

KILROY Group Travel A/S

Annual Report for the year 2021

The Annual General Meeting adopted the annual report on 30 03 2022

Chairman of the General Meeting

Name Claus H. Hejlesen

KILROY Group Travel A/S
Nytorv 5
1450 Copenhagen K
Denmark

Reg. no. 25 49 77 59

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Statement by the Board of Directors and Management

KILROY Group Travel A/S (the Company) is a subsidiary of KILROY International A/S which is an international travel company with headquarters in Denmark.

The Board of Directors and the Managing Director have today approved the annual report for the financial year January 1 - December 31, 2021 for the Company.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion, that the Financial Statement gives a fair and true view of the Company's assets, liabilities and financial position at December 31, 2021 and of the result of the Company's operations for the financial year January 1 - December 31, 2021.

In our opinion, the Management's review gives a fair review of the development in the company's activities and financial conditions, of the results for the year and of the company's financial position.

The Annual Report is sent for approval for the annual general meeting.

Copenhagen K, 2022

Managing Director:

Henrik Kaltoft

The Board of Directors:

Claus H. Hejlesen
Chairman

Henrik Kaltoft

Lars Holst-Mikkelsen

Independent Auditor's Report

To the shareholder of KILROY Group Travel A/S

Opinion

We have audited the financial statements of KILROY Group Travel A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity, notes and 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 Company's assets, liabilities and financial position at December 31, 2021 and of the results of the Company's operations for the financial year January 1 - December 31, 2021 in accordance with the Danish Financial Statement 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists.

Misstatements may 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 financial statement users made 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 company 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 the Management's review

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR nr. 25578198

Anja Bjørnholt Lûthcke

State Authorised Public Accountant

mne 26779

Management's review

Company information

KILROY Group Travel A/S
Nytorv 5
1450 Copenhagen K

Phone: 70 22 05 35
Web: www.kilroy.dk

CVR-nr.: 25 49 77 59
Founded: June 22, 2000
Registered in: Copenhagen K.
Accounting year: January 1 - December 31

Board of directors:

Claus H. Hejlesen (Chairman)
Henrik Kaltoft
Lars Holst-Mikkelsen

Managing Director:

Henrik Kaltoft

Auditors:

KPMG
Statsautoriseret revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

Annual General Meeting:

The annual general meeting will take place on 30 March 2022 at the Company's office at Nytorv 5, 1450 Copenhagen K.

Keyfigures

	2021	2020	2019	2018	2017	
Profit & Loss Accounts (mDKK)						
Turnover	65	7	238	233	210	
EBITDA	-9	-15	10	7	10	
Ordinary operating profit (EBIT)	-9	-15	10	7	10	
Net financial income	0	0	1	-7	15	
Profit before income tax (EBT)	-9	-15	11	-1	25	
Net profit for the year	-7	-12	8	-2	21	
Balance Sheet (mDKK)						
Non-current assets	5	4	0	1	1	
Current assets	48	38	99	107	119	
Total assets	53	41	99	107	119	
Share capital	1	1	1	1	1	
Equity	-9	-2	28	23	46	
Current liabilities	46	26	71	84	74	
Investments in tangible assets	0	0	0	0	0	
Key Figures						
EBITDA - Margin (%)	EBITDA / Turnover	N/A	N/A	4,2	2,9	4,7
Return on assets (%)	EBIT / total assets	-17	-36	10	6	8
Return on equity (%)	Net profit / average equity	139	-89	32	-6	49
Liquidity ratio (%)	Current assets / current liabilities	104	143	139	127	161
Equity ratio (%)	Equity / total assets	N/A	N/A	28	22	38
Average number of full-time employees (FTE)		21	34	42	52	50

Management's review

Main activities

The main activity – which remains unchanged from previous years – is to carry on sale of travel related services under the two brands KILROY and BENNS.

Sales are conducted from the premises in Holstebro.

Development in activities, finances, and other events during the year

In 2021 the Company had a loss before tax of DKK -9,365 thousand compared to a loss of DKK -14,772 thousand in 2020. Equity amounts to DKK -8,885 thousand at 31 December 2021.

The result for the year is not as expected and is a direct consequence of the Covid-19 pandemic, which also in 2021 continued to harass and restrict travel in general, but especially long-haul travel outside Europe, where the Company has its vast majority of destinations. Thus, it is fair to state that Covid-19 had a significant negative impact on results for the year.

