

Registered No: 06617647



VistaJet International Limited

Report and Financial Statements

31 December 2020



Corporate Information

Registered No: 06617647

Directors

R Batchelor (appointed 15 June 2021)
I Rubli (appointed 15 June 2021)
I Moore (resigned 30 June 2021)

Secretary

I Rubli

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London
E14 5LB

Solicitors

Denton Wilde Sapte LLP
1 Fleet Place
London
EC4M 7WS

Registered office

52 Charles Street
London
W1J 5EU

Strategic Report

Registered No: 06617647

The directors present their Strategic Report for the year ended 31 December 2020.

Principal activities and review of the business

VistaJet International Limited (the “Company”) acts as a customer relationship agent and manages the marketing effort on behalf of the VistaJet Group (the “Group”). The Company also acts as a payroll agent for the Group’s UK based air crew and provides IT development services in respect of the Group’s in-house systems and applications. The Company earns revenues on a cost-plus basis in respect of services provided to the Group.

The Group operates in a large and growing business aviation market and its customer base of global corporations and Ultra High Net Worth Individuals remains attractive and growing.

The Group operates a superior fleet of 74 aircraft (23 owned and 51 operating lease) and 1 helicopter at year end 2020. These aircraft are all from industry leading manufacturer Bombardier, embracing the highest levels of luxury, safety, security and reliability which the Group’s customers expect and with an average age of 5.4 years across the fleet as at 31 December 2020.

The Group is committed to minimising the effect of flying on the environment and operate a state-of-the-art fleet that feature the latest advancements in technology and emission efficiency, and also participates in the EU Emissions Trading Scheme.

The Board intends to continually review the costs of the business and deliver efficiencies while maximising the support to the Group as it positions itself to strengthen its presence in existing markets and target areas that it deems strategic to its growth requirement.

The outlook for the Group is continued revenue growth through Program sales to both new and existing customers. These customers will be derived from a diverse segment of industries globally. A large portion of the Group’s overheads are fixed and thus incremental revenue will drive margin improvement as witnessed in 2020.

The Company intends to continue to manage all aspects of customer relationship for air transportation sales and marketing costs on behalf of the Group.

The Company’s transactions and funding cash flows have historically been primarily denominated in the Euro, consequently the Company’s functional currency is the Euro. The Euro is also the Company’s presentational currency.

Impact from Covid-19 to Group and Company

Whilst the COVID-19 pandemic did not have effects on the financial results and position of the Company as a standalone entity, it has impacted the Group as a whole. Since the Company’s principle activity is solely to provide service to the group, the directors have assessed whether the impact on the Group will materially affect the operations of the Company. The Group recognises that the key risk and uncertainty of its operations is that of not being able to provide flight services to its clients due to travel bans and the closure of several airports around the globe, with the main aim being that of containing the spread of the virus. Governments have promptly responded to this economic slowdown through multiple monetary and fiscal interventions to stabilise economic conditions.

In assessing the potential impact that the COVID-19 pandemic has had and will have on its operations, the Group has performed an extensive analyses and cash flow forecasts. The Group has based its forecasts on a number of reasonable assumptions and on the available information, management is satisfied that the Group has sufficient access to cash resources and facilities to meet obligations as and when they become due and payable.

The Company’s management has taken the following actions to assist in mitigating the risks from the downturn in activity and minimize the impact of COVID-19 to the Group as a whole.

Strategic Report

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Impact from Covid-19 to Group and Company (continued)

Grants and loans:

- Business loans available in the UK, funding via both salary grants and loans have been obtained in 2020.

Employee related:

- Job retention schemes such as the UK's Furlough Scheme obtained
- All crew and flight operational teams are being retained to be in a position to re-activate activity without significant disruption in a short period of time
- For a very large proportion of non-furloughed (or equivalent scheme) staff we are reducing salaries, by on average 20% and the Group's Executive team have committed to a 50% reduction in their salaries.

General costs:

- All discretionary spending has been stopped.

Notwithstanding the fact that there is uncertainty as to how long the COVID-19 restrictions will last, unlike commercial aviation which has almost dried up completely, global business aviation activity whilst reduced is starting to show positive signs of recovery and the Group believes it is in a strong position to increase activity as the world re-opens.

Financial review of the Company

	2020 €'000	2019 €'000
Revenue	35,617	34,146
Operating profit	5,343	4,160
Profit/(loss) after tax	10,931	(1,465)
Year-end employees	291	299

In 2020 the Company successfully grew its revenues to €35,616,699. Due to leverage in the existing cost base and foreign exchange gains in the year, profit before tax increased to €12,708,399 compared to €1,011,312 loss in 2019. Foreign exchange gains / losses arising are not recoverable under the Company's cost plus arrangement.

Principal risks and uncertainties

The Company's principal risks and uncertainties are those facing the group which are broadly competitive, foreign currency and liquidity.

Competitive risk

Competitive risks vary in each region and we believe the quality of our service and technology offering enables us to meet these competitive challenges.

Foreign currency risk

Although the presentational currency of the Company is the Euro, some transactions are entered into in other currencies, primarily Sterling and the US Dollar. The Company's exposure to the foreign currency risk associated with these transactions is managed through a central Treasury function of the Vista Global Group. The company does not currently hedge its foreign currency risk with derivative instruments but aims for a natural hedge between revenues and costs in different source currencies, although this policy is continually subject to review.

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Principal risks and uncertainties (continued)

Liquidity risk

Liquidity risk is managed through the Vista Global Group's central treasury function and through inter-company borrowings.

Interest rate and price risk

Since the Company has no significant external borrowing the directors do not believe that the Company has significant exposure arising from interest rate or price risks.

COVID-19 risk

As indicated in the earlier commentary, whilst the impact of COVID-19 has been relatively low to the Company, the Group has seen an impact, but the Group's business model has proven that we are able to adapt to the changing environments and have already regained significant flight activity and business performance. However, the Company and Group are in principle still at risk where flying activity is subject to continued uncertainty so all measures utilised to date continue to be available in order that the Company and Group can mitigate these risks.

