flights to 495 different destinations for 105 different aircraft and two helicopters, not only from its own fleet but also from external clients. In the summer months, the Charter & Travel Department experienced its historically strongest period since its establishment. The number of mediated flight hours in the fleet of partner operators increased to 500 at the end of the year. In the second half of the year, the department even showed a 22% year-on-year increase in flight hours sold. Similarly, the handling base in Prague managed almost 2,000 aircraft, which accounts for 86% of the number of aircraft handled in the previous year. In parallel, after many years of negotiation, we expanded the range of services in Bratislava with third-party handling and recorded strong client demand from the very beginning. The above results support the irreplaceable role of business aviation during the time of the global pandemic.

Last year, the Technical Department passed a milestone of 500,000 total number of hours worked. In 2020, the total number of hours worked was 41,967. We also successfully completed the inspection of a Gulfstream G550 ("A-Check"), which was the historically first annual check of this type. Despite sweeping travel restrictions, 58 line maintenance projects were finished, both at our bases in Prague and Bratislava and other airports worldwide. Even in this extraordinary year, ABS Jets maintained a high level of safety and service quality, met its pre-defined objectives and developed its human resources. We will continue to keep this dynamic so that 2021 is even more successful.

In conclusion, I would like to thank our clients, business partners and shareholders for their support in this challenging year. Finally, a word of special thanks to the employees and management of ABS Jets for their professional approach, personal commitment and quality of their work.

I hope you enjoy reading the ABS Jets annual report: 2020 – a year that will go down in our logbook and history.

**Marcel Dostal**

Chairman of the Board of Directors

# I. WINTER

AVIATION IS ON THE RISE, AND WE ARE  
GETTING READY TO EXPAND OUR FLEET.

Aviation is one of the fastest-growing sectors of the world economy, and airline companies order hundreds of aircraft from manufacturers. Although the inda shortage of experienced employees, everything has been coming together well. In the winter months, the Operation Control Centre broke records in its number of planned flights. We are preparing for and looking forward to the promised addition to our fleet. After many years of negotiation and preparation, we are ceremonially expanding our range of services to include third-party handling. We will be participating in Schedulers & Dispatchers in Charlotte, US, the first aviation fair of this year, and plan to take part in other fairs, such as EBACE in Geneva, RUBAE in Moscow and LABACE in Sao Paulo.

In connection with the planned merger of the Embraer Executive Division and Boeing in the second half of 2019, Embraer announced its planned online system outage. Our logistics team was prepared and had planned carefully for unexpected disruptions caused by the failure in availability of spare parts for scheduled maintenance and AOG support. It had planned and obtained supplies before the end of 2019 so that any shortfalls would minimally impact the financial and operational activities of the Technical Department. At the time, the first indications of the COVID-19 virus were reported in Asia. Soon, the virus crossed the borders into Europe and demonstrated its ruthlessness, especially in northern Italy.



We continued to prepare for the inclusion of a new aircraft in our fleet. In agreement with Dassault Aviation, we organised a week-long intensive introductory training for the Dassault Falcon 7X type at the ABS Jets facilities. In attendance were two employees from our CAMO Department, the Line Maintenance Manager and two inspectors from the Civil Aviation Authority. Thanks to support from Dassault Aviation, the training was top quality and significantly reduced the costs of including the new aircraft type in the fleet. The selected aircraft was registered in China and was located at the Jet Aviation Singapore maintenance centre for a four-year inspection. A CAMO representative flew to Singapore to assess the aircraft's condition and quality of the maintenance performed. On-site inspection took about a week. Due to the spread of COVID-19 in Asia, however, our employee was recalled to Prague. Fortunately, most of the operational tests were still conducted on-site.

But COVID-19 cases were soon also recorded in the Czech Republic. Concerning the almost immediate border closures, we recalled all our employees from around the world. The company's management and employees made the first requests to work from home. The question remained whether the infrastructure and current internet connections, which operate through microwave transmission, would allow it at all. In theory, the declared connection speed is for one user, but in reality, it is shared throughout ABS Jets. Moreover, the demand for VPN connection is constantly increasing. There is also a need for an effective solution for online communication between employees, and external partners and clients. We selected the Microsoft Teams application to resolve this. In only two weeks, the programme went live, and we fully exploited it to communicate efficiently between individual teams.



## II. SPRING

THERE IS NO BETTER TIME TO GET  
TO KNOW THE TRUE VALUE OF THE COMPANY  
AND THE TEAM THAN IN TIMES OF CRISIS.

The extreme epidemiological situation forced us to separate employees into groups overnight. Those who could started working from home to perform their jobs and protect colleagues who continued to work at our facilities. For employees of the Technical Department, we introduced preventive two-shift operations to ensure the best possible distribution of technicians across one workplace. Some employees in the Flight Department restricted their aviation activities because it was not possible to travel. Aircraft rested on the ground. The company's management foresaw the potential scenarios which could result from the impact of flight restrictions on the company's 2020 results and introduced strict cost-saving measures as early as April.

In this entirely new working environment, it was desirable and essential to connect groups so that they could continue working together. This was accomplished, for example, with effective internal communications, coordinated management, digitalisation and the transition to an online environment. Working from home was legally covered, which made it an integral part of the working life of the company's employees.

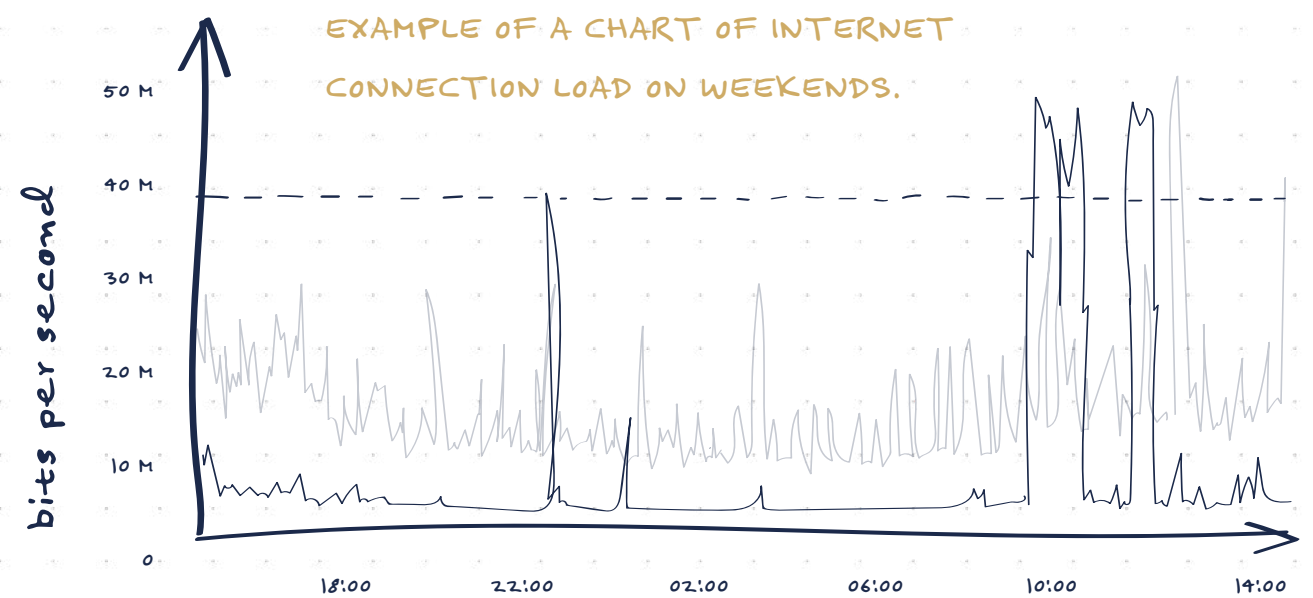
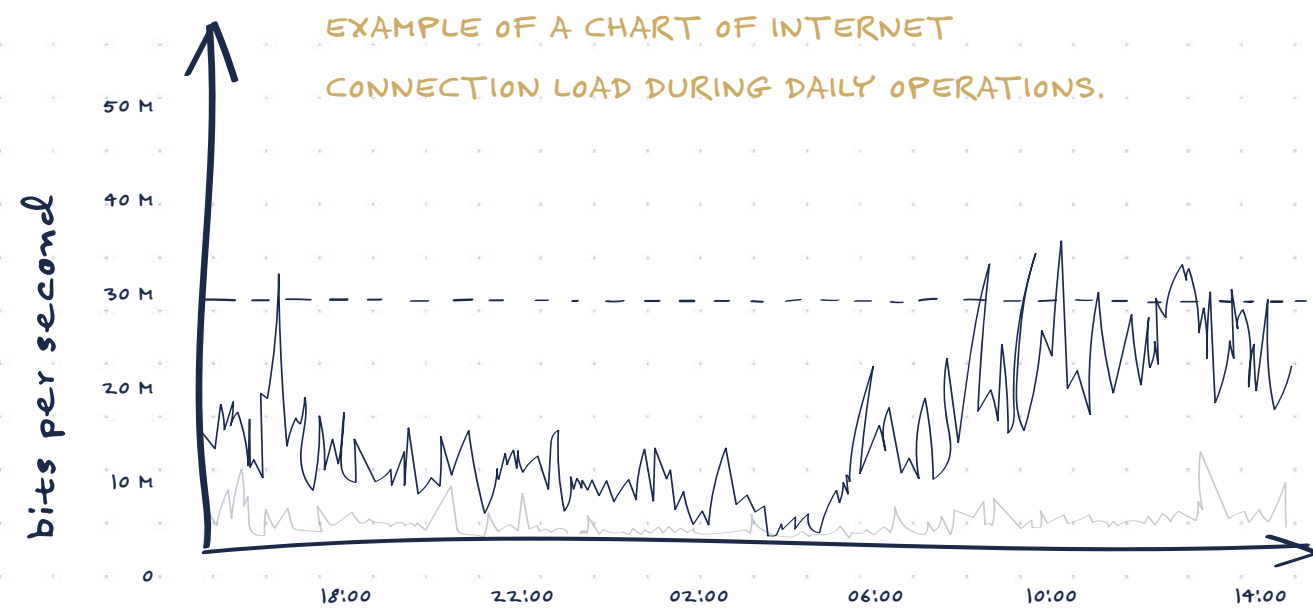
The relocation of many employees from the office to their homes logically resulted in a high load on the primary internet connection. Previously invested funds in high-quality infrastructure built with the products of world-renowned brands definitely gave us an advantage. Both the networks and their segments functioned flawlessly when the communication load increased or when new technologies were incorporated.