Derived costs from and required actions pertaining to Covid-19 has resulted in substantial unforeseen costs for the Company.

The Company has received compensations for fixed costs and salaries totalling DKK 1 million during 2021.

Capital resources

Due to the losses in the past two years the Company has lost more than half of the subscribed capital and is therefore subject to the capital loss provisions in the Danish Companies Act. Management expects to re-establish the share capital by means of earnings in the coming years or capital contributions.

Therefore, in connection with issuing the financial statement, a letter of comfort has been received from KILROY International A/S (Parent Company) dated 25 March 2022.

KILROY International A/S has announced its intention to support the Company financially in all respects, so the Company will be able to settle its obligations as they are due.

The letter of comfort is valid for at least one year from the date of approval of the 2021 Financial Statements by the directors of the Company.

Thus, it is the Management's opinion that the financial resources are adequately secured for the Company to continue as a going concern for the coming financial year.

Uncertainty relating to recognition and measurement

As a direct consequence of the COVID-19 pandemic increased risk on receivables from the business partners are experienced. The Company has reflected this risk in the recognition and measurement of receivables.

Risk assessment

Operating globally, the travel industry is by nature affected by numerous risks. The majority of these are beyond our control, such as war, terror, natural disasters, disease and political unrest.

Each year brings new and sometimes extraordinary challenges to the travel industry. The Covid-19 pandemic is a prime example.

Every link in the value chain is constantly challenged, either by traditional suppliers, new players or by the customers themselves. As in many other industries, the Internet has created an atmosphere of "direct trading is cheapest.

We address this challenge by constantly focusing on internal training and customer service, and by making value-addition tangible and apparent to our customers.

The financial risk of doing business in multiple countries and currencies is reduced through cautious execution by the KILROY Group's cash management function, which has established policies to ensure that currency exposure is mitigated to the extent possible.

The KILROY Group only hedges commercial exposures. The primary financial instruments include currency forward contracts.

Management's review

Guidance for 2022

In the beginning of 2022, the Company still experience the aftermath from the pandemic, however, important destinations have become available for tourism again, allowing that 2022 step by step will bring some normality into the travel industry.

The budgeted expectation for 2022 was that the Company would deliver a profit (EBITDA) in the range of DKK 0 to DKK 5 million. At the time of the approval of the 2021 accounts, the market shows strong recovery trends. Thus, it is the management's view that the budgeted goal is achievable.

In February 2022, war broke out in Ukraine, and it has the potential to escalate with catastrophic consequences. The current zones of conflicts are not key destinations for the Company, so the imminent impact is considered minimal for 2022. Still, the economic challenges stemming from the war are expected to have a negative impact beyond 2022 and on the travel industry in general in our market.

No material events have occurred since the balance sheet date that would affect the assessment of the Annual Report for 2021.

Profit & Loss Account January 1 to December 31, 2021

	Notes	2021 '000 DKK	2020 '000 DKK
Turnover	2	65.206	7.131
Other operating income	3	973	10.400
Cost of products		-53.523	-3.162
Gross profit		<u>12.656</u>	<u>14.369</u>
Salaries and other personnel expenses	4	-8.574	-12.833
Other operating expenses		-13.100	-16.227
		<u>-21.674</u>	<u>-29.060</u>
Operating profit before depreciation and amortization (EBITDA)		-9.018	-14.691
Depreciations and amortizations		-127	-164
Operating profit before net financials (EBIT)		-9.145	-14.855
Financial income		0	143
Financial expenses		-220	-60
Net financial income	5	<u>-220</u>	<u>83</u>
Profit before income tax (EBT)		-9.365	-14.772
Tax on profit of the year	6	2.047	2.981
Profit for the year	7	<u>-7.318</u>	<u>-11.791</u>