Brexit risk

The Directors continued to monitor and prepare for the potential impact of Brexit on the Company and as the UK exited the EU in 2020 did not see any significant effect on the Company's operations. The Directors consider the risks to the Company to continue to be relatively low and that the business is in a strong position to react quickly to any further related Brexit issues.

SECR Disclosure

The statement below has been prepared in accordance with our regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon reporting.

In VistaJet, Governance of climate-related risks and opportunities is integrated across a number of key committees. VistaJet's Executive Committee (EXCO) has the ultimate responsibility for overseeing climate-related issues that have shaped the company's strategy, from creating opportunities for customers to offset their emissions, to investing in fuel-efficient aircraft.

VistaJet has specific departments with responsibilities relating to safety, risk management, and sustainability, which report to the EXCO.

The Safety Review Board (SRB) involves functional or senior management and has the objective of providing a forum to discuss safety issues. The SRB meets at least twice per year. The Safety Action Group (SAG) reports to and takes strategic direction from the SRB. The SAG members change according to the type and area of interest of the process under analysis, but meetings are always attended by members of the safety department and by personnel with expertise in the relevant areas.

The SAG meets quarterly or whenever deemed necessary. The Sustainability Department oversees the development of the yearly GHG accounting report, as well as the implementation and monitoring of VistaJet's climate strategy and targets.

VistaJet will work towards a full integration of the most relevant climate issues into risk management using the outcomes of the scenario analysis in decision-making.

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Section 172(1) Statement

The following disclosures describe how the Director has had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members, and in doing so have regard (amongst other matters) to:

a) **the likely consequences of any decision in the long term, keeping in mind long term growth of the Company** - the Director works with the Group's Executive Committee to ensure that any decision taken is adding value to the overall business, not just any one department or business function, and on a long-term basis for the benefit of all.

b) **the interests of the company's employees** - our long-term success is dependent on hiring, training, rewarding, and keeping employees for the long-term and we strive to do this by providing competitive pay and benefits package and creating an environment where employees can share their ideas freely and add value to decision making. We believe, and maintain, an inclusive culture is vital as each person brings unique value no matter their gender, race, age, education or place of birth.

To ensure safety of the employees because of COVID-19, the Company took measure consistent with advice from the UK Government and risk assessments carried out across all business functions. As a result, most of our offices were closed for the majority of the year and most of our employees worked from home as far as possible, with little attendance at business premises. Where appropriate, additional protective equipment and test kits were provided ensuring safety of the staff members.

Where certain jobs were significantly disrupted due to COVID-19, the Company took the decision to accept the support offered by the UK Government through the Coronavirus Job Retention Scheme and number of employees were placed on furlough. During the furlough period, the Company ensured there was regular communication with the employees in the form of email communication, regular business update calls and where possible informal online meetings.

c) **the need to foster the company's business relationships with suppliers, customers and others** - by maintaining good relationships the business is able to secure the best terms and satisfaction which ultimately will flow through to the financial performance of the business. Regular meetings with key stakeholders drives efficiency and enables any feedback received to be viewed as a new business opportunity. We aim to provide customer service that exceeds customer expectations and that is superior to our competitors, enhancing their loyalty to us.

During the COVID-19, the Company ensured that all if its employees were provided with necessary equipment for them to undertake their role, ensuring high level of service was provided to suppliers and customers. The Company engaged with customers with dedicated Sales and customer service teams who ensured there was regular communication in place and any concerns raised by the customers were dealt with in timely and professional manner.

d) **the impact of the company's operations on the community and the environment** – we recognise that aviation as an industry whilst meeting the needs of travellers also has an impact on the community and the environment and is committed to minimising the effect of flying on the environment and operate a state-of-the-art fleet that feature the latest advancements in technology and emission efficiency, and also participates in the EU Emissions Trading Scheme.

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Section 172(1) Statement (continued)

- e) **the desirability of the company maintaining a reputation for high standards of business conduct** - It is important for the Company and Group to maintain a reputation for high standards of business conduct. To this end, we require our employees to follow applicable laws and regulations and to operate ethically and operate a number of codes of conduct and policies applicable for all employees, and also specific groups of employees such as those involved in financial matters. We also maintain a supplier code of conduct to ensure we and suppliers work together in the appropriate framework.
- f) **the need to act fairly as between members of the company** – we understand that there are many different stakeholders of the Company. Their interests need to be carefully balanced and considered to ensure optimisation of each of their interests, which will ultimately optimize the interests of Company and Group.

As outlined above, during the year the Company took the decision to accept the support offered by the UK Government through the Coronavirus Job Retention Scheme in order to mitigate potential long term downside risk to the Company and employees arising from a short-term reduction in demand. The Company carefully considered the interest of all employees in order to determine a fair and consistent pay policy during this period.

The Director confirms compliance with this requirement.

On behalf of the board



R Batchelor
Director

Date: 20 December 2021

Strategic Report

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The director presents his annual report and the audited financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year amounted to €10,930,783 (2019: loss for the year €1,464,846). The directors do not recommend the payment of any dividends.

Required disclosures in Strategic Report

Information in respect of principal activity, review of the business and future developments is included in the Strategic Report.

Directors' and officers' insurance

The directors of the Company, who served through the year are listed on page 2.

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out above.

The Company acts as a sales and marketing agent in respect of air transportation services provided by the VistaJet Group, provides payroll and IT development services to the VistaJet Group, participates in the Vista Global Group's centralised treasury arrangements and is funded by way of intercompany trading and funding facilities that are repayable on demand. As at 31 December 2020 the Company had net current assets of €2,708,643 (2019: current liabilities €31,808,904), including €9,838,352 (2019: €33,276,624) of amounts due to group undertakings. Consequently, the Company is dependent on both the continuance of operations by the VistaJet Group and also continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due, including not demanding the repayment of amounts due to group undertakings.

