

Tourcompass Holding ApS

Hasselager Centervej 29
8260 Viby J
CVR No. 38715992

Annual report 2022

The Annual General Meeting adopted the
annual report on 02.03.2023

Kurt Kvorning

Chairman of the General Meeting

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Entity details

Entity

Tourcompass Holding ApS
Hasselager Centervej 29
8260 Viby J

Business Registration No.: 38715992
Registered office: Aarhus
Financial year: 01.01.2022 - 31.12.2022

Executive Board

Niels Garde Toft
Jacob Dyhr Jensen

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 Tourcompass Holding ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 02.03.2023

Executive Board

Niels Garde Toft

Jacob Dyhr Jensen

Independent auditor's report

To the shareholders of Tourcompass Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Tourcompass Holding ApS for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity or to cease operations, or has no realistic alternative but to do so.

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.

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, 02.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Bo Damgaard Hansen

State Authorised Public Accountant
Identification No (MNE) mne34543

Management commentary

Financial highlights

| | 2022 DKK'000 | 2021 DKK'000 | 2020 DKK'000 | 2019 DKK'000 | 2018 DKK'000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Key figures | | | | | |
| Revenue | 257,106 | 28,975 | 108,117 | 390,965 | 311,812 |
| Gross profit/loss | 41,612 | 3,879 | 20,021 | 51,786 | 55,247 |
| Operating profit/loss | 5,650 | (22,713) | (14,443) | 7,605 | 13,868 |
| Net financials | (1,327) | (3,434) | (2,130) | (2,813) | (2,015) |
| Profit/loss for the year | 701 | (22,661) | (15,583) | 1,056 | 6,542 |
| Balance sheet total | 264,227 | 250,447 | 266,208 | 346,171 | 356,772 |
| Investments in property, plant and equipment | 375 | 609 | 0 | 382 | 1,367 |
| Equity | 132,518 | 131,522 | 152,381 | 168,657 | 169,418 |
| Ratios | | | | | |
| Gross margin (%) | 16.18 | 13.39 | 18.52 | 13.25 | 17.72 |
| Net margin (%) | 0.27 | (78.21) | (14.41) | 0.27 | 2.10 |
| Return on equity (%) | 0.53 | (15.96) | (9.71) | 0.62 | 4.11 |
| Equity ratio (%) | 50.15 | 52.51 | 57.24 | 48.72 | 47.49 |

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

In line with previous years, the primary activities of the Company is to arrange travels, etc.

Development in activities and finances

The Group's income statement for 2022 showed a profit before tax of DKK 4.323k (2021: loss before tax DKK 26,147) and the balance sheet at 31 December 2022 showed equity of DKK 132,518k.

Profit/loss for the year in relation to expected developments

The financial performance of the Group showed positive signs of recovery for the travel industry in 2022. Despite parts of the world still being in lock down caused by Covid restrictions in the first 6 months, the war in Ukraine, global energy crisis and severe challenges in the airline industry getting capacity back on track, the activity level has increased significantly throughout the year.

The decision made by the Management to continue to invest in resources, sales and marketing to service our customers in the best possible way as well as attracting new customers has paid off. Investing in the organization has enabled the Group to continue to focus on customer experience ensuring great experiences for customers travelling or rescheduling tours to future dates as well as providing excellent customer service to new customers.

In 2022 the Group implemented the final elements of the TourCompass Branding project which have been underway for more than a year. In April 2022 the names across the Group were aligned and TourCompass is now the official name across all companies and markets. On the 1st December 2022 the three original brands and websites, Afrika-safari, Asiatours and Lamatours, were merged into one brand – TourCompass.

In the first months of 2022 the Covid-19 compensation packages was phased out. The Covid-19 compensation for fixed cost received in the 1st quarter of 2022 has assisted the Group in continue getting the business back on track. Thus, the compensation for fixed costs has contributed to the positive development in the financial result for the year.

The result for 2022 has been in accordance with Management's expectations and budgets for the financial year.

Outlook

In 2023 TourCompass will continue to rebuild the business and execute on the agreed strategy. Initiatives agreed and initiated in Strategy 2025 are expected to contribute positively to the position of the Group in the market.

Throughout the coming year we have planned to continue to expand our services and destinations, while we will also focus on increasing our presence in selected international markets. At the same time, we will continue to support our employees in their professional development to ensure that we can always deliver the best possible experience for our customers.

Another very important focus point for the coming years, is to continue to develop the ESG strategy that was introduced in 2022. As in previous years the efforts being made within sales and operational excellence throughout the organization remain of high importance and a priority.

Despite the uncertainties still present for 2023, the management expects to see the result before tax better than in 2022 which means a result in the range of DKK 0m to DKK 5m after tax.

Use of financial instruments

Activities abroad mean that profit, cash flows and equity are affected by exchange rate and interest rate developments for multiple currencies. It is the company's policy to hedge commercial currency risks. Hedging takes place via forward exchange transactions to hedge expected revenue and purchases within the next 12 months. The company do not make speculative forward contracts and hedge only known revenue and purchases.

Statutory report on corporate social responsibility

The primary activity of TourCompass is to market and sell adventure package tours to destinations in Africa, Latin America, Asia, and Australia. Our package tours hold family friendly tours as well as active holidays. Our vision is clear 'we turn your travel dreams into unique and unforgettable experiences', and we work hard on delivering exactly that. To succeed we depend on our local partners whom we work closely together with. They have extensive knowledge and experience of our destinations. TourCompass 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 current activities and how we manage potential risks concerning the four areas: environment and climate, employee conditions, human rights and corruption and bribery. In TourCompass we have worked passionately and determined on our new ESG strategy in 2022, which will be the foundation for our ESG work in the future. It is a strategic priority to continue making ESG an even stronger part of our DNA in the years to come.

Follow the link to read more about our new Sustainability Strategy and Ambitions:

<https://www.tourcompass.co.uk/sustainability.htm>

Environment and climate

Climate change caused by carbon emissions is one of the biggest challenges facing the world. As a part of our core values, we work to contribute, protect, and give back to the environments that we are part of. To protect and preserve the environment, we focus on reducing carbon emissions. This not only at our own locations but also at our destinations. It is a long-term plan that is part of our Sustainability Strategy. With an awareness of the local and global footprint we leave behind, we are taking our obligation and responsibility as a tour operator very seriously and committing to our responsibility by making it part of our business. A set goal is to convert all electricity to green electricity, where possible. And, collaborating with suppliers that also work towards the goals of the Paris Agreement.

To learn more, you can read our Sustainability Report which is part of our Sustainability Strategy here:

<https://www.tourcompass.co.uk/sustainability.htm>

Employee conditions

We strive to create a workplace where the general wellbeing is in focus. We believe that a balance between work and personal life is crucial for our employees' performance, and by keeping them engaged and motivated there will be a low risk of workplace stress. Also, it plays an important role in continuing to attract and retain employees and drive the business forward. To meet this, we focus on two aspects. The physical working environment and the psychological working environment. We measure the wellbeing in both parameters by conducting internal questionnaires and regular one-on-one sessions with all employees where the agenda is their wellbeing. In 2022 we have assessed the physical and physical working environment (APV), with very positive results. Results from the assessment have been analyzed and action plans for new initiatives have been made. This format will continue in 2023 and we will focus on implementing workplace assessments on a more regular basis, combined with the regular one-on-ones with all employees.

We have a staff manual, which states our employee-related policies and activities. Our policies cover e.g. working hours, parental 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.

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. With our partners we have established a code of conduct, which is in accordance with the ten principles of the UN Global Compact on the areas of human rights, labour rights, the environment and anticorruption. The code of conduct outlines our shared 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.

With the number of destinations we represent, we have an opportunity to make a difference and an obligation to focus on human rights by ensuring that jobs are created locally. We always use local guides and where possible work together with local partners. E.g., in Cuba where we offer Casa Particulares 'private homes' to accommodate our guests. Over the coming years we will increase the number of features on our tours that directly or indirectly contribute to local development.

One of the ways we have implemented our human rights commitment is through our many years of engagement to promote children's education in Tanzania, where we work with NGO Zara Charity in relation to the Ngorongoro Maasai Pre-School and the Ngorongoro Pre-School.

The Pre-Schools are placed in the Ngorongoro Conversation Area, which is home to thousands of Maasais and one of our travel destinations. 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 2022 in TourCompass concerning human rights or corruption and bribery.

In 2023 we will continue our monthly support to the Pre-school for uniforms, school materials and food.

Statutory report on the underrepresented gender

Following the positive development in 2022 and as a natural next step in the branding project, on the 1st June 2022, Ms. Eva Lundgren was introduced as a new board member in TourCompass A/S. Eva brings extensive knowledge and additional competencies within Branding which is needed in the coming years. The Board now consist of four members, one female and three male members. Therefore, we have now realized our target of one female member of the board.

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

Statutory report on data ethics policy

At TourCompass, we have an extensive focus on how we handle data and our intention to collect data. We place a high value on our moral obligation to treat data with respect and transparency. We provide a thorough overview of how data is being handled, so consent to processing data is well based. Our level of data protection is in line with applicable law, but also in line with our own moral compass. TourCompass hold a very strong focus on treating data ethically correct and we hold a continued focus on the protection of personal data and data in general. Data ethics in TourCompass is based on following core areas: customer data, hereunder ownership of data, internal processes and how we act in relation to the outside world.

Our customers are always able request and gain insight to the personal information they have accepted we store and process about them. We work continuously with optimization of the information structure, to ensure a continuous overview and increased transparency towards our customers.

To achieve this, we have a continuous focus on which information we store and which information we pass on to 3rd parties. Only information that is necessary for the journey to be completed will be passed on. Likewise, we have an ongoing focus on deleting personal information and other data that is no longer relevant to us. This is to ensure that TourCompass do not store more information about our customers than necessary.

Our employees hold a huge responsibility for the trust and transparency, in which we are highly focused on having towards our customers and partners, in terms of handling data in a responsible way. Therefore, we continuously focus on optimizing our internal data policies. We are dedicated to ensuring that we follow a common path and operate within our moral compass. A further step in complying with this is implementing software to substantiate our procedures and help us keep a strong level of Data Protection. Further, we continuously train employees in GDPR and have established a clear procedure for protecting customers' data in the event of misuse or leakage of system data.

At TourCompass we have high protection of employees' private information and we have ensured consent to share specified personal data such as pictures on websites, which may be revoked at any time. All new employees receive a thorough introduction to our internal systems, as well as an introduction to our data policy and the ethical framework within which we operate. Our goal is for our moral compass to keep being a part of our corporate culture and not just a written statement.

We operate worldwide and are aware of our responsibilities according to the moral obligations we have in terms of sharing the data we handle. We have signed data processor agreements with all relevant 3rd parties and our database is regularly updated with changes or when new agreements are being made.

Statutory report on corporate governance

The majority owner of Tourcompass Holding is the private equity fund: Maj Invest Equity 5 K/S, which is a member of Aktive Ejere / Active Owners Denmark. As a private equity portfolio owned company, Tourcompass Holding generally follows Aktive Ejere / Active Owners Denmark's recommendations, except that the company based on its size, has not established an audit committee. These tasks are handled by the Executive Board.

Refer to www.aktiveejere.dk/en/ for more information about the guidelines.

Events after the balance sheet date

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 2022

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|-------------------|---------------------|
| Revenue | 1 | 257,105,886 | 28,974,971 |
| Other operating income | 2 | 5,020,438 | 5,288,068 |
| Cost of sales | | (197,280,354) | (19,500,920) |
| Other external expenses | 3 | (23,233,999) | (10,883,324) |
| Gross profit/loss | | 41,611,971 | 3,878,795 |
| Staff costs | 4 | (20,833,556) | (10,754,234) |
| Depreciation, amortisation and impairment losses | 5 | (15,128,572) | (15,837,376) |
| Operating profit/loss | | 5,649,843 | (22,712,815) |
| Other financial income | | 1,386,311 | 8,222 |
| Other financial expenses | | (2,713,222) | (3,442,038) |
| Profit/loss before tax | | 4,322,932 | (26,146,631) |
| Tax on profit/loss for the year | 6 | (3,621,853) | 3,485,306 |
| Profit/loss for the year | 7 | 701,079 | (22,661,325) |

