
SPIES A/S

Kay Fiskers Plads 9, DK-2300 København S

Annual Report for 1 October 2022 - 30 September 2023

CVR No. 24 13 74 14

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 SPIES 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

Jan Fallesen Vendelbo
CEO

Board of Directors

Lars Magnus Wikner

Lars Fredrik Danielsson

Jan Fallesen Vendelbo

Independent Auditor's report

To the shareholder of SPIES 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 SPIES 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	SPIES A/S Kay Fiskers Plads 9 DK-2300 København S CVR No: 24 13 74 14 Financial period: 1 October 2022 - 30 September 2023 Municipality of reg. office: Copenhagen
Board of Directors	Lars Magnus Wikner Lars Fredrik Danielsson Jan Fallesen Vendelbo
Executive Board	Jan Fallesen Vendelbo
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,887,988	1,757,606	618,509	661,135	1,680,759
Profit/loss of ordinary primary operations	-358	42,751	-82,841	-98,816	2,253
Profit/loss before financial income and expenses	13,302	48,323	-47,715	-53,638	2,253
Profit/loss of financial income and expenses	-19,032	-15,703	-10,268	-9,311	-177,359
Net profit/loss	-8,312	42,186	-46,223	-49,127	-175,097
Of this, special items constitute	1,470	0	28,826	45,178	-175,877
Net profit/loss excl. tax of special items	9,782	42,186	-84,819	-94,305	780
Balance sheet					
Balance sheet total	423,924	499,799	435,322	62,017	220,276
Investment in property, plant and equipment	0	0	0	-158	169
Equity	31,051	69,363	27,177	-126,600	-77,473
Number of employees	76	61	74	78	88
Ratios					
Gross margin	2.8%	4.6%	-3.4%	-3.1%	0.0%
Profit margin	0.7%	2.7%	-7.7%	-8.1%	0.1%
Return on assets	3.1%	9.7%	-11.0%	-86.5%	1.0%
Solvency ratio	7.3%	13.9%	6.2%	-204.1%	-35.2%
Return on equity	-16.6%	87.4%	93.0%	48.1%	-1161.5%

Management's review

Key activities

The company's activity consists of selling holiday travel products in Denmark through the Spies brand.

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

Nordic Leisure Travel Group Denmark A/S, CVR no. 18809036 is Spies A/S' direct owner.

Development in the year

The demand for holiday travel started to return to normal levels following the Covid-19 pandemic already during 2021/22 with very strong sales in Spies. The growth and increase in sales continued during 2022/23 where the Company reports an increase in turnover with 7,4 % compared to the 2021/22 and 244 478 departing guests during the full year which is in line with the period before the pandemic.

The strong sales the Company (and the Group) has displayed during previous and current financial year is partly based on the travel market recovering, but we still continue to see that more and more people discover the benefits that come with traveling with a safe package tour operator and especially with a market-leading brand such as Spies where both internal and external surveys continue to confirm a high customer satisfaction.

The turnover for 2022/23 amounted to TDKK 1,887,988 (1,757,606), corresponding to an increase of 7,4% compared to the previous year.

The company's gross profit is positive for the year and amounts to TDKK 53,751 (81,643)

The result before financial items is TDKK 13,302 (48,323).

The year's result before tax amounts to a loss of TDKK -5,730 compared to a profit of TDKK 32,620 last year.

Even though the production of holiday trips in 2022/23 was in line with last year, Spies ends the financial year with a net loss of TDKK -8,312. The net loss of the year is not satisfactory but can primarily be explained by increased production costs from the airline and hotel business, additional compensation costs due to delays as well as increased personnel and other operating costs primarily driven by inflation and increased salary costs.

Capital resources

Refer to note 1 in the Financial Statements

Operating risks

Foreign exchange risks

The company has no significant risks regarding currency and jet fuel. The company's turnover and costs are mainly settled in Danish kroner.

Interest rate risks

The interest rate risk on the company's liquid holdings is not hedged. The risk is considered.

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 management is fully focused on optimizing volumes and destination 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 the business to report a positive operating profit for the 2023/24 financial year, which is expected to be significantly higher than the operating profit for 2022/23.

External environment

Spies A/S is included in the parent company's corporate social responsibility statement. For Nordic Leisure Travel Group's work with social responsibility, please refer to NLTG Holdco AB's report, which is published via the link below. Reference is also made to the company's entire sustainability strategy in the link below.