The directors of the Company's ultimate parent undertaking Vista Global Holdings Limited have provided a letter indicating that they will and are able to continue to provide financial support to the Company, including not demanding repayment of amounts owed by the Company to entities within the Vista Global Group and to provide sufficient funds to the Company for the period to 31 December 2022.

The directors are satisfied that the Vista Global Group has sufficient cash and liquidity to provide this support. In particular, both the directors of the Company and those of the Vista Global Group have considered the impact of COVID-19 on the financial performance and cash flows of the Vista Global Group, including modelling sensitivities that consider the risk of reductions in revenues due to more adverse trading conditions, and which indicate the Vista Global Group is expected to continue to be cash generative and meet its obligations as they fall due for the period to 31 December 2022.

On the basis of their enquiries of the Vista Global Group's going concern assessment, the letter of support provided by Vista Global Holdings Limited, and the reasonable expectations that the Vista Global Group will continue as a going concern, the directors have concluded that the Company will be able to continue in operational existence for the period to 31 December 2022. Consequently, the directors have concluded that it is appropriate to prepare the Company's financial statements on a going concern basis.

Strategic Report

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Employees

The Company is an equal opportunity employer. It is our policy that all persons shall have an equal opportunity for employment and advancement on the basis of ability, necessary qualifications and fitness for work irrespective of sex, age, marital status, civil partnership, sexual orientation, colour, race, creed, religion, national or ethnic origin.

The company gives full and fair consideration to all applications for employment from disabled persons having regard to particular aptitudes and abilities, continuing where possible the employment of staff who become disabled and ensures that training and career development are encouraged.

Disclosure of information to the auditors

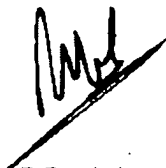
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditors of the company.

By the order of the Board

On behalf of the board



R Batchelor
Director

Date: 20 December 2021

Directors' responsibilities statement

The director is responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the Shareholders of VistaJet International Limited

Opinion

We have audited the financial statements of VistaJet International Limited for the year ended 31 December 2020 which comprise of the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Independent auditors' report

to the Shareholders of VistaJet International Limited

Other information (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

to the Shareholders of VistaJet International Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company must comply with laws and regulations relating to its operations, including health and safety, relevant employee law matters, general data protection regulations and the UK Bribery Act.
- We understood how the Company is complying with those frameworks by making inquiries of management to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquires through reading board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming the capitalisation of software costs as intangible fixed assets and the application of transfer pricing agreements with fellow group undertakings to be fraud risks. Our testing of the capitalisation of software costs included agreeing these costs to supporting payroll records, invoices and other 3rd party documentation, together with considering whether these costs met the criteria in FRS 102 to be recognised as intangible fixed assets. Our testing of the application of transfer pricing agreements with fellow group undertakings included reviewing the terms of the underlying agreements, testing the computation of the transfer pricing adjustments and assessing whether those adjustments were in accordance with the terms of the underlying agreements.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria. We read the minutes of Directors' meetings to identify any non-compliance with laws and regulations. We also made enquiries with the Directors and of management of the company regarding compliance with laws and regulations

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditors' report

to the Shareholders of VistaJet International Limited

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst + Young LLP

Signature

Michael Christie (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

Date 20 December 2021

Income Statement

for the year ended 31 December 2020

		2020	2019
	Notes	€	Restated* €
Revenue	2	35,616,699	34,146,250
Administrative expenses		(30,273,582)	(29,986,628)
Operating profit	3	5,343,117	4,159,622
Finance income		18	3
Finance costs	6	(2,591,584)	(2,463,891)
Unrealised foreign currency exchange gains/(losses)		9,956,848	(2,707,046)
Profit/(loss) before taxation		12,708,399	(1,011,312)
Taxation charge	7	(1,777,616)	(453,534)
Profit/(loss) for the financial year		<u>10,930,783</u>	<u>(1,464,846)</u>

All amounts above relate to continuing operations.

* See note 1 - Change of presentation of unrealised foreign exchange gains/(losses)

Statement of comprehensive income

for the year ended 31 December 2020

The company has no comprehensive income or loss other than the profit for the financial year of €10,930,783 (2019 – €1,464,846 loss).

Balance Sheet

for the period ended 31 December 2020

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	Notes	2020 €	2019 €
Fixed assets			
Intangible assets	8	29,669,239	30,253,998
Tangible assets	9	820,432	1,313,584
		<u>30,489,671</u>	<u>31,567,582</u>
Current assets			
Stocks	10	51,975	61,078
Debtors – amounts falling due after more than one year	12	-	1,467,000
Debtors – amounts due within one year	11	3,647,746	4,229,203
Cash at bank and in hand		17,217,672	445,967
		<u>20,917,393</u>	<u>6,203,248</u>
Creditors: amounts falling due within one year	13	(18,208,750)	(38,012,152)
Net current assets/(liabilities)		<u>2,708,643</u>	<u>(31,808,904)</u>
Total assets less current liabilities		33,198,314	(241,322)
Creditors: amounts falling due after more than one year	14	(21,367,062)	(294,368)
Deferred tax liabilities	7	(75,886)	(9,824)
Net assets/(liabilities)		<u>11,755,366</u>	<u>(545,514)</u>
Equity			
Called up share capital	18	1	1
Capital contribution reserve		1,573,116	203,019
Profit and loss reserve		10,182,249	(748,534)
Total Shareholders equity/(deficit)		<u>11,755,366</u>	<u>(545,514)</u>

The financial statements were approved and authorised for issue by the board and authorised for issue on 20 December 2021 and were signed on its behalf by:



R Batchelor
Director

Statement of Changes in Equity

for the period ended 31 December 2020

	<i>Share Capital</i>	<i>Capital contribution reserve</i>	<i>Profit and loss reserve</i>	<i>Total shareholders equity/(deficit)</i>
	€	€	€	€
At 1 January 2019	1	-	716,312	716,313
Loss for the year	-		(1,464,846)	(1,464,846)
Share based payment charge	-	203,019	-	203,019
At 31 December 2019	1	203,019	(748,534)	(545,514)
Profit for the year	-	-	10,930,783	10,930,783
Share based payment charge	-	1,370,097	-	1,370,097
At 31 December 2020	1	1,573,116	10,182,249	11,755,366

