

Aclass A/S

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

Annual report 2020

The Annual General Meeting adopted the
annual report on 24.02.2021

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: 01.01.2020 - 31.12.2020

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 01.01.2020 - 31.12.2020

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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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, 24. februar 2021

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 of 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 requirements. 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 and 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, 24. februar 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Ane Sachs Aasand

State Authorised Public Accountant
Identification No (MNE) mne42783

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Revenue	108,117	390,965	373,232	311,812	253,416
Gross profit/loss	20,097	51,781	55,288	44,590	35,398
Operating profit/loss	(5,610)	16,393	22,659	15,944	12,605
Net financials	(26)	(1,702)	(41)	(3,283)	(1,877)
Profit/loss for the year	(5,124)	10,703	16,866	8,605	7,620
Balance sheet total	96,189	190,693	192,088	177,410	162,309
Investments in property, plant and equipment	0	383	1,367	135	430
Equity	54,387	60,204	66,318	66,069	39,508
Cash flows from operating activities	(35,596)	22,001	21,771	28,341	19,939
Cash flows from investing activities	(2,038)	(5,874)	(5,822)	(1,336)	(2,030)
Cash flows from financing activities	0	(15,000)	(15,200)	(16,000)	(10,500)
Ratios					
Gross margin (%)	18.59	13.24	14.81	14.30	13.97
Net margin (%)	(4.74)	2.74	4.52	2.76	3.01
Return on equity (%)	(8.94)	16.92	25.48	16.30	19.3
Equity ratio (%)	56.54	31.57	34.52	37.24	24.34

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

Total assets

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 2020 showed a loss before tax of DKK 5,636k (2019: Profit before tax DKK 14,691k) and the balance sheet at 31 december 2020 showed equity of DKK 54,387k.

Profit/loss for the year in relation to expected developments

The financial performance of the Company were heavily negatively affected by an external event, the outbreak of the Coronavirus disease (Covid19).

The Company has received Covid-19 help packages primarily from Denmark. Such packages included the use of the general salary compensation schemes and compensation for fixed costs as well as specific help packages for the Travel Industry. The help packages have contributed to the Company's Covid-19 crisis management, including securing jobs.

As a result, the realized results for the year were also heavily affected by Covid19 and therefore not in accordance with Management's expectations for the financial year and the budget prepared.

Outlook

The outbreak of the Coronavirus disease ("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.

The duration and impact of the COVID-19 outbreak remains unknown. Therefore, the outlook for 2021 is highly dependent on the development of Covid19 and restrictions imposed by Governments and authorities in Aclass' source markets as well as on destinations across the world. The fact that vaccine programs are rolled out globally, provides reason to believe that the travel industry can start its journey to recovery in 2021.

In 2021 Aclass will look to rebuild the business and execute on the agreed strategy. Initiatives agreed and initiated in late 2020 are expected to contribute positively to the position of Aclass in the market. As a supplement to the initiatives outlined in the strategy, the importance of the work on sales, digitalisation and operational excellence throughout the organization remains important and a priority.

At present, Management is unable to make a precise estimate of the total effect of the outbreak and spread of COVID-19 on the Company and its 2021 results.

Particular risks

The Group is exposed particularly to force majeure events on our destinations.

The Group is also exposed to fluctuations in foreign currencies. Management is aware of this risk, which is reduced by hedging the foreign exchange rates.

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 activities and how we manage potential risks concerning the four areas: environment and climate, employee conditions, human rights and corruption and bribery.

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 has been postponed to later in 2021. Furthermore, we work with our partners in Tanzania to reduce the use of plastic and to ensure that plastic is recycled for e.g. production of furniture. For further information about our initiatives, please visit www.afrika-safari.dk, www.lamatours.dk and 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 2020 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 2020 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.

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 2019 we donated 30,000 USD and contributed with other sponsors to help build the Ngorongoro Masaai Pre-School. In 2020, we have continued our monthly support for purchasing uniforms, schoolbooks and food. 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 2020 in Aclass concerning human rights or corruption and bribery.

Statutory report on the underrepresented gender

During 2020 we have changed the composition of the board because of a change in our strategic priorities following the outbreak of Covid-19. The Board now 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 2023 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 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 for more information about the guidelines

Development in the number of employees

The company had 47 employees at the beginning of the year split by 42 employees in Denmark and 5 in the rest of the world. In the year 2020, there have been some drastic changes due to the Covid-19 epidemic which resulted in a reduction of employees to 24 employees by the end of 2020 - split between 19 in Denmark and 5 in the 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, Check Point Travel 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 5 K/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, LDE Holding 13 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, Equity Datterholding 13 ApS, 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 2020

