

Registered No: 06617647



VistaJet International Limited

Annual Report and Financial Statements

31 December 2022



Corporate Information

Registered No: 06617647

Directors

I Rubli

P Hegarty (appointed 31 January 2023)

R Batchelor (resigned 31 January 2023)

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 2022.

Principal activities and review of the business

VistaJet International Limited (the "Company") acts as a customer relationship agent and manages the sales and marketing effort on behalf of the Vista Global Holding Limited ("Vista Global") and its subsidiaries (the "Group"). The Company also acts as a payroll agent for the Group's UK based air crew, provides Finance services and 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 the business aviation market and its customer base of global corporations and Ultra High Net Worth Individuals remains attractive and growing.

The Group operated a fleet of 278 aircraft (179 owned and 99 under lease) at year end 2022. The Group is committed to minimising the effect of flying on the environment and operates a state-of-the-art fleet that features the latest advancements in technology and emission efficiency, and also participates in the EU Emissions Trading Scheme.

The Board continually reviews the costs of the business to 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 complimented by strong On Demand sales. 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 2022.

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.

Wider macroeconomic trends are being monitored such as the ongoing conflict in Ukraine, higher interest rates, the fluctuation of commodity prices, inflationary increase of salaries, foreign exchange rates, availability of local materials and services and access to local resources.

Strategic Report

Registered No: 06617647

Financial review of the Company

	2022 €'000	2021 €'000
Revenue	61,516	41,416
Operating profit	6,031	9,172
Profit/(loss) after tax	2,177	(3,615)
Year-end employees	387	309

In 2022 the Company's revenues grew to €61,516,147 reflecting the increased volume of activities performed for the Group. This increased cost base and reduction in foreign exchange losses in the year resulted in a profit before tax of €2,943,307 compared to a loss before tax of €4,347,320 in 2021. Foreign exchange gains / losses arising are excluded 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 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.

Liquidity risk

Liquidity risk is managed through the Group's central treasury function and through intercompany 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.

Strategic Report

Registered No: 06617647

SECR (Streamlined Energy and Carbon Reporting) 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 the Group, governance of climate-related risks and opportunities is integrated across a number of key committees. The Group'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.

The Group 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 the Group's climate strategy and targets. In 2022, our London office Air Conditioning was upgraded, and LED lights were installed on the ground floor. We continue to evaluate where potential savings can be made, engaging with the landlords of our offices, trying where possible to transition to clean energy supply.

Strategic Report

Registered No: 06617647

SECR (Streamlined Energy and Carbon Reporting) Disclosure ((continue))

2023	2022	2021
Locations included in VistaJet International's SECR reporting	Please note the energy usage and GHG emissions data below covers the following offices under VistaJet International: London, Hong Kong, Beijing, and Dubai.	Please note the energy usage and GHG emissions data below covers the following offices under VistaJet International: London, Hong Kong, Beijing, and Dubai.
Methodology	To calculate VistaJet International's emissions, VistaJet International has followed the GHG Protocol Corporate Accounting and Reporting Standard, applying the operational control approach.	To calculate VistaJet International's emissions, VistaJet International has followed the GHG Protocol Corporate Accounting and Reporting Standard, applying the operational control approach.
Energy consumption		
Total energy consumption (kWh)	332,868	317,470
Natural gas consumption (kWh)	0	0
Electricity consumption (kWh)	332,868	317,470
Scope 1 emissions		
Emissions from combustion of gas (tCO ₂ e)	0	0
Emissions from combustion of fuel for transport services (tCO ₂ e)	0	0
Scope 2 emissions		
Emissions from purchased electricity, location-based (tCO ₂ e)	101.71	125.15
Emissions from purchased electricity, market-based (tCO ₂ e)	80.63	82.86
Scope 3 emissions		
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO ₂ e)	0.66	1.12
Total emissions & Intensity metrics		
Total emissions - location-based (tCO ₂ e)	102.37	126.26
Total emissions - market-based (tCO ₂ e)	81.29	83.97
Intensity metric - location-based (tCO ₂ e/FTE)	0.32	0.45
Intensity metric - market-based (tCO ₂ e/FTE)	0.41	0.30

Strategic Report

Registered No: 06617647

Section 172(1) Statement

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

Directors of a company must act in the way they consider, 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 directors work closely with the EXCO 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.

Hybrid working has become more commonplace with our employees working both in the office and remotely as we continued provide an environment whereby the benefits of collaboration and mental wellbeing in an office are balanced with the flexibility of working from home to suit individual circumstances. Our Employee Assistance Program continues to provide support to our employees as well as practical advice on issues that might be impacting their wellbeing and performance.