Statement of cash flows

for the period ended 31 December 2020

		2020	2019
	Notes	€	€
Net cash (outflow)/inflow from operating activities	20(a)	<u>(476,586)</u>	<u>6,918,804</u>
Investing activities			
Payments to acquire intangible fixed assets		(4,220,983)	(5,501,426)
Payments to acquire tangible fixed assets		<u>(68,118)</u>	<u>(657,454)</u>
Net cash outflow from investing activities		<u>(4,289,101)</u>	<u>(6,158,880)</u>
Financing activities			
Payments to acquire finance lease assets		(280,966)	(276,655)
Proceeds from Barclays CLBILS loan		21,987,000	-
Payments of legal fees relating to CLBILS loan		<u>(40,922)</u>	<u>-</u>
Interest payments		(127,720)	(58,879)
Net cash inflow from financing activities		<u>21,537,392</u>	<u>(335,534)</u>
Increase in cash and cash equivalents		16,771,705	424,390
Cash and cash equivalents at 1 January		<u>445,967</u>	<u>21,577</u>
Cash and cash equivalents at 31 December	20(b)	<u><u>17,217,672</u></u>	<u><u>445,967</u></u>

Notes to the financial statements

at 31 December 2020

1. Accounting policies

Basis of preparation

The Company is a private company limited by shares incorporated and domiciled in England and Wales. The registered office of the company is 52 Charles Street, London, W1J 5EU.

The financial statements have been prepared on a going concern basis. The Financial Statements have been prepared under the historical cost convention unless otherwise indicated.

The Company's financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Report Standard applicable in the UK and Ireland' (FRS 102) and the Companies Act 2006.

The financial statements are prepared in Euro (€) and all values are rounded to the nearest Euro. The Company's operating transactions and cash flows are primarily denominated in the Euro, consequently the Company's functional currency is the Euro. The Euro is also the Company's presentational currency.

The accounting policies which apply in preparing the financial statements for the period are set out below.

The financial statements of VistaJet International Limited were authorised for issue by the Board of Directors on 20 December 2021.

Going concern

The Company acts as a sales and marketing agent in respect of air transportation services provided by the VistaJet Group, provides payroll and IT development services to the VistaJet Group, participates in the Vista Global Group's centralised treasury arrangements and is funded by way of intercompany trading and funding facilities that are repayable on demand. As at 31 December 2020 the Company had net current assets of €2,708,643 (2019: current liabilities €31,808,904), including €9,838,352 (2019: €33,276,624) of amounts due to group undertakings. Consequently, the Company is dependent on both the continuance of operations by the VistaJet Group and also continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due, including not demanding the repayment of amounts due to group undertakings.

The directors of the Company's ultimate parent undertaking Vista Global Holdings Limited have provided a letter indicating that they will and are able to continue to provide financial support to the Company, including not demanding repayment of amounts owed by the Company to entities within the Vista Global Group and to provide sufficient funds to the Company for the period to 31 December 2022.

The directors are satisfied that the Vista Global Group has sufficient cash and liquidity to provide this support. In particular, both the directors of the Company and those of the Vista Global Group have considered the impact of COVID-19 on the financial performance and cash flows of the Vista Global Group, including modelling sensitivities that consider the risk of reductions in revenues due to more adverse trading conditions, and which indicate the Vista Global Group is expected to continue to be cash generative and meet its obligations as they fall due for the period to 31 December 2022.

On the basis of their enquiries of the Vista Global Group's going concern assessment, the letter of support provided by Vista Global Holdings Limited, and the reasonable expectations that the Vista Global Group will continue as a going concern, the directors have concluded that the Company will be able to continue in operational existence for the period to 31 December 2022. Consequently, the directors have concluded that it is appropriate to prepare the Company's financial statements on a going concern basis.

Notes to the financial statements

at 31 December 2020

1. Accounting policies (continued)

Change of presentation of unrealised foreign exchange gains/(losses)

In preparing the year ended 31 December 2020 financial statements, the directors have revised the presentation of unrealised foreign exchange gains/(losses) on loans and borrowings (including borrowings from group undertakings) in the income statement such that these gains/(losses) are now presented separately after operating profit. Previously such gains/(losses) had been classified entirely under administrative expenses. In the directors' view the new presentation provides more relevant and reliable information about the effects of foreign exchange gains/(losses) from loans and borrowings on the Company's results given the significant level of borrowings, the vast majority of which are now external to the Vista Global Group (see note 14), and the risk from exchange volatility. This presentation also gives more relevant and reliable information about the Company's operating results. The comparative amounts for the year ended 31 December 2019 have also been restated by reclassifying €2,707,046 of exchange losses from administrative expenses to unrealised foreign currency exchange gains/(losses), with a consequential increase in operating profit. There is no impact on the Company's profits/(losses) before or after tax, the balance sheet, or cash flows.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reporting for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates.

In the course of preparing the company's financial statements, no judgements have been made in the process of applying the company's accounting policies, or in respect of these involving estimates which could have a significant effect on the amounts recognised in the financial statements.

Significant account policies

Intangible fixed assets

Expenditure on development of the Company's products is capitalised at cost where all the following criteria are met:

- There is a clearly defined project;
- Expenditure is separately identifiable;
- The project has been assessed with reasonable certainty to be technically feasible and commercially viable; and
- Future revenues can be reasonably expected to exceed amounts capitalised.

Development costs are amortised on a straight-line basis over their estimated useful lives of 7 years. The carrying value of intangible assets is reviewed for impairment or if events or changes in circumstances indicate the carrying value may not be recoverable.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold Improvements	-	over 4 years
Fixtures and Fittings	-	over 5 years
IT and Office Equipment	-	over 3 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in

Notes to the financial statements

at 31 December 2020

1. Accounting policies (continued)

Property, Plant and Equipment (continued)

circumstances indicate the carrying value may not be recoverable.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements except that:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entities functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the statement of profit and loss account over the estimated useful economic lives of the assets to which they relate. Revenue grants are credited to profit and loss at the same period as the expenditure to which they relate.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Stocks

Stock is stated at the lower of cost and net realisable value, where cost represents the direct purchase price.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statements in administrative expenses.

