
Nordic Leisure Travel Group Denmark A/S

Kay Fiskers Plads 9, 4., DK-2300 Copenhagen

Annual Report for
1 October 2022 - 30 September 2023

CVR No. 18 80 90 36

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/3 2024

Per Knudsen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordic Leisure Travel Group Denmark A/S for the financial year 1 October 2022 - 30 September 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2023 of the Company and of the results of the Company operations for 2022/23.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 26 March 2024

Executive Board

Per Knudsen

Board of Directors

Lars Magnus Wikner
Chairman

Lars Fredrik Danielsson

Jan Fallesen Vendelbo

Per Knudsen

Independent Auditor's report

To the shareholder of Nordic Leisure Travel Group Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordic Leisure Travel Group Denmark A/S for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

Independent Auditor's report

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

Hellerup, 26 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Alexander Oliver Duschek

State Authorised Public Accountant

mne47774

Company information

The Company	Nordic Leisure Travel Group Denmark A/S Kay Fiskers Plads 9, 4. DK-2300 Copenhagen CVR No: 18 80 90 36 Financial period: 1 October 2022 - 30 September 2023 Municipality of reg. office: Copenhagen
Board of Directors	Lars Magnus Wikner, chairman Lars Fredrik Danielsson Jan Fallesen Vendelbo Per Knudsen
Executive Board	Per Knudsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

Nordic Leisure Travel Group Denmark A/S is the parent Company of Spies A/S and Sunclass Airlines ApS. The company is also active as an agent for the purchase and resale of airline seats within the Nordic Leisure Travel Group. In addition, the parent company also carries out a number of group tasks on behalf of group companies within the Nordic Leisure Travel Group, from which the parent company gets costs covered through invoicing of the management fee.

The Company and the Danish subsidiaries are part of the Nordic travel group Nordic Leisure Travel Group (NLTG), in which NLTG Holdco AB is the ultimate and consolidating parent within the group (org. no. 559222-2789). NLTG is owned by a consortium consisting of Strawberry Equities AS, Altor Fund V AB and TDR Capital Nominees Ltd.

Development in the year

The income statement of the Company for 2022/23 shows a loss of TDKK 10,564, and at 30 September 2023 the balance sheet of the Company shows positive equity of TDKK 40,966.

During the financial year 2022/23, the Company as well as the group's airline and tour operators, experienced that the high demand for holiday travel after several years of COVID-19 restrictions have continued. The tour operator's report high increases compared to last year in both number of passengers, revenue, load factor and gross profit which supports the overall conclusion that we now can put the COVID-19 pandemic and its effects on our business behind us.

Just as in 2021/22, the financial year for the Group was partially impacted the current global economic environment with increased costs, high inflation and fluctuating currencies which have affected the Group and the Company.

Capital resources

Reference is made to the description in note 1 of the Financial Statements.

Operating risks

The Company can see an impact on customers' travel patterns as a result of war and terrorist incidents, virus outbreaks, natural disasters etc., no unusual operational risks.

Foreign exchange risks

The Company has no significant risks regarding currency and jet fuel. Revenue and costs settled in all materiality in Danish kroner.

Interest rate risks

The interest rate risk on liquid holdings is not hedged. The risk is considered limited.

Management's review

Targets and expectations for the year ahead

The Group's and the Company's short-term earning power is of course affected by customers' demand for holiday travel, which is affected by a number of external factors. Rising interest rates, high energy prices and high inflation affect customers' financial ability, which may affect demand. For several of our customers, the private finances will continue to be characterized by high living costs in the coming year due to high interest rates, high energy costs and high inflation, but external surveys show that despite increased living costs for the individual customer, travel is prioritized over other consumption. The booking situation for the coming year has so far followed historical patterns and is developing as expected, which confirms the market's return to a normal situation.