We analysed the requirements for a new exchange server. Our internal customers and employees submitted their needs for software, which were then summarised in an analysis of the requirements for Office 365. We investigated all the options to make informed decisions not only about the technology but also in terms of finance, quality and ergonomics, and with regard to flexibility, the lowest possible need for labour.

The OCC Department (Operations Control Centre) also faced new challenges. The number of scheduled flights was significantly less. The acronym "OCC" took on a new meaning for us, the "Operations Control Centre" gradually becoming the "Operations Covid Centre". Instead of standard dispatching and aviation tasks, it was engaged in daily and endless identification and verification of COVID-19 restrictions and sought out exceptions so that flights which had already been confirmed could be made. The situation, both in our country and abroad, was continuously evolving. Information which a dispatcher verified on one day might no longer have been valid the following day. Flights were more frequently







○ 95th Percentile    ○ outbound    ○ inbound

cancelled than established during this time, yet we faced an unprecedented situation. Repatriation flights were completely new to us. For the first time, the OCC team worked from home, whereas previously, it was inconceivable that air traffic would be handled from someone's living room.

Government and transnational restrictions continued to apply. The situation was chaotic at almost all destinations. Assisted by the OCC team, the Charter & Travel team provided clients with up-to-date travel information and helped them organise repatriation flights across continents.

The Ground Handling team had its hands full with parking grounded aircraft in designated parking areas and hangars. Traffic did not ease up there. Handling now involved even the smallest types of aircraft, including small sports aircraft.

In May, the Ground Handling team experienced a dramatic event, assisting in the emergency landing of a private Mooney M-20K aircraft registered in Austria, which landed without a flight plan or permission on the closed runway RWY 06.

We maintained our fleet's aircraft mainly in relation to short-term parking, which was required by the manufacturers. But things did, fortunately, get busy in the hangars. Teams of technicians worked simultaneously on two challenging and extensive inspections (C-check). We were able to maintain production and establish goals, even with the established COVID-19 preventive measures and two-shift operations. But what mattered was that we had work securely for several weeks in advance. The main thing was not to let the virus get close to us.

With the arrival of spring, we prepared to accept a new addition to our fleet: a Dassault Falcon 7X. This was the first aircraft from this manufacturer with the Czech registration OK-. However, delivery of the aircraft was complicated due to pandemic measures and required swift improvisation. A wide range of measures was introduced around the world and passenger air transport had gradually come to a halt. An external crew had to fly the aircraft from Singapore to Dubai, where the aircraft's registration would be changed. Once the "permit to fly" to Prague had been issued, the aircraft had to be reviewed for airworthiness for its first flight with new registration and a recommendation submitted to the CAA (Civil Aviation Authority) to issue the ARC (Airworthiness Review Certificate) for aircraft clearance. This meant that the aircraft records kept by the Chinese operator for the last four years had to be checked. We were happy to discover that most of the documents had been produced in two languages. After receiving all the necessary documentation, it was time for the special occasion to fly the aircraft from Dubai to Prague.

Soon after accepting the Falcon 7X, our fleet was awaiting yet another new addition – a Gulfstream G550. The aircraft had Czech registration, therefore the transfer of this aircraft to our management should have been an easy matter under normal circumstances. At the time, however, the administrative obligations were far too heavy. Fortunately, the Civil Aviation Authority was also an enormous help to us.

A rather sentimental event also took place – one of the oldest Embraer Legacy 600 aircraft in our fleet received a fresh look. The aircraft flew to Ostrava for a facelift after a comprehensive 16-year inspection. It looks amazing!

# III. SUMMER

MEASURES WERE EASED, AND WE FELT THAT WE MAY BE OUT OF THE WOODS.

Two challenging months had passed. The summer arrived with fewer restrictions. The atmosphere after the crisis relaxed, borders opened, and figures rapidly rose across departments. The Charter & Travel Department experienced its historically most successful month since its establishment. People enjoyed open borders, pleasant weather and a better mood throughout society. A new segment for Charter & Travel customers appeared on the market – former first-class and business-class passengers could now migrate to the business aviation segment as a result of insufficient services provided by commercial airlines.

For ABS Jets, the most challenging endeavour of the season was the international IS-BAO Stage III audit. This is an independent audit by the International Business Aviation Council (IBAC) which certifies those operators who meet high international safety standards in commercial air transport. This time, the audit was atypical. Since no flight connections were available, the auditors performed a remote audit online. Our teams were required to submit an extensive set of documents, and the usual in-person audit was conducted via video conferencing. Careful preparation rewarded us, and the auditors renewed our IS-BAO Stage III certification, which is the highest level of certification available, confirming our leading position on the market.

Since it was summer and the restrictions had eased, we had more opportunities to present our company. We provided financial support to the 2021 Gliding Championship of the Czech Republic in Tábor, and we also provided a large number of gifts for the student orientation days at the CTU Faculty of Transportation Sciences.

Summer at ABS Jets was also never idle with training. Although some training sessions could not be held because of anti-epidemic measures, our employees completed all the statutory training sessions for occupational health and safety and fire safety. Some training sessions required by law were completed via e-learning, such as the training for accountants and payroll accountants. We also organised a workshop led by an experienced external lecturer for our Team Leaders and Group Leaders at base maintenance.

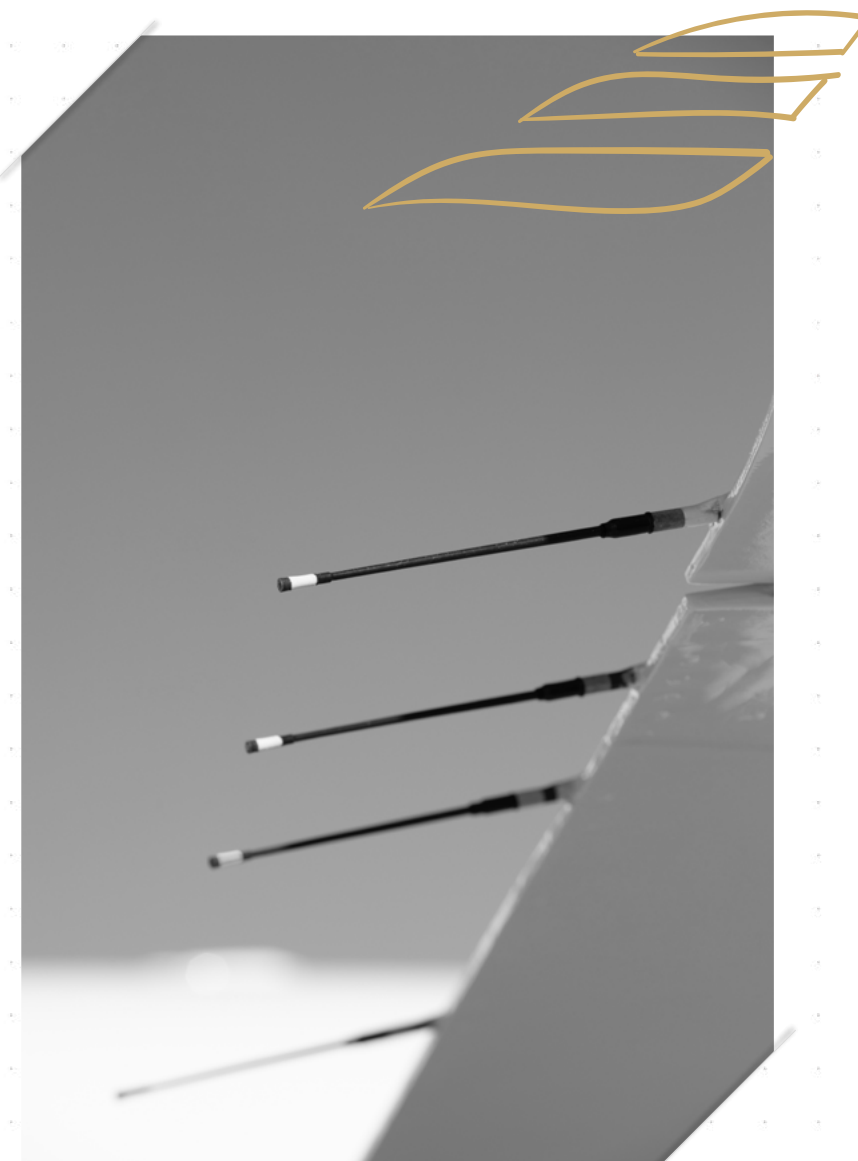
In addition to investments in human resources, a long-planned complete renovation of the floor in the eastern part of Hangar C was done in these months, together with an even longer planned renovation of the offices. This also involved expansion of our storage capacity, which again improved the quality and efficiency of our work. We were also driven by other investments, for example, an anti-collision system which is customised for our

cherry pickers in the maintenance service centre, and an update to the ESD control program (work with equipment sensitive to electrostatic discharge).