Notes to the financial statements

at 31 December 2020

1. Accounting policies (continued)

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

Assets held under finance lease

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company and the hire purchase contracts are capitalised in the balance sheet and depreciated over the shorter of the lease term and the asset useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction in the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Interest bearing loans and overdrafts

Interest bearing loans and overdrafts are initially recorded at fair value, being the proceeds received net of direct issue costs. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method. Except for interest capitalised in relation to significant capital projects interest payable is reflected in the income statement as it arises.

Share-based payments

Share based compensation benefits are provided to employees and independent contractors via the Vista Global 2019 Share Option Plan and the 2011 Management Stock Option Plan, both of which have been classified as equity settled. Information relating to this scheme is set out in Note 21 (Share based payment plan).

The fair value of options granted under the Vista Global Holding Employee Share Option Plan to eligible participants of the Company is recognised as an employee benefits expense, with a corresponding increase in equity through a capital contribution reserve. The total amount to be expensed is determined by reference to the fair value of the options granted at the date of their grant using an appropriate pricing model and considering the following:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. EBITDA targets and remaining an employee of the entity or providing services to the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for an exit event that is not linked to service to occur prior to the participant being able to exercise the options).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Equity-settled share-based payments are fair valued at the grant date; that fair value is only reassessed at subsequent reporting dates in very limited circumstances. Management has determined that one such circumstance is where modifications are made to a share-based payment scheme after the awards have already vested, as is the case with the December 2020 amendment to the 2011 MSOP. Specifically, management has determined that to the extent that the modification has resulted in an increase in value to the Plan participants, that incremental value – being the difference between the options' fair value immediately before, and immediately after, the modification – must be recognized as an expense over the remaining vesting period. As the options had already vested by the date of the modification, and the Plan's participants were not required to satisfy additional vesting conditions, management determined that the incremental value must be recognized immediately as an expense in December 2020.

Notes to the financial statements

at 31 December 2020

2. Revenue

Revenue is recognised to the extent that the company obtains the right to consideration under its sales agency agreement with its principal in exchange for performance, which in respect of sales, marketing and payroll services provided to the principal is usually as those services are provided. In respect of IT development services revenue is recognised as the capitalised IT development costs are amortised. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value added tax.

3. Operating profit/(loss)

This is stated after (crediting)/charging:	2020	2019 <i>Restated*</i>
	€	€
Auditors remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	33,220	40,339
Amortisation of intangible assets (included in Admin expenses)	4,759,248	3,975,995
Amortisation of intangible assets held under finance lease (included in Admin expenses)	46,494	53,859
Depreciation of owned assets	561,269	522,425
Operating lease rentals – land and buildings	1,541,488	1,546,270
Government grant – CRJS	382,889	-
Foreign exchange gains	2,065,651	462,555

* See note 1 - Change of presentation of unrealised foreign exchange gains/(losses)

4. Employees

	2020	2019
	€	€
Wages and salaries	12,094,561	11,165,892
Social security costs	1,134,882	1,048,391
Other pension costs	802,433	701,616
Share based payment expense	8,659	203,019
Share based payment modification expense	1,361,438	-
	<u>15,401,973</u>	<u>13,118,918</u>

Other pension costs of €802,433 (2019: €701,616) are in respect of the Salary Sacrifice and defined contribution scheme.

The average monthly number of employees during the period was as follows.

	2020	2019
	No.	No.
Operations	115	115
Administration	180	164
	<u>295</u>	<u>279</u>

Notes to the financial statements

at 31 December 2020

5. Directors' emoluments

	2020 €	2019 €
Aggregate remuneration in respect of qualifying services	-	-
Aggregate amounts receivable under long term incentive plans	-	-

The amounts of remuneration payable to the director in respect of his services to the Company is considered negligible.

6. Finance costs

	2020 €	2019 €
Interest payable to group undertakings	2,274,283	2,363,801
Interest expense third party	1,151	39,943
Interest expense CLBILS loan	279,524	-
Interest expense finance lease	36,626	60,147
	<u>2,591,584</u>	<u>2,463,891</u>

7. Taxation

(a) Tax on profit/(loss)

The tax on profit/(loss) is comprised as follows:

	2020 €	2019 €
<i>Current tax:</i>		
UK corporation tax	1,764,417	282,079
UK corporation tax - adjustments in respect of prior periods	(52,863)	98,757
Foreign tax charged to foreign branch	-	78,865
Total current tax charge	<u>1,711,554</u>	<u>459,701</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	28,235	(29,395)
Adjustments in respect of previous periods	32,811	23,228
Effect of tax rate change on opening balance	5,106	-
Total deferred tax charge/(credit)	<u>66,062</u>	<u>(6,167)</u>
Total tax charge for the year	<u>1,777,616</u>	<u>453,534</u>

Notes to the financial statements

at 31 December 2020

7. Taxation (continued)

(b) Factors affecting the total tax charge

The tax assessed for the year varies from the standard rate of corporation tax in the United Kingdom of 19% (2019 19%). The differences are reconciled below:

	2020 €	2019 €
Profit/(loss) before taxation	12,708,399	(1,011,312)
Loss by rate of tax of 19% (2019: 19%)	2,414,596	(192,149)
Effects of:		
Fixed asset differences	7,426	7,171
Expenses not deductible for tax purposes	534,803	681,621
Income not taxable for tax purposes	(906,506)	-
Foreign tax charged to foreign branch	-	78,865
Adjustments in respect of prior periods for exchange differences	(52,863)	98,757
Adjustments to tax charge in respect of previous periods – deferred tax	32,811	23,228
Impact of change in tax rate	5,016	3,458
Foreign permanent establishment exemption	(257,667)	(247,417)
Total tax charge for the year (note 7(a))	1,777,616	453,534