Statement of corporate social responsibility

Spies A/S is included in the parent company's corporate social responsibility statement. For Nordic Leisure Travel Group's work with social responsibility, please refer to NLTG Holdco AB's report, which is published via the link below. Reference is also made to the company's entire sustainability strategy in the link below.

Management's review

Statement on data ethics

Spies A/S has several policies in place at the corporate level on how we handle customer, partner, and employee data securely and in accordance with relevant rules and standards for our company.

At NLTG, risk management is a mindset of continuous risk-aware vigilance. Enterprise Risk Management at NLTG is a structured, consistent, and ongoing approach to managing our risk exposure, covering all types of risks across the entire organization.

Due to the nature of the company, we handle various types of data, including sensitive and confidential data. With the presence of such data, there is a risk of unintentional breaches of private information. This risk is highly acknowledged and managed through a specific data protection program at NLTG. The data protection principles are implemented in our corporate code of conduct and group information security policy, further explained below. There is a strong emphasis on providing ongoing training and awareness to our employees. Our Group Code of Conduct serves as our primary policy document, acting as an umbrella document for all other policies and guidelines. It applies to all employees and all areas within NLTG. The policy provides a brief overview of various topics, including our business values, conduct within the company, information security, data protection, risk management, and whistleblowing.

Our Group Information Security Policy is an overarching statement of intent that dictates the role information security plays within the organization. The policy provides management guidance and support for information security in accordance with business requirements and relevant laws and regulations. To mitigate security risks, a systematic approach is used to manage security related to information assets, such as financial information, customer data, employee information, or information entrusted to us by external parties.

Our Group Acceptable Use Policy establishes acceptable use of the corporation's information and IT systems (including software, IT equipment, and connectivity). It covers aspects such as handling information (storage, processing, data sharing) and commits employees not to discuss or share information related to the company with unauthorized parties. Access to information and IT systems must be granted according to the "need to know" and "least privilege" principles.

Our Group Data Protection Policy defines how personal data is managed across the corporation to ensure the maintenance of trust among colleagues and customers, as well as compliance with legal requirements. This includes:

- Data Protection Principles:
- Legality, fairness, transparency
- Purpose limitation
- Data minimization
- Accuracy
- Retention principles
- Security and confidentiality
- Regular employee participation in awareness training

Uncertainty relating to recognition and measurement

Reference is made to the discussion in notes 1 and 2.

Subsequent events

Reference is made to the mention in note 20.

Income statement 1 October 2022 - 30 September 2023

	Note	2022/23 TDKK	2021/22 TDKK
Revenue	3	1,887,988	1,757,606
Other operating income		13,660	5,572
Other external expenses		-1,847,897	-1,681,535
Gross profit		53,751	81,643
Staff expenses	4	-40,415	-33,286
Depreciation and impairment losses of property, plant and equipment	5	-34	-34
Profit/loss before financial income and expenses		13,302	48,323
Financial expenses	6	-19,032	-15,703
Profit/loss before tax		-5,730	32,620
Tax on profit/loss for the year	7	-2,582	9,566
Net profit/loss for the year	8	-8,312	42,186

Balance sheet 30 September 2023

Assets

	Note	2022/23 TDKK	2021/22 TDKK
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		22	56
Property, plant and equipment	9	<u>22</u>	<u>56</u>
Deposits	10	917	853
Fixed asset investments		<u>917</u>	<u>853</u>
Fixed assets		<u>939</u>	<u>909</u>
Trade receivables		29,587	27,474
Receivables from group enterprises	11	238,464	310,627
Other receivables		1,288	0
Deferred tax asset	12	15,084	24,826
Prepayments	13	2,862	1,263
Receivables		<u>287,285</u>	<u>364,190</u>
Cash at bank and in hand	14	<u>135,700</u>	<u>134,700</u>
Current assets		<u>422,985</u>	<u>498,890</u>
Assets		<u>423,924</u>	<u>499,799</u>