	Notes	2020 DKK	2019 DKK
Revenue	1	108,117,048	390,964,873
Other operating income	2	12,890,036	0
Cost of sales		(87,890,099)	(305,326,242)
Other external expenses	3	(13,019,587)	(33,857,768)
Gross profit/loss		20,097,398	51,780,863
Staff costs	4	(18,860,100)	(28,985,276)
Depreciation, amortisation and impairment losses	5	(6,846,948)	(6,402,907)
Operating profit/loss		(5,609,650)	16,392,680
Other financial income		300,091	109,910
Other financial expenses		(326,071)	(1,811,731)
Profit/loss before tax		(5,635,630)	14,690,859
Tax on profit/loss for the year	6	511,725	(3,987,964)
Profit/loss for the year	7	(5,123,905)	10,702,895

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired rights		9,079,928	10,262,545
Goodwill		43,032,347	46,259,771
Intangible assets	8	52,112,275	56,522,316
Other fixtures and fittings, tools and equipment		734,282	1,094,199
Leasehold improvements		267,179	342,684
Property, plant and equipment	9	1,001,461	1,436,883
Deposits		476,499	440,436
Fixed asset investments	10	476,499	440,436
Fixed assets		53,590,235	58,399,635
Deferred tax	11	869,000	94,000
Other receivables	12	5,689,202	3,431,923
Tax receivable		142,798	0
Joint taxation contribution receivable		0	1,507,206
Prepayments	13	7,753,816	61,482,828
Receivables		14,454,816	66,515,957
Cash	14	28,143,479	65,777,375
Current assets		42,598,295	132,293,332
Assets		96,188,530	190,692,967

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		500,000	500,000
Retained earnings		53,886,518	59,703,696
Equity		54,386,518	60,203,696
Other payables		4,448,008	768,188
Non-current liabilities other than provisions	15	4,448,008	768,188
Trade payables		1,185,131	16,791,560
Tax payable		0	234,918
Other payables		5,245,180	4,938,796
Deferred income	16	30,923,693	107,755,809
Current liabilities other than provisions		37,354,004	129,721,083
Liabilities other than provisions		41,802,012	130,489,271
Equity and liabilities		96,188,530	190,692,967
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 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	59,703,696	60,203,696
Exchange rate adjustments	0	(38,164)	(38,164)
Value adjustments	0	(839,883)	(839,883)
Tax of entries on equity	0	184,774	184,774
Profit/loss for the year	0	(5,123,905)	(5,123,905)
Equity end of year	500,000	53,886,518	54,386,518

Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		(5,609,650)	16,392,680
Amortisation, depreciation and impairment losses		6,846,948	6,402,907
Working capital changes	17	(38,079,743)	6,203,602
Cash flow from ordinary operating activities		(36,842,445)	28,999,189
Financial income received		300,091	109,910
Financial expenses paid		(326,071)	(811,731)
Taxes refunded/(paid)		1,272,288	(6,296,135)
Cash flows from operating activities		(35,596,137)	22,001,233
Acquisition etc. of intangible assets		(2,001,696)	(5,482,498)
Acquisition etc. of property, plant and equipment		0	(382,475)
Acquisition of fixed asset investments		(36,063)	(8,636)
Cash flows from investing activities		(2,037,759)	(5,873,609)
Free cash flows generated from operations and investments before financing		(37,633,896)	16,127,624
Dividend paid		0	(15,000,000)
Cash flows from financing activities		0	(15,000,000)
Increase/decrease in cash and cash equivalents		(37,633,896)	1,127,624
Cash and cash equivalents beginning of year		65,777,375	64,649,751
Cash and cash equivalents end of year		28,143,479	65,777,375
Cash and cash equivalents at year-end are composed of:			
Cash		28,143,479	65,777,375
Cash and cash equivalents end of year		28,143,479	65,777,375

Notes to consolidated financial statements

1 Revenue

	2020 DKK	2019 DKK
Nordic	67,415,935	209,074,772
Other	40,701,113	181,890,101
Total revenue by geographical market	108,117,048	390,964,873
Package tour	107,980,489	390,808,488
Other	136,559	156,385
Total revenue by activity	108,117,048	390,964,873

2 Other operating income

Other operating income comprises Covid-19 help packages, incl. salary, fixed cost and cancelled trips compensation.

