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CVR no. 20 22 26 70

TOUR PARTNER GROUP NORDICS APS
BOMHUSVEJ 13, 1., 2100 KØBENHAVN Ø
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 18 July 2023**

Christian Nissen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 18 82 37 48

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COMPANY DETAILS

Company	Tour Partner Group Nordics ApS Bomhusvej 13, 1. 2100 Copenhagen Ø CVR No.: 18 82 37 48 Established: 1 October 1995 Municipality: Gentofte Financial Year: 1 January - 31 December
Board of Directors	Peter Richard Liney, chairman Paul John Maine Alex Graves
Executive Board	Hans Christian Nissen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Danske Bank Holmens Kanal 2 1090 Copenhagen K
Law Firm	Gorrissen Federspiel Advokatpartnerselskab Axeltorv 2 1609 Copenhagen V
General Meeting	The Annual General Meeting is held on 18 July 2023, at the company's address.

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Tour Partner Group Nordics ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 18 July 2023

Executive Board

Hans Christian Nissen

Board of Directors

Peter Richard Liney
Chairman

Paul John Maine

Alex Graves

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Tour Partner Group Nordics ApS

Opinion

We have audited the Financial Statements of Tour Partner Group Nordics ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty relating to Going Concern

We draw attention to a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. We refer to the note "Uncertainty with respect to going concern" in the Annual Report, which explains that there is currently an uncertainty whether the current trading keeps continue for the coming year, there is a risk that the Company would not meet the minimum liquidity covenant with its bank, which would need the Company to obtain a waiver or obtain alternative funding agreements. It is Management's assessment that the necessary funding will be received if needed, and the Financial Statement sare therefore presented on a going concern basis. Our opinion is not modified in respect of this matter.

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:

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 of Management Commentary.

Copenhagen, 18 July 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Per Frost Jensen
State Authorised Public Accountant
MNE no. mne27740

FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Gross profit/loss.....	33.226	5.802	5.216	55.476	39.367
Operating profit/loss of main activities...	9.655	-9.344	-22.372	28.371	23.068
Financial income and expenses, net.....	1.927	2.099	-1.129	335	-18
Profit/loss for the year before tax.....	11.582	-7.245	-18.912	28.706	23.050
Profit/loss for the year.....	13.181	-7.195	-18.856	22.090	17.754
Balance sheet					
Total assets.....	149.748	61.996	59.390	101.549	128.324
Equity.....	58.822	43.137	46.979	65.499	39.706
Investment in property, plant and equipment.....	-398	-31	-72	-316	-427
Key ratios					
Quick ratio.....	167.5	372.5	580.0	293.0	143.0
Equity ratio.....	39.3	69.6	79.1	64.5	30.9
Return on equity.....	25.9	-16.0	-33.5	42.0	58.3

The comparative figures for 2018 have not been adjusted for the change in period, as 2018 only covers 9 months.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Quick ratio:
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Equity ratio:
$$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$$

Return on equity:
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

MANAGEMENT COMMENTARY

Principal activities

The company's activities have like in previous years comprised operation of a travel agency with sale of services in the form of accommodation and tours in Northern Europe to our business partners in large parts of the world.

The company was acquired by Tour Partner ApS on 3 November 2017. The ultimate parent company is Tour Partner Group, incorporated in Great Britain.

Unusual matters

The COVID-19 pandemic has had an effect on the financial year impacting our revenue. This have mainly been on our longhaul markets (Outside Europe), where the flight capacity has still not come back to 2019, effecting routes, pricing and availability. Parts of the downfall on these markets have been replaced by new business in Europe, but since margins are lower in these markets, both revenue and margins have been affected in 2022.

Recognition and measurement uncertainty

With respect to recognised receivables from group enterprises of 77,272 DKK ('000) the full amount is deemed recoverable, however due to the uncertainty also described in note "Uncertainty with respect to going concern" there is an uncertainty related to the valuation hereof. It is management assessment that the group is going concern and that the receivable is correctly recognised.

