

The annual report has been presented  
and approved at the annual general  
meeting of the company  
on 21.06.2021

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(chairman) John Tyrrestrup

## **Weco-Travel CEE A/S**

CVR-no. 29 78 72 39

Kvæsthusgade 1  
1251 København K  
Denmark

**Consolidated financial statements 2020**

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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 is a loss of -16.674 TDKK (2019 13.341 TDKK) which is a consequence of the restrictions of the covid-19 pandemic, and is at an unsatisfactory level, even though the management temporary has closed down the sales department and the administration and that the employees have been sent home with pay, and even though the Company has received compensation under the local Government's economic stimulus packages.

The group's gross revenue is 257 MDDK against 1.180 MDKK last year, which is a decrease of 78%.

### Expected development

The implications of the COVID-19 pandemic will continue to have an impact on the global economy, and will therefore have an impact on the revenue from as well as net profit for 2021. Management assesses that the financial resources available are adequate.

Based on the financial and economic situation, the demand for business travels, events and incentive management and gross turnover is expected to increase, and results to be in line or slightly better than last year.

### Events after the balance sheet date

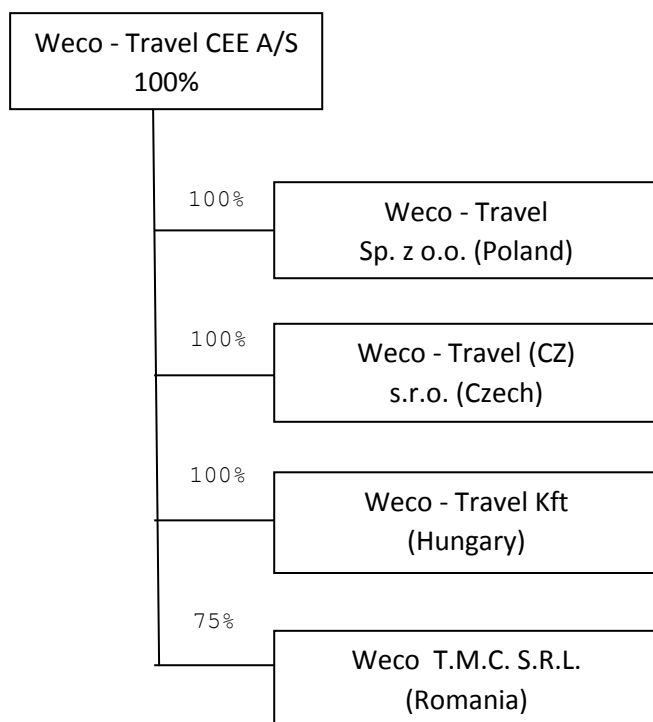
No events occurred after the balance sheet date that materially affects the financial position of the group.

## Management's review

### Financial highlights for the group

	2020	2019	2018	2017	2016
	(MDKK)	(MDKK)	(MDKK)	(MDKK)	(MDKK)
<b>Income statement</b>					
Gross profit	29,3	97,3	91,1	86,1	71,5
EBITDA	-14,0	21,2	19,2	20,8	13,7
Result before financial items	-18,9	18,3	14,8	16,6	9,4
Financial, netto	-0,2	-0,4	-0,1	-0,1	-0,3
Result for the year	-16,7	13,3	11,8	12,7	6,2
<b>Statement of financial position at 31 December</b>					
Total balance	52,2	133,8	127,0	129,6	100,4
Equity	4,8	35,6	36,1	37,1	34,3
<b>Tangible assets</b>					
Addition	0,1	0,9	2,4	1,2	0,8
<b>Employees</b>					
Avarage number of employees	187	270	255	225	215

### Group chart



## Statement by the Management on the annual report

Today the Board of Directors and the Executive Board presented the annual report for 2020 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 2020 and results of the Group and company's activities in the accounting period 1 January - 31 December 2020.

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 21.06.2021.

### 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 2020, and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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, 21.06.2021.

### **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	
		2020	2019	2020	2019
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
<b>Gross profit</b>		29.281	97.326	402	4.744
Other Income	2	3.034	-	-	-
Staff costs	3	29.811	48.532	606	631
Other external expenses		16.469	27.635	164	228
<b>EBITDA</b>		-13.965	21.159	-368	3.884
Depreciation and write down		4.924	2.884	-	-
<b>Result before financial items</b>		-18.889	18.275	-368	3.884
Result in group enterprises		-	-	-16.034	10.113
Financial income	4	250	84	117	-
Financial expenses	5	455	533	116	199
<b>Result before tax</b>		-19.094	17.826	-16.402	13.798
Tax on result for the year	6	-2.420	4.485	-81	811
<b>Result for the year</b>		-16.674	13.341	-16.321	12.987
Proposed distribution of results	7				

## Statement of financial position at 31 December

Assets	Note	Group		Parent	
		2020	2019	2020	2019
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Goodwill		1.177	1.575	-	-
Licenses		312	457	-	-
Software etc.		6.483	6.912	-	-
<b>Intangible fixed assets</b>	8	<u>7.972</u>	<u>8.944</u>	<u>-</u>	<u>-</u>
Land and Buildings		749	889	-	-
Other fixtures and fittings, tools and equipment		1.555	2.586	-	-
<b>Tangible fixed assets</b>	9	<u>2.304</u>	<u>3.475</u>	<u>-</u>	<u>-</u>
Investments in group enterprises	10	-	-	10.078	26.950
Other receivables group enterprises		-	-	2.169	-
Other securities		2.718	1.577	-	-
<b>Financial fixed assets</b>		<u>2.718</u>	<u>1.577</u>	<u>12.247</u>	<u>26.950</u>
<b>Total fixed assets</b>		<u>12.994</u>	<u>13.996</u>	<u>12.247</u>	<u>26.950</u>
Receivables from sale and services		13.749	75.339	-	374
Deferred tax asset	12	2.357	1.037	-	-
Receivable tax		1.592	335	81	-
Prepayments	11	2.659	5.940	-	-
Accruals		245	1.540	-	-
Other receivables		3.463	10.264	0	10
<b>Receivables</b>		<u>24.065</u>	<u>94.455</u>	<u>81</u>	<u>383</u>
<b>Cash and cash equivalents</b>		<u>15.142</u>	<u>25.307</u>	<u>393</u>	<u>12.128</u>
<b>Total current assets</b>		<u>39.207</u>	<u>119.762</u>	<u>474</u>	<u>12.511</u>
<b>Total assets</b>		<u>52.201</u>	<u>133.758</u>	<u>12.721</u>	<u>39.461</u>

**Statement of financial position at 31 December**

	Note	Group		Parent	
		2020	2019	2020	2019
		(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	-	13.287
Retained earnings		3.011	20.170	3.011	20.170
		3.545	33.991	3.545	33.991
<b>Minority interests</b>		1.271	1.591	-	-
<b>Total equity</b>		4.816	35.582	3.545	33.991
Other payables		2.893	-	2.893	-
Financial institutions	13	5.241	-	-	-
<b>Long-term liabilities</b>		8.134	-	2.893	-
Financial institutions		10.022	33.566	2.240	2.244
Prepayments received from customers		3.351	6.122	-	747
Trade payables		12.380	38.299	-	-
Debt to group enterprises		3.778	746	3.778	1.472
Corporate income tax		-	1.143	-	811
Accruals		3.266	12.364	-	-
Other payables		6.454	5.936	265	196
<b>Short-term liabilities</b>		39.251	98.176	6.282	5.470
<b>Total liabilities and equity</b>		52.201	133.758	12.721	39.461
Capital resources	1				
Other financial commitments	14				
Related parties	15				
Group relations	16				
Accounting policies	17				

**Equity statement**

	<b>Group</b>				
	<b>Share capital</b>	<b>Minority interests</b>	<b>Retained earnings</b>	<b>Proposed dividend</b>	<b>Total</b>
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	534	1.591	20.170	13.287	35.582
Currency adjustments etc.	-	33	-838	-	-805
Paid out dividend	-	-	-	-13.287	-13.287
Result for the year	-	-353	-16.321	-	-16.674
Equity at 31 December	<u>534</u>	<u>1.271</u>	<u>3.011</u>	<u>-</u>	<u>4.816</u>

	<b>Parent</b>				
	<b>Share capital</b>	<b>Revaluation reserve under the equity method</b>	<b>Retained earnings</b>	<b>Proposed dividend</b>	<b>Total</b>
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	534	-	20.170	13.287	33.991
Currency adjustments etc.	-	-	-838	-	-838
Paid out dividend	-	-	-	-13.287	-13.287
Result for the year	-	-	-16.321	-	-16.321
Equity at 31 December	<u>534</u>	<u>-</u>	<u>3.011</u>	<u>0</u>	<u>3.545</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 2021.

**Note 2 - Other income**

Received compensation in connection with covid-19.