The OCC Department enjoyed an interesting project to support the Air Traffic Control calibration missions and presented a rare opportunity to plan the flights of a Czech Aero L-39 Albatros ground-attack aircraft.

During these hectic months, a CAMO employee responsible for the operation of the Airbus H145 helicopter took the initiative to conduct an annual inspection at the Bratislava station. With the support of the Bratislava line maintenance crew, he prepared and organised a type of annual inspection which had never been conducted by ABS Jets. After three weeks of enormous dedication from the entire team, the helicopter was released into service according to original expectations. From now on, we can also inspect helicopters. Bravo!

They say that chance favours the prepared mind. We add that chance favours the prepared professional mind. This is one of the reasons why we re-introduced the obligation to wear respirators in the workplace at the beginning of August. The measure seemed unpopular, however, we hoped that it would help us keep the virus out of our hangar doors.





## IV. AUTUMN

RESTRICTIONS WERE RE-INTRODUCED  
AS ANOTHER EPIDEMIC WAVE SWEEP  
THROUGH.

Replacement of one of our fleet aircraft, a Gulfstream G550, with a new Gulfstream G650ER posed another challenge. When we learnt about it in September, we only had a few days to prepare. The CAMO Department had to very quickly find a viable solution with an appropriate level of quality to oversee acceptance of the new Gulfstream G650ER in Savannah in the US. This time, administrative and technical acceptance of the new aircraft was not as complicated as acceptance of the Falcon 7X in spring.

Relating to the new aircraft accepted at our Prague base and according to our established company standards, we sent another ABS Jets technician to complete G650 type training in the US. This training was interrupted and only completed later as the first wave of the pandemic faded. We kept a positive attitude and enjoyed the fact that the line maintenance certification for two new aircraft types would let us grow, develop our maintenance centre and establish new goals.

We also knew that the first wave had passed. The word "first" suggested, unfortunately, that it would not be the last wave and that we needed even more preparations. We tightened our anti-epidemic controls even more.

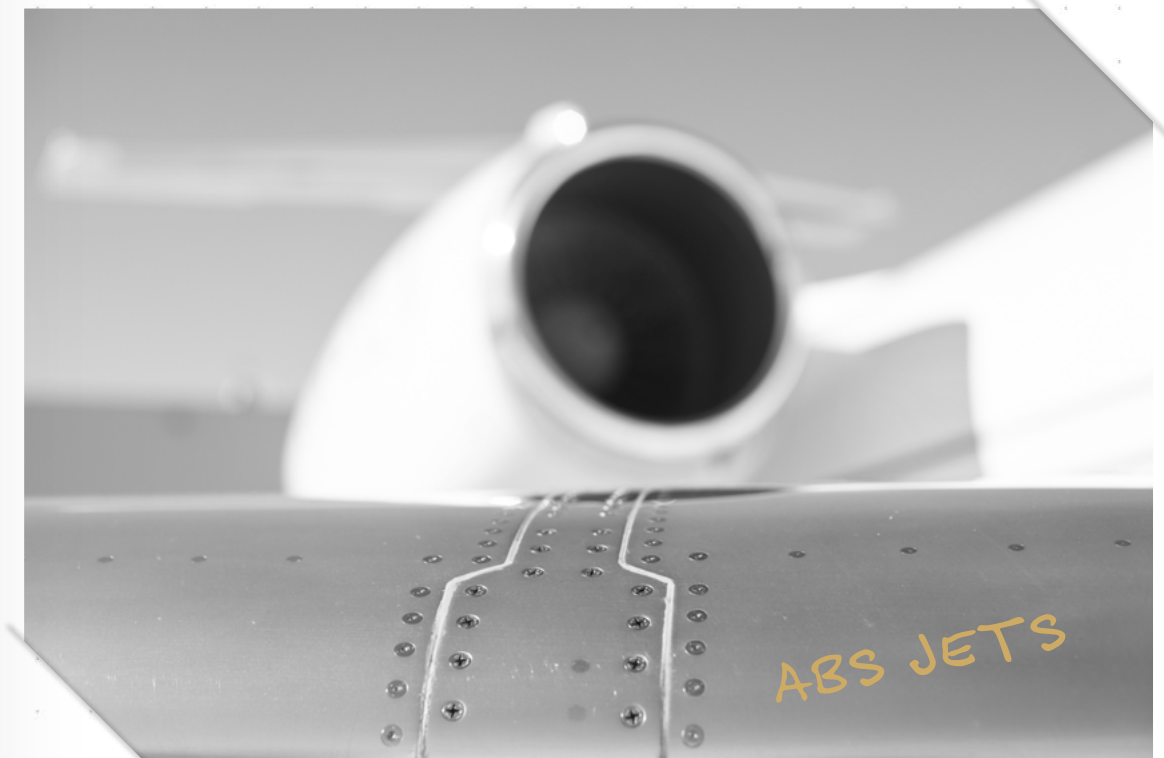
In autumn, we conducted a questionnaire survey focusing on the satisfaction of ABS Jets employees. The survey involved almost 80% of employees from Prague and Bratislava. Such a high level of participation is unique compared to the figures for the national average and demonstrated that our employees care about the company's operation and are highly engaged. The resulting data also confirmed that 70% of our employees are more than just employees. They are partners, colleagues and steadfast supporters who are not indifferent

to the company's operation and see their work as a significant and fulfilling part of their lives. The power of ABS Jets lies in its coordinated and cohesive teamwork and the involvement of all company employees. Positive results only motivate us to move even further ahead. We are headed in the right direction: that is what matters.

We welcome our new lessees in the renovated ABS Jets building. We successfully renovated the office premises, which has had a significant impact on our company – employees are now more connected, company-wide.

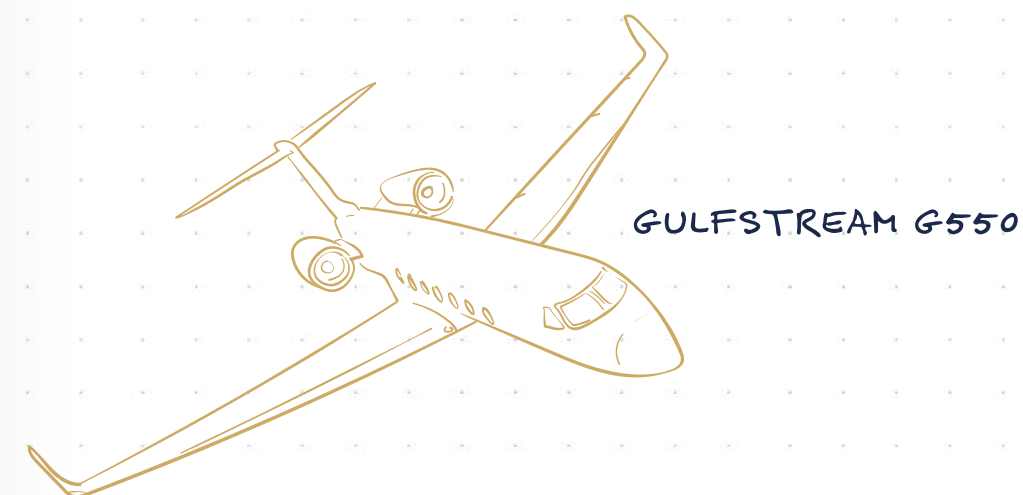
Operation of the Flight Department was intense and accounted for about 80% of the previous year's level. However, each flight had to be carefully planned with regard to the dynamic developments in the pandemic and related emergency measures. We maintained smooth operation with top-level security, although often at the cost of working intense nights well into the early morning hours looking for new ways and solutions.

In addition to other activities, we aligned the Charter & Travel Department's services with our flights, which experienced very strong fluctuations from month to month. The pandemic

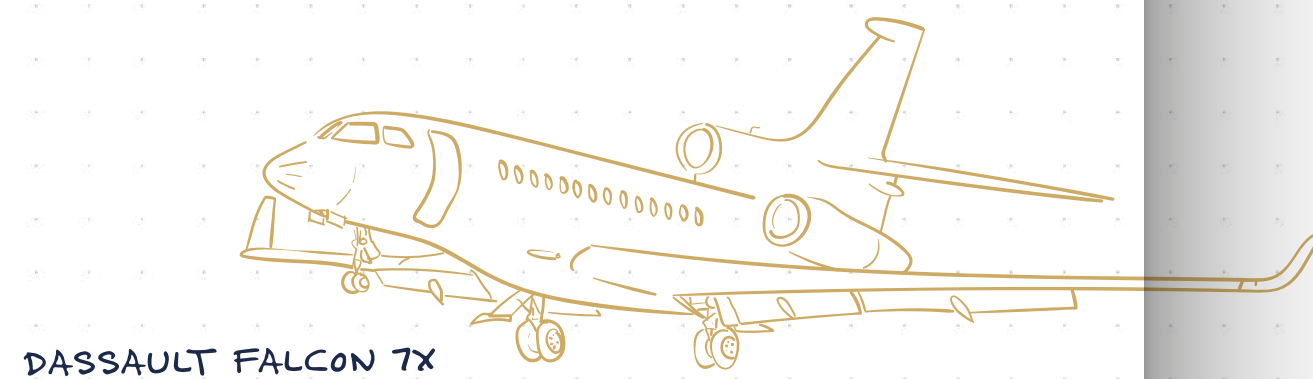


also limited the operation of hotels, and it was often a significant challenge to find accommodation for our crews. We initiated negotiations to work with Airstream and will be selling their Beechjet 400A exclusively on the open charter market from February 2021.