- 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.

The Company engages 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.

Strategic Report

Registered No: 06617647

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.

The directors confirm compliance with this requirement.

On behalf of the board



P Hegarty
Director

Date: 26 October 2023

Directors' report

Registered No: 06617647

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year amounted to €2,176,644 (2021: loss for the year €3,615,406). 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 acts as a sales and marketing agent in respect of air transportation services provided by the Group, provides payroll and IT development services to the Group, and participates in the 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 2022 the Company had net current liabilities of €14,467,618 (2021: €19,100,282), including €17,317,676 (2021: €16,250,467) of amounts due to group undertakings. Consequently, the Company is dependent on both the continuance of operations by the Group, and 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 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 Group, and to provide sufficient funds to the Company for the period to 31 October 2024.

The directors of the Company, which includes senior management of the Group, are satisfied that the Group has sufficient cash and liquidity to provide this support. In particular, Group management have updated their going concern assessment for the Group to cover the period to 31 October 2024, including the preparation of base and stress tested cash flow forecasts covering that period. These forecasts indicate that the Group will continue to be cash generative and operate within its available financing facilities for the period to 31 October 2024.

However, the Group's 2022 consolidated financial statements, approved in April 2023, disclosed the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. This material uncertainty related to the risk that the quantum and timing of cash flows sufficient to sustain continued operations may not be achievable and that management forecasts regarding cash flows may prove inaccurate. These forecasts were dependent on several assumptions used, including management's assessment that demand for flying private continues to remain robust in the near future and on the fruition of various plans and strategies laid in place by management, including the Group's ability to integrate acquisitions and fully utilize the fleet and increase earnings through the Group's flight service program contracts with customers. Group management's updated going concern assessment covering the period to 31 October 2024 indicates the continued existence of this material uncertainty.

Directors' report

Registered No: 06617647

Going Concern (continued)

Given the Company's reliance on the Group continuing to operate and provide financial support, and the existence of a material uncertainty related to ability of the Group to continue as a going concern, the directors have concluded this matter constitutes a material uncertainty which may cast significant doubt over the ability of the Company to continue as a going concern for the period to 31 October 2024.

At this time Group management and the directors of the Company have a reasonable expectation that the Group will achieve the cash flows forecast for the period to 31 October 2024, hence they have concluded that the Company will be able to continue in operational existence for the foreseeable future. Consequently, the directors have concluded that it is appropriate to prepare these financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company was unable to continue as a going concern basis.

Employees

The Company is an equal opportunity employer. It is our policy that all persons shall have an equal opportunity for employment and advancement based on 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.

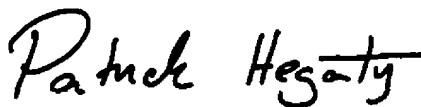
Disclosure of information to the auditors

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

Following a Group wide change in auditor Ernst & Young LLP will not be reappointed as auditor, with PricewaterhouseCoopers LLP being proposed as the Company's auditor under s485 of the Companies Act 2006.

On behalf of the board



P Hegarty
Director

Date: 26 October 2023

Directors' responsibilities statement

The directors are 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 auditor's 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 2022 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 19, 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 2022 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the company is reliant on the Vista Global Group continuing to operate and provide financial support as required, however there exists a material uncertainty related to ability of the Vista Global Group to continue as a going concern due to the risk that the quantum and timing of cash flows sufficient to sustain continued operations may not be achievable and that management forecasts regarding cash flows may prove inaccurate. As stated in Note 1, this event or condition, along with other matters as set forth in Note 1, indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a 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. Our opinion is not modified in respect of this matter.

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.

Independent auditor's report

to the Shareholders of VistaJet International Limited

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.

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 this gives rise to 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 11, 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 auditor's 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 application of transfer pricing agreements with fellow group undertakings to be a fraud risk. 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 auditor's 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

Michael Christie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date 26 October 2023

Income Statement

for the year ended 31 December 2022

		2022	2021
	Notes	€	€
Revenue	2	61,516,147	41,416,265
Administrative expenses		(55,485,696)	(32,243,847)
Operating profit	3	6,030,451	9,172,418
Finance income		23	112,702
Finance expenses	6	(2,266,039)	(3,647,148)
Unrealised foreign currency exchange losses		(821,128)	(9,985,292)
Profit/(loss) before taxation		2,943,307	(4,347,320)
Taxation (charge)/credit	7	(766,663)	731,914
Profit/(loss) for the financial year		<u>2,176,644</u>	<u>(3,615,406)</u>

All amounts above relate to continuing operations.

Statement of comprehensive income

for the year ended 31 December 2022

The company has no comprehensive income or loss other than the profit for the financial year of €2,176,644 (2021 – loss €3,615,406).

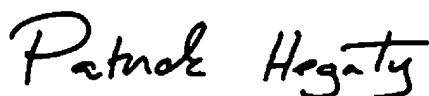
Balance Sheet

As at 31 December 2022

Registered No: 06617647

	Notes	2022 €	2021 €
Fixed assets			
Intangible assets	8	24,278,439	27,122,854
Tangible assets	9	516,182	427,161
		<u>24,794,621</u>	<u>27,550,015</u>
Current assets			
Stocks	10	70,452	75,384
Debtors – amounts due within one year	11	9,271,145	4,915,418
Cash at bank and in hand		1,738,181	481,393
		<u>11,079,778</u>	<u>5,472,195</u>
Creditors: amounts falling due within one year	12	(25,547,396)	(24,572,477)
Net current liabilities		<u>(14,467,618)</u>	<u>(19,100,282)</u>
Total assets less current liabilities		<u>10,327,003</u>	<u>8,449,733</u>
Net assets		<u>10,327,003</u>	<u>8,449,733</u>
Equity			
Called up share capital	16	1	1
Capital contribution reserve		1,583,515	1,882,889
Profit and loss reserve		8,743,487	6,566,843
Total Shareholders equity		<u>10,327,003</u>	<u>8,449,733</u>

The financial statements were approved and authorised for issue by the board and authorised for issue on 26 October 2023 and were signed on its behalf by:



P Hegarty
Director

Statement of Changes in Equity

for the year ended 31 December 2022

	<i>Notes</i>	<i>Share Capital</i>	<i>Capital contribution reserve</i>	<i>Profit and loss reserve</i>	<i>Total shareholders equity/(deficit)</i>
		€	€	€	€
At 1 January 2021		1	1,573,116	10,182,249	11,755,366
Loss for the year		-	-	(3,615,406)	(3,615,406)
Share based payment charge	19	-	309,773	-	309,773
At 31 December 2021		1	1,882,889	6,566,843	8,449,733
Profit for the year		-	-	2,176,644	2,176,644
Repurchase of vested stock options	19	-	(1,044,844)	-	(1,044,844)
Share based payment charge	19	-	745,470	-	745,470
At 31 December 2022		1	1,583,515	8,743,487	10,327,003

Statement of cash flows

for the year ended 31 December 2022

		2022	2021
	Notes	€	€
Net cash inflow from operating activities	18(a)	<u>5,074,587</u>	<u>12,252,555</u>
Investing activities			
Payments to acquire intangible fixed assets	8	(2,368,395)	(2,942,604)
Payments to acquire tangible fixed assets	9	<u>(360,767)</u>	<u>(145,808)</u>
Net cash outflow from investing activities		<u>(2,729,162)</u>	<u>(3,088,412)</u>
Financing activities			
Repayments finance lease obligations		-	(325,400)
Repayment of Barclays CLBILS loan		-	(23,829,400)
Payments of legal fees relating to CLBILS loan		-	(462,027)
Interest payments		(43,793)	(1,283,595)
Repurchase of vested stock options		<u>(1,044,844)</u>	<u>-</u>
Net cash outflow from financing activities		<u>(1,088,637)</u>	<u>(25,900,422)</u>
Increase/(decrease) in cash and cash equivalents		1,256,788	(16,736,279)
Cash and cash equivalents at 1 January		<u>481,393</u>	<u>17,217,672</u>
Cash and cash equivalents at 31 December	18(b)	<u>1,738,181</u>	<u>481,393</u>

Notes to the financial statements

at 31 December 2022

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 26 October 2023.

Going concern

The Company acts as a sales and marketing agent in respect of air transportation services provided by the Group, provides payroll and IT development services to the Group, and participates in the 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 2022 the Company had net current liabilities of €14,467,618 (2021: €19,100,282), including €17,317,676 (2021: €16,250,467) of amounts due to group undertakings. Consequently, the Company is dependent on both the continuance of operations by the Group, and 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 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 Group, and to provide sufficient funds to the Company for the period to 31 October 2024.

The directors of the Company, which includes senior management of the Group, are satisfied that the Group has sufficient cash and liquidity to provide this support. In particular, Group management have updated their going concern assessment for the Group to cover the period to 31 October 2024, including the preparation of base and stress tested cash flow forecasts covering that period. These forecasts indicate that the Group will continue to be cash generative and operate within its available financing facilities for the period to 31 October 2024.

However, the Group's 2022 consolidated financial statements, approved in April 2023, disclosed the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. This material uncertainty related to the risk that the quantum and timing of cash flows sufficient to sustain continued operations may not be achievable and that management forecasts regarding cash flows may prove inaccurate. These forecasts were dependent on several assumptions used, including management's assessment that demand for flying private continues to remain robust in the near future and on the fruition of various plans and strategies laid in place by management, including the Group's ability to integrate acquisitions and fully utilize the fleet and increase earnings through the Group's flight service program contracts with customers. Group management's updated going concern assessment covering the period to 31 October 2024 indicates the continued existence of this material uncertainty.

Notes to the financial statements

at 31 December 2022

Going Concern (continued)

Given the Company's reliance on the Group continuing to operate and provide financial support, and the existence of a material uncertainty related to ability of the Group to continue as a going concern, the directors have concluded this matter constitutes a material uncertainty which may cast significant doubt over the ability of the Company to continue as a going concern for the period to 31 October 2024.

At this time Group management and the directors of the Company have a reasonable expectation that the Group will achieve the cash flows forecast for the period to 31 October 2024, hence they have concluded that the Company will be able to continue in operational existence for the foreseeable future. Consequently, the directors have concluded that it is appropriate to prepare these financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company was unable to continue as a going concern basis.

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 circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2022

1. Accounting policies (continued)

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.

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.

Notes to the financial statements

at 31 December 2022

1. Accounting policies (continued)

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 ("Vista Global Share Option Plans"), 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 Share Option Plans 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.

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.

Notes to the financial statements

at 31 December 2022

3. Operating profit

This is stated after (crediting)/charging:	2022	2021
	€	€
Auditors remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	39,378	33,527
Amortisation of intangible assets (included in Admin expenses)	5,759,471	5,375,955
Amortisation of intangible assets held under finance lease (included in Admin expenses)	-	113,034
Depreciation of owned assets	271,746	539,078
Operating lease rentals – land and buildings	1,709,123	1,539,599
Government grant – CRJS	-	(12,696)
Foreign exchange gains/(loss)	310,586	(5,435,494)
	<u> </u>	<u> </u>

4. Employees

	2022	2021
	€	€
Wages and salaries	26,196,221	15,607,476
Social security costs	3,114,468	1,584,778
Other pension costs	1,385,266	771,397
Share based payment expense	745,470	309,774
	<u>31,441,425</u>	<u>18,273,425</u>

Other pension costs of €1,385,266 (2021: €771,397) are in respect of the Salary Sacrifice and defined contribution scheme.

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

	2022	2021
	No.	No.
Operations	119	117
Administration	250	192
	<u>369</u>	<u>309</u>

5. Directors' emoluments

The amounts of remuneration payable to the directors in respect of their services to the Company in the current and previous years is considered negligible.

Notes to the financial statements

at 31 December 2022

6. Finance expenses

	2022	2021
	€	€
Interest payable to group undertakings	2,222,246	1,690,481
Interest expense third party	43,793	-
Interest expense CLBILS loan	-	1,941,584
Interest expense finance lease	-	15,083
	<u>2,266,039</u>	<u>3,647,148</u>

7. Taxation

(a) Tax on profit/(loss)

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

	2022	2021
	€	€
<i>Current tax:</i>		
UK corporation tax	637,035	(278,981)
UK corporation tax - adjustments in respect of prior periods	13,901	(464,198)
Foreign tax - adjustment in respect to prior period	114,702	117,000
Total current tax charge/(credit)	<u>765,638</u>	<u>(626,179)</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	13,958	(121,404)
Adjustments in respect of previous periods	(12,933)	(6,304)
Effect of tax rate change on opening balance	-	21,973
Total deferred tax charge/(credit)	<u>1,025</u>	<u>(105,735)</u>
Total tax charge/(credit) for the year	<u>766,663</u>	<u>(731,914)</u>

(b) Factors affecting the total tax charge/(credit)

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:

	2022	2021
	€	€
Profit/(loss) before taxation	<u>2,943,307</u>	<u>(4,347,320)</u>
Profit/(loss) by rate of tax of 19% (2021: 19%)	559,228	(825,991)
Effects of:		
Fixed asset differences	1,970	7,030
Expenses not deductible for tax purposes	321,442	709,430
Foreign tax - adjustment in respect to prior period	114,702	117,000
Adjustments in respect of prior periods	13,901	(464,198)
Adjustments to tax charge in respect of previous periods – deferred tax	(12,933)	(6,304)
Impact of change in tax rate	3,350	(7,164)
Exchange difference arising on movement between opening and closing spot rates	(17,630)	-
Foreign permanent establishment exemption	(217,367)	(261,717)
Total tax charge/(credit) for the year (note 7(a))	<u>766,663</u>	<u>(731,914)</u>

Notes to the financial statements

at 31 December 2022

7. Taxation (continued)

(c) Deferred tax

The deferred tax liability recognised is comprised as follows:

	2022 €	2021 €
Fixed assets temporary differences	86,677	70,181
Short term timing differences	(115,501)	(100,030)
	<u>(28,824)</u>	<u>(29,849)</u>
		€
At 1 January 2022		(29,849)
Deferred tax charge in profit and loss account (note 7(a))		1,025
At 31 December 2022		<u>(28,824)</u>

In March 2021, a change in the UK corporation tax rate was announced to increase the main rate of corporation tax from 19% to 25% from April 2023. This change was substantively enacted in May 2021 and therefore deferred tax at 31 December 2022 has been provided at 25%.

8. Intangible fixed assets

	Software €	Total €
Cost:		
Opening balance at 1 January 2022	44,739,211	44,739,211
Additions	2,915,056	2,915,056
At 31 December 2022	<u>47,654,267</u>	<u>47,654,267</u>
Amortisation:		
Opening balance at 1 January 2022	17,616,357	17,616,357
Provided during the year	5,759,471	5,759,471
At 31 December 2022	<u>23,375,828</u>	<u>23,375,828</u>
Net book value:		
At 31 December 2022	<u>24,278,439</u>	<u>24,278,439</u>
At 31 December 2021	<u>27,122,854</u>	<u>27,122,854</u>

Finance leased assets and assets held acquired under hire purchase contracts were fully settled in a prior period.

Notes to the financial statements

at 31 December 2022

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 2022	331,898	194,175	663,365	2,685,458	3,874,896
Additions	-	-	-	360,767	360,767
At 31 December 2022	<u>331,898</u>	<u>194,175</u>	<u>663,365</u>	<u>3,046,225</u>	<u>4,235,663</u>
Depreciation:					
At 1 January 2022	331,898	80,906	518,400	2,516,531	3,447,735
Provided during the year	-	38,835	74,447	158,464	271,746
At 31 December 2022	<u>331,898</u>	<u>119,741</u>	<u>592,847</u>	<u>2,674,995</u>	<u>3,719,481</u>
Net book value:					
At 31 December 2022	<u>-</u>	<u>74,434</u>	<u>70,518</u>	<u>371,230</u>	<u>516,182</u>
At 31 December 2021	<u>-</u>	<u>113,269</u>	<u>144,965</u>	<u>168,927</u>	<u>427,161</u>

10. Stocks

	2022 €	2021 €
Consumables	<u>70,452</u>	<u>75,384</u>

Total stocks recognised as an expense in the income statement amounted to €1,162 (2021: €13,752)

11. Debtors: amounts falling due within one year

	2022 €	2021 €
Other debtors	1,849,024	893,304
Deferred tax assets	28,824	29,849
Prepayments and accrued income	<u>7,393,297</u>	<u>3,992,265</u>
	<u>9,271,145</u>	<u>4,915,418</u>

Notes to the financial statements

at 31 December 2022

12. Creditors: amounts falling due within one year

	2022	2021
	€	€
Trade creditors	3,068,486	1,168,073
Amounts owed to group undertakings	17,317,676	16,250,467
Other creditors	254,949	214,883
Accruals and deferred income	2,014,333	2,386,044
Corporation tax payable	752,608	2,610,803
Other taxation and social security	2,139,344	1,942,207
	<u>25,547,396</u>	<u>24,572,477</u>

13. 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 €215,489 (2021: €153,606) are included in 'other creditors' (note 12). Pension contributions recognised through the Income Statement during the year were €1,385,266 (2021: €771,397).

14. 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>	
	2022	2021
	€	€
Operating leases which expire:		
Within one year	1,598,853	1,678,473
In two to five years	1,970,698	3,561,029
Total	<u>3,569,551</u>	<u>5,239,502</u>

15. 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 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 €1,904,809 (2021: €1,329,387).