However, these external factors give some uncertainty about the results for the coming year, but group management is fully focused on optimizing group volumes, inventory and product mix, use measures to drive sales and implement various initiatives in the area of cost control, which includes activities such as marketing campaigns, monitoring the development of direct costs, currency and fuel prices.

Based on above we expect that the Company will continue to be able to report a positive profit for the financial year 2023/24.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Subsequent events

Refer to note 12 in the Financial Statements.

Income statement 1 October 2022 - 30 September 2023

	Note	2022/23 TDKK	2021/22 TDKK
Revenue		54,890	45,885
Other operating income		4,685	3,731
Other external expenses		-8,174	-7,315
Gross profit		51,401	42,301
Staff expenses	2	-48,912	-38,169
Profit/loss before financial income and expenses		2,489	4,132
Income from investments in subsidiaries	3	-8,312	42,186
Financial income	4	175	137
Financial expenses	5	-4,921	-2,259
Profit/loss before tax		-10,569	44,196
Tax on profit/loss for the year	6	5	-937
Net profit/loss for the year		-10,564	43,259

Distribution of profit

	2022/23 TDKK	2021/22 TDKK
Proposed distribution of profit		
Proposed dividend for the year	0	25,000
Retained earnings	-10,564	18,259
	-10,564	43,259

Balance sheet 30 September 2023

Assets

	Note	2022/23 TDKK	2021/22 TDKK
Investments in subsidiaries	7	31,051	69,363
Fixed asset investments		31,051	69,363
Fixed assets		31,051	69,363
Receivables from group enterprises	8	58,599	57,543
Prepayments		597	9
Receivables		59,196	57,552
Cash at bank and in hand	9	600	600
Current assets		59,796	58,152
Assets		90,847	127,515

Balance sheet 30 September 2023

Liabilities and equity

	Note	2022/23	2021/22
		TDKK	TDKK
Share capital		1,000	1,000
Retained earnings		39,966	50,530
Proposed dividend for the year		0	25,000
Equity		40,966	76,530
Trade payables		335	352
Payables to group enterprises		32,504	44,821
Corporation tax		0	445
Payables to group enterprises relating to corporation tax		5,492	0
Other payables		11,550	5,367
Short-term debt		49,881	50,985
Debt		49,881	50,985
Liabilities and equity		90,847	127,515
Capital Resources	1		
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	1,000	50,530	25,000	76,530
Ordinary dividend paid	0	0	-25,000	-25,000
Net profit/loss for the year	0	-10,564	0	-10,564
Equity at 30 September	1,000	39,966	0	40,966

The share capital consists of 1,000 shares with a nominal value of DKK 1,000. The shares are not divided into share classes.

Notes to the Financial Statements

1. Capital Resources

Due to the Company's capital and liquidity conditions, the Company is dependent on continued liquidity from Group companies, including NLTG HoldCo AB. Equity as per 30 September 2023 is positive by DKK 41 million including a loss after tax for the financial year of DKK 11 million.

The Company has therefore received a letter of support from NLTG Holdco AB, stating that NLTG Holdco AB will support the Company to the extent necessary for the financial year 2023/24 and until 31 December 2024.

The operating activities and cash flows of the NLTG Group have developed satisfactorily in the preceding financial year and at the end of the financial year, the Group net debt was SEK 1,140 million (2021/22: SEK 658 million) with a cash headroom above SEK 2,163 million (2021/22: SEK 2,401 million).

The NLTG Group has obtained an extension of their loan facilities with DNB and Vækstfonden until 2026.

During the financial year 2022/23, the existing owners contributed new capital to NLTG Group to meet agreed financial contracts. As was already included in the 2021/22 Annual Report, a contribution of SEK 38 million was made in January 2023 by way of a new share issue and, in addition to this, the shareholders strengthened the equity by converting shareholder loans to equity of SEK 266 million. In parallel, the shareholders issued a capital commitment that guarantees consolidated equity of at least SEK 250 million, which after exercise, resulted in equity of SEK 253 million on the balance sheet date. The shareholders' capital commitment resulted in a transaction of SEK 260 million, which was completed in December 2023.