(c) Deferred tax

The deferred tax liability recognised is comprised as follows:

	2020 €	2019 €
Fixed assets temporary differences	111,894	61,034
Short term timing differences	(36,008)	(51,210)
	75,886	9,824
		€
At 1 January 2020		9,824
Deferred tax credit in profit and loss account (note 7(a))		66,062
At 31 December 2020		75,886

The headline rate of UK corporation tax remained at 19% for the period, following the enactment of Finance Act 2020 on 22 July 2020. Finance Bill 2021, published on 11 March 2021 and substantively enacted on 24 May 2021, includes a provision to change the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023. Given that this rate was not substantively enacted at the time of the balance sheet date, the closing deferred tax balances have been calculated by reference only to the 19% rate. Had the rate of 25% been applied at the year end the deferred tax liability would increase by €23,964.

Notes to the financial statements

at 31 December 2020

8. Intangible fixed assets

	<i>Software</i> €	<i>Total</i> €
Cost:		
Opening balance at 1 January 2020	37,575,624	37,575,624
Additions	4,220,983	4,220,983
At 31 December 2020	<u>41,796,607</u>	<u>41,796,607</u>
Amortisation:		
Opening balance at 1 January 2020	7,321,626	7,321,626
Provided during the year	4,805,742	4,805,742
At 31 December 2020	<u>12,127,368</u>	<u>12,127,368</u>
Net book value:		
At 31 December 2020	<u>29,669,239</u>	<u>29,669,239</u>
At 31 December 2019	<u>30,253,998</u>	<u>30,253,998</u>

Included in the amounts for software expenses above are the following amounts relating to leased assets and assets held acquired under hire purchase contracts:

	€
Cost:	
Opening balance at 1 January 2020	939,542
Additions	-
At 31 December 2020	<u>939,542</u>
Amortisation:	
Opening balance at 1 January 2020	704,422
Provided during the year	46,494
At 31 December 2020	<u>750,916</u>
Net Book value:	
At 31 December 2020	<u>188,626</u>
At 31 December 2019	<u>235,120</u>

Notes to the financial statements

at 31 December 2020

9. Tangible fixed assets

	<i>Short Leasehold Improvements</i>	<i>Cars</i>	<i>Fixtures & Fittings</i>	<i>IT & Office Equipment</i>	<i>Total</i>
Cost:	€	€	€	€	€
At 1 January 2020	331,898	194,175	658,519	2,476,379	3,660,971
Additions	-	-	4,846	63,271	68,117
At 31 December 2020	<u>331,898</u>	<u>194,175</u>	<u>663,365</u>	<u>2,539,650</u>	<u>3,729,088</u>
Depreciation:					
At 1 January 2020	311,917	3,236	334,512	1,697,721	2,347,386
Provided during the year	19,981	38,835	99,853	402,601	561,270
At 31 December 2020	<u>331,898</u>	<u>42,071</u>	<u>434,365</u>	<u>2,100,322</u>	<u>2,908,656</u>
Net book value:					
At 31 December 2020	-	152,104	229,000	439,328	820,432
At 31 December 2019	<u>19,980</u>	<u>190,939</u>	<u>324,007</u>	<u>778,658</u>	<u>1,313,584</u>

10. Stocks

	2020 €	2019 €
Consumables	<u>51,975</u>	<u>61,078</u>

Total stocks recognised as an expense in the income statement amounted to €5,785 (2019: €87,503).

11. Debtors: amounts falling due within one year

	2020 €	2019 €
Other debtors	611,427	696,564
Prepayments and accrued income	<u>3,036,319</u>	<u>3,532,639</u>
	<u>3,647,746</u>	<u>4,229,203</u>

12. Debtors: amounts falling due in more than one year

	2020 €	2019 €
Prepayments and accrued income	-	1,467,000
	<u>-</u>	<u>1,467,000</u>

Notes to the financial statements

at 31 December 2020

13. Creditors: amounts falling due within one year

	2020 €	2019 €
Trade creditors	1,222,773	865,893
Amounts owed to group undertakings	9,838,352	33,276,624
Other creditors	210,724	216,200
Accruals and deferred income	2,039,052	909,438
Corporation tax payable	3,259,312	1,547,758
Other taxation and social security	1,324,352	810,583
Obligations under finance leases	314,185	385,656
	<u>18,208,750</u>	<u>38,012,152</u>

14. Creditors: amounts falling due in more than one year

	2020 €	2019 €
Revolving credit facility	21,367,062	-
Obligations under finance leases	-	294,368
	<u>21,367,062</u>	<u>294,368</u>

On 30 September 2020 the company obtained a £20m three-year revolving credit facility with Barclays Bank. This facility is provided under the UK Government Coronavirus Large Business Interruption Loan Scheme. The facility is secured by way of fixed and floating charges over the assets of the company and certain assets of other undertakings within the VistaJet group.

15. Pensions

The company operates a defined contribution pension plan in the United Kingdom for eligible employees and benefits are based on each individual member's personal account. Unpaid contributions outstanding at the year-end of €343,914 (2019: €306,714) are included in 'other creditors' and 'Accruals and deferred income' (note 13). Pension contributions recognised through the Income Statement during the year were €802,433 (2019: €701,616).

16. Obligations under leases and hire purchase agreements

At 31 December future minimum rentals payable under non-cancellable operating leases are as follows:

	<i>Land and Buildings</i>	
	2020 €	2019 €
Operating leases which expire:		
Within one year	1,528,091	1,668,682
In two to five years	4,278,857	4,925,141
In over five years	-	1,035,155
Total	<u>5,806,948</u>	<u>7,628,978</u>

Notes to the financial statements

at 31 December 2020

16. Obligations under leases and hire purchase agreements (continued)

Amounts due under finance lease and hire purchase contracts are as follows:

	2020 €	2019 €
Minimum lease payments payable:		
Within one year	328,410	385,656
Between one and five years	-	348,064
	<u>328,410</u>	<u>733,720</u>
Less: future finance charges	(14,225)	(53,696)
	<u>314,185</u>	<u>680,024</u>

17. Related party transactions

The company has taken advantage of the exemption in FRS 102.33.1A from disclosing transactions with those related parties that are companies wholly owned within the Vista Global Holding Limited Group.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group, are considered to be the key management personnel. Total remuneration in respect of these individuals is €404,095 (2019: €733,366).

