

The annual report has been presented
and approved at the annual general
meeting of the company
on 31.05.2022

(chairman) John Tyrrestrup

Weco-Travel CEE A/S

CVR-no. 29 78 72 39

Kvæsthusgade 1
1251 København K
Denmark

Consolidated financial statements 2021

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Company information

The company Weco-Travel CEE A/S
Kvæsthusgade 1
1251 København K
Denmark

Phone: +45 70 20 22 24

CVR-no.: 29 78 72 39
Established: 2 November 2006
Registered office: Copenhagen
Financial year: 1 January - 31 December

Board of Directors Ditlev Wedell-Wedellsborg, chairman
Jawahar Jyoti Singh
John Tyrrestrup

Executive Board Jawahar Jyoti Singh

Auditor PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

Management's review

Main activities

The company is parent company for several foreign enterprises conducting travel agency activities in Eastern Europe.

Development in activities and financial activities

The result for the year is a profit of 9.972 TDKK (2020 a loss of -16.674 TDKK). During the year the company bought 71% of the Polish company Traveltech. The activities and results are affected by the restrictions of the covid-19 pandemic.

Several subsidiaries have received compensation under the local Government's economic stimulus packages. Total sales at 385 MDKK were above last year with about 50%, but compared to the years before covid-19 still below, and thus not satisfactory.

Expected development

The implications of the COVID-19 pandemic continue to have an impact on the global economy, and Russia's invasion of Ukraine has added to uncertainty. Currently, it is not possible to provide a reliable estimate of the impact, but the result is expected to be less than this year. Management assesses that the financial resources available are adequate.

Based on the financial and economic situation, the demand for business travel, events and incentive management gross turnover is expected to increase significantly, and the results are expected to be positive, but somewhat lower than in 2021.

Events after the balance sheet date

No events occurred after the balance sheet date that materially affects the financial position of the group.

Management's review

Financial highlights for the group

	2021	2020	2019	2018	2017
	(MDKK)	(MDKK)	(MDKK)	(MDKK)	(MDKK)
Income statement					
Gross profit	44.4	15.8	97.3	91.1	86.1
EBITDA	14.2	-14.0	21.2	19.2	20.8
Result before financial items	9.8	-18.9	18.3	14.8	16.6
Financial, netto	-0.2	-0.2	-0.4	-0.1	-0.1
Result for the year	9.9	-16.7	13.3	11.8	12.7

Statement of financial position at 31 December

Total balance	81.1	52.2	133.8	127.0	129.6
Equity	14.6	4.8	35.6	36.1	37.1

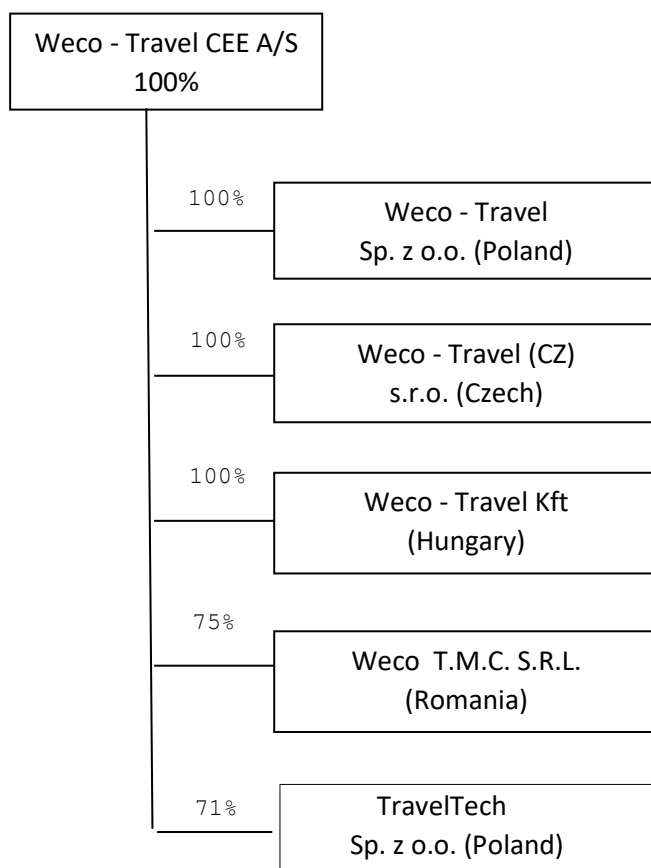
Tangible assets

Addition	2.6	0.1	0.9	2.4	1.2
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Employees

Average number of employees	174	187	270	255	225
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Group chart



Statement by the Management on the annual report

Today the Board of Directors and the Executive Board presented the annual report for 2021 of Weco-Travel CEE A/S.

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

In our opinion the financial statements provide a fair presentation of the Group and company's assets, liabilities and equity, financial position at 31 December 2021 and results of the Group and company's activities in the accounting period 1 January - 31 December 2021.

In our opinion, the management's review provides a fair review about the matters the review deals with.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, on 31.05.2022.

Executive Board

Jawahar Jyoti Singh

Board of Directors

Ditlev Wedell-Wedellsborg
(Chairman)

Jawahar Jyoti Singh

John Tyrrestrup

Independent Auditor's Report

To the Shareholders of Weco-Travel CEE A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Weco-Travel CEE A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclu-

Independent Auditor's Report

sions 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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.

Hellerup, 31.05.2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Gert Fisker Tomczyk
State Authorised Public Accountant
mne9777

Steffen Kaj Pedersen
State Authorised Public Accountant
mne34357

Income statement

	Note	Group		Parent	
		2021	2020	2021	2020
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Gross profit	2	44,424	15,846	-145	239
Staff costs	3	30,202	29,811	659	606
EBITDA		14,222	-13,965	-803	-368
Depreciation and write down		4,446	4,924	-	-
Result before financial items		9,776	-18,889	-803	-368
Result in group enterprises		-	-	9,249	-16,034
Financial income	4	106	250	-	117
Financial expenses	5	344	455	204	116
Result before tax		9,538	-19,094	8,242	-16,402
Tax on result for the year	6	-434	-2,420	-222	-81
Result for the year		9,972	-16,674	8,463	-16,321
Proposed distribution of results	7				

Statement of financial position at 31 December

Assets	Not e	Group		Parent	
		2021 (DKK '000)	2020 (DKK '000)	2021 (DKK '000)	2020 (DKK '000)
Goodwill		941	1,177	-	-
Licenses		277	312	-	-
Software etc.		7,847	6,483	-	-
Intangible fixed assets	8	9,065	7,972	-	-
Land and Buildings		2,885	749	-	-
Other fixtures and fittings, tools and equipment		1,272	1,555	-	-
Tangible fixed assets	9	4,157	2,304	-	-
Investments in group enter- prises	10	-	-	19,300	10,078
Other receivables group enter- prises		-	-	1,131	2,169
Other securities		382	2,718	-	-
Financial fixed assets		382	2,718	20,431	12,247
Total fixed assets		13,604	12,994	20,431	12,247
Receivables from sale and ser- vices		36,087	13,749	-	-
Deferred tax asset	11	3,540	2,357	32	-
Receivable tax		391	1,592	222	81
Prepayments	12	2,864	2,659	-	-
Accruals		1,978	245	-	-
Other receivables		8,505	3,463	25	0
Receivables		53,365	24,065	278	81
Cash and cash equivalents		14,086	15,142	64	393
Total current assets		67,451	39,207	342	474
Total assets		81,055	52,201	20,773	12,721

Statement of financial position at 31 December

	Note	Group		Parent	
		2021 (DKK '000)	2020 (DKK '000)	2021 (DKK '000)	2020 (DKK '000)
Share capital		534	534	534	534
Net revaluation reserve according to the equity method		-	-	-	-
Proposed dividend		-	-	-	-
Retained earnings		11,390	3,011	11,390	3,011
		<u>11,924</u>	<u>3,545</u>	<u>11,924</u>	<u>3,545</u>
Minority interests		<u>2,699</u>	<u>1,271</u>	<u>-</u>	<u>-</u>
Total equity		<u>14,624</u>	<u>4,816</u>	<u>11,924</u>	<u>3,545</u>
Other payables		-	2,893		2,893
Financial institutions	13	<u>1,219</u>	<u>5,241</u>	<u>-</u>	<u>-</u>
Long-term liabilities		<u>1,219</u>	<u>8,134</u>	<u>-</u>	<u>2,893</u>
Financial institutions		5,174	10,022	2,750	2,240
Prepayments received from customers		2,982	3,351	-	-
Trade payables		36,392	12,380	307	-
Debt to group enterprises		4,005	3,778	4,109	3,778
Corporate income tax		481	-	-	-
Accruals		7,428	3,266	-	-
Other payables		<u>8,750</u>	<u>6,454</u>	<u>1,683</u>	<u>265</u>
Short-term liabilities		<u>65,212</u>	<u>39,251</u>	<u>8,849</u>	<u>6,282</u>
Total liabilities and equity		<u><u>81,055</u></u>	<u><u>52,201</u></u>	<u><u>20,773</u></u>	<u><u>12,721</u></u>
Capital resources	1				
Other financial commitments	14				
Related parties	15				
Group relations	16				
Accounting policies	17				

