

The annual report has been presented
and approved at the annual general
meeting of the company
on 13.08.2020

(chairman) John Tyrrestrup

Weco-Travel CEE A/S

CVR-no. 29 78 72 39

Kvæsthusgade 1
1251 København K
Denmark

Consolidated financial statements 2019

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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 a number of foreign enterprises conducting travel agency activities in Eastern Europe.

Development in activities and financial activities

The result for the year 13.341 TDKK (2018 11.788 TDKK) is as expected and at a satisfactory level.

The group's gross revenue is 1.180 MDDK against 1.120 MDDK last year, which is an increase of 5%, and EBITDA increased 10% compared to last year.

Weco-Travel Sp. z.o.o., Poland

Gross revenue increased by 5%, and there has been a significant EBITDA increased compared to last year.

The average number of employees is 150 persons against 137 last year.

Weco-Travel (CZ) s.r.o., The Czech Republic

Gross revenue increased 3%, and EBITDA increased compared to last year.

The average number of employees is 31 persons against 31 last year.

Weco-Travel Kft, Hungary

Gross revenue increased 7%, and EBITDA increased compared to last year.

The average number of employees is 57 persons against 56 last year.

Weco T.M.C. S.R.L., Romania

Gross revenue increased 9%, and there has been a decrease in EBITDA compared to last year.

The average number of employees is 31 persons against 30 last year.

Events after the balance sheet date

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date 31 December 2019, and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event).

In order to mitigate the impacts of the COVID-19 outbreak, Group Enterprises in travel business has temporarily shut down the sales department and the administration. The employees concerned have been sent home with pay, and the Company will apply for compensation under the Government's economic stimulus packages.

The changed operation will have a significant impact on the revenue from as well as net profit for 2020 compared to the revenue and net profit realised in 2019. At this time, it is not possible to provide a reliable estimate of the impact. Management assesses that the financial resources available are adequate.

Expected development

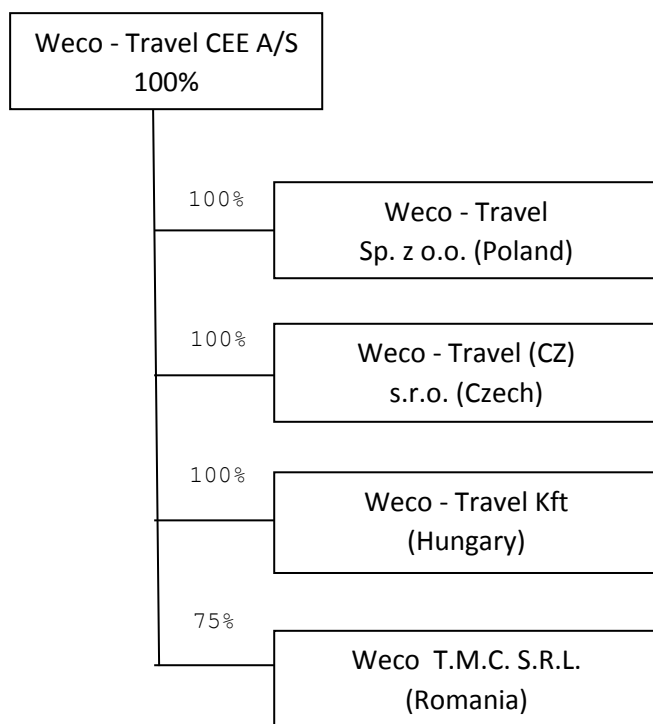
Based on the above mentioned the demand for business and leisure travels, events and incentive management and gross turnover will declined because of the business more or less have been closed down for more than 4 months, and therefore a significant negative result is expected for next year.

Management's review

Financial highlights for the group

	2019	2018	2017	2016	2015
	(MDKK)	(MDKK)	(MDKK)	(MDKK)	(MDKK)
Income statement					
Gross profit	97,3	91,1	86,1	71,5	65,6
EBITDA	21,2	19,2	20,8	13,7	15,5
Result before financial items	18,3	14,8	16,6	9,4	11,6
Financial, netto	-0,4	-0,1	-0,1	-0,3	-0,7
Result for the year	13,3	11,8	12,7	6,2	7,4
Statement of financial position at 31 December					
Total balance	133,8	127,0	129,6	100,4	97,7
Equity	35,6	36,1	37,1	34,3	38,2
Tangible assets					
Addition	0,9	2,4	1,2	0,8	1,5
Employees					
Avarage number of employees	270	255	225	215	194

Group chart



Statement by the Management on the annual report

Today the Board of Directors and the Executive Board presented the annual report for 2019 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 2019 and results of the Group and company's activities in the accounting period 1 January - 31 December 2019.

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 13.08.2020.

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 2019, and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2019 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 2019, which comprise income statement, balance sheet 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' 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.

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.

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.

Independent Auditor's Report

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 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 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.

Independent Auditor's Report

- 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.

Copenhagen, 13.08.2020.

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	
		2019	2018	2019	2018
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Gross profit		97.326	91.085	4.744	4.999
Staff costs	1	48.532	43.264	631	502
Other external expenses		27.635	28.665	228	268
EBITDA		21.159	19.156	3.884	4.229
Depreciation and write down		2.884	4.369	-	-
Result before financial items		18.275	14.787	3.884	4.229
Result in group enterprises		-	-	10.113	7.896
Financial income	2	1.135	785	-	133
Financial expenses	3	1.584	859	199	82
Result before tax		17.826	14.713	13.798	12.176
Tax on result for the year	4	4.485	2.925	811	943
Result for the year		13.341	11.788	12.987	11.233
Proposed distribution of results	5				

Statement of financial position at 31 December

Assets	Note	Group		Parent	
		2019	2018	2019	2018
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Goodwill		1.575	2.017	-	-
Licenses		457	548	-	-
Software etc.		6.912	5.170	-	-
Intangible fixed assets	6	8.944	7.735	-	-
Land and Buildings		889	962	-	-
Other fixtures and fittings, tools and equipment		2.586	2.795	-	-
Tangible fixed assets	7	3.475	3.757	-	-
Investments in group enterprises	8	-	-	26.950	26.319
Other securities		1.577	1.844	-	-
Financial fixed assets		1.577	1.844	26.950	26.319
Total fixed assets		13.996	13.336	26.950	26.319
Receivables from sale and services		75.339	73.771	374	2.514
Receivables group enterprises				-	-
Deferred tax asset	10	1.037	2.801	-	-
Receivable tax		335	384	-	-
Prepayments	9	5.940	4.329	-	-
Accruals		1.540	1.013	-	-
Other receivables		10.264	8.467	10	24
Receivables		94.455	90.765	383	2.538
Cash and cash equivalents		25.307	23.337	12.128	12.615
Total current assets		119.762	114.102	12.511	15.153
Total assets		133.758	127.438	39.461	41.472

Statement of financial position at 31 December

	Note	Group		Parent	
		2019	2018	2019	2018
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Share capital		534	534	534	534
Net revaluation reserve according to the equity method		-	-	-	-
Proposed dividend		13.287	13.719	13.287	13.719
Retained earnings		20.170	20.392	20.170	20.392
		33.991	34.645	33.991	34.645
Minority interests		1.591	1.464	-	-
Total equity		35.582	36.109	33.991	34.645
Provision for deferred tax	10	-	830	-	-
Total provisions		-	830	-	-
Prepayments received from customers	11	-	747	-	747
Long-term liabilities		-	747	-	747
Debt to financial institutions		33.566	33.443	2.244	2.240
Prepayments received from customers	11	6.122	2.906	747	747
Trade payables		38.299	34.788		
Debt to group enterprises		746	487	1.472	1.932
Corporate income tax		1.143	1.197	811	942
Accruals		12.364	11.056		
Other payables		5.936	5.875	196	221
Short-term liabilities		98.176	89.752	5.470	6.081
Total liabilities and equity		133.758	127.438	39.461	41.472
Other financial commitments	12				
Related parties	13				
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Equity statement

Equity statement	Group				
	Share ca- pital	Minority in- terests	Retained earnings	Proposed di- vidend	Total
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	534	1.464	20.392	13.719	36.109
Currency adjustments etc.	-	-227	78	-	-149
Paid out dividend	-	-	-	-13.719	-13.719
Result for the year	-	354	-300	13.287	13.341
Equity at 31 December	534	1.591	20.170	13.287	35.582

	Parent				
	Share ca- pital	Revaluation reserve un- der the eq- uity method	Retained earnings	Proposed di- vidend	Total
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	534	-	20.392	13.719	34.645
Currency adjustments etc.	-	-	77	-	77
Paid out dividend	-	-	-	-13.719	-13.719
Result for the year	-	-	-300	13.287	12.988
Equity at 31 December	534	-	20.170	13.287	33.991

Notes

	Group		Parent	
	2019	2018	2019	2018
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Note 1 - Staff costs				
Wages	39.719	35.739	626	497
Pension	3.233	2.898	-	-
Other costs	5.580	4.627	5	5
Staff costs, total	<u>48.532</u>	<u>43.264</u>	<u>631</u>	<u>502</u>

Average number of employ-
ees

	<u>270</u>	<u>255</u>	<u>1</u>	<u>1</u>
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Note 2 - Financial income

Interest, bank	27	26	-	-
Currency exchange	1.108	641	-	15
Interest, Group enterprises	-	118	-	118
Financial income, total	<u>1.135</u>	<u>785</u>	<u>-</u>	<u>133</u>