	<b>Group</b>		<b>Parent</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
<b>Note 3 - Staff costs</b>				
Wages	25.739	39.719	601	626
Pension	494	3.233	-	-
Other costs	3.578	5.580	5	5
Staff costs, total	<u>29.811</u>	<u>48.532</u>	<u>606</u>	<u>631</u>
Average number of employees	<u>187</u>	<u>270</u>	<u>1</u>	<u>1</u>

**Notes**

	<b>Group</b>		<b>Parent</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
<b>Note 4 - Financial income</b>				
Interest, bank	48	27	-	-
Currency exchange	85	57	-	-
Interest, Group enterprises	117	-	117	-
Financial income, total	<u>250</u>	<u>84</u>	<u>117</u>	<u>-</u>

**Note 5 - Financial expenses**

Interest, bank	455	490	76	105
Currency exchange			40	51
Interest, Group enterprises	-	43	-	43
Financial expenses, total	<u>455</u>	<u>533</u>	<u>116</u>	<u>199</u>

**Note 6 - Tax on results for the year**

Current tax	-1.100	3.568	-81	811
Deferred tax	-1.320	917	-	-
Tax on results for the year	<u>-2.420</u>	<u>4.485</u>	<u>-81</u>	<u>811</u>

**Note 7 - Proposed distribution of results**

Minority interests	-353	354	-	-
Dividend	-	13.287	-	13.287
Retained earnings	-16.321	-300	-16.321	-300
	<u>-16.674</u>	<u>13.341</u>	<u>-16.321</u>	<u>12.987</u>

**Note 8 - Intangible fixed assets**

	<b>Group</b>		
	<b>Software</b>	<b>Licences</b>	<b>Goodwill</b>
	(DKK '000)	(DKK '000)	(DKK '000)
Cost at 1. January	21.763	2.404	21.367
Additions	3.386	55	-
Disposals	-98	-6	-
Currency exchange	-1.555	-178	-
Cost at 31. December	<u>23.496</u>	<u>2.275</u>	<u>21.367</u>
Amortisation 1 January	14.851	1.947	19.792
Amortisation	3.414	171	398
Disposals	-98	-6	-
Currency exchange	-1.154	-149	-
Amortisation 31 December	<u>17.013</u>	<u>1.963</u>	<u>20.190</u>
Net value 31. December	<u>6.483</u>	<u>312</u>	<u>1.177</u>

## Notes

### Note 9 - Tangible fixed assets

	Group	
	Land and bul- dings (DKK '000)	Other fixtures and fittings (DKK '000)
Cost at 1. January	1.436	8.934
Additions	-	130
Disposals	-46	-407
Currency exchange	-105	-551
Cost at 31. December	1.285	8.106
Depreciation 1 January	547	6.348
Depreciations	68	869
Disposals	-32	-260
Currency exchange	-47	-406
Depreciation 31 december	536	6.551
Net value 31. December	749	1.555

## Notes

### Note 10 - Investments in group enterprises

	Parent Enter- prises (DKK '000)
Cost at 1 January	38.324
Additions	-
Cost at 31 December	38.324
Net revaluation at 1 January	-11.374
Share of results for the year after tax	-15.636
Amortisation on group goodwill for the year	-398
Currency exchange etc.	-838
Distributed dividends	-
Net revaluation at 31 December	-28.246
Carrying amount at 31 December	10.078
Consolidation goodwill recognised in the carrying amount:	
31 December 2020	1.177
31 December 2019	1.575

Name	Registe- red office	Voting & ow- ner 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 11 - Prepayments

Prepayments paid to suppliers.

### Note 12 - Deferred tax

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



## Notes

### Note 13 - Other payables and financial institutions

	<b>&lt; 1 year</b> (DKK '000)	<b>1-5 years</b> (DKK '000)	<b>&gt; 5 years</b> (DKK '000)
	<b>Group</b>		
Long-term liabilities	<u>2.158</u>	<u>8.134</u>	<u>-</u>
	<b>Parent</b>		
Long-term liabilities	<u>-</u>	<u>2.893</u>	<u>-</u>

### Note 14 - Other financial commitments

	<b>Group</b>		<b>Parent</b>	
	<b>2020</b> (DKK '000)	<b>2019</b> (DKK '000)	<b>2020</b> (DKK '000)	<b>2019</b> (DKK '000)
Rent liabilities etc	<u>7.763</u>	<u>5.227</u>	<u>-</u>	<u>-</u>
Guarantees	<u>411</u>	<u>1.254</u>	<u>-</u>	<u>-</u>

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 2021.

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 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.

## 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 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.

### Gross profit

Gross profit comprises revenue with deduction of directly related costs.

### 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.

## 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.

### 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.

### 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.