Equity statement

	Group				
	Share capital	Minority interests	Retained earnings	Proposed dividend	Total
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	534	1,271	3,011		4,816
Currency adjustments etc.	-	-81	-85	-	-165
Paid out dividend	-	-	-		-
Result for the year	-	1,509	8,463	-	9,973
Equity at 31 December	<u>534</u>	<u>2,699</u>	<u>11,390</u>	<u>-</u>	<u>14,624</u>

	Parent				
	Share capital	Revaluation reserve under the equity method	Retained earnings	Proposed dividend	Total
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	534	-	3,011		3,545
Currency adjustments etc.	-	-	-85	-	-85
Result for the year	-	-	8,463	-	8,463
Equity at 31 December	<u>534</u>	<u>-</u>	<u>11,390</u>	<u>-</u>	<u>11,924</u>

Notes**Note 1 - Capital resources**

It is Management assessment that the necessary capital resources have been obtained to continue the Group's operation in 2022.

Note 2 - Other income

Received compensation in connection with covid-19 is included in gross profit with the amount 21.358 TDKK.

	Group		Parent	
	2021	2020	2021	2020
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Note 3 - Staff costs				
Wages	26,275	25,739	654	601
Pension	413	494	-	-
Other costs	3,515	3,578	5	5
Staff costs, total	<u>30,202</u>	<u>29,811</u>	<u>659</u>	<u>606</u>
Average number of employees	<u>174</u>	<u>187</u>	<u>1</u>	<u>1</u>

Notes

	Group		Parent	
	2021 (DKK '000)	2020 (DKK '000)	2021 (DKK '000)	2020 (DKK '000)
Note 4 - Financial income				
Interest, bank	32	48	-	-
Currency exchange	74	85	-	-
Interest, Group enterprises	-	117	-	117
Financial income, total	<u>106</u>	<u>250</u>	<u>-</u>	<u>117</u>

Note 5 - Financial expenses

Interest, bank	227	455	80	76
Currency exchange	-	-	7	40
Interest, Group enterprises	117	-	117	-
Financial expenses, total	<u>344</u>	<u>455</u>	<u>204</u>	<u>116</u>

Note 6 - Tax on results for the year

Current tax	610	-1,100	-117	-81
Deferred tax	-1,044	-1,320	-	-
Tax on results for the year	<u>-434</u>	<u>-2,420</u>	<u>-117</u>	<u>-81</u>

Note 7 - Proposed distribution of results

Minority interests	1,509	-353	-	-
Dividend	-	-	-	-
Retained earnings	8,463	-16,321	8,463	-16,321
	<u>9,972</u>	<u>-16,674</u>	<u>8,463</u>	<u>-16,321</u>

Note 8 - Intangible fixed assets

	Group		
	Software (DKK '000)	Licences (DKK '000)	Goodwill (DKK '000)
Cost at 1. January	23,496	2,275	21,367
Additions	4,892	62	180
Disposals	-292	-	-
Currency exchange	-306	9	-
Cost at 31. December	<u>27,790</u>	<u>2,346</u>	<u>21,547</u>
Amortisation 1 January	17,013	1,963	20,190
Amortisation	3,467	98	416
Disposals	-292	-	-
Currency exchange	-245	8	-
Amortisation 31 December	<u>19,943</u>	<u>2,069</u>	<u>20,606</u>
Net value 31. December	<u>7,847</u>	<u>277</u>	<u>941</u>

Notes

Note 9 - Tangible fixed assets

	Group	
	Land and buildings	Other fixtures and fittings
	(DKK '000)	(DKK '000)
Cost at 1. January	1,285	8,106
Additions	2,268	310
Disposals	-	-659
Currency exchange	-41	-27
Cost at 31. December	3,512	7,730
Depreciation 1 January	536	6,551
Depreciations	121	575
Disposals	-15	-654
Currency exchange	-15	-14
Depreciation 31 December	627	6,458
Net value 31. December	2,885	1,272

Note 10 - Investments in group enterprises

	Parent Enter- prises
	(DKK '000)
Cost at 1 January	38,324
Additions	58
Cost at 31 December	38,382
Net revaluation at 1 January	-28,246
Share of results for the year after tax	9,665
Amortisation on group goodwill for the year	-416
Currency exchange etc.	-85
Distributed dividends	-
Net revaluation at 31 December	-19,082
Carrying amount at 31 December	19,300
Consolidation goodwill recognised in the carrying amount:	
31 December 2021	941
31 December 2020	1,177

Notes

Name	Registered of- fice	Voting & owner share
Weco-Travel Sp. z o.o.	Poland	100%
TravelTech Sp. z o.o.	Poland	71%
Weco-Travel (CZ) s.r.o.	Czech Republic	100%
Weco-Travel Kft	Hungary	100%
Weco T.M.C S.R.L.	Romania	75%

Note 11 - Deferred tax

Tax assets are recognized based on the expected earnings level in the coming years.

Note 12 - Prepayments

Prepayments paid to suppliers.

Note 13 - Other payables and financial institutions

	< 1 year (DKK '000)	1-5 years (DKK '000)	> 5 years (DKK '000)
	Group		
Long-term liabilities	1,219	1,219	-
	Parent		
Long-term liabilities	-	-	-

Note 14 - Other financial commitments

	Group		Parent	
	2021 (DKK '000)	2020 (DKK '000)	2021 (DKK '000)	2020 (DKK '000)
Rental liabilities etc	6,985	7,763	-	-
Guarantees	217	411	-	-

Notes

Note 15 - Related parties

All transactions with related parties have been on market terms.

Note 16 - Group relations

Parent company where the company is included in consolidated financial statements:

Niki Invest ApS, Kvæsthusgade 1, 1251 Copenhagen K.

The company is guarantor for payment of the group enterprises Weco-Travel International A/S and Weco Invest A/S's payable to company's banks.

The company has issued a Letter of Comfort for the subsidiary in Hungary for 2022.

The Danish group companies are jointly and severally liable for tax on consolidated taxable income, etc. Niki Invest ApS is the administration company in relation to joint taxation.

Notes

Note 17 - Accounting policies

The consolidated financial statements have been prepared in accordance with the provision of the Danish Financial Statements Act, applying to enterprises of reporting class C medium.

The accounting policies applied remain unchanged from last year.

The consolidated financial statement is presented in DKK.

Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses including depreciation / amortisation and impairment losses are recognised in the income statement.

Assets and liabilities are recognised in the statement of financial position when it is probable that future economic benefits will flow to or flow out of the company and when the value of the asset or liability can be measured reliably.

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise Weco-Travel CEE A/S, and subsidiaries in which the Company directly or indirectly holds more than 50% of the votes or in which the Company, through share ownership or otherwise, exercises control.

On consolidation, items of a similar nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises. The Company's investments in the consolidated subsidiaries are set off against the Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognized in intangible assets in the balance sheet as goodwill, which is amortized in the income statement on a straight-line basis over its estimated useful life, but not exceeding 10 years. Any remaining negative differences are recognized in other income. Amounts attributable to expected losses or expenses are recognized as income in the income statement as the affairs and conditions to which the amounts relate materialize.

Accounting policies

Negative goodwill not related to expected losses or expenses is recognized at an amount equal to the fair value of non-monetary assets in the income statement.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortization already made.

Foreign currency translation

Transactions denominated in other currencies than Danish kroner are translated at the exchange rate at the date of transaction. Exchange differences arising between the rate on the date of transaction and the rate on the payment day are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in other currencies than Danish kroner that have not been settled at the balance sheet date are translated by applying the exchange rates at the balance sheet date. Differences arising between the rate at the balance sheet date and the rate at the date of the arising of the receivable or payable are recognised in the income statement under financial income and expenses.

With regard to foreign enterprises, the income statements are translated at an average exchange rate for the year (or shorter owner period) and the balance sheet items are translated at the exchange rate at the balance sheet date. Differences arising in connection with translation of the foreign subsidiaries' equity at the beginning of the year (or later acquisition date) at the rate at the balance sheet date and in connection with translation of the income statements from average exchange rate to the rate at the balance sheet date are recognised directly in equity.

Gross profit

Gross profit comprises revenue with deduction of directly related costs, other income and other external expenses.

The income statements

Revenue

Net revenue from sales of business travels and related services is recognized in the income statement when delivery and transfer of risk have been made.

Net revenue is recognized exclusive of VAT and net of discounts relating to sales.