3 Fees to the auditor appointed by the Annual General Meeting

	2020 DKK	2019 DKK
Statutory audit services	82,500	114,500
Other assurance engagements	87,500	15,000
Tax services	54,775	40,000
Other services	92,565	185,380
	317,340	354,880

4 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	16,854,927	25,317,264
Pension costs	1,306,313	1,996,629
Other social security costs	267,105	793,162
Other staff costs	431,755	878,221
	18,860,100	28,985,276

Average number of full-time employees	37	51
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	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Total amount for management categories	1,576,667	1,817,000
	1,576,667	1,817,000

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

	2020 DKK	2019 DKK
Amortisation of intangible assets	6,411,737	5,974,025
Depreciation on property, plant and equipment	435,211	428,882
	6,846,948	6,402,907

6 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	78,501	4,040,964
Change in deferred tax	(590,226)	(53,000)
	(511,725)	3,987,964

7 Proposed distribution of profit/loss

	2020 DKK	2019 DKK
Extraordinary dividend distributed in the financial year	0	15,000,000
Retained earnings	(5,123,905)	(4,297,105)
	(5,123,905)	10,702,895

8 Intangible assets

	Acquired rights DKK	Goodwill DKK
Cost beginning of year	17,922,774	64,548,512
Additions	2,001,696	0
Cost end of year	19,924,470	64,548,512
Amortisation and impairment losses beginning of year	(7,660,229)	(18,288,741)
Amortisation for the year	(3,184,313)	(3,227,424)
Amortisation and impairment losses end of year	(10,844,542)	(21,516,165)
Carrying amount end of year	9,079,928	43,032,347

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	2,497,521	538,850
Exchange rate adjustments	(398)	0
Cost end of year	2,497,123	538,850
Depreciation and impairment losses beginning of year	(1,403,322)	(196,166)
Exchange rate adjustments	187	0
Depreciation for the year	(359,706)	(75,505)
Depreciation and impairment losses end of year	(1,762,841)	(271,671)
Carrying amount end of year	734,282	267,179

10 Fixed asset investments

	Deposits DKK
Cost beginning of year	440,436
Additions	36,063
Cost end of year	476,499
Carrying amount end of year	476,499

11 Deferred tax

	2020 DKK	2019 DKK
Intangible assets	197,000	103,000
Property, plant and equipment	3,000	(9,000)
Tax losses carried forward	669,000	0
Deferred tax	869,000	94,000
	2020 DKK	2019 DKK
Changes during the year		
Beginning of year	94,000	41,000
Recognised in the income statement	590,226	53,000
Recognised directly in equity	184,774	0
End of year	869,000	94,000

The derivative financial instruments are further described in note 18.

12 Other receivables

	2020 DKK	2019 DKK
Other receivables	5,689,202	3,431,923
	5,689,202	3,431,923

13 Prepayments

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

14 Cash

Of the Group's cash and cash equivalents, EUR 100,000 is provided as guarantee of the French Travel Guarantee Fond and therefor, this share of the Group's cash and cash equivalents is not disposable.

15 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Other payables	4,448,008	716,724
	4,448,008	716,724

16 Deferred income

Deferred income comprise incurred revenue relating to subsequent financial years.

17 Changes in working capital

	2020 DKK	2019 DKK
Increase/decrease in receivables	50,369,544	204,526
Increase/decrease in trade payables etc.	(88,449,287)	5,999,076
	(38,079,743)	6,203,602

18 Derivative financial instruments

Other payables include a negative fair value of the forward exchange contracts of DKK 2,365k. 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

	2020 DKK	2019 DKK
Total liabilities under rental or lease agreements until maturity	2,797,317	3,376,884

20 Assets charged and collateral

The Group has provided payment guarantees totalling DKK 3,039k. The amount is distributed as follows:

- Rejsegarantifonden, DKK 1,800k
- Hansemerkur Reiseversicherung, DKK 1,195k
- 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	3,382,685	146,697
Aclass UK Ltd	Richmond, England	Ltd	100.0	701,791	95,772

Parent income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue	1	105,499,656	386,407,713
Other operating income	2	12,890,036	0
Cost of sales		(87,721,635)	(306,026,080)
Other external expenses	3	(12,362,588)	(32,739,247)
Gross profit/loss		18,305,469	47,642,386
Staff costs	4	(17,495,452)	(26,481,003)
Depreciation, amortisation and impairment losses	5	(6,846,948)	(6,395,280)
Operating profit/loss		(6,036,931)	14,766,103
Other financial income		300,091	109,910
Other financial expenses		(219,760)	(1,802,658)
Profit/loss before tax		(5,956,600)	13,073,355
Tax on profit/loss for the year	6	590,226	(3,580,139)
Profit/loss for the year	7	(5,366,374)	9,493,216

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired rights		9,079,928	10,262,545
Goodwill		43,032,347	46,259,771
Intangible assets	8	52,112,275	56,522,316
Other fixtures and fittings, tools and equipment		685,971	1,045,677
Leasehold improvements		267,179	342,684
Property, plant and equipment	9	953,150	1,388,361
Investments in group enterprises		426,250	426,250
Deposits		449,245	440,436
Fixed asset investments	10	875,495	866,686
Fixed assets		53,940,920	58,777,363
Deferred tax	11	869,000	94,000
Other receivables		5,429,698	3,126,759
Joint taxation contribution receivable		0	1,507,206
Prepayments	12	7,656,498	61,348,698
Receivables		13,955,196	66,076,663
Cash	13	15,955,281	34,535,559
Current assets		29,910,477	100,612,222
Assets		83,851,397	159,389,585