Balance sheet 30 September 2023

Liabilities and equity

	Note	2022/23 TDKK	2021/22 TDKK
Share capital		36,000	36,000
Retained earnings		-4,949	3,363
Proposed dividend for the year		0	30,000
Equity		31,051	69,363
Other provisions	15	800	642
Provisions		800	642
Prepayments received from customers	16	328,403	295,655
Trade payables		7,269	4,519
Payables to group enterprises		51,154	115,346
Payables to group enterprises relating to corporation tax		0	7,160
Other payables		5,247	7,114
Short-term debt		392,073	429,794
Debt		392,073	429,794
Liabilities and equity		423,924	499,799
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	36,000	3,363	30,000	69,363
Ordinary dividend paid	0	0	-30,000	-30,000
Net profit/loss for the year	0	-8,312	0	-8,312
Equity at 30 September	36,000	-4,949	0	31,051

The share capital is divided into 36,000 shares of DKK 1,000 each. The shares are not divided into 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 31 million including a loss after tax for the financial year of DKK 8 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.

Notes to the Financial Statements

2. Uncertainty relating to recognition and measurement

The preparation of the Financial Statements requires Management to make estimates and judgements. These are the basis for recognition and measurement of the Company's income, expenses, assets and liabilities.

The applied estimates are based on historical data and other factors that Management considers appropriate under the given circumstances, but which are inherently uncertain or unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Company is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates.

Further, the Company is subject to risks and uncertainties which can lead to the actual outcome differentiating from these estimates. This means that an estimate can be subject to significant uncertainty.

It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to new information or subsequent events that affects the current as well as future periods.

Because of the market conditions within the business area of the Company, Management has, when presenting the Financial Statements, made substantial estimates especially when performing:

- Measurement of deferred tax asset, TDKK 15,084 (2021/22: TDKK 24,826)

As described in Management's review, profit is expected in the current financial year, which is based on a recurring demand for holiday travel.

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
3. Revenue		
Geographical segments		
Sales with departure from Danish airports	1,887,988	1,757,606
	<u>1,887,988</u>	<u>1,757,606</u>
Activities		
Package tours	1,765,242	1,625,188
Flight only	70,923	57,733
Other revenue	51,823	74,685
	<u>1,887,988</u>	<u>1,757,606</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
4. Staff Expenses		
Wages and salaries	34,958	28,905
Pensions	3,230	2,491
Other social security expenses	809	556
Other staff expenses	1,418	1,334
	<u>40,415</u>	<u>33,286</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

The board of directors does not receive separate remuneration.

Average number of employees	<u>76</u>	<u>61</u>
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	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
5. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	34	34
	<u>34</u>	<u>34</u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
6. Financial expenses		
Warranty costs	14,634	10,500
Other financial expenses	4,398	5,203
	<u>19,032</u>	<u>15,703</u>

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
7. Income tax expense		
Current tax for the year	0	7,160
Deferred tax for the year	9,742	1,386
Adjustment of tax concerning previous years	-7,160	-18,112
	<u>2,582</u>	<u>-9,566</u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
8. Profit allocation		
Proposed dividend for the year	0	30,000
Retained earnings	-8,312	12,186
	<u>-8,312</u>	<u>42,186</u>

9. Property, plant and equipment

	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>
	TDKK	TDKK
Cost at 1 October	2,697	496
Cost at 30 September	<u>2,697</u>	<u>496</u>
Impairment losses and depreciation at 1 October	2,697	440
Depreciation for the year	0	34
Impairment losses and depreciation at 30 September	<u>2,697</u>	<u>474</u>
Carrying amount at 30 September	<u>0</u>	<u>22</u>
Amortised over	<u>5 years</u>	<u>5-10 years</u>

Notes to the Financial Statements

10. Other fixed asset investments

	Deposits TDKK
Cost at 1 October	853
Additions for the year	64
Cost at 30 September	917
Carrying amount at 30 September	917

11. Receivables from group enterprises

	2022/23 TDKK	2021/22 TDKK
Receivable from group enterprises	1,418	4,622
Intra-group cash pool arrangement	237,744	306,703
Allowance for loss of intra-group cash pool and receivables	-698	-698
	238,464	310,627

12. Deferred tax asset

	2022/23 TDKK	2021/22 TDKK
Deferred tax asset at 1 October	24,826	26,212
Amounts recognised in the income statement for the year	-9,742	-1,386
Deferred tax asset at 30 September	15,084	24,826

The recognized tax asset consists primarily of tax loss carryforwards. The tax asset is expected to be utilized within the next 4-5 years.