At the end of the year, we successfully passed a three-day IS-BAH Stage III audit and became the first Fixed Base Operator (FBO) in Europe with this highest-level certification, confirming the exceptional quality of our services. A week later, the Bratislava branch also successfully passed an IS-BAH Stage I audit, a historical first. We are one of the few jet operators worldwide to have achieved the highest level of IS-BAO and IS-BAH certifications at the same time.



# V. FLEET





# VI. LOOKING BACK

All the above may seem in some ways idyllic. Of course, such an unexpected and fundamental crisis was reflected in our results. Over the year, we registered a drop in sales across almost all departments. At one point, no aircraft were available to dispatch in Prague or Bratislava. No one required us to perform pre-flight and post-flight inspections for light maintenance, nor was there any need to arrange limousines for arrivals. There was no reason to plan flights, not within our own fleet nor for our traditional external clients around the world. There was nowhere to fly because borders were closed and complicated anti-pandemic measures were in place. Our planes rested on the ground. Nevertheless, the grounding of our fleet and aircraft of external operators benefitted in one area – our hangars were bursting at the seams.

In base maintenance, we encountered a blessing in disguise. At the time of outbreak of the pandemic, we had several weeks to months of work ahead. Our main concern therefore was to prevent the spread of the virus at ABS Jets, and we managed to do that together. Throughout the year, we continued to develop our technicians' experience in addition to their standard duties. We focused on improving the skills of our Group Leaders to enhance the support we give to mechanics, thus also enhancing the quality and efficiency of all our operations. We organised internal training for thirteen technicians dedicated to our principal Embraer Legacy 600/650 aircraft. We organised training for Team Leaders and Group Leaders and internal refresher training on individual aircraft types for certifying staff. Despite the challenging conditions, we hired seven new technicians and trained four new Team Leaders. We systematically concentrated on developing our technicians, improving the training programme and refining the training manuals to ensure that newcomers would be trained as effectively as possible. The production planning team, like other departments, worked partly from home improving procedures and implementing new ones.

Throughout the year, the coronavirus was a popular topic in the media. However, more attentive readers were able to learn, for example, that our aviation industry was experiencing its toughest crisis in history. Thousands of high-calibre employees lost their jobs, and many well-known airlines are out of business today. Because of its wide range of services, ABS Jets is one of the few aircraft operators which has preserved all its employees. The number of employees in December 2020 is almost the same as it was in the same period in 2019. At the end of 2020, the company had a total of 239 employees at its Prague base and 37 employees at the Bratislava base. In this reference period, employee fluctuation did not exceed 8%, and we can boast an optimal employee turnover. Our recruitment process throughout the year was ongoing and allowed us to establish working relationships with many new employees.

But the complicated year also had other positive aspects. For example, in terms of work flexibility, we saw that working from home was nothing to be concerned about, both for the company's management and employees. The morale of all employees remained at a very high level. At the same time, this manner of working has proven to be safe and efficient. It is clear then that we will continue to pursue the trend in digitalisation. The possibility of using state-of-the-art technology in the work environment is very attractive, especially to younger generations entering the workforce. In the future, digitalisation will provide a strong competitive advantage when selecting an employer. We can already see now that this time would bring about major changes in the labour market. People will value their jobs more, and companies will be able to better select qualified employees in the recruitment

process. We also believe that people will understand that job stability is an attractive benefit and an important value in their lives, which is exactly what ABS Jets offers.

The ABS Jets facilities have also been largely refurbished. In this respect, a significant amount of work is attributable to the Facility Department, which was assisted by the IT Department. The IT Department handled supply of the infrastructure for the new premises, especially to ensure suitable conference equipment, sufficient Wi-Fi coverage, deployment of infrastructure, access security, etc. Users and computer equipment could subsequently be moved to these offices.

The brunt of measures in target countries also hampered operations, but our employees coped, even with the often completely unexpected course of events. Moreover, they did it without clients realising how much hard work each flight required. ABS Jets was thus able to retain the attention and interest of its clients in all its business activities. This was not only due to the aviation segment in which it operates but also because the company maintained virtually full operations under a well-functioning internal system and was able to respond to client requests even during such challenging times. Well established internal processes were amply demonstrated with the import of new aircraft in 2020 and their inclusion in our fleet. Facing major global pandemic restrictions, ABS Jets set up sophisticated procedures for accepting, importing and commissioning aircraft.

Despite the adverse conditions, we proceeded with the plan for approved training and operation of fully qualified cabin crew members in accordance with Regulation (EU) 965/2012, Subpart CC. In practice, our plan aims to improve the qualifications of cabin crew members, especially in relation to operational safety and emergency management.

ABS Jets also underwent a partial rebranding. The idea was to preserve the graphic form of the logo yet bring the brand closer to employees, admirers, clients and partners and harmonise both internal and external representation and communications. This project will continue in 2021, when it should be completed.

Under its global promotions, the company traditionally prepared for several international fairs, including EBACE in Geneva, LABACE in São Paulo, RUBAE in Moscow and Schedulers & Dispatchers in Charlotte. Schedulers & Dispatchers allowed us to visit in person this year. All other industry events were either cancelled or transferred to virtual space.



# GOOD DEEDS

## SOCIAL RESPONSIBILITY AND THE ENVIRONMENT

This year, we decided to invest a substantial part of the funds originally intended for Christmas gifts to clients in a project for renovating the rooms of a children's home in Radenín. We are certain that both our clients and everyone at ABS Jets are mature enough to be delighted with small gifts, and those we gave this year were special. The event brought great joy not only to the children but also to the employees and management at the company. We would like to continue with this endeavour to benefit other similar, meaningful projects. We believe that our partners will appreciate this step, because it is now truer than ever that the strong should help those in need.

Furthermore, we naturally continued to purchase products and services under the facultative compensation scheme. Compared to last year, the company centralised its purchase of office supplies and work clothes and uniforms, and we purchased from suppliers linked to various sheltered workshops.

The environment and the aviation industry are a huge topic. Although it is not regularly discussed in society, and ignoring hoax topics such as chemtrails, etc., the facts about the impact of a single average flight, for example, compared to the extremely regulated emissions limits of the automotive industry, are regularly addressed by the media and posed in expert discussions. We are therefore also actively addressing the issue of reducing our carbon footprint by using Sustainable Aviation Fuel. It is also one of our company's advantages which has resulted from our strategy on social responsibility and the environment.

Under the completed renovations, we also replaced all existing lightbulbs with energy-saving LED lights. Not only new lights but also other components were strictly assessed from an ecological point of view.

All the common areas at our company are still equipped with special containers and bins for waste separation.

## SCIENCE AND RESEARCH

We assist university students, whether from the ranks of our own employees or external students, to complete their bachelor's, master's or PhD theses. We engage students directly in the operation of our departments, where they can verify and update their knowledge and gain work experience through part-time jobs.

We have traditionally cooperated with universities. Despite this year's adverse conditions, our Director of Ground Operations successfully gave several lectures at the University of Žilina.

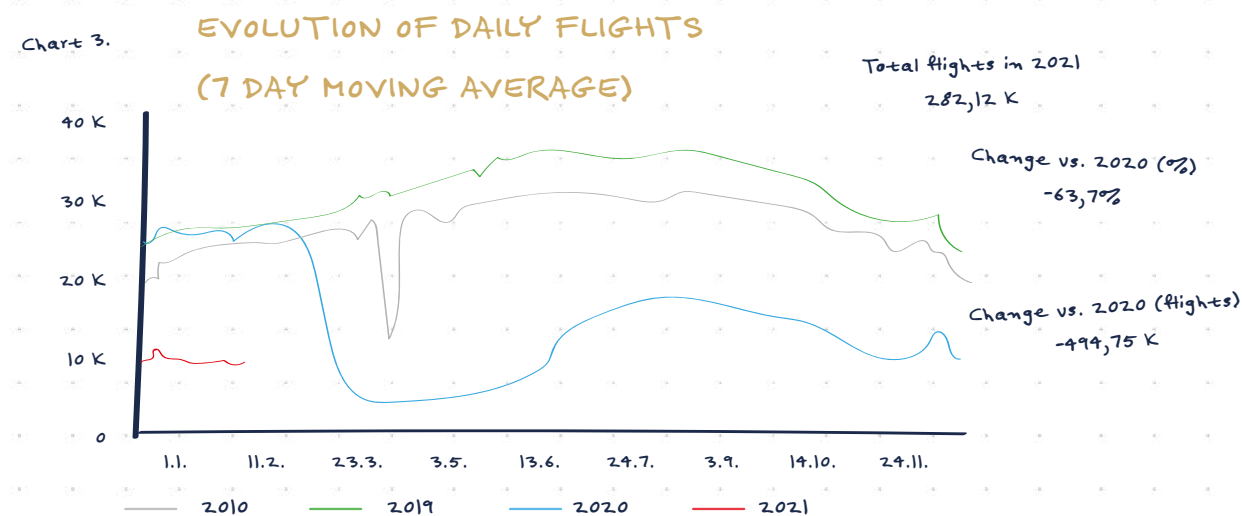
We continue to financially support student Adam Toman in his dream to pursue a career as an aerobatic stunt pilot. Of course, the number of competitions held in 2020 was limited, but Adam trained hard. We are confident that he will succeed in the 2021 championship.