18. Issued share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

	No.	2020 €	Authorised 2019 No.	2019 €
Ordinary shares of £1 each	<u>100,000</u>	<u>127,828</u>	<u>100,000</u>	<u>127,828</u>
	No.	2020 €	Allotted and called up 2019 No.	2019 €
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The company's share capital remains unpaid and the amount receivable of €1 is included within other debtors.

The company's Sterling denominated share capital has been translated at a rate of £1 = €1.27828 the rate applied to convert the balance sheet of the company on adoption of the Euro as the local and reporting currency on the acquisition of the trade and assets of the SkyJet business.

Notes to the financial statements

at 31 December 2020

19. Ultimate parent undertaking and controlling party

The immediate parent of the company is VistaJet Operations Holding Limited, a Company registered in Malta with its registered address at Skyparks Business Centre, Malta International Airport, Luqa, LQA 4000.

The Company's ultimate parent is Vista Global Holding Limited which is incorporated in the United Arab Emirates - Dubai, and for which group financial statements are drawn up. The majority shareholder and ultimate controlling party of Vista Global Holding Limited is Mr Thomas Flohr.

20. Notes to the statement of cash flows

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2020 €	2019 €
Operating profit for the year	5,343,117	4,159,622
<i>Adjustments to reconcile operating profit for the year to net cash flow from operating activities:</i>		
Depreciation of tangible fixed assets	561,269	522,425
Foreign currency unrealised exchange gains/(loss)	9,956,848	(2,707,046)
Share based payment charge	1,370,097	203,019
Amortisation of intangible fixed assets	4,805,742	4,029,854
Decrease in debtors	2,048,457	2,510,352
Decrease in stock	9,103	57,729
Decrease in creditors	(24,571,219)	(390,615)
<i>Taxation</i>		
Corporation tax paid	-	(1,466,536)
Net cash (outflow)/inflow from operating activities	<u>(476,586)</u>	<u>6,918,804</u>

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	At 31 December 2020 €	At 31 December 2019 €
Cash at bank and in hand	<u>17,217,672</u>	<u>445,967</u>

21. Share based payment plans

During 2019 the ultimate parent company, Vista Global Holding Ltd ("Vista Global") established a new share option plan ("Vista Global 2019 Share Option Plan") designed to provide long-term incentives to certain eligible employees, directors and independent contractors. Participation in the plan is at the Vista Global's board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. An eligible participant may choose not to participate in the option plan or may renounce his option in whole or in part at any time after grant by giving appropriate notice as defined in the plan's rules.

Notes to the financial statements

at 31 December 2020

21. Share based payment plans (continued)

Under the plan's rules, participants are granted options exercisable in shares of Vista Global, that are conditional on: (i) the participants providing a specified number of years' service (ranging from one to five years after the grant date) and, over the same period, (ii) on the Vista Global Group's EBITDA increasing by a specified percentage (collectively, "the Vesting Conditions"). For tranche of options where the Vesting Conditions have been met, the participants are entitled to exercise the respective tranche of options ("the Vested Options"), subject to the exit event condition below, without the requirement to provide further services to the Vista Global Group.

Vested Options become unconditionally exercisable in the event of an exit event, which includes the Vista Global shares becoming listed; the whole or substantially the whole of the trade and assets of Vista Global being transferred to another company that is not within control of the Vista Global Group; or a change of control. Other limited events may give rise to exercisability only at the Board's discretion. In any case, all options lapse if none of the exit events occur ten years from the grant date.

If a participant terminates the provision of services to the Vista Global Group prior to an exit event occurring, the number of any Vested Options that may become exercisable in the event of an occurrence of an exit event may be reduced on a pro rata basis. The reduction in the number of exercisable options is dependent on the market price of the Vista Global shares on the fifth year after grant, as compared to the market price of the shares at the date of an exit event.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one non-voting share of Vista Global. The Vista Global Group has the right, but not the obligation, to settle the options in cash, based on the value of the shares less the participant's exercise price. However, it is the Vista Global's board's intention to settle the options in shares if and when these become exercisable; consequently, any options granted under the plan are classified, recognized and measured as equity-settled options.

Notes to the financial statements

at 31 December 2020

21. Share based payment plans (continued)

Set out below are summaries of options granted under the plan to Participants of the Company:

Option A	2020		2019	
	Weighted average exercise price in \$ per Option A	Options	Weighted average exercise price in \$ per Option A	Options
As at 1 January	12.27	270,899	-	-
Granted during the year	-	-	12.27	270,899
Forfeited during the year	12.27	(166,707)	-	-
As at 31 December	12.27	104,192	12.27	270,899
Exercisable at 31 December	12.27	5,209		

Option B	2020		2019	
	Weighted average exercise price in \$ per Option B	Options	Weighted average exercise price in \$ per Option B	Options
As at 1 January	28.94	315,548	-	-
Granted during the year	28.94	43,234	12.27	315,548
Forfeited during the year	-	-	-	-
As at 31 December	28.94	358,782	12.27	315,548
Exercisable at 31 December	28.94	16,174		

The weighted average fair value of each option grant during the year was as follows:

	2020	2019
Option A	-	\$5.31
Option B	\$1.61	\$1.90

No options expired during the year (2019: Nil).