Development in activities and financial and economic position

Since the COVID-10 as per above have affected the longhaul markets, we have focused on the European markets, with growth in three principal markets France, Greece and Germany.

Profit for the year compared to the expected development

The results and financial was still impacted partly by the pandemic, mainly on the longhaul markets, effecting both revenue and margins.

A total profit of 5.000 DKK ('000), and 5% is acceptable, when looking at the comeback markets, although we strive to reach a 9% EBITA, which will be the aim when the Markets have fully returned. The result is as well affected by the quick growth and the hiring of almost 50 new staff, to cope with demand for 2023.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk

The Group's most significant operating risk is attached to the ability to be strongly positioned in the markets where the products are sold, to obtain the necessary space with the suppliers, and to ensure that the price of our services is always competitive. This have increased in difficulty due to the significant inflation in connection with Russian/Ukrainian war. The remains uncertain for the nearby future.

VAT risks:

The company has provided for the potential historic VAT registration risk in Norway. Whilst the final position for potential liability and registration is still to be agreed with the respective tax authorities, the company feels it prudent to recognize current provisional estimates.

Foreign exchange risks:

As there are activities in foreign countries, the results, cash flows and equity are influenced by the exchange rate and interest development of a number of currencies. It is the company's policy to hedge some of the commercial foreign exchange risks. The hedging is made by forward exchange contracts to hedge 50% of the expected revenue within the first 12 months.

This level is only due to the uncertainty that existed when putting the trades into place in 2022 for 2023. The company does not enter into speculative foreign currency positions. This has now moved Group Treasury in UK.

MANAGEMENT COMMENTARY

Financial risk (continued)

Uncertainty with respect to going concern

The directors prepare the financial statements on a going concern basis unless it is inappropriate to presume the group will continue in business.

After a challenging 2020 and 2021 due to COVID-19 impact on the business and operations, 2022 saw a significant trading recovery for the group and wider industry. This has continued into 2023, with strong customer demand translating into trading and pipeline bookings. This has reinforced managements' expectations for the year ahead.

The group maintains a strong relationship with its shareholders and lenders, who have supported liquidity and working capital requirements for the group during COVID-19 through the injection of funds, the waiving of accrued debt interest and the extension of bank facility repayment periods.

Since year end, the Group has agreed with its lender to delay the 2023 repayment with the next repayment due in June 2024. The Group is also in discussion with the lenders to amend the covenant requirements which are due to restart in September 2023 and are confident revised covenant requirements can be agreed.

The directors have prepared forecasts for the periods until December 2024, which current trading continues to be monitored against. This reflects the return of demand seen in 2022, with 2023 expected to match if not exceed pre-COVID-19 trading levels, a position consistent with our market peers and competitors. Based on these forecasts, the group does not require any further funding.

Despite the current headwinds in the economy, the directors are confident these robust forecasts are achievable. The group continues to work closely with its customers and suppliers to ensure it is well placed and the groups' offerings and pricing meet current expectations. The group operates in several markets which allows a more balanced and diverse risk and opportunity profile as the recovery continues.

As referred to above, through the continued support of shareholders and lenders, the repayment terms of existing debt has been extended, allowing the group to focus on trading in this recovery phase. Loan notes are not due for repayment until 2025 and bank debt repayments commence in June 2024, with most repayments not due until 2025.

Whilst not guaranteed, based on the forecasts prepared and the trading in 2023 to date, together with the continued support and current repayment terms agreed with shareholders and lenders, the directors are confident that the business will continue as a going concern and is well placed to take advantage of the current recovery climate.

Future expectations

We expect that 2023 will be another comeback year after the decline during the Pandemic years of 2020-21.

Most markets are back and selling well. EBITDA is expected to end between 3.5-3.9 million Euro (26-29 million DKK).