# SEVERAL FIGURES IN CONCLUSION

Air traffic in 2020 stalled. After many years, we witnessed conditions which made it almost impossible to travel, for example, from Prague to Vienna by car, not to mention using a standard airline. This completely unprecedented general situation resulted in a **64%** year-on-year decline in flights in Eurocontrol member states (Chart 3. Source: Aviation Intelligence). Air traffic in the Czech Republic mirrored European air traffic. Although the year-on-year decline did not exceed **59%**, operations were still below 2002 levels. The most severe effects were noted in the spring during the first outbreak of the coronavirus crisis. Czech air corridors were partially inaccessible, and air traffic fell by more than **83%** (Source: Air Navigation Services).



Many of the world's traditional airlines are on their final legs, and many have inevitably had to shut down their operations. The business aviation sector fared better, mainly thanks to a new segment of customers and shift to private flights and the temporary return to normal during the summer months, which saw solid activity (Chart 4. Source: EBAA).

However, our company did not avoid a downturn. ABS Jets registered an approximately **20%** year-on-year decrease in departments related to operations (OCC Department, Charter & Travel Department, Ground Handling Department and partially Line Maintenance). The complete closure of borders in March and April 2020 created a decline in our fleet's operations by "only" 23%. The rest of the year was much more challenging while we strived to restore our numbers. For example, in the last year, we successfully performed seven C-checks (four-year inspection), four two-year inspections, eight annual and fourteen half-year maintenance inspections of Embraer Legacy 600 and Embraer Legacy 650 aircraft. We also conducted one two-year inspection of an Embraer Phenom 300. We successfully completed a historically first annual inspection (A-check) of a Gulfstream G550, which was another step in obtaining authorisation to perform regular maintenance on this manufacturer's aircraft. Since we are authorised to maintain Airbus H145 helicopters, we performed the first major inspection of this machine this year, specifically, an inspection of the 400FH/12MO at the Bratislava base. In 2020, the Technical Department worked 41,967

hours, which helped us exceed the milestone of an impressive 500,000 total hours worked. Besides supporting all the aircraft in our fleet, line maintenance technicians completed 58 projects for external clients at our bases in Prague and Bratislava and other airports in and outside Europe.

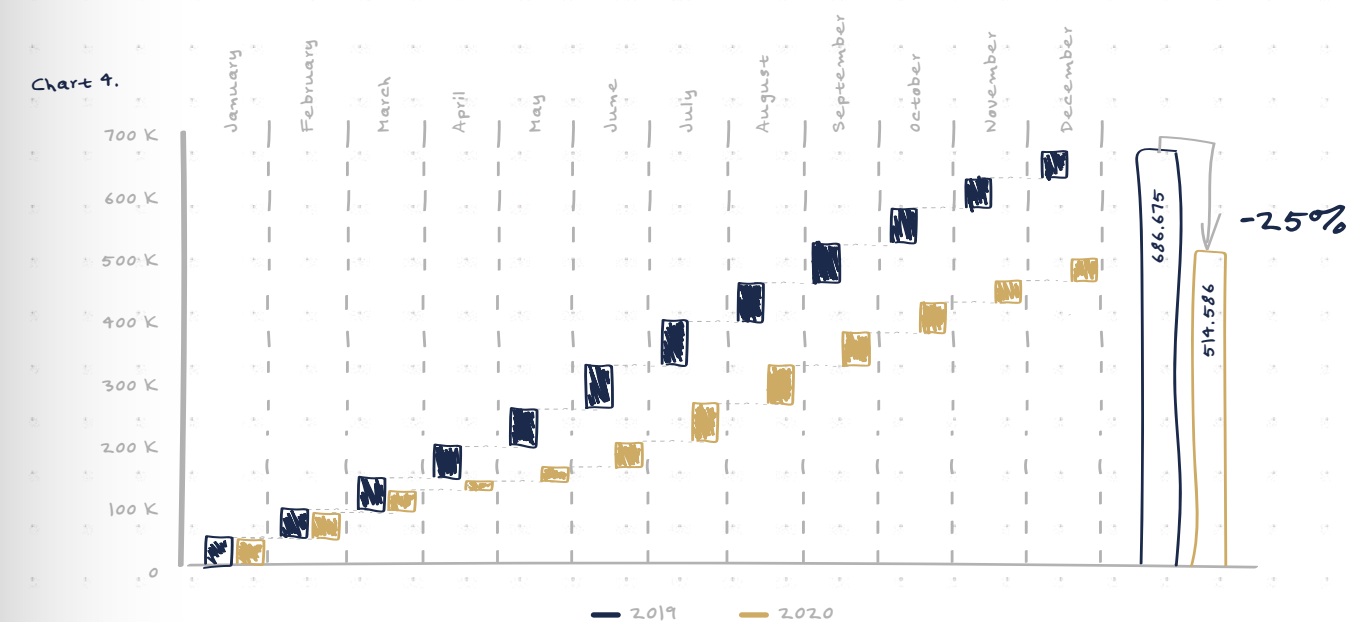
CAMO was not idle last year either. It managed 18 aircraft and performed 12 airworthiness reviews for the purpose of issuing an ARC (Airworthiness Review Certificate). However, this also involved six audits of aircraft registered outside the European Union. The year 2020 indeed saw many audits. Given the restrictions, audits were conducted remotely. In practice, this meant the representative of the aircraft registration authority did not visit ABS Jets in person. Instead, the CAMO team received an audit checklist and prepared the documentation for each aircraft for submission for review by the relevant authority. This was followed by physical inspections of the aircraft during which our CAMO employee used video conferencing to show the inspector around the aircraft and answer any questions. The audits did not discover any major findings, and all onboard documents were immediately extended for another year without affecting operation of the aircraft.

But 2020 was somehow also joyful and pleasant for the OCC team. A beautiful summer and autumn resulted in a greater than expected number of scheduled flights. The team planned a total of 4,785 flights to 495 different destinations for 105 aircraft and two helicopters.

Our Charter & Travel Department did not lag behind. It mediated over 500 flight hours on the fleets of partner operators. In the second half of the year, the department showed a 22% year-on-year increase in flight hours sold, enticing an entirely new segment of customers which previously flew with commercial airlines.

The Ground Handling base in Prague handled almost 2,000 aircraft, accounting for 86% of the number of aircraft handled in 2019. July and August were historically some of our most successful months. We acquired several new aircraft and clients, either for handling services or as a hangar parking provider. We towed more than 2,800 aircraft, drained 511 toilets and supplied aircraft with drinking water 334 times. We performed 18 handling supervisions at other Czech international airports, specifically in Pardubice, Ostrava, Brno and Karlovy Vary. The largest aircraft we supervised was an Ilushin IL-76 (MTOW 195,000 kg) in Pardubice. In Prague, we handled two large commercial aircraft (A319 and E190), which transported football teams (OGC Nice and Lille OSC) during the UEFA Europa League. Both had over 50 passengers on board. The oldest aircraft under our privilege to handle were two historic De Havilland DH-82 Tiger Moths.

The Bratislava base had to manage closure of the airport from March to almost June. However, we still established cooperation with several mainly Czech companies which actively use our handling services exclusively in Bratislava. A total of approximately one hundred rotations handled throughout 2020 will serve as a solid foundation for further development.



# VII. OUR EXPECTATIONS IN 2021

Despite all the events, the world seems to be well at its core. Or is it? For us, yes! We are looking forward to and believe in better times. And we do our best. At ABS Jets, we can proudly say that we met most of our set goals. It is clear that one of our major goals in 2021 will be to remain vigilant at all times and promptly respond to the continuously changing measures around the world. We will maintain flexibility, which is especially important in our industry. It is also now clear that the pandemic will not subside as quickly as it initially seemed, and we need to take this into account in the future. Our industry will therefore remain changed. However, we will strive to keep our leading position under the new conditions and fulfil the company's strategy for the following period. We can see today that many operators have been forced to compromise to the detriment of safety, but this is not how we operate.

Employees are and will continue to be a key element in our organisation. If the COVID-19 situation permits, we want to continue developing middle management's managerial skills, particularly in employee management and feedback. We will work on improving intra-company communications, with an emphasis on the transmission of relevant information, participative leadership and greater engagement.

## Our plans for 2021

- In 2020, we expanded our fleet with three large Gulfstream and Dassault aircraft. We want to continue this trend. We also plan to acquire new additions in 2021.
- At the Bratislava airport, we would like to further develop the provision of aircraft handling and passenger check-in services to external clients. Despite the adverse market conditions in 2020, we achieved exciting results and acquired new and important clients. We would like to build on this success.
- In the area of aircraft maintenance, we will proceed with the scheduled maintenance development plan for aircraft produced by the American private aircraft manufacturer Gulfstream. This plan is a significant and fundamental step in the future of ABS Jets. We will also concentrate on optimising the use of our resources, such as our technicians.
- In 2020, we could not execute all planned employee training sessions because of the restrictions affecting the industry. We would like to focus on this area to a much larger extent in 2021.
- We also want to build on our existing cooperation with universities and vocational schools for air traffic control and thus support the development of future professionals.
- Once the possibility to travel abroad is restored, we want to personally participate in the development of global business aviation through active membership in organisations such as GAMA, EBAA, NBAA and RUBAA.
- We are optimistic and believe that despite the adversity created by the global pandemic, we can maintain the quality of our services at the highest possible level in the forthcoming years.

ABS Jets performed well last year despite the extreme conditions. If it had been a "normal" year, it would have most certainly been the most successful year in the company's history. However, the economic results show the strength of our market position. Despite the global crisis, ABS Jets emerged from 2020 stronger than at the beginning of the year. We fully understood that we are not a fair-weather company, and the weather – as we know very well in our industry – can change quickly. We are ready and know for certain that we can handle any challenges.