The Group's short-term earning power is of course affected by customers' demand for holiday travel, which is affected by a number of external factors. Rising interest rates, high energy prices and high inflation affect customers' financial ability, which may affect demand in the future.

The booking scenario for the coming years is in line with historical patterns and expectations, with sustained margins.

The NLTG Group has financial covenants for earnings, liquidity and capital agreed with banks and financiers, which are measured at the end of the financial year. The NLTG Group has sufficient liquidity and financing facilities to be able to implement the plans for the financial year 2023/24 and there is also an extended capital commitment from existing shareholders that can be triggered if necessary.

Based hereon, it is the assessment of the Board of Directors and Executive Board that the Company has sufficient capital resources to continue its operations. Management therefore submits the Annual Report on the assumption of going concern.

	2022/23	2021/22
	TDKK	TDKK
2. Staff Expenses		
Wages and salaries	42,559	33,631
Pensions	3,942	3,331
Other social security expenses	599	540
Other staff expenses	1,812	667
	<u>48,912</u>	<u>38,169</u>
Average number of employees	<u>72</u>	<u>69</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
3. Income from investments in subsidiaries		
Share of profits of subsidiaries	-8,312	42,186
	<u>-8,312</u>	<u>42,186</u>
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
4. Financial income		
Other financial income	0	12
Exchange gains	175	125
	<u>175</u>	<u>137</u>
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
5. Financial expenses		
Interest paid to group enterprises	3,634	1,044
Other financial expenses	7	175
Exchange loss	1,280	1,040
	<u>4,921</u>	<u>2,259</u>
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
6. Income tax expense		
Current tax for the year	0	445
Adjustment of tax concerning previous years	-5	492
	<u>-5</u>	<u>937</u>

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
7. Investments in subsidiaries		
Cost at 1 October	612,098	612,098
Cost at 30 September	612,098	612,098
Value adjustments at 1 October	-542,735	-584,921
Net profit/loss for the year	-8,312	42,186
Dividend to the Parent Company	-30,000	0
Value adjustments at 30 September	-581,047	-542,735
Carrying amount at 30 September	31,051	69,363

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Spies A/S	Copenhagen	TDKK 36.000	100%
Sunclass Airlines ApS	Copenhagen	TDKK 1.000	100%

	2022/23	2021/22
	TDKK	TDKK
8. Receivables from group enterprises		
Receivable from group enterprises	21,927	53,965
Intra-group cash pool arrangement	36,672	3,578
	58,599	57,543

9. Cash at bank and in hand

Cash at bank and in hand per 30 September 2023 of TDKK 600 constitutes bank deposits on blocked accounts and are thus bound and not freely available for the Company's liquidity preparation and management.

Notes to the Financial Statements

2022/23	2021/22
TDKK	TDKK

10. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with :

Shares in subsidiaries are pledged as security for loans and credit facilities taken out by affiliated companies in the NLTG group, with DNB, Vækstfonden and Export Kredit Nämnden.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	222	61
Between 1 and 5 years	565	0
	<u>787</u>	<u>61</u>

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

11. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
NLTG HoldCo AB (org.nr. 559222-2789)	Rålambsvägen 17 112 59 Stockholm Sweden

12. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

13. Accounting policies

The Annual Report of Nordic Leisure Travel Group Denmark A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022/23 of NLTG HoldCo AB, Sverige, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of NLTG HoldCo AB, Sverige, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

Income statement

Revenue

The revenue from the sale of airplane seats is recognized in the income statement if delivery and transfer of risk to the purchaser have taken place before the end of the year. The revenue consists of the net proceeds that the Company receives for reselling airplane seats, as the Company is considered in accounting practice to act as an agent for the purchase and resale of airplane seats within the group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividends that management proposes to distribute for the financial year are shown as a separate item under equity.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of 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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.