

## **Aclass A/S**

Hasselager Centervej 29, st.  
8260 Viby J  
CVR No. 28690924

### **Annual report 2021**

The Annual General Meeting adopted the  
annual report on 23.02.2022

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**Kurt Kvorning**

Chairman of the General Meeting

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# Entity details

## Entity

Aclass A/S

Hasselager Centervej 29, st.

8260 Viby J

Business Registration No.: 28690924

Registered office: Aarhus

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Kurt Kvorning, Chairman

Niels Garde Toft, Vice Chairman

René Andersen

## Executive Board

Claus Jessen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Aclass A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Viby J, 23.02.2022

## Executive Board

**Claus Jessen**

## Board of Directors

**Kurt Kvorning**  
Chairman

**Niels Garde Toft**  
Vice Chairman

**René Andersen**

# Independent auditor's report

## To the shareholders of Aclass A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Aclass A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 the management commentary.

Copenhagen, 23.02.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Bjørn Winkler Jakobsen**

State Authorised Public Accountant  
Identification No (MNE) mne32127

**Bo Damgaard Hansen**

State Authorised Public Accountant  
Identification No (MNE) mne34543

# Management commentary

## Financial highlights

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	28,975	108,117	390,965	373,232	311,812
Gross profit/loss	3,942	20,097	51,781	55,288	44,590
Operating profit/loss	(13,892)	(5,610)	16,393	22,659	15,944
Net financials	(1,040)	(26)	(1,702)	(41)	(3,283)
Profit/loss for the year	(11,989)	(5,124)	10,703	16,866	8,605
Balance sheet total	108,085	96,189	190,693	192,088	177,410
Investments in property, plant and equipment	609	0	383	1,367	135
Equity	44,200	54,387	60,204	66,318	66,069
Cash flows from operating activities	7,787	(35,596)	21,771	28,341	19,939
Cash flows from investing activities	(980)	(2,038)	(5,874)	(5,822)	(1,336)
<b>Ratios</b>					
Gross margin (%)	13.60	18.59	13.24	14.81	14.30
Net margin (%)	(41.38)	(4.74)	2.74	4.52	2.76
Return on equity (%)	(24.32)	(8.94)	16.92	25.48	16.30
Equity ratio (%)	40.89	56.54	31.57	34.52	37.24

### Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

### Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$



**Equity ratio (%):**

Equity \* 100

Balance sheet total

### Primary activities

In line with previous years, the primary activities of the Company is to arrange travels, etc.

### Development in activities and finances

The Company's income statement for 2021 showed a loss before tax of DKK 14,933k (2020: loss before tax DKK 5,636k) and the balance sheet at 31 december 2021 showed equity of DKK 44,200k.

### Profit/loss for the year in relation to expected developments

The financial performance of the Group was also this year heavily negatively affected by an external event, the Covid-19 pandemic.

Early on in the pandemic, Management decided to invest in resources to service our clients best possible including repatriating every client safely and rescheduling tours to future dates where travelling is again possible. Likewise, management decided to invest in marketing and sales throughout the pandemic to attract new clients for travelling when this is again possible.

The Group has received Covid-19 compensation packages primarily from the Danish government. Such packages included compensation for fixed costs and contributed to the Group's Covid-19 crisis management, including securing jobs. The focused crisis management, the compensation for fixed cost, and an increased activity level compared to the latter part of 2020, means that the group has managed to maintain a solid cash position as well as the organizational flexibility to scale the business when needed.

Despite receiving compensation for fixed costs throughout the year, the realized results for the year were still heavily affected by Covid-19 and especially travel restrictions imposed by Governments across our source markets. The results are not in accordance with Management's expectations for the financial year .

### Outlook

Covid-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to the travel industry and still affects the industry almost 2 years after the outbreak. We have remained in close contact with all our partners across the world throughout the pandemic. The vast majority of our partners are still in good shape and ready to take on business when activity increases. Furthermore, we have seen a positive development on the availability of flights, and we see early signs that the airline industry is heading towards recovery and reverting to its way of doing business as before the pandemic.

The outlook for 2022 remains positive. It is expected that high infection rates combined with the roll out of vaccine programs across the world will see the effect of Covid-19 virus decline in 2022, although the risk of another wave in 2022 remains.

Obviously, the outlook for 2022 is still dependent on the development of Covid-19 and how fast Governments ease restrictions in The Group's source markets as well as on destinations across the world and not least how fast the desire to travel returns to the consumers. The development in Q4-2021 - when restrictions were slightly eased - provides reason to believe that the travel industry can start its journey to recovery in 2022.

In 2022 Aclass will continue to rebuild the business and execute on the agreed strategy. Initiatives agreed and initiated in 2021 are expected to contribute positively to the position of the Group in the market. As a supplement

to the initiatives outlined in the strategy, the efforts that are being made within sales and regarding operational excellence throughout the organization remain of high importance and a priority.