Behind everything which ABS Jets achieved and overcame last year, there is a team of people, top managers and executive staff. We would like to thank everyone who did their best in 2020 to keep our company growing. The entire team dealt with countless challenging situations, which only brought us closer together to represent the true value and essence of our company.



# VIII. OUR MANAGEMENT



**Jan Králík**  
Chief Executive Officer / Accountable Manager



**Vladimír Šíp**  
Chief Technical Officer



**Eva Stoklásková**  
Legal Advisor



**Martin Orlita**  
Quality, Safety & Security Manager



**Jan Krčil**  
Flight Operations Manager  
(Helicopter Operations)



**Radek Doubek**  
Chief Finance Officer



**Jan Kot'an**  
Flight Operations Manager



**Michal Pazourek**  
Director of Ground Operations



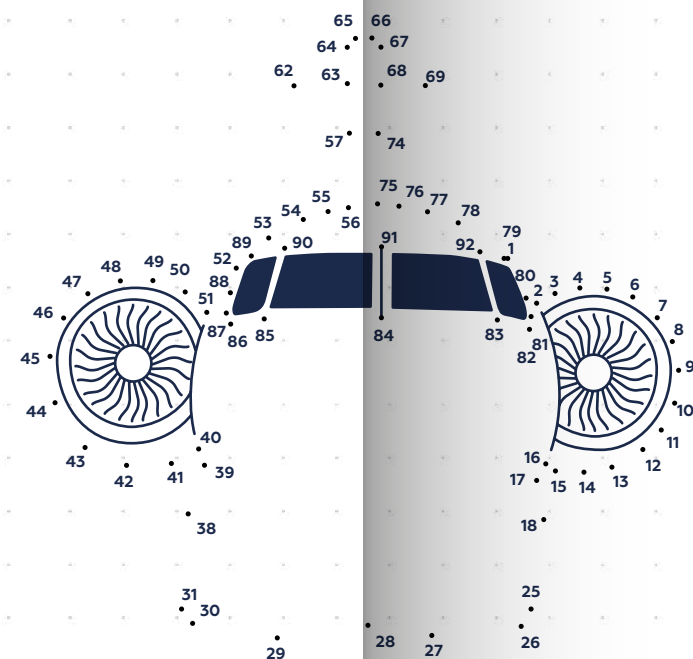
**Andrea Brdiarová**  
Customer Support Director

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# SWORN STATEMENT

ABS Jets, a.s. solemnly declares that all information and data disclosed in this Annual Report is truthful and that no important facts have been omitted.

Prague, on 25 May 2021



**Marcel Dostal**  
Chairman of the Board of Directors



**Jan Králík**  
Member of the Board of Directors

# IX. FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020 PREPARED  
IN ACCORDANCE WITH IFRS AS ADOPTED  
BY THE EUROPEAN UNION

**Company name:**  
ABS Jets, a.s.

**Registered office:**  
Hangár C, K Letišti 549, Ruzyně, 161 00 Prague 6, Czech Republic

**Legal form:**  
Akciová společnost

**Identification number:**  
271 63 628

BALANCE SHEET IN FULL FORMAT  
as at 31 December 2020 (in thousands of Czech crowns)

Ident.	ASSETS	line	Current period			Prior period
a	b	c	Gross 1	Adjust. 2	Net 3	Net 4
	TOTAL ASSETS	1	1 065 128	- 246 781	818 347	909 865
B.	Fixed assets	2	644 030	- 226 947	417 083	402 882
B.I.	Intangible fixed assets	3	37 629	- 32 011	5 618	5 399
B.I.2.	Intellectual property rights	4	33 791	- 28 232	5 559	18
B.I.2.1.	Software	5	33 791	- 28 232	5 559	18
B.I.4.	Other intangible fixed assets	6	3 838	- 3 779	59	80
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	7				5 301
B.I.5.2.	Intangible fixed assets under construction	8				5 301
B.II.	Tangible fixed assets	9	606 401	- 194 936	411 465	397 483
B.II.1.	Land and buildings	10	531 212	- 139 689	391 523	376 931
B.II.1.1.	Land	11	74 134	74 134	74 134	
B.II.1.2.	Buildings	12	457 078	- 139 689	317 389	302 797
B.II.2.	Plant and equipment	13	74 298	- 55 247	19 051	19 939
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	14	891		891	613
B.II.5.1.	Advance payments for tangible fixed assets	15	44		44	44
B.II.5.2.	Tangible fixed assets under construction	16	847		847	569
C.	Current assets	17	401 367	- 19 834	381 533	487 590
C.I.	Inventories	18	101 314	- 3 695	97 619	107 217
C.I.1.	Raw materials	19	95 173	- 3 695	91 478	105 568
C.I.2.	Work-in-progress and semi-finished products	20	5 347		5 347	
C.I.5.	Advance payments for inventories	21	794		794	1 649
C.II.	Receivables	22	268 228	- 16 139	252 089	346 530
C.II.1.	Long-term receivables	23	4 871		4 871	7 848
C.II.1.1.	Trade receivables	24	4 871		4 871	6 749
C.II.1.4.	Deferred tax asset	25				1 099
C.II.2.	Short-term receivables	26	263 357	- 16 139	247 218	338 682
C.II.2.1.	Trade receivables	27	194 156	- 15 999	178 157	218 465
C.II.2.4.	Receivables - other	28	69 201	-140	69 061	120 217
C.II.2.4.3.	Tax receivables	29	3 562		3 562	7 510
C.II.2.4.4.	Short-term advances paid	30	16 149	-140	16 009	6 779
C.II.2.4.5.	Estimated receivables	31	45 491		45 491	102 144
C.II.2.4.6.	Other receivables	32	3 999		3 999	3 784
C.IV.	Cash	33	31 825		31 825	33 843
C.IV.1.	Cash in hand	34	250		250	359
C.IV.2.	Bank accounts	35	31 575		31 575	33 484
D.	Deferrals	36	19 731		19 731	19 393
D.1.	Prepaid expenses	37	19 707		19 707	19 251
D.3.	Accrued revenues	38	24		24	142

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	Gross 5	Adjust. 6
	Equity	39	818 347	909 865
A.	Registered capital	40	258 515	254 736
A.I.	Registered capital	41	74 000	74 000
A.I.1.	Funds from profit	42	74 000	74 000
A.III.	Other reserve funds	43	5 085	5 085
A.III.1.	Retained earnings (+/-)	44	5 085	5 085
A.IV.	Retained profits or accumulated losses (+/-)	45	175 651	166 704
A.IV.1.	Profit (loss) for the current period (+/-)	46	175 651	166 704
A.V.	Liabilities	47	3 779	8 947
B. + C.	Provisions	48	557 787	651 488
B.	Other provisions	49	2 047	4 314
B.4.	Liabilities	50	2 047	4 314
C.	Long-term liabilities	51	555 740	647 174
C.I.	Liabilities to credit institutions	52	221 683	239 368
C.I.2.	Long-term advances received	53	212 036	227 268
C.I.3.	Deferred tax liability	54	9 202	12 100
C.I.8.	Short-term liabilities	55	445	
C.II.	Liabilities to credit institutions	56	334 057	407 806
C.II.2.	Short-term advances received	57	29 786	94 611
C.II.3.	Trade payables	58	88 769	41 001
C.II.4.	Liabilities - other	59	129 426	187 655
C.II.8.	Payables to employees	60	86 076	84 539
C.II.8.3.	Social security and health insurance liabilities	61	17 623	16 019
C.II.8.4.	Tax liabilities and subsidies	62	8 133	7 157
C.II.8.5.	Estimated payables	63	4 114	3 999
C.II.8.6.	Other payables	64	55 000	56 640
C.II.8.7.	Accruals	65	1 206	724
D.	Accrued expenses	66	2 045	3 641
D.1.	Accrued expenses	67	2 045	3 641



## INCOME STATEMENT - CLASSIFICATION BY NATURE

for the year ended 31 December 2020

Ident. a	INCOME STATEMENT b	řád. c	Current period 1	Prior period 2
I.	Revenue from products and services	1	1 763 651	1 856 150
A.	Cost of sales	2	1 356 243	1 452 019
A.2.	Materials and consumables	3	168 541	262 538
A.3.	Services	4	1 187 702	1 189 481
B.	Change in inventory of own production (+/-)	5	- 5 347	
D.	Personnel expenses	6	350 888	324 655
D.1.	Wages and salaries	7	266 084	247 637
D.2.	Social security, health insurance and other expenses	8	84 804	77 018
D.2.1.	Social security and health insurance expenses	9	79 226	72 810
D.2.2.	Other expenses	10	5 578	4 208
E.	Adjustments relating to operating activities	11	23 335	21 751
E.1.	Adjustments to intangible and tangible fixed assets	12	18 946	19 207
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	13	18 946	19 207
E.2.	Adjustments to inventories	14	139	1 227
E.3.	Adjustments to receivables	15	4 250	1 317
III.	Other operating revenues	16	9 780	3 997
III.1.	Proceeds from disposals of fixed assets	17	331	569
III.3.	Miscellaneous operating revenues	18	9 449	3 428
F.	Other operating expenses	19	28 866	23 819
F.1.	Net book value of fixed assets sold	20		1 361
F.3.	Taxes and charges	21	2 272	2 030
F.4.	Provisions relating to operating activity and complex prepaid expenses	22	- 2 267	1 225
F.5.	Miscellaneous operating expenses	23	28 861	19 203
*	<b>Operating profit (loss) (+/-)</b>	<b>24</b>	<b>19 446</b>	<b>37 903</b>
VI.	Interest revenue and similar revenue	25	4	3
VI.2.	Other interest revenue and similar revenue	26	4	3
J.	Interest expense and similar expense	27	11 949	15 165
J.2.	Other interest expense and similar expense	28	11 949	15 165
VII.	Other financial revenues	29	53 281	14 002
K.	Other financial expenses	30	53 509	24 572
*	<b>Profit (loss) from financial operations</b>	<b>31</b>	<b>- 12 173</b>	<b>- 25 732</b>
**	<b>Profit (loss) before tax (+/-)</b>	<b>32</b>	<b>7 273</b>	<b>12 171</b>
L.	Income tax	33	3 494	3 224
L.1.	Current tax	34	1 950	3 224
L.2.	Deferred tax (+/-)	35	1 544	
**	<b>Profit (loss) after tax (+/-)</b>	<b>36</b>	<b>3 779</b>	<b>8 947</b>
***	<b>Profit (loss) for the accounting period (+/-)</b>	<b>37</b>	<b>3 779</b>	<b>8 947</b>
*	<b>Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.</b>	<b>38</b>	<b>1 826 716</b>	<b>1 874 152</b>

