

Explorius Education ApS

Vestergade 16, 3.
1456 København K

CVR no. 32 55 22 18

**Annual report for the period 1 September 2019 – 31 August
2020**

The annual report was presented and approved at the
Company's annual general meeting on

24 February 2021

Tom Oluf Ericsson
chairman



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Explorius Education ApS
Annual report 2019/20
CVR no. 32 55 22 18

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Explorius Education ApS for the financial year 1 September 2019 – 31 August 2020.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 August 2020 and of the results of the Company's operations for the financial year 1 September 2019 – 31 August 2020.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 24 February 2021
Executive Board:



Tom Oluf Ericsson



Independent auditor's report

To the shareholder of Explorius Education ApS

Opinion

We have audited the financial statements of Explorius Education ApS for the financial year 1 September 2019 – 31 August 2020 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 August 2020 and of the results of the Company's operations for the financial year 1 September 2019 – 31 August 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Company 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding matters in the financial statements

We draw your attention to note 2, where financial support from the parent company is described in the form of a letter of support, which is issued at the time of filing the annual report, in February 2021. We have not modified our conclusion with respect to this matter.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 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 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 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.

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.



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 February 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Explorius Education ApS
Annual report 2019/20
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Management's review

Company details

Explorius Education ApS
Vestergade 16, 3.
1456 København K

CVR no.:	32 55 22 18
Established:	14 October 2009
Registered office:	Copenhagen
Financial year:	1 September – 31 August

Executive Board

Tom Oluf Ericsson

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

The Company's business consists of marketing and selling educational experiences and semesters in various countries.

Development in activities and financial position

The Company's income statement for 2019/20 shows loss of DKK -2,378,496, compared to DKK -1,494,961 in 2018/19. Equity in the Company's balance sheet at 31 August 2020 amounted to DKK -1,872,923, compared to DKK 505,575 at 31 August 2019.

The Company has been very significantly impacted by the effects of COVID-19, in various ways. Students already abroad in the spring of 2020 typically finalised their stay, thus the revenue for the year until August 2020, was mainly impacted in the last months of the financial year. However, for the fall of 2020 and following periods, a number of stays have been cancelled or postponed, and the situation is challenging due to the possibilities for students to go abroad and the consequences of COVID-19 on many educational institutions.

The Explorius group in Sweden has generally faced the same issues as Explorius Education ApS, and has in January 2021 secured an investment of SEK 70 mio., which according to the group's plans ensures that the group will have sufficient liquidity for its operations as vaccinations are now expected to normalise the market within a year.

The Danish company has received a letter of support from the parent company for the coming year, that the parent company will support the Danish company with sufficient liquidity to meet its obligations.

Based on the above, Management believes that preparing the financial statements on the going concern basis is appropriate, as it considers that the Company has adequate resources to continue in operational existence for at least one year from the date of the financial statements.

Events after the balance sheet date

On 8 February 2021, the Company received a capital contribution of DKK 2,5 mio. from its parent company.

Financial statements 1 September – 31 August

Income statement

DKK	Note	2019/20	2018/19
Gross profit		417,500	3,547,483
Staff costs	3	<u>-3,421,018</u>	<u>-5,364,750</u>
Loss before financial income and expenses		-3,003,518	-1,817,267
Other financial income		11,924	7,279
Other financial expenses		<u>-55,944</u>	<u>-101,640</u>
Loss before tax		-3,047,538	-1,911,628
Tax on profit/loss for the year	4	<u>669,042</u>	<u>416,667</u>
Loss for the year		<u><u>-2,378,496</u></u>	<u><u>-1,494,961</u></u>
Proposed distribution of loss			
Retained earnings		<u><u>-2,378,496</u></u>	<u><u>-1,494,961</u></u>