Share options outstanding at the end of the year for Participants of the Company have the following expiry dates and exercise prices:

				Share options as at 31 December	
	Grant dates	Expiry date	Exercise price in \$ per option	2020	2019
Option A	June 1, 2019	May 31, 2029	12.27	104,192	270,899
Option B	June 1, 2019	May 31, 2029	28.94	323,578	315,548
Option B	November 1, 2020	October 31, 2030	28.94	35,204	-
				462,974	586,447

Weighted average remaining contractual life of options outstanding at the end of period	6.7 years	7 years
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Fair value of options granted under the plan

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a probability distribution for the term of the option and the impact of dilution (where material), and takes into account the exercise price, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

Notes to the financial statements

at 31 December 2020

21. Share based payment plans (continued)

The model inputs for options granted during the years ended December 31, 2020 and December 31, 2019 included:

- Options are granted for no consideration and become exercisable if an exit event occurs throughout ten years from the grant date. The probability as determined at the date of modification of an exit event taking place in the first five years from grant was estimated to be 0%, whilst the probability of an exit event occurring on the: sixth year is 25%; seventh year was 25%; eighth year was 20%; ninth year was 10%; and the tenth year was 10%. The probability of an exit event not occurring was estimated at 10%
- Fair value per share: \$14.57
- Exercise price: Option A \$12.27, Option B \$28.94
- Expected price volatility of Vista Global's shares: 29.4%
- Expected dividend yield: 0%
- Risk-free interest rate: 0.63% - 2.03%, average per grant

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Significant estimate – inputs into the recognition of share-based payment expenses

The recognition of share-based payment expenses is based on estimates that determine the fair value of options granted, as well as participant forfeiture rates.

A number of the inputs that form the basis of the fair value of options, disclosed above, are intrinsically sources of estimation uncertainty since they are dependent on the directors' best estimated about future events. Movements in fair value of equity-settled options are not recognized in the financial statements, therefore subsequent changes to the fair valuation of the options will not have any impact on the fair value determined at grant date, which forms the basis of the share-based payment expense.

Additionally, the directors make estimates regarding the number of options that are expected to vest, including whether they expect the Vista Global Group to meet the performance conditions (EBITDA targets), and on the number of participants that are expected to meet the service conditions. As at the prior reporting date, the directors identified that the best estimate is that the EBITDA targets will be met for each tranche of options granted. At the current reporting date the directors expected that the EBITDA target for the year to December 31, 2020 will not be met but since the reporting date have waived the target for the year given the exceptional circumstances that arose during the year. However, the expense related to any relevant grant tranches has been reversed in the year to December 31, 2020.

Historical staff turnover rates are used as a basis for the Vista Global Group's estimates regarding the number of employees that management expect to meet the service conditions.

2011 Management Stock Option Plan (2011 MSOP)

On September 30, 2011, the option scheme was set up to attract, motivate and retain senior managers at the then top holding company, VJGH or its subsidiaries.

This scheme was set up in Switzerland under Swiss law, with the following key criteria.

- Options were granted for no consideration.
 - Options were vested a fifth on each of the first, 2nd, 3rd, 4th and 5th anniversary of the granting date and by 1 January 2016 all were vested
 - The options do not automatically lapse on employee's exit (unless the employee is counted as a "bad leaver")
 - There are several trigger events for the exercise of the options, including different exit related events
- During December 2020 it became apparent that a trigger event would not take place by December 31, 2020, the original option period expiry date, and all options under the 2011 MSOP would – in the absence of a modification to the plan's terms – expire on December 31, 2020 with a nil value as participants would not be able to exercise the options even though they had vested. The Vista Global board thus resolved to amend

Notes to the financial statements

at 31 December 2020

21. Share based payment plans (continued)

the 2011 MSOP by extending the exercise period by approximately 9 years so as to have a consistent exercise period with the 2019 Share Option Plan, for participants that remained active with the business at the time of the plan amendment.

It was also resolved to amend the plan so that the Plan participants would be entitled to non-voting shares in the VistaJet Group's current top holding company, Vista Global rather than the VistaJet Group's previous top holding company, VJGH.

Equity-settled share-based payments are fair valued at the grant date; that fair value is only reassessed at subsequent reporting dates in very limited circumstances. Management has determined that one such circumstance is where modifications are made to a share-based payment scheme after the awards have already vested, as is the case with the December 2020 amendment to the Plan. Specifically, management has determined that to the extent that the modification has resulted in an increase in value to the Plan participants, that incremental value – being the difference between the options' fair value immediately before, and immediately after, the modification – must be recognized as an expense over the remaining vesting period. As the options had already vested by the date of the modification, and the Plan's participants were not required to satisfy additional vesting conditions, management determined that the incremental value must be recognized immediately as an expense in December 2020.

Accordingly, management carried out an exercise to determine the fair value of the plan at the date of the modification, whilst the fair value immediately before the modification was assessed as nil given there was no opportunity of a trigger event before the option period expiry. In determining fair value, management engaged an independent expert valuation using a Black-Scholes model. The valuation inputs and model assumptions used in the expert valuation report are as follows:

- Options are granted for no consideration and become exercisable based on if an exit event occurs throughout nine years from the modification date. The probability of an exit event taking place in the first four years from modification was estimated to be 0%, whilst the probability of an exit event occurring on the: fifth year was 25%; sixth year was 25%; seventh year was 20%; eighth year was 10%; and the ninth year was 10%. The probability of an exit event not occurring was estimated at 10%

- Exercise price: \$1.16
- Fair value per share: \$15.78
- Modification date: December 18, 2020
- Expiry date: June 1, 2029
- Expected price volatility of Vista Global's shares: 50.1%-54.5%
- Expected dividend yield: 0%
- Risk-free interest rate: 0.29%-0.76%
- Dilution %: 85.8923%

As set out above, the fair value of the modified plan related to Plan Participants– which was estimated to amount to \$1,361,438 – has been immediately recognized as an expense in December 2020 given that there are no new vesting conditions that must be satisfied, and a corresponding increase was recognized within equity reserves.

The number of outstanding options under the 2011 MSOP with Participants of the Company was 105,909.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

In EUR	2020	2019
	€	€
Options issued under the Vista Global 2019 share option plan	8,659	203,019
Modification fair value expense for the 2011 MSOP	1,361,438	-
Total	1,370,097	203,019