## CASH FLOW STATEMENT

for the year ended 31 December 2020

	Current period	Prior period
<b>P. Cash and cash equivalents, beginning of period</b>	<b>33 843</b>	<b>56 947</b>
<b>Net operating cash flow</b>		
Z. Accounting profit (loss) from ordinary activities	7 273	12 171
A.1. Non-cash transactions	34 984	38 930
A.1.1. Depreciation and amortisation of fixed assets	18 946	19 207
A.1.2. Change in:	2 122	3 769
A.1.2.2. provisions and other adjustments	2 122	3 769
A.1.3. Profit(-) Loss(+) on sale of fixed assets	-331	792
A.1.5. Expense and revenue interests accounted for	11 945	15 162
A.1.6. Other non-cash transactions	2 302	
<b>A.* Net operating cash flow before taxation and changes in working capital</b>	<b>42 257</b>	<b>51 101</b>
A.2. Changes in working capital	85 671	- 57 842
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	86 732	- 125 826
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	- 10 520	93 756
A.2.3. Change in inventories	9 459	- 25 772
<b>A.** Net operating cash flow before taxation</b>	<b>127 928</b>	<b>- 6 741</b>
A.3. Interest paid excluding amounts capitalised	- 11 949	- 15 165
A.4. Interest received	4	3
A.5. Income tax paid on ordinary income and income tax relating to prior periods	- 2 230	- 3 719
<b>A.*** Net operating cash flow</b>	<b>113 753</b>	<b>- 25 622</b>
<b>Investing activities</b>		
B.1. Acquisition of fixed assets	- 33 147	- 10 538
B.1.1. Acquisition of tangible fixed assets	- 32 889	- 8 232
B.1.2. Acquisition of intangible fixed assets	-258	- 2 306
B.2. Proceeds from sales of fixed assets	331	569
B.2.1. Proceeds from sales of tangible and intangible fixed assets	331	569
<b>B.** Net cash flow from investing activities</b>	<b>- 32 816</b>	<b>- 9 969</b>
<b>Financing activities</b>		
C.1. Change in long-term resp.short-term liabilities from financing	- 82 955	12 487
<b>C.*** Net cash flow from financing activities</b>	<b>- 82 955</b>	<b>12 487</b>
<b>F. Net increase or decrease in cash balance</b>	<b>- 2 018</b>	<b>- 23 104</b>
<b>R. Cash and cash equivalents, end of period</b>	<b>31 825</b>	<b>33 843</b>

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Registered capital	Other reserve funds	Retained profits or accumulated losses (+/-)	Profit (loss) for the current period	Total
<b>Balance as at 1.1.2020</b>	<b>74 000</b>	<b>5 085</b>	<b>166 704</b>	<b>8 947</b>	<b>254 736</b>
Transfer of the profit (loss) of prior year period	--	--	8 947	-8 947	--
Profit (loss) for the current period	--	--	--	3 779	3 779
<b>Balance as at 31.12.2020</b>	<b>74 000</b>	<b>5 085</b>	<b>175 651</b>	<b>3 779</b>	<b>258 515</b>

	Registered capital	Other reserve funds	Retained profits or accumulated losses (+/-)	Profit (loss) for the current period	Total
<b>Balance as at 1.1.2019</b>	<b>74 000</b>	<b>5 085</b>	<b>166 654</b>	<b>50</b>	<b>245 789</b>
Transfer of the profit (loss) of prior year period	--	--	50	-50	--
Profit (loss) for the current period	--	--	--	8 947	8 947
<b>Balance as at 31.12.2019</b>	<b>74 000</b>	<b>5 085</b>	<b>166 704</b>	<b>8 947</b>	<b>254 746</b>

# X. NOTES TO THE 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 2020

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 Prague 6 - Ruzyně

Czech Republic

### Identification number

271 63 628

### Members of the board of directors and supervisory board as at 31 December 2020

#### Members of the board of directors:

Ing. Marcel Dostál (chairman)

Ing. Andrea Brdiarová (member)

Ing. Jan Králík (member)

#### Members of the supervisory board:

Ing. Richard Sedláčko (chairman)

Ing. Markéta Bobková (member)

Ing. 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
Buildings, halls and structures	30–50
Machinery and equipment	2–5
Vehicles	4–10
IT equipment	2–5
Intangible assets	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	Intangible fixed assets under construction	Total 2020	Total 2019
<b>Acquisition cost</b>					
Opening balance	28 730	3 838	5 301	<b>37 869</b>	<b>35 563</b>
Additions	258	--	--	<b>258</b>	<b>2 306</b>
Disposals	-498	--	--	<b>-498</b>	<b>--</b>
Transfers	5 301	--	- 5 301	<b>--</b>	<b>--</b>
Closing balance	33 791	3 838	--	<b>37 629</b>	<b>37 869</b>
<b>Accumulated amortisation</b>					
Opening balance	28 712	3 758	--	<b>32 470</b>	<b>32 412</b>
Amortisation expense	18	21	--	<b>39</b>	<b>58</b>
Disposals	-498	--	--	<b>-498</b>	<b>--</b>
Transfers	--	--	--	<b>--</b>	<b>--</b>
Closing balance	28 232	3 779	--	<b>32 011</b>	<b>32 470</b>
Net book value 1 Jan	18	80	5 301	<b>5 399</b>	<b>3 151</b>
Net book value 31 Dec	5 559	59	--	<b>5 618</b>	<b>5 399</b>

**B) Tangible fixed assets**

	Land	Buildings	Machinery, equipment, vehicles	Low value assets	Tangible fixed assets under con- struction	Advances paid	Total 2020	Total 2019
<b>Acquisition cost</b>								
Opening balance	74 134	430 496	62 916	8 734	569	44	<b>576 893</b>	<b>584 402</b>
Additions	--	26 013	5 022	1 007	847	--	<b>32 889</b>	<b>8 232</b>
Disposals	--	--	-2 927	-454	--	--	<b>-3 381</b>	<b>-15 741</b>
Transfers	--	569	--	--	-569	--	<b>--</b>	<b>--</b>
Closing balance	74 134	457 078	65 011	9 287	847	44	<b>606 401</b>	<b>576 893</b>
<b>Accumulated depreciation</b>								
Opening balance	--	127 699	44 025	7 686	--	--	<b>179 410</b>	<b>174 641</b>
Depreciation expense	--	11 990	6 000	917	--	--	<b>18 907</b>	<b>19 149</b>
Disposals	--	--	-2 927	-454	--	--	<b>-3 381</b>	<b>-14 380</b>
Transfers	--	--	--	--	--	--	<b>--</b>	<b>--</b>
Closing balance	--	139 689	47 098	8 149	--	--	<b>194 936</b>	<b>179 410</b>
Net book value 1 Jan	74 134	302 797	18 891	1 048	569	44	<b>397 483</b>	<b>409 761</b>
Net book value 31 Dec	74 134	317 389	17 913	1 138	847	44	<b>411 465</b>	<b>397 483</b>

**4. Inventories**

At the stocktaking held on 31 December 2020 the Company identified gross balance of material inventories of TCZK 95 173 (2019 – TCZK 109 124). 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 2020, the Company created an adjustment to inventories of TCZK 3 695 (2019 – TCZK 3 556).

**5. Trade receivables and payables**

A) Short-term trade receivables total TCZK 194 156 (2019 – TCZK 230 214), of which TCZK 68 316 (2019 – TCZK 115 670) is overdue. An adjustment of TCZK 15 999 (2019 – TCZK 11 749) was set up at 31 December 2020 for doubtful receivables.

The Company records long-term trade receivables of TCZK 4 871 (2019 – TCZK 6 749). The Company records no long-term receivables that are due in more than five years.

B) Short-term trade payables total TCZK 129 426 (2019 – TCZK 187 655), of which TCZK 38 250 (2019 – TCZK 74 421) 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 2020, 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 88 769 (2019 – TCZK 41 001).

**7. Estimated receivables**

As at 31 December 2020, the estimated receivables of TCZK 45 491 (2019 – TCZK 102 144) include in particular uninvoiced revenue from aircraft maintenance and flight sales.

**8. Estimated payables**

As at 31 December 2020, the estimated payables of TCZK 55 000 (2019 – TCZK 56 640)

include uninvoiced expenses incurred for the lease and operation of aircraft (handling, airport and overflight charges, fuel, etc.) and expenses for aircraft maintenance.