Financial statements 1 September – 31 August

Balance sheet

DKK	Note	<u>31/8 2020</u>	<u>31/8 2019</u>
ASSETS			
Current assets			
Receivables			
Trade receivables		4,261,890	3,034,534
Receivables from group entities		2,601,152	703,327
Other receivables		536,281	461,234
Deferred tax asset		1,091,590	422,548
Prepayments		<u>249,480</u>	<u>35,036</u>
		<u>8,740,393</u>	<u>4,656,679</u>
Cash at bank and in hand		<u>1,906,865</u>	<u>2,856,831</u>
Total current assets		<u>10,647,258</u>	<u>7,513,510</u>
TOTAL ASSETS		<u><u>10,647,258</u></u>	<u><u>7,513,510</u></u>

Financial statements 1 September – 31 August

Balance sheet

DKK	Note	31/8 2020	31/8 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital	5	125,000	125,000
Retained earnings		<u>-1,997,923</u>	<u>380,575</u>
Total equity		<u>-1,872,923</u>	<u>505,575</u>
Liabilities			
Current liabilities			
Prepayments received from customers		4,837,879	3,657,980
Trade payables		519,360	926,524
Payables to group entities		980,344	0
Other payables	6	4,957,453	371,697
Accrued costs		<u>1,225,145</u>	<u>2,051,734</u>
		<u>12,520,181</u>	<u>7,007,935</u>
Total liabilities		<u>12,520,181</u>	<u>7,007,935</u>
TOTAL EQUITY AND LIABILITIES		<u><u>10,647,258</u></u>	<u><u>7,513,510</u></u>
Capital resources	2		
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Financial statements 1 September – 31 August

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1 Accounting policies

The annual report of Explorius Education ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Without changing in the accounting principles for recognition of revenue and expenses, the presentation of the balance sheet has been changed from 2017/18, showing assets and liabilities related to revenue and variable costs on a gross basis.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Financial statements 1 September – 31 August

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences related to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 September – 31 August

Notes

1 Accounting policies (continued)

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligations comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less, which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 September – 31 August

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2 Capital resources

The Explorius group in Sweden has generally faced the same issues as Explorius Education ApS, and has in January 2021 secured an investment of SEK 70 mio., which according to the group's plans ensures that the group will have sufficient liquidity for its operations as vaccinations are now expected to normalise the market within a year.

On 8 February 2021, the Danish Company received a capital contribution from its parent company of DKK 2,5 mio.

The Danish company has received a letter of support from the parent company for the coming year, that the parent company will support the Danish company with sufficient liquidity to meet its obligations.

Based on the above, Management believes that preparing the financial statements on the going concern basis is appropriate, as it considers that the Company has adequate resources to continue in operational existence for at least one year from the date of the financial statements.

3 Staff costs

DKK	2019/20	2018/19
Wages and salaries	3,169,017	4,799,766
Pensions	216,907	331,948
Other social security costs	19,831	216,928
Other staff costs	15,263	16,108
	<u>3,421,018</u>	<u>5,364,750</u>
Average number of full-time employees	<u>6</u>	<u>8</u>

4 Tax on profit/loss for the year

Adjustment of deferred tax	-669,042	-416,667
	<u>-669,042</u>	<u>-416,667</u>

5 Equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 September 2019	125,000	380,575	505,575
Transferred over the distribution of loss	0	-2,373,425	-2,373,425
Equity at 31 August 2020	<u>125,000</u>	<u>-1,992,850</u>	<u>-1,867,850</u>

6 Other payables

Other payables in 2020 include significant debt to customers relating to cancelled trips, as a consequence of COVID-19, which amount to DKK 4,218 thousand.

Financial statements 1 September – 31 August

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7 Contractual obligations, contingencies, etc.

The Company has signed an office rental agreement with a minimum obligation of six months starting from 1 October 2020. The contingent obligation of this period amounts to DKK 93 thousand.

8 Contingent liabilities

The Company is a member of Rejsegarantifonden, and Explorius Education ApS has issued a bank guarantee of DKK 1,000 thousand as security.

9 Related party disclosures

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Explorius Group AB, Sweden, 100%