Gross revenue is net revenue but also including ticket values etc. of travels the group act as agent.

In accordance with sections 32 in the Danish Financial Statements Act information regarding net revenues and direct production costs is not disclosed.

Accounting policies

Other income

Other operating income and costs comprise items secondary to the principal activities of the enterprises, including gains and losses on disposal of intangible assets and property, plant and equipment. Gains and losses on disposal of intangible assets and property, plant and equipment are computed as the sales price less disposal costs and the carrying amount at the disposal date.

Staff costs

Staff costs include wages and salaries, social expenses and pensions.

Other external expenses

Other external costs include costs for administration, premises operating leases expenses, etc.

Net financials

Financial income and financial expenses include interest receivable and payable, realised and unrealised exchange gains and losses on transactions denominated in foreign currencies, and charges and reimbursements related to the Danish Scheme for Payment of Tax on Account etc.

Corporation tax and deferred tax

The company is jointly taxed with the ultimate parent and all the parent company's other Danish subsidiaries. The Danish corporation tax is allocated between the jointly taxed Danish companies with the portion of taxes related to their taxable incomes (full allocation with refund regarding tax losses).

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the income statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

The statement of financial position

Intangible assets

Goodwill is amortized on a straight-line basis over the estimated useful life determinate on the basis of management expectations, not exceeding 10 years.

The carrying value of goodwill is regularly assessed and written down to value in use if the carrying value exceeds the estimated future net revenues from the business or activity to which the goodwill relates.

Acquired intellectual property rights in the form of licenses are measured at cost less accumulated depreciation. Licenses are amortized over the period, not exceeding 20 years.

Acquired intellectual property rights in the form of software are measured at cost less accumulated depreciation. Software is amortized over its useful life, not exceeding 7 years.

Accounting policies

Tangible fixed assets

Leasehold improvements, land, buildings and fixtures and equipment are measured at cost less accumulated depreciation and amortization.

The basis for depreciation is cost less estimated residual value at end of useful life.

Cost comprises purchase price and any costs directly attributable to the acquisition until the date the asset is ready for use.

Assets are depreciated by the straight-line method over the expected useful lives as follows:

Leasehold improvements	5 years
Other fixtures and equipment	3-5 years

Financial assets

Investments in group enterprises (in parent company)

The proportionate share of the individual enterprises' results after tax is recognised in the parent's income statement.

In the statement of financial position, investments in group enterprises are measured at the proportionate share of the group enterprises' equity calculated in accordance with the parent's accounting policies.

Net revaluation of investments in group enterprises is transferred under equity to reserves for net revaluation by the equity method to the extent the financial value exceeds the acquisition price less impairment on goodwill.

Companies with negative equity are recognized at DKK nil and possibly receivable from these companies are written down by the parent's share of the negative equity to the extent it is deemed uncollectible. If the negative equity value exceeds the receivables, the remaining amount under provisions to the extent that the parent has a legal or constructive obligation to cover the subsidiary's balance sheet

Acquisition or establishment of enterprises are recognised in the annual report from the date of acquisition. Divested or terminated enterprises are recognised to the date of disposal.

The purchase method is applied in connection with acquisition of new enterprises after which the newly acquired enterprises' identified assets and liabilities are measured at fair value at the date of acquisition. Positive differences (goodwill) between acquisition price and market value of acquired assets and assumed liabilities are recognised under investments in group enterprises and are amortised after an individual estimation of the economic life, maximum 10 years.

Other investments

Securities recognized is measured at estimated fair value at balance sheet date.

Accounting policies

Receivables

Receivables are measured at amortised cost which usually equals nominal value. Write down is made to net realisable value to meet expected losses.

Prepayments

Prepayments recognized under assets comprise costs incurred concerning subsequent financial years.

Accruals

Accruals recognized under assets comprise expenses incurred relating to subsequent financial years.

Current and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account.

Deferred tax is measured at temporary differences between the carrying amount and the tax base of assets and liabilities measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carry forwards are measured at the expected realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Equity

Dividends expected distributed for the year are shown as a separate item under equity.

Payables

Payables are measured at amortised cost which usually equals nominal value.

Prepayments

Prepayments received regarding subsequent financial year.

Accruals

Accruals recognized under liabilities comprise income received in subsequent financial years.

Cash flow statement

Cash flow statement is not prepared pursuant to section 86, subsection 4, of the Danish Financial Statements Act, as such statement is prepared for the ultimate group.