Notes

	Group		Parent	
	2019	2018	2019	2018
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Note 3 - Financial expenses				
Interest, bank	490	475	105	82
Currency exchange	1.051	384	51	-
Interest, Group enterprises	43	-	43	-
Financial expenses, total	<u>1.584</u>	<u>859</u>	<u>199</u>	<u>82</u>

Note 4 - Tax on results for the year

Current tax	3.568	3.673	811	942
Deferred tax	917	-748	-	1
Tax on results for the year	<u>4.485</u>	<u>2.925</u>	<u>811</u>	<u>943</u>

Note 5 - Proposed distribution of results

Minority interests	354	555		
Dividend	13.287	13.719	13.287	13.719
Retained earnings	-300	-2.486	-300	-2.486
	<u>13.341</u>	<u>11.788</u>	<u>12.987</u>	<u>11.233</u>

Note 6 - Intangible fixed assets

	Group		
	Software	Licences	Goodwill
	(DKK '000)	(DKK '000)	(DKK '000)
Cost at 1. January	19.118	2.330	21.367
Additions	2.790	115	-
Disposals	-120	-	-
Currency exchange	-25	-41	-
Cost at 31. December	<u>21.763</u>	<u>2.404</u>	<u>21.367</u>
Amortisation 1 January	13.948	1.782	19.350
Amortisation	1.045	198	442
Disposals	-120		
Currency exchange	-22	-33	-
Amortisation 31 December	<u>14.851</u>	<u>1.947</u>	<u>19.792</u>
Net value 31. December	<u>6.912</u>	<u>457</u>	<u>1.575</u>

Notes

Note 7 - Tangible fixed assets

	Group	
	Land and bul- dings (DKK '000)	Other fixtures and fittings (DKK '000)
Cost at 1. January	1.538	8.114
Additions	54	887
Disposals	-133	-107
Currency exchange	-23	40
Cost at 31. December	1.436	8.934
Depreciation 1 January	576	5.319
Depreciations	103	1.096
Disposals	-125	-95
Currency exchange	-7	28
Depreciation 31 december	547	6.348
Net value 31. December	889	2.586

Notes

Note 8 - Investments in group enterprises

	Parent Enter- prises (DKK '000)
Cost at 1 January	38.324
Additions	-
Cost at 31 December	<u>38.324</u>
Net revaluation at 1 January	-12.005
Share of results for the year after tax	10.554
Amortisation on group goodwill for the year	-442
Currency exchange etc.	77
Distributed dividends	-9.559
Net revaluation at 31 December	<u>-11.374</u>
Carrying amount at 31 December	<u><u>26.950</u></u>
Consolidation goodwill recognised in the carrying amount:	
31 December 2019	<u><u>1.575</u></u>
31 December 2018	<u><u>2.017</u></u>

Name	Registered office	Voting/owner share
Weco-Travel Sp. Z.o.o.	Poland	100%
Weco-Travel (CZ) s.r.o.	Czech Republic	100%
Weco-Travel Kft	Hungary	100%
Weco T.M.C S.R.L.	Romania	75%

Note 9 - Prepayments

Prepayments paid to suppliers.

Notes

Note 10 - Provision for deferred tax

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

Note 11 - Prepayments

	<u>< 1 year</u>	<u>1-5 years</u>	<u>> 5 years</u>
	(DKK '000)	(DKK '000)	(DKK '000)
	Group		
Prepayments received from customers	6.122	-	-
	Parent		
Prepayments received from customers	747	-	-

Note 12 - Other financial commitments

	Group		Parent	
	2019	2018	2019	2018
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Rent liabilities etc	5.227	6.102	-	-
Guarantees	1.254	1.466	-	-

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 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.

Note 13 - Related parties

All transactions with related parties have been on market terms.

Note 14 - Group relations

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

Niki Invest ApS, Kvæsthusgade 1, 1251 Copenhagen K.

Note 15 – subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date 31 December 2019, and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event).

The changed operation will have a significant impact on the revenue as well as net profit for 2020 compared to the revenue and net profit realised in 2019. At this time, it is not possible to provide a reliable estimate of the impact.

Based on the above mentioned the demand for business and leisure travels, events and incentive management and gross turnover will decline because of the business more or less have been closed down for more than 4 months, and therefore a significant negative result is expected for next year.

Despite the mentioned implications of COVID-19, Management still considers the cash resources reasonable.

Note 16 - 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 deferred income in the balance sheet as negative goodwill. 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 over the average useful life of the non-monetary assets.

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.

The income statement

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.

Gross profit

Gross profit comprises revenue with deduction of directly related costs.

Accounting policies

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.

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.

Accounting policies

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.

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.

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.

Accounting policies

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.

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.