Balance Sheet as at 31 December 2021

	Notes	2021 '000 DKK	2020 '000 DKK
Assets:			
Leasehold improvements		23	37
IT hardware and other equipments		206	149
Total property, plant and equipment	8	229	186
Deferred tax asset	9	5.183	3.292
Total financial fixed assets		5.183	3.292
Total non-current assets		5.412	3.478
Inventories		274	294
Trade receivables		12.632	3.583
Amounts due from group entities		15.500	14.337
Other receivables		4.985	4.076
Prepaid expenses	10	8.917	14.081
Total Receivables		42.034	36.077
Cash and cash equivalents		5.186	1.425
Total current assets		47.494	37.796
Total assets		52.906	41.274
Equity:			
Share capital		1.100	1.100
Proposed dividend	7	0	0
Retained earnings		-9.985	-2.667
Total equity		-8.885	-1.567
Long-term liabilities:			
Long-term debt	11	16.074	12.236
Total long-term liabilities		16.074	12.236
Short-term liabilities:			
Short-term debt	11	0	4.169
Total short-term liabilities		0	4.169
Current liabilities:			
Trade creditors		20.374	4.916
Other payables		2.497	4.057
Advance payments		22.846	17.463
Total current liabilities		45.717	26.436
Total liabilities		61.791	42.841
Total equity and liabilities		52.906	41.274
Contingent assets, liabilities and secured debt	12		
Related parties	13		

Statement of changes in Equity

Equity

	Share capital	Retained earnings	Total equity
	'000 DKK	'000 DKK	'000 DKK
Equity 1.1.2021	1.100	-2.667	-1.567
Transferred over the profit appropriation	0	-7.318	-7.318
Equity 31.12.2021	<u>1.100</u>	<u>-9.986</u>	<u>-8.886</u>

The share capital comprises of 11.000 shares of DKK 100 each.

There has been no changes to issued capital during the past five years.

Notes

1. Unusual conditions

Due to the global travel restrictions, the Company's financial year was also in 2021 substantially and negatively impacted by the Covid-19 pandemic.

However, the parent company completed an external funding program end of April 2021. It consists of new equity and subordinated loans from the current owners (DKK 19 million), subordinated loans from Vækstfonden (DKK 39 million) and loan from Danske Bank (DKK 10 million).

Due to the loss for the year the Company has lost more than half of the subscribed capital and is therefore subject to the capital loss provisions in the Danish Companies Act. Management expects to re-establish the share capital by means of earnings in the coming years or capital contributions. Therefore, in connection with issuing the financial statement a letter of comfort has been received from KILROY International A/S (Parent Company) dated 25 March 2022.

KILROY International A/S has announced its intention to support the Company financially in all respects, so the Company will be able to settle its obligations as they are due. The letter of comfort is valid for at least one year from the date of approval of the 2021 Financial Statements by the directors of the Company.

With the funding, the letter of support and not least the positive signs of recovery at the end of 2021 and the increasing demand for travel in the beginning of 2022, it is the management's assessment that the Company's financial resources are adequately secured for the Company to continue as a going concern for the coming financial year.

2. Turnover

With reference to the exemption-on-prejudice provision in section 96(1) of the Danish Financial Statements Act the Company has omitted to provide segment information.

3. Other operating income

The Company's income is affected by recognition of income from government aid and compensation schemes as a result of COVID-19. The Company has received DKK 1 million in compensation for fixed costs and salary. The parent company did not receive any compensation in 2021.

4. Salaries and other personnel expenses

Salaries and other personnel expenses are specified as follows:

	2021	2020
	'000 DKK	'000 DKK
Wages and salaries	7.865	11.670
Pensions	431	723
Other social security costs	47	76
Total salaries and related expenses	8.343	12.469
Other personnel expenses	230	364
Total salaries and other personnel expenses	8.574	12.833
Average number of employees (full year equivalents)	21	34

Remuneration to Board of Directors and registered management are included in the Management fee from the parent company.

5. Financial income and expenses

Financial income and expenses are specified as follows:

	2021	2020
	'000 DKK	'000 DKK
Net interest income / expenses from affiliated companies	-138	141
Other Financial income / expenses	-82	-58
	-220	83

6. Tax on profit of the year

Tax on profit of the year are specified as follows:

	2021	2020
	'000 DKK	'000 DKK
Adjustment previous year	-156	269
Adjustment of deferred tax for the year	-1.891	-3.250
	-2.047	-2.981

7. Appropriation of net profit

	2021	2020
	'000 DKK	'000 DKK
Proposed dividend	0	0
Retained earnings	-7.318	-11.791
	-7.318	-11.791

Notes, continued:

8. Property, plant and equipment

	Equipment '000 DKK	IT hardware '000 DKK	Leasehold improvement '000 DKK	Total '000 DKK
Cost at the beginning of 2021	946	323	429	1.698
Additions in year	0	170	0	170
Cost at the end of 2021	946	493	429	1.868
Depreciations at the beginning of 2021	837	282	393	1.512
Depreciations for the year	92	21	14	127
Depreciations at the end of 2021	929	303	407	1.639
Carrying amount at the end of 2021	17	190	22	229

9. Deferred tax asset

Changes in deferred income tax are as follows:

	2021 '000 DKK	2020 '000 DKK
Deferred income tax asset at beginning of year	3.292	42
Change in deferred tax	1.891	3.250
Deferred income tax asset at the end of year	5.183	3.292
Leasehold improvements	31	28
IT hardware and other equipments	24	23
Deficit to carry forward	5.128	3.241
	5.183	3.292

Deferred tax asset

Calculated tax asset	5.183	3.292
Carrying amount at the end of 2021	5.183	3.292

Deferred tax asset has been activated at 22% corresponding to the current tax rate. Management believes that the tax asset will be used in future taxable income.

10. Prepaid expenses and accrued income

Prepaid expenses consists of payments to suppliers that relate to the following year.

11. Short- and long-term liabilities

Short- and long-term liabilities consist of loans to the Danish Travel Guarantee Foundation obtained as a direct consequence of Covid-19 as well as provision for holiday pay.

	2021 '000 DKK	2020 '000 DKK
Short-term liabilities within 1 year	0	4.169
Long-term liabilities between 1 and 5 years	11.638	7.341
Long-term liabilities after 5 years	4.436	4.894
	16.074	16.404

12. Contingent assets, liabilities and secured debt

	2021 '000 DKK	2020 '000 DKK
Supplier contractual obligations within one year	0	0
Rent and lease obligations within one year	338	334
Rent and lease obligations between one and five years	0	0
	338	334

The Company is a member of Rejsegarantifonden and KILROY International A/S has issued a bank guarantee of tDKK 1.800 as security.

As a subsidiary to KILROY International A/S, the Company operates under joint taxation along with other Danish companies in the KILROY Group.

The current Danish corporation tax is allocated among the jointly-taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). The Danish Companies are jointly and severally liable for the joint taxation.

Notes, continued:

13. Related parties

KILROY Group Travel A/S' related parties comprise the following:
Eignarhaldsfélagið KILROY ehf, Laugavegur 182, 105 Reykjavík
SSTS A/S, Nytorv 5, 1450 Copenhagen K
Horizons A/S, Nytorv 5, 1450 Copenhagen K
KILROY International A/S, Nytorv 5, 1450 Copenhagen K
KILROY Belgium BV, Sint-Pietersnieuwstraat 105, 9000 Gent
OY KILROY Finland AB, Kaivokatu 10 D, 00100 Helsinki
KILROY Iceland ehf., Skólavörðustígur 3A, 101 Reykjavík
KILROY Netherlands B.V., Singel 413-415, 1012 Amsterdam
KILROY Norway AS, Kirkegata 15, 0153 Oslo
KILROY Poland Sp. Z o.o., Inflancka 4A, 00189 Warszawa
KILROY Sweden AB, Drottninggatan 83, 111 60 Stockholm
JR Travel A/S, Nytorv 5, 1450 Copenhagen K
Winberg Travel AB, Stora Torg 17, 241 30 Eslöv

Membership of the Board of Directors in one or more of the Group's subsidiaries is not remunerated separately but considered as part of senior management responsibilities, thus part of their ordinary remuneration.

The Company is a part of the consolidated annual report for KILROY International A/S, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of KILROY International A/S can be found at www.KILROY.dk

KILROY Group Travel A/S is a part of the consolidated annual report of Eignarhaldsfélagið KILROY ehf, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Eignarhaldsfélagið KILROY ehf can be obtained by contacting the company.

Ultimate Parent Company Eignarhaldsfélagið KILROY ehf has at the date of this financial statement, not issued their financial statement for 2021.

Related party transactions

	2021	2020
	'000 DKK	'000 DKK
Sale of services to Group entities	4.936	782
Sale of services to parent company	104	179
Purchase of services from parent company	-8.808	-12.340
Total	-3.768	-11.379

Remuneration to the Management and Board of Directors is disclosed in note 4.

Intercompany balances with the parent company are disclosed in the balance sheet, and expensed interest is disclosed in note 5.