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK '000
GROSS PROFIT		33.225.542	5.802
Staff costs.....	1	-23.414.115	-14.829
Depreciation, amortisation and impairment losses.....		-104.355	-317
Other operating expenses.....		-52.122	0
OPERATING PROFIT		9.654.950	-9.344
Other financial income.....	2	4.948.836	5.400
Other financial expenses.....		-3.021.447	-3.301
PROFIT BEFORE TAX		11.582.339	-7.245
Tax on profit/loss for the year.....	3	1.598.369	50
PROFIT FOR THE YEAR	4	13.180.708	-7.195

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK '000
Other plants, machinery, tools and equipment.....		340.395	141
Leasehold improvements.....		94.981	52
Property, plant and equipment.....	5	435.376	193
Rent deposit and other receivables.....		1.064.009	374
Financial non-current assets.....	6	1.064.009	374
NON-CURRENT ASSETS.....		1.499.385	567
Trade receivables.....		2.264.434	1.195
Receivables from group enterprises.....		136.629.738	52.729
Deferred tax assets.....	7	2.290.279	11
Other receivables.....		662.412	68
Prepayments and accrued income.....	8	3.002.346	909
Receivables.....		144.849.209	54.912
Cash and cash equivalents.....		3.399.424	6.517
CURRENT ASSETS.....		148.248.633	61.429
ASSETS.....		149.748.018	61.996

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK '000
Share capital.....		125.000	125
Retained earnings.....		58.696.798	43.012
EQUITY.....		58.821.798	43.137
Accrued frozen holiday funds.....		2.418.633	2.369
Non-current liabilities.....	9	2.418.633	2.369
Bank debt.....		44.920	18
Trade payables.....		17.436.162	10.352
Payables to group enterprises.....	10	59.358.157	0
Corporation tax.....		680.672	0
Other liabilities.....		1.032.743	1.365
Accruals and deferred income.....	11	9.954.933	4.755
Current liabilities.....		88.507.587	16.490
LIABILITIES.....		90.926.220	18.859
EQUITY AND LIABILITIES.....		149.748.018	61.996
 Contingencies etc.	 12		
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EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	125.000	43.012.151	43.137.151
Proposed profit allocation, see note 4.....		13.180.708	13.180.708
Transactions with owners			
Subsidy from Parent Company.....		2.503.939	2.503.939
Equity at 31 December 2022.....	125.000	58.696.798	58.821.798

NOTES

	2022 DKK	2021 DKK '000	Note
Staff costs			1
Average number of employees	50	35	
Wages and salaries.....	21.362.696	13.403	
Pensions.....	599.899	395	
Social security costs.....	707.451	446	
Other staff costs.....	744.069	585	
	23.414.115	14.829	
<p>The Company's Management consists of one executive and the board of directors does not receive separate fees, and accordingly the remuneration is not disclosed pursuant to the exemption provision in section 98b(3) of the Danish Financial Statements Act.</p>			
Other financial income			2
Group enterprises.....	4.948.836	4.335	
Other interest income.....	0	1.065	
	4.948.836	5.400	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	680.672	0	
Adjustment of deferred tax.....	-2.279.041	-50	
	-1.598.369	-50	
Proposed distribution of profit			4
Retained earnings.....	13.180.708	-7.195	
	13.180.708	-7.195	
Property, plant and equipment			5
	Other plants, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2022.....	1.348.679	186.191	
Additions.....	303.235	94.985	
Disposals.....	-211.485	-186.195	
Cost at 31 December 2022.....	1.440.429	94.981	
Depreciation and impairment losses at 1 January 2022.....	1.207.163	134.073	
Reversal of depreciation of assets disposed of.....	-211.485	-134.073	
Depreciation for the year.....	104.356	0	
Depreciation and impairment losses at 31 December 2022....	1.100.034	0	
Carrying amount at 31 December 2022.....	340.395	94.981	