13. Prepayments

Prepayments are made up of prepaid costs relating to rent, insurance premiums, subscriptions and interest.

14. Cash at bank and in hand

Cash at bank and in hand per 30 September 2023 of TDKK 135,700 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

15. Other provisions

The company has entered into a lease contract, which is why TDKK 800 has been recognized under other provisions for restoration of the tenancy upon eviction.

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
Other provisions	800	642
	<u>800</u>	<u>642</u>

The provisions are expected to mature as follows:

Provisions falling due after 5 years	<u>800</u>	<u>642</u>
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16. Received prepayments from customers

Prepayments from customers consist of performance obligations regarding issued gift cards and paid travels, where the travel departure is after the balance sheet date.

Performance obligations regarding prepaid travels are recognized as revenue at the time of departure, and gift vouchers are recognized as they are used and/or expire.

On the balance sheet date, received prepayments from customers amounted to a total of TDKK 328,403 (2022: TDKK 295,655). The increase of TDKK 32,748 is due to the fact that at the end of the financial year there has been an increase in sales compared to the last financial year.

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK

17. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rent obligations during the non-cancellation period amount to	4,915	4,524
Other leasing obligations during the non-cancellation period amount to	242	280

Guarantee obligations

Bank guarantees per 30 September to the Travel Guarantee Fund to cover possibly claims that the Travel Guarantee Fund may have against the company in total	228,000	228,000
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Notes to the Financial Statements

Other contingent liabilities

Potential claims exist against the Company. The Company and its legal advisors consider the claims unjustified and do not perceive that the Company will incur any losses as a result of the claims. The maximum risk is assessed to be approx. DKK 30 million.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Nordic Leisure Travel Group Denmark A/S, which is the management company of the joint taxation purposes. 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 Company's liability.

18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Nordic Leisure Travel Group Denmark A/S, Danmark Kay Fiskers Plads 9, 5, 2300 København S	Controlling shareholder
NLTG Holdco AB, Box 16116 SE-103 23 Stockholm Org.nr.: 559222-2789	Ultimate controlling shareholder

Other related parties

Other related parties also consist of the company's management and board of directors and these related parties.

Transactions

Transactions with related parties have all been made on an arm's length basis.

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
NLTG Holdco AB	Stockholm, Sverige
Nordic Leisure Travel Group Denmark A/S	Danmark, Kay Fiskers Plads 9, 5,, 2300 København S

19. Fee to auditors appointed at the general meeting

With reference to the Annual Accounts Act §96, subsection 3 is the information on fees for general meeting elected officials auditor omitted. Please refer to the consolidated financial statements for NLTG Holdco AB.

Notes to the Financial Statements

20. Subsequent events

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

Notes to the Financial Statements

21. Accounting policies

The Annual Report of SPIES A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

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

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 , 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.

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. 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. Where foreign exchange transactions 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. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Segment information on revenue

Information on business segments and geographical segments is based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Notes to the Financial Statements

Income statement

Revenue

Revenue from the sale of travel and other services sold to customers as part of normal business is recognized in the income statement at the time of departure; however, commissions from the sale of cancellation insurance are recognized as income at the time of payment. Other revenue consists primarily of commission income.

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 costs for hotels, flights and other operating expenses, which include costs for rent, telephone, small purchases of IT equipment and fixtures, audit fees, legal fees, advertising costs and sales campaigns, 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

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, including gains and losses on the sale of property, plant and equipment.

Public subsidies, e.g. aid packages are recognized when it is reasonably certain that the company will comply with the conditions for receiving the subsidy, and it is reasonably certain that the company will receive the subsidy. The grant is systematically recognized in the profit and loss account over the period to which it relates or immediately if the grant is not conditional on the payment of future costs or investments. Public subsidies are recognized as other operating income or in the balance sheet if the subsidy is given for investment in an asset.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 parent Company. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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 based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5-10 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

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 realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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

Prepayments from customers

Prepayments from customers consist of delivery obligations regarding issued gift cards and paid travels, where the travel departure is after the balance sheet date. Delivery obligations regarding gift cards are recognized at the time of issue. Delivery obligations regarding prepaid travels are recognized in revenue at the time of departure, and gift vouchers are recognized as they are used and/or expire.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$