Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
2300 Copenhagen S

Phone 36 10 20 30
Fax 36 10 20 40
www.deloitte.dk

Aclass Holding ApS
Gammeltorv 18
1457 Copenhagen K
Central Business Registration
No 38715992

Annual report 2019

The Annual General Meeting adopted the annual report on 12.08.2020

Chairman of the General Meeting

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Name: Kurt Kvorning

Contents

Entity details

Entity
Aclass Holding ApS
Gammeltorv 18
1457 Copenhagen K

Central Business Registration No: 38715992
Registered in: Copenhagen
Financial year: 01.01.2019 - 31.12.2019

Executive Board
Kasper Skovgaard Kristensen
Niels Garde Toft

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Aclass Holding ApS for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 12.08.2020

Executive Board

Kasper Skovgaard Kristensen Niels Garde Toft

Independent auditor's report

To the shareholders of Aclass Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Aclass Holding ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity 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 consolidated financial statements and the parent financial statements

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

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

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

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 12.08.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification number (MNE) mne32127

Ane Sachs Aasand
State Authorised Public Accountant
Identification number (MNE) mne42783

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000
Financial highlights			
Key figures			
Revenue	390,965	373,232	311,812
Gross profit/loss	51,786	55,247	20,254
Operating profit/loss	7,605	13,868	4,197
Net financials	(2,813)	(2,015)	(2,883)
Profit/loss for the year	1,056	6,542	(230)
Total assets	346,171	356,772	348,114
Investments in property, plant and equipment	382	1,367	772
Equity	168,657	169,418	148,556
Ratios			
Gross margin (%)	13.2	14.8	6.5
Net margin (%)	0.3	1.8	(0.1)
Return on equity (%)	0.6	4.1	(0.2)
Equity ratio (%)	48.7	47.5	42.7

The comparative figures are not comparable, as the period from 15.06.2017 to 31.12.2017 was the Company's and the Group's first financial year.

Financial highlights are defined and calculated in accordance with latest "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Group's activities consist of arranging travels etc., whereas the Company's activities comprise investing and holding shares in other enterprises.

Development in activities and finances

The Company is the Ultimate Parent of Aclass Group and has the Danish private equity fund Maj Invest Equity 5 K/S as principal shareholder.

The Company's income statement for 2019 showed a profit before tax of DKK 4,792k and the balance sheet at 31 December 2019 showed equity of DKK 168,657k.

The results are thus not in accordance with Management's expectations for the financial year and the budget prepared.

Outlook

Strategic initiatives started up in 2019 and new initiatives for 2020 were expected to contribute positively to the growth.

However, with the outbreak of COVID-19 and the consequences hereof, Management has reassessed its expectations and expects significantly lower revenue and results before tax than in the previous financial year. At present, Management is unable to make a precise estimate of the total effect of the outbreak and spread of COVID-19 on the Company and its 2020 results.

As a direct consequence of COVID-19, the Management and the Board will reassess the strategy during 2020.

We also refer to note 1 of the financial statements and the Management Commentary paragraph "Events after the balance sheet date".

Particular risks

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

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

Statutory report on corporate social responsibility

The primary activity of the Company is to market and sell adventure package tours to destinations in Africa, Latin America and Asia under the brand names Afrika Safari, Asia Tours and Lama Tours. Our package tours involve e.g. tours for families as well as active holidays. To achieve our vision ´our customers will enjoy a holiday of a lifetime', we work closely with local partners, who have extensive knowledge and experience of our destinations. Aclass is committed to developing a profitable business with sustainable business practices in the areas where we operate. Our approach to social responsibility is inspired by the UN Global Compact principles. In the following, we will describe our activities and how we manage potential risks concerning the four areas: environment and climate, employee conditions, human rights and corruption and bribery.

Management commentary

Environment and climate

As a part of our core values, we work to contribute, protect and give back to the environments that we are part of. Specifically, we have initiated a project that for every travel sold, we plant 10 trees in Zambia or Brazil in cooperation with the Global Climate Initiative and WeForest. Furthermore, we work with our partners in Tanzania to reduce the use of plastic and to ensure that plastic is recycled for e.g. production of furniture. For further information about our initiatives, please visit www.afrika-safari.dk, www.lamatours.dk and www.asiatours.dk. In relation to environment and climate, we believe it is our obligation and responsibility to care for and help to protect nature and the local environments in which we operate, including protecting wildlife at risk. We believe that our efforts in 2019 have contributed to maintaining and protecting the local environments in which we operate.

Employee conditions

We strive to create a workplace where employees are engaged and motivated, and therefore at low risk of workplace stress. We have a staff manual, which states our employee-related policies and activities. Our policies cover e.g. working hours, maternity leave and information on pension and insurance. The manual forms part of our onboarding of employees, when joining the company and is available on our common network drive. Our activity and result for 2019 is the initiation of our well-being program, which among other activities, focuses on employee engagement and well-being. The programme consists of both participants from the management and the respective functions. In relation to employee conditions, we believe that general well-being is crucial to continue to attract and retain employees and drive the business forward.

Human rights and corruption and bribery.

We have chosen to describe our efforts in relation to human rights and bribery and corruption in one combined section, as we believe that these areas are related to general responsible business conduct. We believe that the primary risks related to these areas are if an employee or one of our partners would not respect fundamental human rights and/or use illegal means to obtain an unfair business advantage. This could lead to breaches of universal principles concerning human rights and corruption and bribery. We have a zero-tolerance policy towards breaches of human rights as well as any kind of corruption and bribery. We have a Code of Conduct, which is also based on the ten principles of the UN Global Compact. The Code of Conduct is distributed to and must be signed by all our partners. The code of conduct outlines our commitment to operating a responsible business that complies with all applicable national laws and regulations.

Furthermore, the code of conduct is shared with all employees, when joining the company. One of the ways we have implemented our human rights commitment is to promote children’s education in Tanzania, where we have worked with NGO Zara Charity in relation to the Ngorongoro Masaai Pre-School and the Ngorongoro Pre-School. We have donated 30,000 USD and have contributed with other sponsors to help build the Ngorongoro Masaai Pre-School. For the Ngorongoro Pre-School, we have donated the kitchen building and contribute monthly with support for purchasing uniforms, schoolbooks and food. The Pre-Schools are placed in the Ngorongoro Conversation Area, which is home to thousands of Masaais and which is also a travel destination for our Afrika-safari company. We consider this an important way of contributing to the local community and strengthening their human rights. We are not aware of any breaches in 2019 in Aclass concerning human rights or corruption and bribery.

Management commentary

Statutory report on the underrepresented gender

The Board consists of three male members. We have a target to achieve one female member of the Board by 2023. The target was not achieved in the financial year, as we have not had an election for the Board.

There is not a separate policy for the underrepresented gender at other management levels, as the Company has less than 50 employees.

Events after the balance sheet date

Subsequent to year-end, the outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is very difficult to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Company in future periods.

As a result of the uncertainty due to COVID-19 the management have taken measures to ensure the cash flow for the future operation for the foreseeable future. The management has prepared forecasts and scenarios based on the development since the outbreak and conservative expectations to the future, and the added liquidity is estimated to be more than ample to cover the foreseeable future based on the assumptions made.

Apart from the above, no events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Consolidated income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue	2	390,964,873	373,232,157
Cost of sales		(305,326,242)	(284,630,690)
Other external expenses	3	(33,852,498)	(33,354,692)
Gross profit/loss		**51,786,133**	**55,246,775**
Staff costs	4	(29,021,696)	(27,070,511)
Depreciation, amortisation and impairment losses	5	(15,159,834)	(14,307,954)
Operating profit/loss		**7,604,603**	**13,868,310**
Other financial income		109,810	273,301
Other financial expenses		(2,922,454)	(2,288,618)
Profit/loss before tax		**4,791,959**	**11,852,993**
Tax on profit/loss for the year	6	(3,736,230)	(5,310,649)
Profit/loss for the year	7	**1,055,729**	**6,542,344**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK
Acquired rights		10,262,545	7,526,646
Goodwill		200,048,036	212,032,387
Intangible assets	8	**210,310,581**	**219,559,033**
Other fixtures and fittings, tools and equipment		1,094,182	1,323,351
Leasehold improvements		342,684	159,904
Property, plant and equipment	9	**1,436,866**	**1,483,255**
Deposits		440,436	431,800
Fixed asset investments	10	**440,436**	**431,800**
Fixed assets		**212,187,883**	**221,474,088**
Deferred tax	11	111,000	63,000
Other receivables	12	3,431,923	7,110,207
Income tax receivable		1,763,940	0
Prepayments	13	61,482,828	60,358,439
Receivables		**66,789,691**	**67,531,646**
Cash	14	**67,193,875**	**67,766,329**
Current assets		**133,983,566**	**135,297,975**
Assets		**346,171,449**	**356,772,063**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK
Contributed capital		10,750,000	10,750,000
Retained earnings		157,907,170	158,668,496
Equity		**168,657,170**	**169,418,496**
Bank loans		32,000,024	47,000,000
Other payables		768,188	0
Non-current liabilities other than provisions	15	**32,768,212**	**47,000,000**
Current portion of long-term liabilities other than provisions	15	15,000,000	15,000,000
Trade payables		16,816,560	11,342,153
Income tax payable		234,918	1,076,346
Other payables		4,938,780	5,211,893
Deferred income	16	107,755,809	107,723,175
Current liabilities other than provisions		**144,746,067**	**140,353,567**
Liabilities other than provisions		**177,514,279**	**187,353,567**
Equity and liabilities		**346,171,449**	**356,772,063**
Events after the balance sheet date	1		
Financial instruments	18		
Unrecognised rental and lease commitments	19		
Mortgages and securities	20		
Transactions with related parties	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10,750,000	158,668,496	169,418,496
Exchange rate adjustments	0	20,712	20,712
Value adjustments	0	(2,356,112)	(2,356,112)
Tax of equity postings	0	518,345	518,345
Profit/loss for the year	0	1,055,729	1,055,729
Equity end of year	**10,750,000**	**157,907,170**	**168,657,170**

Consolidated cash flow statement for 2019

	Notes	2019 DKK	2018 DKK
Operating profit/loss		7,604,603	13,868,310
Amortisation, depreciation and impairment losses		15,159,834	14,307,954
Working capital changes	17	6,199,899	38,244
Cash flow from ordinary operating activities		**28,964,336**	**28,214,508**
Financial income received		109,810	273,301
Financial income paid		(2,922,454)	(2,288,618)
Income taxes refunded/(paid)		(5,850,537)	(3,406,146)
Cash flows from operating activities		**20,301,155**	**22,793,045**
Acquisition etc of intangible assets		(5,482,498)	(4,341,381)
Acquisition etc of property, plant and equipment		(382,475)	(1,366,939)
Sale of property, plant and equipment		0	92,869
Acquisition of fixed asset investments		(8,636)	(431,800)
Sale of fixed asset investments		0	225,668
Cash flows from investing activities		**(5,873,609)**	**(5,821,583)**
Instalments on loans etc		(15,000,000)	(28,000,000)
Cash increase of capital		0	12,937,288
Cash flows from financing activities		**(15,000,000)**	**(15,062,712)**
Increase/decrease in cash and cash equivalents		**(572,454)**	**1,908,750**
Cash and cash equivalents beginning of year		67,766,329	65,857,579
Cash and cash equivalents end of year		**67,193,875**	**67,766,329**

Notes to consolidated financial statements

1. Events after the balance sheet date

Subsequent to year-end, the outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is very difficult to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Company in future periods.

As a result of the uncertainty due to COVID-19 the management have taken measures to ensure the cash flow for the future operation for the foreseeable future. The management has prepared forecasts and scenarios based on the development since the outbreak and conservative expectations to the future, and the added liquidity is estimated to be more than ample to cover the foreseeable future based on the assumptions made.

Apart from the above, no events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

	2019 DKK	2018 DKK
2. Revenue		
Revenue by geographical market		
Nordic	209,074,772	208,635,328
Other	181,890,101	164,596,829
	390,964,873	**373,232,157**
Revenue by activity		
Package tour	390,808,488	373,082,864
Other	156,385	149,293
	390,964,873	**373,232,157**

	2019 DKK	2018 DKK
3. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	145,750	142,250
Other assurance engagements	15,000	12,500
Tax services	40,000	128,210
Other services	185,380	0
	386,130	**282,960**

Notes to consolidated financial statements

4. Staff costs	2019 DKK	2018 DKK
Wages and salaries	25,317,264	23,448,039
Pension costs	1,996,629	1,671,664
Other social security costs	793,162	629,763
Other staff costs	914,641	1,321,045
	29,021,696	**27,070,511**
Average number of employees	**51**	**46**

5. Depreciation, amortisation and impairment losses	2019 DKK	2018 DKK
Amortisation of intangible assets	14,730,952	13,874,993
Depreciation of property, plant and equipment	428,882	432,961
	15,159,834	**14,307,954**

6. Tax on profit/loss for the year	2019 DKK	2018 DKK
Tax on current year taxable income	3,784,230	5,319,649
Change in deferred tax for the year	(48,000)	(9,000)
	3,736,230	**5,310,649**

7. Proposed distribution of profit/loss	2019 DKK	2018 DKK
Retained earnings	1,055,729	6,542,344
	1,055,729	**6,542,344**

Notes to consolidated financial statements

	Acquired rights DKK	Goodwill DKK
8. Intangible assets		
Cost beginning of year	10,078,110	229,302,026
Additions	5,482,498	0
Cost end of year	**15,560,608**	**229,302,026**
Amortisation and impairment losses beginning of year	(2,551,462)	(17,269,639)
Amortisation for the year	(2,746,601)	(11,984,351)
Amortisation and impairment losses end of year	**(5,298,063)**	**(29,253,990)**
Carrying amount end of year	**10,262,545**	**200,048,036**

Goodwill is amortised on a straight-line basis over its estimated useful time, which is determined based on Management's experience within each business area.

When determining the amortisation period, Management has chosen to base the amortisation on useful lives, which are determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile.

It is Management’s assessment that the carrying amount of goodwill embodies useful lives which are assessed to be long-term since the goodwill relates to affiliated markets where the Company has a strong market profile and continuously invests to meet the potential. Consequently, Management assesses the earnings profile to be long-term.

Based on the above, Management has assessed that it will be a fairer presentation if the amortisation period of goodwill is 20 years. Moreover, Management will reassess the useful lives so that they reflect the continuous market and earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
9. Property, plant and equipment		
Cost beginning of year	1,683,818	178,132
Exchange rate adjustments	32	0
Additions	144,357	238,118
Cost end of year	**1,828,207**	**416,250**
Depreciation and impairment losses beginning of the year	(360,467)	(18,228)
Exchange rate adjustments	(14)	0
Depreciation for the year	(373,544)	(55,338)
Depreciation and impairment losses end of the year	**(734,025)**	**(73,566)**
Carrying amount end of year	**1,094,182**	**342,684**

	Deposits DKK
10. Fixed asset investments	
Cost beginning of year	431,800
Additions	8,636
Cost end of year	**440,436**
Carrying amount end of year	**440,436**

	2019 DKK	2018 DKK
11. Deferred tax		
Intangible assets	103,000	61,000
Property, plant and equipment	(9,000)	(20,000)
Liabilities other than provisions	17,000	22,000
	111,000	**63,000**

Changes during the year	
Beginning of year	63,000
Recognised in the income statement	48,000
End of year	**111,000**

Notes to consolidated financial statements

	2019 DKK	2018 DKK
12. Other receivables		
Derivative financial instruments	0	831,494
Other receivables	3,431,923	6,278,713
	3,431,923	**7,110,207**

The derivative financial instruments are further described in note 17.

13. Prepayments

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

14. Cash and cash equivalents

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

	Instalments within 12 months 2019 DKK	Instalments within 12 months 2018 DKK	Instalments beyond 12 months 2019 DKK
15. Liabilities other than provisions			
Bank loans	15,000,000	15,000,000	32,000,024
Other payables	0	0	768,188
	15,000,000	**15,000,000**	**32,768,212**

The Company has no bank debt after 5 years.

16. Short-term deferred income

Short-term deferred income comprise incurred revenue relating to subsequent financial years.

	2019 DKK	2018 DKK
17. Change in working capital		
Increase/decrease in receivables	197,783	(14,680,294)
Increase/decrease in trade payables etc	6,002,116	14,718,538
	6,199,899	**38,244**

Notes to consolidated financial statements

18. Financial instruments

Disclosure on forward exchange contracts acquired to hedge liabilities

Other payables include a negative fair value of the forward exchange contracts of DKK 1.524k. The forward exchange contracts have been acquired to hedge the foreign currency risk of trade payables in USD, THB, SEK, GBP, NOK and ZAR. The exchange loss has been set off against the value adjustments of the hedged payables in the income statement. The forward exchange contracts have a term of 0-11 months. The forward exchange contracts have been entered into with the Company’s usual bank.

	2019 DKK	2018 DKK
19. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**3,376,884**	**3,978,565**

Unrecognised rental and lease commitments comprise rental commitments with a remaining contract period of 51 months. The commitment amounts to DKK 2,922k (2018: DKK 3,696k).

The remaining commitment comprises lease commitments relating to operating leases on other fixtures and fittings, tools and equipment. The commitment amounts to DKK 454k (2018: DKK 283k).

20. Mortgages and securities

The Group has provided payment guarantees totalling DKK 32,961k. The amount is distributed as follows:

- Rejsegarantifonden, DKK 1,800k
- Hansemerkur Reiseversicherung, DKK 1,195k
- ATOL, DKK 29,922k
- Other guarantees, DKK 44k

21. Transactions with related parties

Only transactions with related parties that are not carried out at market terms are disclosed in the annual report. No such transactions have been performed.

	Registered in	Corpo-rate form	Equity inte-rest %	Equity DKK	Profit/loss DKK
22. Subsidiaries					
Aclass A/S	Aarhus, Denmark	A/S	100.0	56,749,777	9,493,216
ASClass GmbH	Henstedt-Ulzburg, Germany	GmbH	100.0	3,249,077	841,579
Aclass UK Ltd	Richmond, England	Ltd	100.0	644,918	371,154

Parent income statement for 2019

	Notes	2019 DKK	2018 DKK
Other external expenses		(31,250)	(33,979)
Operating profit/loss		**(31,250)**	**(33,979)**
Income from investments in group enterprises		15,000,000	10,000,000
Other financial expenses		(1,110,723)	(1,974,524)
Profit/loss before tax		**13,858,027**	**7,991,497**
Tax on profit/loss for the year	2	251,734	441,871
Profit/loss for the year	3	**14,109,761**	**8,433,368**

Parent income statement for 2019

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		229,750,589	229,750,589
Fixed asset investments	4	**229,750,589**	**229,750,589**
Fixed assets		**229,750,589**	**229,750,589**
Deferred tax	5	17,000	22,000
Income tax receivable		1,763,940	0
Joint taxation contribution receivable		0	1,049,500
Receivables		**1,780,940**	**1,071,500**
Cash		**1,416,500**	**2,116,578**
Current assets		**3,197,440**	**3,188,078**
Assets		**232,948,029**	**232,938,667**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK
Contributed capital	6	10,750,000	10,750,000
Retained earnings		173,665,799	159,556,038
Equity		**184,415,799**	**170,306,038**
Bank loans		32,000,024	47,000,000
Non-current liabilities other than provisions	7	**32,000,024**	**47,000,000**
Current portion of long-term liabilities other than provisions	7	15,000,000	15,000,000
Trade payables		25,000	25,000
Income tax payable		0	607,629
Joint taxation contribution payable		1,507,206	0
Current liabilities other than provisions		**16,532,206**	**15,632,629**
Liabilities other than provisions		**48,532,230**	**62,632,629**
Equity and liabilities		**232,948,029**	**232,938,667**
Events after the balance sheet date	1		
Contingent liabilities	8		
Mortgages and securities	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

Parent statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10,750,000	159,556,038	170,306,038
Profit/loss for the year	0	14,109,761	14,109,761
Equity end of year	**10,750,000**	**173,665,799**	**184,415,799**

Notes to parent financial statements

1. Events after the balance sheet date

Subsequent to year-end, the outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Company in future periods.

Apart from the above, no events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

	2019 DKK	2018 DKK
2. Tax on profit/loss for the year		
Tax on current year taxable income	(256,734)	(441,871)
Change in deferred tax for the year	5,000	0
	(251,734)	**(441,871)**

	2019 DKK	2018 DKK
3. Proposed distribution of profit/loss		
Retained earnings	14,109,761	8,433,368
	14,109,761	**8,433,368**

	Investments in group enterprises DKK
4. Fixed asset investments	
Cost beginning of year	229,750,589
Cost end of year	**229,750,589**
Carrying amount end of year	**229,750,589**

	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Aclass A/S	Aarhus	A/S	100,0	56.749.777	9.493.216

Notes to parent financial statements

	2019 DKK	2018 DKK
5. Deferred tax		
Provisions	17,000	22,000
	17,000	**22,000**

Changes during the year	
Beginning of year	17,000
End of year	**17,000**

6. Contributed capital

The Company has issued warrants for 750,000 shares, entitling the holder to subscribe for 1 share in the Company at a nominal value of DKK 1 per share. The warrants have been granted to the warrant holder free of charge. The warrants must be exercised by the end of June 2022 and may be exercised at any time until exercised in full.

	Instalments within 12 months 2019 DKK	Instalments within 12 months 2018 DKK	Instalments beyond 12 months 2019 DKK
7. Liabilities other than provisions			
Bank loans	15,000,000	15,000,000	32,000,024
	15,000,000	**15,000,000**	**32,000,024**

The Company has no bank debt after 5 years.

8. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

Notes to parent financial statements

9. Mortgages and securities

The Company has provided its ownership interest in Aclass A/S as security for all debts to Jyske Bank. The bank debt at 31.12.2019 amounts to DKK 47,000k. The carrying amount of the investment provided as security is DKK 210,311k at 31.12.2019.

The Company has provided a guarantee for its subsidiaries' total debt to Jyske Bank. The bank debt amounts to DKK 0k at 31.12.2019.

The Company has provided payment guarantees totalling DKK 29,922k to ATOL for Aclass UK Ltd's debt to ATOL.

10. Related parties with controlling interest

Related parties with controlling interest in the Company includes:

- Maj Invest Equity 5 K/S, Langelinie Allé 35, Copenhagen, holding the majority of voting rights.

11. Transactions with related parties

Only transactions with related parties that are not carried out at market terms are disclosed in the annual report. No such transactions have been performed.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year except for adjustments concerning classifications without effect on result or equity.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries’ net assets at the acquisition date, with net assets having been calculated at fair value.

Accounting policies

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

For intra-group combinations, the uniting-of-interests method is applied. This means that the annual reports are combined as if the enterprises had been combined starting from the earliest accounting period forming part of the financial statements. The difference between the amount paid in contributed capital and any share premium plus any cash payment and the equity value of the subsidiary is clearly added to or deducted from reserves that may be used to cover losses.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Accounting policies

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including net capital gains on securities, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including net capital losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting policies

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile, and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually.

It is Management's assessment that the carrying amount of goodwill embodies useful lives which are assessed to be long-term since the goodwill relates to affiliated markets where the Company has a strong market profile and continuously invests to meet the potential. Consequently, Management assesses the earnings profile to be long-term.

Based on the above, Management has assessed that it will be a fairer presentation if the amortisation period of goodwill is 20 years. Moreover, Management will reassess the useful lives so that they reflect the continuous market and earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired rights.

Acquired rights are measured at cost less accumulated amortisation. Rights are amortised on a straight-line basis over the estimated useful life of 5 to 10 years.

Acquired rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly attributable to the acquisition.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Accounting policies

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

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

Cash
Cash comprises cash in hand and bank deposits.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Accounting policies

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash with an insignificant price risk less short-term bank loans.