Accounting Policies

General

The Annual Report for 2021 for KILROY Group Travel A/S is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class medium-C companies.

The accounting policies applied, as described below, are consistent with those applied last year. There has been minor reclassifications in the income statement and the balance sheet. Comparative figures have been restated accordingly.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement is included in the consolidated cash flow statement for KILROY International A/S.

Pursuant to section 96(3) of the Danish Financial Statements Act, fee paid to the Company's auditor appointed at the general meeting has not been disclosed.

The information is disclosed in the financial statements for the Parent Company KILROY International A/S.

Foreign currency conversion

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement in cost of products.

Profit and Loss Account

Turnover

Turnover includes the year's sales of travel products and other services.

Turnover from individual-oriented products are booked at the time of invoicing, regardless of departure date.

Upon receipt of a part (or full) payment, the individual products are booked with the supplier and travel documents are issued. Most flight tickets need to be issued immediately to guarantee availability and in most cases there are no changes to the itinerary before departure. As main part of the value increase is performed at the time of the sale and invoicing (e.g. the risk is transferred to the customer when the tickets are issued), the turnover is booked at invoicing. Turnover recognized is adjusted for expected cancellations based on the cancellation history.

Turnover from group travel products are booked in the accounting period that coincides with the departure date of the trip.

Turnover is measured at the fair value of the agreed remuneration excluding VAT. All discounts granted are included in revenue.

Cost of products

Cost of products comprises invoiced and accrued cost of travel related products and other services incurred by generated revenue of the year.

Other operating income

Other income comprises items secondary to the activities of the company. Government aid/compensation schemes related to COVID 19 are included in this item.

Other operating expenses

Other operating expenses include expenses related to premises, stationery and office supplies, marketing costs etc. This item also includes writedowns of receivables recognised in current assets.

Accounting Policies

Salaries and other personnel expenses

Personnel costs mainly include costs for salaries, pensions and other social security costs.

Depreciations and amortizations

Amortisation and depreciation comprise amortisation and depreciation of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest and surcharges/allowances regarding tax.

Tax

The current Danish corporation tax is allocated among the jointly-taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). Tax for the year comprises current tax, joint taxation and changes in deferred tax for the year, including adjustments to tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

The Company is part of a joint taxation arrangement with the Parent Company. KILROY International A/S is administrator for the joint taxation.

Balance Sheet

Property, plant and equipment

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

Assets are written down if their value has depreciated and cannot be seen as appreciating in the near future.

Cost comprises the purchase price and any direct costs directly attributable to the acquisition until the date on which the asset is available for use. The cost includes retirement obligations if it meets the conditions for recognition of provisions.

Depreciation is calculated on a straight-line basis of the cost according to the following guidelines, based on the estimated economic life of the asset:

- Equipment 5 years
- Leasehold improvements 5 years
- IT and other equipment 3-5 years

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

Goods for resale are measured at cost price.

Write-downs are made according to obsolescence and other forms of value depreciation.

Deferred Tax assets and liabilities

Deferred tax is recognised on all temporary differences between the carrying amount and tax-base value of assets and liabilities, for which the taxbased value of assets is calculated based on the planned use of each assets.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement or equity, respectively.

Accounting Policies

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Current tax payable or receivable

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 onaccount taxation scheme are recognised in the income statement in financial income and expenses.

Liabilities other than provisions

Prepayments from customers, trade payables and other payables are measured at net realizable value.

ΠΕΝΝΕΟ

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Henrik Stig Kaltoft

Bestyrelsesmedlem

Serial number: PID:9208-2002-2-865498731940

IP: 195.95.xxx.xxx

2022-04-06 13:08:42 UTC

NEM ID 

Henrik Stig Kaltoft

Adm. direktør

Serial number: PID:9208-2002-2-865498731940

IP: 195.95.xxx.xxx

2022-04-06 13:09:53 UTC

NEM ID 

Claus Hincheli Hejlesen

Bestyrelsesformand

Serial number: PID:9208-2002-2-861625517642

IP: 152.115.xxx.xxx

2022-04-06 13:20:57 UTC

NEM ID 

Lars Schønherr Holst-Mikkelsen

Bestyrelsesmedlem

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IP: 87.60.xxx.xxx

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Anja Bjørnholt Lütthcke

Statsautoriseret revisor

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