Despite the uncertainties still present for 2022, the management expects to see the result before tax significantly better than in 2021, which means a result in the range of DKK 0m to DKK 5m after tax.

### **Statutory report on corporate social responsibility**

The primary activity of the Company is to market and sell adventure package tours to destinations in Africa, Latin America and Asia under the brand names Afrika Safari, Asia Tours and Lama Tours. Our package tours involve e.g. tours for families as well as active holidays. To achieve our vision 'our customers will enjoy a holiday of a lifetime', we work closely with local partners, who have extensive knowledge and experience of our destinations. Aclass is committed to developing a profitable business with sustainable business practices in the areas where we operate. Our approach to social responsibility is inspired by the UN Global Compact principles. In the following, we will describe our current activities and how we manage potential risks concerning the four areas: environment and climate, employee conditions, human rights and corruption and bribery. In Aclass we are very aware of the importance of an ESG strategy and it is a strategic priority to making ESG as part of our DNA in the years to come.

#### *Environment and climate*

As a part of our core values, we work to contribute, protect and give back to the environments that we are part of. Specifically, we have initiated a project that for every travel sold, we plant 10 trees in Zambia or Brazil in cooperation with the Global Climate Initiative and WeForest. Due to Covid-19 the remaining part of the project was postponed to the end of 2021 and will continue during the first 6 months of 2022. For further information about our initiatives, please visit [www.afrika-safari.dk](http://www.afrika-safari.dk), [www.lamatours.dk](http://www.lamatours.dk) and [www.asiatours.dk](http://www.asiatours.dk). In relation to environment and climate, we believe it is our obligation and responsibility to care for and help to protect nature and the local environments in which we operate, including protecting wildlife at risk. We believe that our efforts in 2021, despite being influenced by the outbreak of Covid-19, still have contributed to maintaining and protecting the local environments in which we operate.

#### *Employee conditions*

We strive to create a workplace where employees are engaged and motivated, and therefore at low risk of work place stress. We have a staff manual, which states our employee-related policies and activities. Our policies cover e.g. working hours, maternity leave and information on pension and insurance. The manual forms part of our onboarding of employees, when joining the company and is available on our common network drive. In 2022 we had planned an initiation of our well-being program, which among other activities, focuses on employee engagement and well-being. The program consists of both participants from the management and the respective functions. In relation to employee conditions, we believe that general well-being is crucial to continue to attract and retain employees and drive the business forward. Due to Covid-19 we have been forced to postpone the initiation of the well-being program. The fact that we have been forced to reduce the size of the team significantly due to Covid-19 – and naturally causing some additional stress in the organisation – has made the implementation of our well-being program even more important. Therefore the well-being program will be back on the list of priorities during the coming year.

#### *Human rights and corruption and bribery.*

We have chosen to describe our efforts in relation to human rights and bribery and corruption in one combined section, as we believe that these areas are related to general responsible business conduct. We believe that the primary risks related to these areas are if an employee or one of our partners would not respect fundamental human rights and/or use illegal means to obtain an unfair business advantage. This could lead to breaches of universal principles concerning human rights and corruption and bribery. We have a zero-tolerance policy

towards breaches of human rights as well as any kind of corruption and bribery. We have a Code of Conduct, which is also based on the ten principles of the UN Global Compact. The Code of Conduct is has been distributed to and must be signed by all our partners. The code of conduct outlines our commitment to operating a responsible business that complies with all applicable national laws and regulations.

Furthermore, the code of conduct is shared with all employees, when joining the company. One of the ways we have implemented our human rights commitment is to promote children's education in Tanzania, where we have worked with NGO Zara Charity in relation to the Ngorongoro Masaai Pre-School and the Ngorongoro Pre-School. In 2021 we have continued our monthly support to the Pre-school and we have donated \$2,000 to the purchase of a vehicle that can take teachers and students safely from the homes to the school. The Pre-Schools are placed in the Ngorongoro Conversation Area, which is home to thousands of masaais and which is also a travel destination for our Afrika-safari company. We consider this an important way of contributing to the local community and strengthening their human rights. We are not aware of any breaches in 2021 in Aclass concerning human rights or corruption and bribery.

#### **Statutory report on the underrepresented gender**

During 2021 there has been no changes to the board because of the impact of the outbreak of Covid-19. The focus in the board is to get the business back on track before considering making changes to the board. The Board still consist of three male members. Therefore, we have not realized our target of one female member of the board. Our target to achieve one female member of the board by 2024 remains.

There is not a separate policy for the underrepresented gender at other management levels, as the company has less than 50 employees.

#### **Statutory report on data ethics policy**

At Aclass, we have an extensive focus on how we handle data. We place a high value on our moral obligation to treat data with respect and transparency.

In line with increased focus on the protection of personal data and data in general, Aclass also hold a very strong focus on treating data ethically correct. Not only in accordance with applicable law, but also in line with our own moral compass.

Data ethics in Aclass is based on following core areas: customer data, internal processes and how we act in relation to the outside world.

Our customers are always able request and gain insight to the personal information we store about them and how we process this information. We work continuously with optimization of the information structure, so that we thereby ensure a continuous overview and increased transparency towards our customers.

To achieve this, we have a continuous focus on which information we store and which information we pass on to 3rd parties. Only information that is necessary for the journey to be completed will be passed on. Likewise, we have an ongoing focus on deleting personal information and other data that is no longer relevant to us. The ongoing focus on this is to ensure that Aclass do not store more information about our customers than necessary.

Our employees hold a huge responsibility for the trust and transparency, in which we are highly focused on having towards our customers and partners, in terms of handling data in a responsible way. Therefore, we continuously focus on optimizing our internal data policies. We are dedicated to ensures that we follow a

common path and operate within our moral compass. We continuously train employees in GDPR and have established a clear procedure for protecting customers' data in the event of misuse or leakage of system data. At Aclass we have high protection of employees' private information and we have ensured consent to share specified personal data such as pictures on websites, which may be revoked at any time. All new employees receive a thorough introduction to our internal systems, as well as an introduction to our data policy and the ethical framework within which we operate. Our goal is for our moral compass to keep being a part of our corporate culture and not just a written statement.

We operate worldwide and are aware of our responsibilities according to the moral obligations we have in terms of sharing the data we handle. We have signed data processor agreements with all relevant 3rd parties and our database is regularly updated with changes or when new agreements are being made.

### **Statutory report on corporate governance**

Aclass A/S is owned 100% by Aclass Holding ApS. The majority owner of Aclass Holding is the private equity fund: Maj Invest Equity 5 K/S, which is a member of DVCA. Maj Invest Equity 5 K/S invested in 2017 together with other shareholders in Aclass A/S through Aclass Holding ApS and owns 60,5%. One board member and executive management jointly own 4-5%. The investment was financed with equity / debt capital (60%/40%). As a private equity portfolio owned company, Aclass A/S generally follows DVCA's recommendations, except that the company based on its size, has not established an audit committee. These tasks are handled by the Board.

Refer to [www.DVCA.dk](http://www.DVCA.dk) for more information about the guidelines.

#### *Development in the number of employees*

The company had 24 employees at the beginning of the year split by 19 employees in Denmark and 5 in rest of the world. In the year there has been a net inflow of 4 employee split by 4 in Denmark and 0 in rest of the world. The company has at year-end 28 employees split by 23 in Denmark and 5 in rest of the world.

#### *Board information*

Kurt Kvorning, managing director, CPT Invest 2017 ApS: Nominated to the board by minority shareholder at the annual general meeting of 19.07.2017: Executive Board: Investeringselskabet af 16/1 1992 ApS, KK Invest ApS, CPT Invest 2017 ApS. Board of Directors: Aclass A/S, Feline Holidays A/S, Holiday Group Invest A/S, MidCap Holiday Group ApS, CapHold Holiday Group ApS.

Niels Garde Toft, partner, Maj Invest Equity A/S: Nominated to the board by Maj Invest Equity 5 K/S at the annual general meeting of 19.07.2017: Executive board: Aclass Holding ApS, RoM Invest ApS, MIE5 Holding 7 ApS, Maks ApS. Board of directors: PcP Corporation A/S, A/S PcP. Danmark A/S, Fonden LDE 2 GP, Aclass A/S, Roll-O-Matic A/S.

René Andersen, managing director, TravelBiz ApS: Nominated to the board by Maj Invest Equity 5 K/S at the annual general meeting of 19.07.2017: Executive Board: TravelBiz ApS, PALDOR HOLDING ApS, PUMORI ApS. Board of Directors: Aclass A/S, DANISH MYO TECHNOLOGY A/S.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

# Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue	1	28,974,971	108,117,049
Other operating income	2	5,288,068	12,890,036
Cost of sales		(19,500,920)	(87,890,099)
Other external expenses	3	(10,819,886)	(13,019,588)
<b>Gross profit/loss</b>		<b>3,942,233</b>	<b>20,097,398</b>
Staff costs	4	(10,754,234)	(18,860,100)
Depreciation, amortisation and impairment losses	5	(7,080,448)	(6,846,948)
<b>Operating profit/loss</b>		<b>(13,892,449)</b>	<b>(5,609,650)</b>
Other financial income		8,222	300,091
Other financial expenses		(1,048,650)	(326,071)
<b>Profit/loss before tax</b>		<b>(14,932,877)</b>	<b>(5,635,630)</b>
Tax on profit/loss for the year	6	2,944,306	511,725
<b>Profit/loss for the year</b>	7	<b>(11,988,571)</b>	<b>(5,123,905)</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired rights		6,296,400	9,079,928
Goodwill		39,804,923	43,032,347
<b>Intangible assets</b>	8	<b>46,101,323</b>	<b>52,112,275</b>
Other fixtures and fittings, tools and equipment		535,379	734,282
Leasehold improvements		353,095	267,179
<b>Property, plant and equipment</b>	9	<b>888,474</b>	<b>1,001,461</b>
Deposits		491,258	476,499
<b>Financial assets</b>	10	<b>491,258</b>	<b>476,499</b>
<b>Fixed assets</b>		<b>47,481,055</b>	<b>53,590,235</b>
Deferred tax	11	3,359,021	869,000
Other receivables	12	5,618,983	5,689,202
Tax receivable		248,145	142,798
Prepayments	13	16,426,934	7,753,816
<b>Receivables</b>		<b>25,653,083</b>	<b>14,454,816</b>
<b>Cash</b>		<b>34,950,857</b>	<b>28,143,479</b>
<b>Current assets</b>		<b>60,603,940</b>	<b>42,598,295</b>
<b>Assets</b>		<b>108,084,995</b>	<b>96,188,530</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		500,000	500,000
Retained earnings		43,700,264	53,886,518
<b>Equity</b>		<b>44,200,264</b>	<b>54,386,518</b>
Other provisions	14	461,000	0
<b>Provisions</b>		<b>461,000</b>	<b>0</b>
Other payables		3,828,532	4,448,008
<b>Non-current liabilities other than provisions</b>	15	<b>3,828,532</b>	<b>4,448,008</b>
Current portion of non-current liabilities other than provisions	15	542,686	0
Trade payables		3,290,053	1,185,131
Other payables		5,367,216	5,245,180
Deferred income	16	50,395,244	30,923,693
<b>Current liabilities other than provisions</b>		<b>59,595,199</b>	<b>37,354,004</b>
<b>Liabilities other than provisions</b>		<b>63,423,731</b>	<b>41,802,012</b>
<b>Equity and liabilities</b>		<b>108,084,995</b>	<b>96,188,530</b>
Financial instruments	18		
Unrecognised rental and lease commitments	19		
Assets charged and collateral	20		
Transactions with related parties	21		
Group relations	22		
Subsidiaries	23		



# Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	53,886,518	54,386,518
Exchange rate adjustments	0	45,858	45,858
Value adjustments	0	2,251,870	2,251,870
Tax of entries on equity	0	(495,411)	(495,411)
Profit/loss for the year	0	(11,988,571)	(11,988,571)
<b>Equity end of year</b>	<b>500,000</b>	<b>43,700,264</b>	<b>44,200,264</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		(13,892,449)	(5,609,650)
Amortisation, depreciation and impairment losses		7,074,693	6,846,948
Other provisions		461,000	0
Working capital changes	17	15,184,468	(38,079,743)
<b>Cash flow from ordinary operating activities</b>		<b>8,827,712</b>	<b>(36,842,445)</b>
Financial income received		8,222	300,091
Financial expenses paid		(1,048,650)	(326,071)
Taxes refunded/(paid)		0	1,272,288
<b>Cash flows from operating activities</b>		<b>7,787,284</b>	<b>(35,596,137)</b>
Acquisition etc. of intangible assets		(355,768)	(2,001,696)
Acquisition etc. of property, plant and equipment		(609,379)	0
Acquisition of fixed asset investments		(14,759)	(36,063)
<b>Cash flows from investing activities</b>		<b>(979,906)</b>	<b>(2,037,759)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>6,807,378</b>	<b>(37,633,896)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>6,807,378</b>	<b>(37,633,896)</b>
Cash and cash equivalents beginning of year		28,143,479	65,777,375
<b>Cash and cash equivalents end of year</b>		<b>34,950,857</b>	<b>28,143,479</b>
Cash and cash equivalents at year-end are composed of:			
Cash		34,950,857	28,143,479
<b>Cash and cash equivalents end of year</b>		<b>34,950,857</b>	<b>28,143,479</b>

# Notes to consolidated financial statements

## 1 Revenue

	2021 DKK	2020 DKK
Nordic	13,939,822	67,415,936
Other	15,035,149	40,701,113
<b>Total revenue by geographical market</b>	<b>28,974,971</b>	<b>108,117,049</b>
Package tour	28,088,422	107,980,490
Other	886,549	136,559
<b>Total revenue by activity</b>	<b>28,974,971</b>	<b>108,117,049</b>

## 2 Other operating income

Other operating income comprises Covid-19 help packages, incl. DKK 7,881k fixed cost compensation and DKK 470k conversion compensation. The amount also comprises a cost of DKK 185k related to final settlement of salary compensation as well as a cost of DKK 3,755k related to final settlement of cancelled trips compensation.

## 3 Fees to the auditor appointed by the Annual General Meeting

	2021 DKK	2020 DKK
Statutory audit services	125,500	82,500
Other assurance engagements	17,500	87,500
Tax services	16,000	54,775
Other services	8,000	92,565
	<b>167,000</b>	<b>317,340</b>

## 4 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	9,922,449	16,854,927
Pension costs	515,803	1,306,313
Other social security costs	116,991	267,105
Other staff costs	198,991	431,755
	<b>10,754,234</b>	<b>18,860,100</b>

Average number of full-time employees	17	37
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	<b>Remuneration of manage- ment 2021 DKK</b>	<b>Remuneration of manage- ment 2020 DKK</b>
Total amount for management categories	1,400,000	1,576,667
	<b>1,400,000</b>	<b>1,576,667</b>

Referring to section 98b (3) of the Danish Financial Statement Act, Management's remuneration has been disclosed as an aggregate amount for management categories.

### 5 Depreciation, amortisation and impairment losses

	<b>2021 DKK</b>	<b>2020 DKK</b>
Amortisation of intangible assets	6,366,719	6,411,737
Depreciation on property, plant and equipment	713,729	435,211
	<b>7,080,448</b>	<b>6,846,948</b>

### 6 Tax on profit/loss for the year

	<b>2021 DKK</b>	<b>2020 DKK</b>
Current tax	41,126	78,501
Change in deferred tax	(2,985,432)	(590,226)
	<b>(2,944,306)</b>	<b>(511,725)</b>

### 7 Proposed distribution of profit/loss

	<b>2021 DKK</b>	<b>2020 DKK</b>
Retained earnings	(11,988,571)	(5,123,905)
	<b>(11,988,571)</b>	<b>(5,123,905)</b>

## 8 Intangible assets

	<b>Acquired rights DKK</b>	<b>Goodwill DKK</b>
Cost beginning of year	19,924,470	64,548,512
Additions	355,767	0
Disposals	(1,686,056)	0
<b>Cost end of year</b>	<b>18,594,181</b>	<b>64,548,512</b>
Amortisation and impairment losses beginning of year	(10,844,542)	(21,516,165)
Amortisation for the year	(3,139,295)	(3,227,424)
Reversal regarding disposals	1,686,056	0
<b>Amortisation and impairment losses end of year</b>	<b>(12,297,781)</b>	<b>(24,743,589)</b>
<b>Carrying amount end of year</b>	<b>6,296,400</b>	<b>39,804,923</b>

Goodwill is amortised on a straight-line basis over its estimated useful time, which is determined based on Management's experience within each business area.

When determining the amortisation period, Management has chosen to base the amortisation on useful lives, which are determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile.

It is Management's assessment that the carrying amount of goodwill embodies useful lives which are assessed to be long-term since the goodwill relates to affiliated markets where the Company has a strong market profile and continuously invests to meet the potential. Consequently, Management assesses the earnings profile to be long-term.

Based on the above, Management has assessed that it will be a fairer presentation if the amortisation period of goodwill is 20 years. Moreover, Management will reassess the useful lives so that they reflect the continuous market and earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

## 9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,497,123	538,850
Exchange rate adjustments	579	0
Additions	148,379	461,000
Disposals	(683,402)	(129,522)
<b>Cost end of year</b>	<b>1,962,679</b>	<b>870,328</b>
Depreciation and impairment losses beginning of year	(1,762,841)	(271,671)
Exchange rate adjustments	(924)	0
Depreciation for the year	(338,645)	(375,084)
Reversal regarding disposals	675,110	129,522
<b>Depreciation and impairment losses end of year</b>	<b>(1,427,300)</b>	<b>(517,233)</b>
<b>Carrying amount end of year</b>	<b>535,379</b>	<b>353,095</b>

## 10 Financial assets

	Deposits DKK
Cost beginning of year	476,499
Additions	14,759
<b>Cost end of year</b>	<b>491,258</b>
<b>Carrying amount end of year</b>	<b>491,258</b>

## 11 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	317,000	197,000
Property, plant and equipment	70,000	3,000
Tax losses carried forward	2,972,021	669,000
<b>Deferred tax</b>	<b>3,359,021</b>	<b>869,000</b>
	<b>2021 DKK</b>	<b>2020 DKK</b>
<b>Changes during the year</b>		
Beginning of year	869,000	94,000
Recognised in the income statement	1,994,610	590,226
Recognised directly in equity	495,411	184,774
<b>End of year</b>	<b>3,359,021</b>	<b>869,000</b>

Deferred tax is recognised at DKK 3,359k where at approximately DKK 2,359k is expected to be utilized later than 12 months from the balance sheet date.

The derivative financial instruments are further described in note 18.

## 12 Other receivables

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other receivables	5,618,983	5,689,202
	<b>5,618,983</b>	<b>5,689,202</b>

## 13 Prepayments

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

## 14 Other provisions

Other provisions comprise estimated costs of reestablishing leased premises at the end of the lease term.

## 15 Non-current liabilities other than provisions

	<b>Due within 12</b>	<b>Due after</b>	<b>Outstanding</b>
	<b>months</b>	<b>more than 12</b>	<b>after 5 years</b>
	<b>2021</b>	<b>months</b>	<b>2021</b>
	<b>DKK</b>	<b>2021</b>	<b>DKK</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Other payables	542,686	3,828,532	716,724
	<b>542,686</b>	<b>3,828,532</b>	<b>716,724</b>

## 16 Deferred income

Deferred income comprise incurred revenue relating to subsequent financial years.

## 17 Changes in working capital

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in receivables	(6,452,019)	50,369,544
Increase/decrease in trade payables etc.	21,636,487	(88,449,287)
	<b>15,184,468</b>	<b>(38,079,743)</b>

## 18 Derivative financial instruments

Other payables include a negative fair value of the forward exchange contracts of DKK 113k. The forward exchange contracts have been acquired to hedge the foreign currency risk of trade payables in USD, THB, SEK, GBP, NOK and ZAR. The exchange loss has been set off against the value adjustments of the hedged payables in the income statement. The forward exchange contracts have a term of 0-11 months. The forward exchange contracts have been entered into with the Company's usual bank.

## 19 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	<b>1,793,968</b>	<b>2,797,317</b>

## 20 Assets charged and collateral

The Group has provided payment guarantees totalling DKK 3,034k. The amount is distributed as follows:

- Rejsegarantifonden, DKK 1,800k
- Hansemerkur Reiseversicherung, DKK 1,190k
- Other guarantees, DKK 44k

## 21 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Aclass Holding ApS, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Aclass Holding ApS, Copenhagen

## 23 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK	Profit/loss DKK
ASClass GmbH	Henstedt-Ulzburg, Germany	GmbH	100.0	3,416,083	40,585
TourCompass UK Ltd	Richmond, England	Ltd	100.0	750,385	(4,340)



# Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue	1	27,937,079	105,499,656
Other operating income	2	4,358,475	12,890,036
Cost of sales		(19,491,920)	(87,721,636)
Other external expenses	3	(10,562,170)	(12,362,587)
<b>Gross profit/loss</b>		<b>2,241,464</b>	<b>18,305,469</b>
Staff costs	4	(9,249,345)	(17,495,452)
Depreciation, amortisation and impairment losses	5	(7,067,441)	(6,846,948)
<b>Operating profit/loss</b>		<b>(14,075,322)</b>	<b>(6,036,931)</b>
Other financial income		6,508	300,091
Other financial expenses		(940,287)	(219,760)
<b>Profit/loss before tax</b>		<b>(15,009,101)</b>	<b>(5,956,600)</b>
Tax on profit/loss for the year	6	2,984,411	590,226
<b>Profit/loss for the year</b>	7	<b>(12,024,690)</b>	<b>(5,366,374)</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired rights		6,296,400	9,079,928
Goodwill		39,804,923	43,032,347
<b>Intangible assets</b>	8	<b>46,101,323</b>	<b>52,112,275</b>
Other fixtures and fittings, tools and equipment		500,421	685,971
Leasehold improvements		353,095	267,179
<b>Property, plant and equipment</b>	9	<b>853,516</b>	<b>953,150</b>
Investments in group enterprises		426,250	426,250
Deposits		463,840	449,245
<b>Financial assets</b>	10	<b>890,090</b>	<b>875,495</b>
<b>Fixed assets</b>		<b>47,844,929</b>	<b>53,940,920</b>
Deferred tax	11	3,358,000	869,000
Other receivables		3,545,254	5,429,698
Prepayments	12	16,249,279	7,656,498
<b>Receivables</b>		<b>23,152,533</b>	<b>13,955,196</b>
<b>Cash</b>		<b>18,135,079</b>	<b>15,955,281</b>
<b>Current assets</b>		<b>41,287,612</b>	<b>29,910,477</b>
<b>Assets</b>		<b>89,132,541</b>	<b>83,851,397</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		500,000	500,000
Retained earnings		39,960,063	50,228,294
<b>Equity</b>		<b>40,460,063</b>	<b>50,728,294</b>
Other provisions	13	461,000	0
<b>Provisions</b>		<b>461,000</b>	<b>0</b>
Other payables		3,828,532	4,448,008
<b>Non-current liabilities other than provisions</b>	14	<b>3,828,532</b>	<b>4,448,008</b>
Current portion of non-current liabilities other than provisions	14	542,686	0
Trade payables		3,133,012	1,084,498
Payables to group enterprises		6,636,778	6,798,452
Other payables		5,250,246	5,253,850
Deferred income	15	28,820,224	15,538,295
<b>Current liabilities other than provisions</b>		<b>44,382,946</b>	<b>28,675,095</b>
<b>Liabilities other than provisions</b>		<b>48,211,478</b>	<b>33,123,103</b>
<b>Equity and liabilities</b>		<b>89,132,541</b>	<b>83,851,397</b>
Financial instruments	16		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Transactions with related parties	21		

# Parent statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	50,228,294	50,728,294
Value adjustments	0	2,251,870	2,251,870
Tax of entries on equity	0	(495,411)	(495,411)
Profit/loss for the year	0	(12,024,690)	(12,024,690)
<b>Equity end of year</b>	<b>500,000</b>	<b>39,960,063</b>	<b>40,460,063</b>

# Notes to parent financial statements

## 1 Revenue

	2021 DKK	2020 DKK
Nordic	12,901,924	67,415,939
Other	15,035,155	38,083,717
<b>Total revenue by geographical market</b>	<b>27,937,079</b>	<b>105,499,656</b>
Package Tour	27,073,368	105,366,403
Other	863,711	133,253
<b>Total revenue by activity</b>	<b>27,937,079</b>	<b>105,499,656</b>

## 2 Other operating income

Other operating income comprises Covid-19 help packages, incl. DKK 6,953k fixed cost compensation and DKK 470k conversion compensation. The amount also comprises a cost of DKK 185k related to final settlement of salary compensation as well as a cost of DKK 3,755k related to final settlement of cancelled trips compensation.

## 3 Fees to the auditor appointed by the Annual General Meeting

	2021 DKK	2020 DKK
Statutory audit services	125,500	82,500
Other assurance engagements	17,500	87,500
Tax services	16,000	54,775
Other services	8,000	92,565
	<b>167,000</b>	<b>317,340</b>

## 4 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	8,417,560	15,490,279
Pension costs	515,803	1,306,313
Other social security costs	116,991	267,105
Other staff costs	198,991	431,755
	<b>9,249,345</b>	<b>17,495,452</b>

Average number of full-time employees	<b>13</b>	<b>33</b>
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	<b>Remuneration of Manage- ment 2021 DKK</b>	<b>Remuneration of Manage- ment 2020 DKK</b>
Total amount for management categories	1,400,000	1,576,667
	<b>1,400,000</b>	<b>1,576,667</b>

Referring to section 98b (3) of the Danish Financial Statement Act, Management's remuneration has been disclosed as an aggregate amount for all management categories.

### 5 Depreciation, amortisation and impairment losses

	<b>2021 DKK</b>	<b>2020 DKK</b>
Amortisation of intangible assets	6,366,719	6,411,737
Depreciation on property, plant and equipment	700,722	435,211
	<b>7,067,441</b>	<b>6,846,948</b>

### 6 Tax on profit/loss for the year

	<b>2021 DKK</b>	<b>2020 DKK</b>
Change in deferred tax	(2,984,411)	(590,226)
	<b>(2,984,411)</b>	<b>(590,226)</b>

### 7 Proposed distribution of profit and loss

	<b>2021 DKK</b>	<b>2020 DKK</b>
Retained earnings	(12,024,690)	(5,366,374)
	<b>(12,024,690)</b>	<b>(5,366,374)</b>

### 8 Intangible assets

	<b>Acquired rights DKK</b>	<b>Goodwill DKK</b>
Cost beginning of year	19,924,470	64,548,512
Additions	355,767	0
Disposals	(1,686,056)	0
<b>Cost end of year</b>	<b>18,594,181</b>	<b>64,548,512</b>
Amortisation and impairment losses beginning of year	(10,844,542)	(21,516,165)
Amortisation for the year	(3,139,295)	(3,227,424)
Reversal regarding disposals	1,686,056	0
<b>Amortisation and impairment losses end of year</b>	<b>(12,297,781)</b>	<b>(24,743,589)</b>
<b>Carrying amount end of year</b>	<b>6,296,400</b>	<b>39,804,923</b>

Goodwill is amortised on a straight-line basis over its estimated useful time, which is determined based on Management's experience within each business area.

When determining the amortisation period, Management has chosen to base the amortisation on useful lives, which are determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile.

It is Management's assessment that the carrying amount of goodwill embodies useful lives which are assessed to be long-term since the goodwill relates to affiliated markets where the Company has a strong market profile and continuously invests to meet the potential. Consequently, Management assesses the earnings profile to be long-term.

Based on the above, Management has assessed that it will be a fairer presentation if the amortisation period of goodwill is 20 years. Moreover, Management will reassess the useful lives so that they reflect the continuous market and earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

## 9 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	2,401,139	538,850
Additions	148,380	461,000
Disposals	(683,402)	(129,522)
<b>Cost end of year</b>	<b>1,866,117</b>	<b>870,328</b>
Depreciation and impairment losses beginning of year	(1,715,168)	(271,671)
Depreciation for the year	(325,638)	(375,084)
Reversal regarding disposals	675,110	129,522
<b>Depreciation and impairment losses end of year</b>	<b>(1,365,696)</b>	<b>(517,233)</b>
<b>Carrying amount end of year</b>	<b>500,421</b>	<b>353,095</b>

## 10 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	426,250	449,245
Additions	0	14,595
<b>Cost end of year</b>	<b>426,250</b>	<b>463,840</b>
<b>Carrying amount end of year</b>	<b>426,250</b>	<b>463,840</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 11 Deferred tax

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Intangible assets	317,000	197,000
Property, plant and equipment	70,000	3,000
Tax losses carried forward	2,971,000	669,000
<b>Deferred tax</b>	<b>3,358,000</b>	<b>869,000</b>

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	869,000	94,000
Recognised in the income statement	1,993,589	590,226
Recognised directly in equity	495,411	184,774
<b>End of year</b>	<b>3,358,000</b>	<b>869,000</b>

Deferred tax is recognised at DKK 3,358k where at approximately DKK 2,358k is expected to be utilized later than 12 months from the balance sheet date.

The derivative financial instruments are further described in note 16.

## 12 Prepayments

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

## 13 Other provisions

Other provisions comprise the estimated costs of reestablishing leased premises at the end of the lease term.

## 14 Non-current liabilities other than provisions

	<b>Due within 12</b>	<b>Due after</b>	<b>Outstanding</b>
	<b>months</b>	<b>more than 12</b>	<b>after 5 years</b>
	<b>2021</b>	<b>months</b>	<b>2021</b>
	<b>DKK</b>	<b>2021</b>	<b>DKK</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Other payables	542,686	3,828,532	1,657,789
	<b>542,686</b>	<b>3,828,532</b>	<b>1,657,789</b>

## 15 Deferred income

Deferred income comprise incurred revenue relating to subsequent financial years.

## 16 Derivative financial instruments

Other payables include a positive fair value of the forward exchange contracts of DKK 113k. The forward exchange contracts have been acquired to hedge the foreign currency risk of trade payables in USD, THB, SEK, GBP, NOK and ZAR. The exchange loss has been set off against the value adjustments of the hedged payables in the income statement. The forward exchange contracts have a term of 0-11 months. The forward exchange contracts have been entered into with the Company's usual bank.



## 17 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	1,793,968	2,797,317

## 18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Aclass Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

## 19 Assets charged and collateral

The Company has provided payment guarantees totalling DKK 1,800k.

The amount is distributed as follows:

- Rejsegarantifonden, DKK 1,800k.

The Company has provided security for all intercompany accounts between Jyske Bank and the subsidiary Aclass GmbH. The bank debt in Aclass GmbH amounts to DKK 0k at 31.12.2021.

The Company has provided for security for all intercompany accounts between Danske Bank and the subsidiary Aclass UK Ltd. The bank debt in Class UK Ltd. amounts to DKK 0k at 31.12.2021.

## 20 Related parties with controlling interest

Related parties with controlling interest in the Company include:

- Aclass Holding ApS, Hasselager Centervej 29, Viby J, holding the majority of voting rights.
- Maj Invest Equity 5 K/S, Gammeltorv 18, Copenhagen, holding the majority of voting rights.

## 21 Non-arm's length related party transactions

Only transactions with related parties that are not carried out at market terms are disclosed in the annual report. No such transactions have been performed.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

For intra-group combinations, the uniting-of-interests method is applied. This means that the annual reports are combined as if the enterprises had been combined starting from the earliest accounting period forming part of the financial statements. The difference between the amount paid in contributed capital and any share premium plus any cash payment and the equity value of the subsidiary is clearly added to or deducted from reserves that may be used to cover losses.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

### **Public grants**

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

### **Income statement**

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### **Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

#### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including net capital gains on securities, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including net capital losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Aclass Holding ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile, and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually.

It is Management's assessment that the carrying amount of goodwill embodies useful lives which are assessed to be long-term since the goodwill relates to affiliated markets where the Company has a strong market profile and continuously invests to meet the potential. Consequently, Management assesses the earnings profile to be long-term.

Based on the above, Management has assessed that it will be a fairer presentation if the amortisation period of goodwill is 20 years. Moreover, Management will reassess the useful lives so that they reflect the continuous market and earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc.**

Intellectual property rights etc comprise acquired rights.

Acquired rights are measured at cost less accumulated amortisation. Rights are amortised on a straight-line basis over the estimated useful life of 5 to 10 years.

Acquired rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly attributable to the acquisition.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### **Deferred tax**

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

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

### **Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other provisions**

Other provisions comprise anticipated costs of reestablishing leased premises at the end of the lease term.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash with an insignificant price risk less short-term bank loans.