NOTES

		Note
Financial non-current assets		6
	Rent deposit and other receivables	
Cost at 1 January 2022.....	373.463	
Additions.....	690.546	
Cost at 31 December 2022.....	1.064.009	
Carrying amount at 31 December 2022.....	1.064.009	
Deferred tax assets		7
The provision for deferred tax is related to differences between the carrying amount and tax value of tangible fixed assets and unutilised tax losses.		
Deferred tax, beginning of year.....	11.238	-39
Deferred tax of the year, income statement.....	2.279.041	50
Deferred tax assets 31 December 2022.....	2.290.279	11
The Company's deferred tax assets are recognised in the balance sheet at DKK ('000) 2.290. The tax asset relates primarily to unutilised tax losses. The tax asset is recognised on the basis of the expectations for tax profit for the next couple of years, and the tax losses are then expected to be fully utilised. The deferred tax on tangible fixed assets is expected to be settled in 2023.		
Prepayments and accrued income		8
Prepayments comprise prepaid expenses for future travels.		
Long-term liabilities		9
	31/12 2022 total liabilities	Debt outstanding after 5 years
		Repayment next year
		31/12 2021 total liabilities
Accrued frozen holiday funds.....	2.418.633	0 0 2.368.887
	2.418.633	0 0 2.368.887
Payables to group enterprises		10
Accruals and deferred income		11
Accruals and deferred income relate to revenue invoiced in the current financial year, concerning the financial year 2023.		

NOTES**Note****Contingencies etc.****12****Contingent liabilities**

The non-implementation of the EU judgement C-189/11 The Commission vs Spain in some member states leads to uncertainty in relation to the VAT treatment of B2B package tours within the EU, which may result in a risk that the company will be subject to VAT on its activities in other EU countries. Management consider this possibility to be low. A parent company guarantee is in place to cover a potential obligation should one arise.

The company has entered into rental and leasing agreement with a total contingent liability of DKK ('000) 319.

The company has a security deposit of DKK ('000) 100 concerning debit card terminals.

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Tour Partner ApS, which serves as management Company for the joint taxation.

Related parties**13**

The Company's related parties include:

Controlling interest

Hotels and More Ltd. and Mayfair Fox Holdco Ltd. are the principal shareholders.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

NOTES

Note

Uncertainty with respect to going concern

14

The directors prepare the financial statements on a going concern basis unless it is inappropriate to presume the group will continue in business.

After a challenging 2020 and 2021 due to COVID-19 impact on the business and operations, 2022 saw a significant trading recovery for the group and wider industry. This has continued into 2023, with strong customer demand translating into trading and pipeline bookings. This has reinforced managements' expectations for the year ahead.

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Whilst not guaranteed, based on the forecasts prepared and the trading in 2023 to date, together with the continued support and current repayment terms agreed with shareholders and lenders, the directors are confident that the business will continue as a going concern and is well placed to take advantage of the current recovery climate.

Information on uncertainty with respect to recognition and measurement

15

With respect to recognised receivables from group enterprises of DKK ('000) 77,272 the full amount is deemed recoverable, however due to the uncertainty also described in note "Uncertainty with respect to going concern" there is an uncertainty related to the valuation hereof. It is management assessment that the group is going concern and that the receivable is correctly recognised.

NOTES**Note****Consolidated Financial Statements****16**

The company is included in the consolidated financial statements of Tour Partner ApS, the parent company, Bomhusvej 13, 1., 2100 København Ø, CVR no. 39 02 00 76 and in the consolidated financial statements of the ultimate parent, Tour Partner Group Midco Limited, Hygeia Building, 5th Floor, 66 - 68 College Road, Harrow, Middlesex, HA1 1BE, CVR no. 1-60989.

ACCOUNTING POLICIES

The Annual Report of Tour Partner Group Nordics ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Plant, machinery and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Plant, machinery and equipment.....	3-5 years	0 %
Leasehold improvements.....	5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed asset investments, which are not measured at fair value, are assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is stated as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

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

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities corresponds usually to nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement.