

Svane Rejsebureau ApS

Registered office: Bagsværd Torv 8, 2880 Bagsværd

CVR-number 10 28 09 90

Annual report 2017/18

Annual report for the financial period: 1. oktober 2017 – 30. september 2018

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Approved at the annual general meeting of shareholders on 24 january 2019

Per Reither
As chairman

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Company details

| | |
|------------------------|---|
| The Company | Svane Rejsebureau ApS Bagsværd Torv 8 2880 Bagsværd |
| Executive board | Per Reither |
| Auditors | Aaen & Co. statsautoriserede revisorer P/S Bagsværd Hovedgade 141, 2. sal 2880 Bagsværd |
| Financial year | 1 October – 30 September 2018 |

Management's review

The Company's business review

Svane Rejser's main activity is the development and sale of travels, travel arrangements, and related services.

Significant changes in the company's activities and financial affairs

There has been no significant changes in the activities and financial position during the financial year.

The Gross profit of the year is 3.317.004 and profit after tax 938.411 DKK. The degree of coverage, liquidity ratio, and solvency ratio are considered satisfactory, and the profit for the year is considered satisfactory.

After a difficult start in October 2017 due to severe storms/hurricanes in the Caribbean, and at the same time earthquakes in Mexico with great devastation as a result, this obviously affected our results. Cuba, which is our main product/destination, was severely stricken by major damage to both hotels, massive flooding that caused the destruction of Cuba's infrastructure.

Virgin Islands of the United States as well as Puerto Rico, which is also a focus of ours, were also hit very hard. Due to this we, unfortunately, had to cancel many trips that were already sold and cf. the law within the area, we had to repay the customers their receivables especially on trips over Christmas and New Year 17-18, where it was impossible to offer new trips to Asia since everything at this late time was out of stock.

The next major challenge in the financial year was a notified large-scale public sector conflict in Denmark that stretched from March to June 2018 when up to 750,000 public employees were selected for strike and lockout. This uncertain situation meant that many of Svane Rejser's core customers failed to book trips due to the labour market situation. June 4th, 2018, the negotiations and the state employees voted 'yes' to the agreement and a major conflict was thus prevented.

From May to August 2018, the hottest summer in Denmark since 1947 occurred. This had an excepted negative impact on the desire for travelling, which the entire travel industry has also felt internationally.

Compared to these factors for 2017-18 that have challenged us, we have shown good accounting results based on quick and proven conversion and cost adjustment.

We consider the company to be in a strong position when entering the year 2019.

Management's statement on the annual report

The Executive Board has today discussed and approved the Annual Report 2017/2018 of Svane Rejsebureau ApS.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Annual Report gives a true and fair view of the Company's financial position at 30 September 2018 and the results of operations for the financial year 1 October 2017 - 30 September 2018 of the Company.

In our opinion, the Management's review includes a fair review of the matters discussed in the Management review.

We recommend that the Annual Report be approved at the annual general meeting.

Bagsværd, 21 January 2019

Executive Board

Per Reither

Independent Auditor's Report

To the shareholders of Svane Rejsebureau ApS:

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2018, and of the results of the Company's operations for the financial year 1 October 2017 - 31 September 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Svane Rejsebureau ApS for the financial year 1 October 2017 - 31 September 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Bagsværd, 21 January 2019

Aaen & Co. statsautoriserede revisorer p/s

Bagsværd Hovedgade 141, 2.sal, 2880 Bagsværd - CVR number 33 24 17 63

Peter K. Gøbel
State Authorised Public Accountant
mne93319

Accounting Policies

Basis of accounting

The Annual Report of Svane Rejsebureau ApS for 2017/2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Recognition and measurement

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortisation and impairment losses, are recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment, are recognised in financial income and expenses in the income statement. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the rate at the time of origin of the receivable or debt is recognised in financial income and expenses in the income statement.

Income statement

Gross profit

With reference to section 32 of the Danish financial statements act, the items "Revenue", "Direct Costs" and "Other external expenses" are consolidated into one item designated "Gross profit". Direct costs include cost of goods sold incl. freight.

Accounting Policies

Revenue

Income from sales is recognised at the time of departure. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses comprise the year's expenses relating to distribution, administration, sale, advertising, premises, bad debts, car and travel expenses, exhibitions etc., IT, premises, insurances, communication and other costs for administration.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

Corporation tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Property, plant and equipment and leasehold improvements

Fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and amortization.

Depreciation is based on cost reduced by any expected residual value after the period of use.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

| | | |
|---|---------|-----|
| Other fixtures, fittings, tools and equipment | 5 Years | 20% |
| Leasehold improvements | 5 Years | 20% |

Gains or losses on sale of property, plant and equipment are calculated as the difference between the sales price less sales expenses and the carrying amount at the time of the sale.

Fixed asset investments

Investments comprise rent deposits, which are measured at cost.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realisable value and the carrying amount.

Accounting Policies

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and deposits in bank accounts.

Corporation tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for taxes paid on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be either realised, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Debt

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

Other liabilities are measured at net realisable value.

Income Statement 1 October - 30 September

| Note | 2017/2018 | 2016/2017 |
|---|------------------|------------------|
| Gross profit | 3.317.004 | 3.715.928 |
| 1 Staff costs | 2.091.025 | 2.454.587 |
| Depreciation of property, plant and equipment | 38.072 | 38.072 |
| Profit from ordinary operating activities | 1.187.907 | 1.223.269 |
| 2 Financial income | 20.456 | 2.157 |
| Financial expenses | 3.246 | 3.444 |
| Profit from ordinary activities before tax | 1.205.117 | 1.221.982 |
| 3 Tax expense on ordinary activities | 266.706 | 270.394 |
| Profit for the year | 938.411 | 951.588 |
| Proposed profit appropriation | | |
| Dividends for the financial year | 500.000 | 500.000 |
| Retained earnings | 438.411 | 451.588 |
| Profit for the year distributed | 938.411 | 951.588 |

Balance sheet 30 September

Assets

| Note | 2018 | 2017 |
|---|-------------------|-------------------|
| Leasehold improvements | 11.275 | 15.375 |
| Fixtures, fittings, tools and equipment | 101.918 | 135.890 |
| 4 Property, plant and equipment | 113.193 | 151.265 |
| Deposits, investments | 81.889 | 62.489 |
| Fixed asset investments | 81.889 | 62.489 |
| Non-current assets | 195.082 | 213.754 |
| Trade receivables | 4.268.533 | 3.867.725 |
| Receivables from group enterprises | 396.413 | 892.304 |
| Deferred tax assets | 2.517 | 38.707 |
| Other receivables | 207.274 | 90.264 |
| Prepayments | 11.820 | 12.500 |
| Receivables | 4.886.557 | 4.901.500 |
| Cash | 8.987.984 | 7.561.049 |
| Current assets | 13.874.541 | 12.462.549 |
| Total assets | 14.069.623 | 12.676.303 |

Balance sheet 30 September

Equity and liabilities

| Note | 2018 | 2017 |
|---|-------------------|-------------------|
| Share capital | 200.000 | 200.000 |
| Retained earnings | 4.438.212 | 3.999.801 |
| Proposed dividend | 500.000 | 500.000 |
| 5 Total equity | 5.138.212 | 4.699.801 |
| Long-term Corporation tax | 230.516 | 302.002 |
| 6 Long-term liabilities | 230.516 | 302.002 |
| Other credit institutions | 48.751 | 164.071 |
| Prepayments from customers | 7.564.514 | 6.493.323 |
| Trade payables | 583.811 | 679.243 |
| Corporation tax | 302.002 | 170.401 |
| Other payables | 201.817 | 167.462 |
| Total current liabilities | 8.700.895 | 7.674.500 |
| Total liabilities | 8.931.411 | 7.976.502 |
| Total equity and liabilities | 14.069.623 | 12.676.303 |
| 7 Collaterals | | |
| 8 Contingent liabilities and other financial obligations | | |

Notes

| | <u>2017/2018</u> | <u>2016/2017</u> |
|---|-------------------------|-------------------------|
| 1 Staff costs | | |
| Wages/salaries | 1.956.131 | 2.280.600 |
| Pensions | 96.000 | 119.714 |
| Other social security costs | 38.894 | 54.273 |
| Employee expenses | <u>2.091.025</u> | <u>2.454.587</u> |
| Average number of employes | <u>6</u> | <u>7</u> |
| 2 Financial income | | |
| Interest, intercompany | 17.250 | 0 |
| Interest income | 3.206 | 2.157 |
| | <u>20.456</u> | <u>2.157</u> |
| 3 Tax expense on ordinary activities | | |
| Tax on the taxable income of the year | 230.516 | 302.002 |
| Increase/decrease in provision for deferred tax | 36.190 | -31.608 |
| Prior years tax | 0 | 0 |
| | <u>266.706</u> | <u>270.394</u> |

Notes

4 Property, plant and equipment

| | Fixtures and fittings, tools and equipment | Leasehold improvements |
|--|--|---------------------------|
| Cost at 1 October | 544.800 | 20.500 |
| Cost at 30 September | 544.800 | 20.500 |
| Impairment losses and depreciation at 1 October | 408.910 | 5.125 |
| Amortisation/depreciation in the year | 33.972 | 4.100 |
| Impairment losses and depreciation at 30 September | 442.882 | 9.225 |
| Carrying amount at 30 September | 101.918 | 11.275 |

5 Equity

| | Share capital | Retained earnings | Proposed dividend |
|----------------------------|----------------|----------------------|----------------------|
| Equity 1 October | 200.000 | 3.999.801 | 500.000 |
| Dividend | 0 | 0 | -500.000 |
| Profit for the year | 0 | 438.411 | 500.000 |
| Equity 30 September | 200.000 | 4.438.212 | 500.000 |

6 Long-term liabilities

| | | |
|----------------------|----------------|----------------|
| Payable after 5 year | 0 | 0 |
| Payable in 1-5 year | 230.516 | 302.002 |
| Payable under 1 year | 0 | 0 |
| | 230.516 | 302.002 |

Notes

7 Collaterals

There is a guarantee of 1.004 tkr. for the travel fund. The money is deposited in the bank

The company is jointly taxed with its parent, Svane Rejser Holding ApS, which acts as management company. The company is jointly and severally liable with the other jointly taxed Group companies for payment of withholding taxes payable and for corporate taxes.

8 Contingent liabilities and other financial obligations

The Company has entered rent agreements with six months' notice, representing a commitment of total TKR 80.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Per Reither

Som Direktør
PID: 9208-2002-2-109900826945 NEM ID
Tidspunkt for underskrift: 25-01-2019 kl.: 13:03:41
Underskrevet med NemID

Per Reither

Som Dirigent
PID: 9208-2002-2-109900826945 NEM ID
Tidspunkt for underskrift: 25-01-2019 kl.: 13:03:41
Underskrevet med NemID

Peter Korsgaard Gøbel

Som Revisor
RID: 84745820 NEM ID
Tidspunkt for underskrift: 25-01-2019 kl.: 13:26:13
Underskrevet med NemID

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