**9. Adjustments**

	Adjustment to inventory	Adjustment to receivable	Total
Balance at 1/1/2020	3 556	11 889	15 445
Additions/release/utilisation	139	4 250	4 389
Balance at 31/12/2020	3 695	16 139	19 834

**10. Registered capital**

	Registered capital
Balance at 31/12/2019	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 31/12/2020	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 2020.

**12. Provisions**

	Provision for untaken holidays	Income tax provision
Balance at 1/1/2020	4 314	3 122
Additions/utilisation/release	-2 267	-1 467
Balance at 31/12/2020	2 047	1 655
Income tax prepayments	--	-2 532
Balance at 31/12/2020 less income tax prepayments	2 047	-877

In 2020, the income tax provision of TCZK 1 655 (2019 – TCZK 3 122) was reduced by income tax prepayments of TCZK 2 532 (2019 – TCZK 3 719). The net receivable of TCZK 877 is recorded in tax receivables (2019 – the net receivable of TCZK 597 was recorded in tax receivables). Other provisions of TCZK 2 047 (2019 – TCZK 4 314) represent a provision for untaken holidays of employees.



13. Liabilities to credit institutions

Loans and other financial liabilities

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* Komerční banka, a.s.	CZK	13 % p.a.	20. 1. 2021	246	246	--	--
Total				241 822	29 786	56 000	156 036

\*Overdraft loan

31 December 2019	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	239 268	12 000	53 000	174 268
Loan KTK* PPF banka a.s.	CZK	1M PRIBOR / EURIBOR / LIBOR + 2,20 % p.a.	30. 1. 2020	82 397	82 397	--	--
Loan KTK* Komerční banka, a.s..	CZK	13 % p.a.	20. 1. 2020	214	214	--	--
Total				321 879	94 611	53 000	174 268

\*Overdraft loan

As at 31 December 2020, the Company drew an overdraft loan "KTK Komerční banka, a.s." of TCZK 246 (2019 – TCZK 214) with a credit line of up to TCZK 500.

As at 31 December 2020, the Company drew an overdraft loan "KTK PPF banka a.s." of TCZK 15 540 (2019 – TCZK 82 397) with a credit line of up to TCZK 160 000 and a long-term fixed-term loan "Loan PPF banka" of TCZK 226 036 (2019 – TCZK 239 268)

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 241 576 (2019 – TCZK 321 665), 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 2020 and 2019 are disclosed in the following tables:

	Flights and related services	Maintenance	Other	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

	Flights and related services	Maintenance	Other	Total 2019
Czech Republic	375 810	3 426	90 007	469 243
Ireland	15 828	105 579	168 647	290 054
Cyprus	255 959	859	18 985	275 803
British Virgin Islands	117 056	10 820	112 906	240 782
Slovakia	82 146	21 593	8 244	111 983
Netherlands	98 889	0	3 628	102 517
Russia	0	57 135	1 697	58 832
Other	68 693	175 936	62 307	306 936
Total	1 014 381	375 349	466 421	1 856 150

15. Services

	2020	2019
Lease of aircraft*	738 764	690 576
Airport charges	24 037	28 073
Navigation charges	18 033	29 524
Handling	34 543	52 883
Fees for replacement of spare parts	34 284	42 567
Accommodation	18 475	25 485
Training and workshops	38 521	37 585
Labour hire	17 048	26 911
Meal allowance	7 550	10 047
Repair of aircraft	67 387	54 068
Repair of spare parts	48 193	38 151
Travel expenses	5 694	8 765
Lease of land and buildings	23 507	19 251
Change service	20 083	14 929
Hangarage and parking aircraft	11 218	13 539
Other services	80 365	97 127
Total	1 187 702	1 189 481

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

**16. Materials and consumables**

	2020	2019
Aviation fuel	66 544	128 073
Spare parts for aircraft	60 971	93 313
Catering	13 493	20 613
Other	27 533	20 539
<b>Total</b>	<b>168 541</b>	<b>262 538</b>

**17. Fees payable to statutory auditors**

As at 31 December 2020, the Company records expenses incurred on statutory audit totalling TCZK 600 (2019 – TCZK 600).

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

Average number of executives, employees and personnel expenses for 2020:

	Number of employees	Wages and salaries	Social security and health insurance expenses	Social expenses	Total
Executives	9	35 985	9 378	101	45 464
Employees	259	230 099	69 848	5 477	305 424
<b>Total</b>	<b>268</b>	<b>266 084</b>	<b>79 226</b>	<b>5 578</b>	<b>250 888</b>

Average number of executives, employees and personnel expenses for 2019:

	Number of employees	Wages and salaries	Social security and health insurance expenses	Social expenses	Total
Executives	8	22 978	8 222	99	31 299
Employees	249	224 659	64 588	4 109	293 356
<b>Total</b>	<b>257</b>	<b>247 637</b>	<b>72 810</b>	<b>4 208</b>	<b>324 655</b>

In 2020, the remuneration paid to board members totalled TCZK 1 469 (2019 – TCZK 1 879).

**19. Social security and health insurance liabilities**

As at 31 December 2020, social security and health insurance liabilities total TCZK 8 133 (2019 – TCZK 7 157), of which TCZK 4 851 (2019 – TCZK 4 295) relates to social security liabilities and TCZK 3 282 (2019 – TCZK 2 862) to health insurance liabilities. None of these liabilities are overdue.

**20. Tax liabilities**

As at 31 December 2020, tax liabilities amount to TCZK 4 114 (2019 – TCZK 3 999). 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 a tax estimate for 2020 of TCZK 1 655 (2019 – TCZK 3 122) and an adjustment to the tax estimate for 2019 of TCZK 295 (2019 – TCZK 102).

**B) Deferred tax**

The deferred tax liability value of TCZK 445 (2019 – a deferred tax asset of TCZK 1 099) 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 (2019 – 19%).

**22. Related parties****A) Transactions with related parties**

In 2020 and 2019, the Company did not carry out any transactions with shareholders. In 2020 and 2019, the Company did not carry out any transactions with related parties that were not concluded based on the arm's length principle.

B) In 2020 and 2019 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 2020 and 2019, 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, and an office and an information booth at Václav Havel Airport. In 2020, the total cost of the leases amounted to TCZK 23 507 (2019 – TCZK 19 251).

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

	31. december 2020	31. december 2019
Less than one year	6 307	6 135
Between two and five years	25 228	25 540
More than five years	63 070	67 485
<b>Total</b>	<b>94 605</b>	<b>98 160</b>

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 11 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. In 2020, the total cost of the leases of aircraft amounted to TCZK 738 764 (2019 – TCZK 690 576).

In 2020, the Company had an operating lease for four vehicles (2019 – three vehicles); the cost totalled TCZK 691 (2019 – TCZK 605).

**24. Contingencies and commitments**

As at 31 December 2020, the Company records a bank guarantee of TCZK 14 000 (2019 – 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:

	Zůstatek k 31.12.	
	2020	2019
Cash	31 825	33 843
<b>Cash and cash equivalents</b>	<b>31 825</b>	<b>33 843</b>

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

## 26. Material events and assessment of the impact of COVID-19 pandemic

In 2020, the Company's activities were negatively affected by the 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. The Company was thus partially affected by the COVID-19 pandemic, and compared to the previous year generated smaller revenues, caused in particular by a drop in the volume of flight performance and a fall in departments directly connected with operation, i.e. the operating control, sales, handling, and partial light aircraft maintenance units.

To mitigate the risks resulting from the adverse impacts of the pandemic on the sector in which the Company operates the management implemented several measures, notably including:

- implementation of a work from home programme on a rotational basis for a significant group of administrative employees as well as separate shifts for employees who must perform their work directly on-site
- limitation of evitable expenses to optimise costs (e.g. trainings, investments in assets), without suspension of Company activities, so that all employees could perform their work at all times
- diversification of the Company's activities into segments that were affected by COVID-19 to a minimal extent and looking for new business opportunities
- regular assessment of available cash, achieved financial results and the performance of financial covenants (that the Company fulfils) on a regular basis. At the same time, the forecast of cash flows and financial results was updated.

The Company uses a standard external credit financing in form of a term loan and an overdraft. Up to the present day, the Company has not drawn up the maximum credit facility of the overdraft of MCZK 160 and in case of need, the Company may draw additional funds that will provide for the Company's operation financially. At the same time, the Company has a significant balance of cash on a bank account and a positive working capital. Although 2020 was largely affected by COVID-19, the Company was able to generate profit.

In management's view, the above factors support the assertion that the Company will have sufficient resources to continue for a period of at least 12 months from the reporting date. Management has concluded that the range of possible outcomes it has considered during the year does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. However, the management cannot preclude the possibility that the prolongation of

current measures, or tightening of lock downs, or their consequential adverse impact on the economic environment the Company operates in, will have an adverse effect on the Company, its financial position and operating results, in the medium and longer term. The Company's management continues to monitor the situation closely and will respond to mitigate the impact of such events and circumstances as they occur.

## 27. Material subsequent events

The Company's management is not aware of any events that have occurred since the balance sheet date that would have any material impact on the financial statements as at 31 December 2020.

Prepared on: 25 May 2021

  
**Marcel Dostal**  
Chairman of the board of directors

  
**Jan Králík**  
Member of the board of directors



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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 2020, 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 2020, 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

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# **XI. AUDITOR'S REPORT**



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, 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 2020, based on which this independent auditor's report has been prepared.

Prague  
25 May 2021

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

M. Štegová  
Martina Štegová  
Partner  
Registration number 2082





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