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		500,000	500,000
Retained earnings		50,228,294	56,249,777
Equity		50,728,294	56,749,777
Other payables		4,448,008	768,188
Non-current liabilities other than provisions		4,448,008	768,188
Trade payables		1,084,498	16,791,560
Payables to group enterprises		6,798,452	10,197,692
Other payables		5,253,850	4,586,537
Deferred income	14	15,538,295	70,295,831
Current liabilities other than provisions		28,675,095	101,871,620
Liabilities other than provisions		33,123,103	102,639,808
Equity and liabilities		83,851,397	159,389,585
Financial instruments	15		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Transactions with related parties	20		

Parent statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	56,249,777	56,749,777
Value adjustments	0	(839,883)	(839,883)
Tax of entries on equity	0	184,774	184,774
Profit/loss for the year	0	(5,366,374)	(5,366,374)
Equity end of year	500,000	50,228,294	50,728,294

Notes to parent financial statements

1 Revenue

	2020 DKK	2019 DKK
Nordic	67,415,935	207,114,534
Other	38,083,721	179,293,179
Total revenue by geographical market	105,499,656	386,407,713
Package Tour	105,366,403	386,253,150
Other	133,253	154,563
Total revenue by activity	105,499,656	386,407,713

2 Other operating income

Other operating income comprises Covid-19 help packages, incl. salary, fixed cost and cancelled trips compensation.

3 Fees to the auditor appointed by the Annual General Meeting

	2020 DKK	2019 DKK
Statutory audit services	82,500	114,500
Other assurance engagements	87,500	15,000
Tax services	54,775	40,000
Other services	92,565	185,380
	317,340	354,880

4 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	15,490,279	23,235,872
Pension costs	1,306,313	1,996,629
Other social security costs	267,105	333,861
Other staff costs	431,755	914,641
	17,495,452	26,481,003

Average number of full-time employees	33	47
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	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Total amount for management categories	1,576,667	1,817,000
	1,576,667	1,817,000

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

	2020 DKK	2019 DKK
Amortisation of intangible assets	6,411,737	5,974,025
Depreciation on property, plant and equipment	435,211	421,255
	6,846,948	6,395,280

6 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	0	3,633,139
Change in deferred tax	(590,226)	(53,000)
	(590,226)	3,580,139

7 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Extraordinary dividend distributed in the financial year	0	15,000,000
Retained earnings	(5,366,374)	(5,506,784)
	(5,366,374)	9,493,216

8 Intangible assets

	Acquired rights DKK	Goodwill DKK
Cost beginning of year	17,922,774	46,259,771
Additions	2,001,696	0
Cost end of year	19,924,470	46,259,771
Amortisation and impairment losses beginning of year	(7,660,229)	0
Amortisation for the year	(3,184,313)	(3,227,424)
Amortisation and impairment losses end of year	(10,844,542)	(3,227,424)
Carrying amount end of year	9,079,928	43,032,347

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	2,401,139	538,850
Cost end of year	2,401,139	538,850
Depreciation and impairment losses beginning of year	(1,355,462)	(196,166)
Depreciation for the year	(359,706)	(75,505)
Depreciation and impairment losses end of year	(1,715,168)	(271,671)
Carrying amount end of year	685,971	267,179

10 Fixed asset investments

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	426,250	440,436
Additions	0	8,809
Cost end of year	426,250	449,245
Carrying amount end of year	426,250	449,245

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

11 Deferred tax

	2020 DKK	2019 DKK
Intangible assets	197,000	103,000
Property, plant and equipment	3,000	(9,000)
Tax losses carried forward	669,000	0
Deferred tax	869,000	94,000

	2020 DKK	2019 DKK
Changes during the year		
Beginning of year	94,000	41,000
Recognised in the income statement	590,226	53,000
Recognised directly in equity	184,774	0
End of year	869,000	94,000

The derivative financial instruments are further described in note 15.

12 Prepayments

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

13 Cash

The Company's cash and cash equivalents, EUR 100,000 is provided as guarantee of the French Travel Guarantee Fond and therefore, this share of the Company's cash and cash equivalents is not disposable.

14 Deferred income

Deferred income comprise incurred revenue relating to subsequent financial years.

15 Derivative financial instruments

Other payables include a positive fair value of the forward exchange contracts of DKK 2,365k. 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.

16 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Total liabilities under rental or lease agreements until maturity	2,797,317	3,309,955

17 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.

18 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 31.12.2020.

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 31.12.2020.

19 Related parties with controlling interest

Related parties with controlling interest in the Company include:

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

20 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.

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.