Notes to the financial statements

at 31 December 2022

16. 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.

	2022		Authorised 2021	
	No.	€	No.	€
Ordinary shares of £1 each				
	<u>100,000</u>	<u>127,828</u>	<u>100,000</u>	<u>127,828</u>
	2021		Allotted and called up 2020	
	No.	€	No.	€
Ordinary shares of £1 each	1	1	1	1

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.

17. 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.

Notes to the financial statements

at 31 December 2022

18. Notes to the statement of cash flows

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

	2022 €	2021 €
Operating profit for the year	6,030,451	9,172,418
<i>Adjustments to reconcile operating profit for the year to net cash flow from operating activities:</i>		
Depreciation of tangible fixed assets	271,746	539,079
Share based payment charge	745,470	309,773
Amortisation of intangible fixed assets	5,759,471	5,488,989
Increase in debtors	(4,356,754)	(1,237,822)
Decrease/(increase) in stock	4,932	(23,409)
Decrease in creditors	(756,896)	(1,996,473)
<i>Taxation</i>		
Corporation tax paid	(2,623,833)	-
Net cash inflow from operating activities	<u>5,074,587</u>	<u>12,252,555</u>

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	At 31 December 2022 €	At 31 December 2021 €
Cash at bank and in hand	<u>1,738,181</u>	<u>481,393</u>

19. Share based payment plans

Description of share-based payment arrangements

At December 31, 2022, the Vista Global had the following share-based payment arrangements under which some participants were employed through the Company.

2011 Management Stock Option Plan ("2011 MSOP")

On September 30, 2011, the 2011 MSOP was set up to attract, motivate and retain senior managers.

This scheme was set up in Switzerland under Swiss law, amended through a modification in December 2020, and have 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

Notes to the financial statements

at 31 December 2022

19. Share based payment plans (continued)

- 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
- The exercise period was extended by way of the December 2020 modification by approximately 9 years
- Under the plan rules, during 2022 the Board exceptionally used its discretion to re-purchase a total of 23,164 options from participants based on current fair value estimate at the time, with a total cost of \$1.0 million. This has been charged against the capital contribution reserve in equity representing a return of the previous capital contribution provided,

Vista Global 2019 Share Option Plan

In 2019, Vista Global established the new 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 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.

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 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 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 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 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 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 Board's intention to settle the options in shares if and when these become exercisable; consequently, any options granted under the plan are classified, recognised and measured as equity-settled options.

Notes to the financial statements

at 31 December 2022

19. Share based payment plans (continued)

Measurement of fair values and recognition of share-based payment expenses

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.

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.

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 estimates about future events. Movements in fair value of equity-settled options are not recognised 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 Group to meet the performance conditions (EBITDA targets), and on the number of participants that are expected to meet the service conditions.

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

Summary of fair value assessment inputs

The inputs used in the measurement of the fair values at grant date for all share-based arrangements were as follows.

Fair value measurement inputs	2022	2021
Fair value of grants during the year (weighted average)	\$14.03	\$9.77
Exercise price (weighted average)	\$34.15	\$16.96
Expected volatility (weighted average)	31.1%	40.0%
Expected dividend yield	0%	0%
Risk-free interest rate (weighted-average)	1.62%	0.90%
Expected life (weighted average)	4.7 years	5.0 years

Notes to the financial statements

at 31 December 2022

19. Share based payment plans (continued)

Reconciliation of outstanding share-based instruments

The number and weighted-average exercise prices of the outstanding share-based instruments at the reporting end date was as follows.

	2022		2021	
	Number of options	Weighted average exercise price in \$	Number of options	Weighted average exercise price in \$
All share option plans				
As at 1 January	720,369	19.59	548,914	20.42
Granted during the year	29,084	34.15	171,455	16.96
Exercised during the year	—	—	—	—
Re-purchased during the year	(23,164)	1.16	—	—
Forfeited during the year	(16,496)	29.58	—	—
As at 31 December	709,793	20.56	720,369	19.59
Exercisable at 31 December	260,029	17.03	189,554	11.59
Outstanding as at 31 December:	2022	2021		
Exercise price range	\$1.16 to \$41.28	\$1.16 to \$29.98		
Weighted average remaining contractual life	7.1 years	8.2 years		

Expenses arising from share-based payment transactions

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

In EUR	2022	2021
	€	€
Option expense for those issued under the Vista Global 2019 share option plan	745,470	309,773
Total	745,470	309,773