Consolidated balance sheet at 31.12.2022

Assets

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|--------------------|--------------------|
| Acquired rights | | 4,888,146 | 6,296,400 |
| Goodwill | | 164,094,981 | 176,079,333 |
| Intangible assets | 8 | 168,983,127 | 182,375,733 |
| Other fixtures and fittings, tools and equipment | | 622,684 | 535,378 |
| Leasehold improvements | | 209,447 | 353,095 |
| Property, plant and equipment | 9 | 832,131 | 888,473 |
| Deposits | | 532,057 | 491,258 |
| Financial assets | 10 | 532,057 | 491,258 |
| Fixed assets | | 170,347,315 | 183,755,464 |
| Deferred tax | 11 | 600,000 | 4,396,021 |
| Other receivables | 12 | 3,178,264 | 5,618,983 |
| Tax receivable | | 127,618 | 248,145 |
| Prepayments | 13 | 42,021,001 | 16,426,934 |
| Receivables | | 45,926,883 | 26,690,083 |
| Cash | | 47,952,628 | 40,001,237 |
| Current assets | | 93,879,511 | 66,691,320 |
| Assets | | 264,226,826 | 250,446,784 |

Equity and liabilities

| | Notes | 2022 DKK | 2021 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 10,750,000 | 10,750,000 |
| Translation reserve | | (47,716) | 0 |
| Reserve for fair value adjustments of hedging instruments | | 2,099,221 | 0 |
| Retained earnings | | 119,716,673 | 120,772,053 |
| Equity | | 132,518,178 | 131,522,053 |
| Other provisions | 14 | 461,000 | 461,000 |
| Provisions | | 461,000 | 461,000 |
| Bank loans | | 31,000,000 | 38,000,000 |
| Other payables | | 1,707,449 | 3,828,532 |
| Non-current liabilities other than provisions | 15 | 32,707,449 | 41,828,532 |
| Current portion of non-current liabilities other than provisions | 15 | 7,000,000 | 17,542,686 |
| Trade payables | | 9,472,184 | 3,330,053 |
| Other payables | 16 | 4,318,289 | 5,367,216 |
| Deferred income | 17 | 77,749,726 | 50,395,244 |
| Current liabilities other than provisions | | 98,540,199 | 76,635,199 |
| Liabilities other than provisions | | 131,247,648 | 118,463,731 |
| Equity and liabilities | | 264,226,826 | 250,446,784 |
| Unrecognised rental and lease commitments | 19 | | |
| Assets charged and collateral | 20 | | |
| Transactions with related parties | 21 | | |
| Subsidiaries | 22 | | |

Consolidated statement of changes in equity for 2022

| | Contributed capital DKK | Translation reserve DKK | Reserve for fair value adjustments of hedging instruments DKK | Retained earnings DKK | Total DKK |
|---------------------------|-------------------------------|-------------------------------|--|-----------------------------|--------------------|
| Equity beginning of year | 10,750,000 | 0 | 1,756,459 | 119,015,594 | 131,522,053 |
| Exchange rate adjustments | 0 | (47,716) | 0 | 0 | (47,716) |
| Value adjustments | 0 | 0 | 439,438 | 0 | 439,438 |
| Tax of entries on equity | 0 | 0 | (96,676) | 0 | (96,676) |
| Profit/loss for the year | 0 | 0 | 0 | 701,079 | 701,079 |
| Equity end of year | 10,750,000 | (47,716) | 2,099,221 | 119,716,673 | 132,518,178 |

Consolidated cash flow statement for 2022

| | Notes | 2022 DKK | 2021 DKK |
|---|-------|---------------------|---------------------|
| Operating profit/loss | | 5,649,843 | (22,712,815) |
| Amortisation, depreciation and impairment losses | | 15,128,572 | 15,837,376 |
| Other provisions | | 0 | 461,000 |
| Working capital changes | 18 | 7,022,475 | 15,193,714 |
| Cash flow from ordinary operating activities | | 27,800,890 | 8,779,275 |
| Financial income received | | 1,386,311 | 8,222 |
| Financial expenses paid | | (2,713,222) | (3,442,038) |
| Taxes refunded/(paid) | | 198,019 | 0 |
| Cash flows from operating activities | | 26,671,998 | 5,345,459 |
| Acquisition etc. of intangible assets | | (1,304,875) | (355,768) |
| Acquisition etc. of property, plant and equipment | | (374,748) | (609,379) |
| Acquisition of fixed asset investments | | (40,984) | (14,759) |
| Cash flows from investing activities | | (1,720,607) | (979,906) |
| Free cash flows generated from operations and investments before financing | | 24,951,391 | 4,365,553 |
| Instalments on loans etc. | | (17,000,000) | (17,000,000) |
| Cash flows from financing activities | | (17,000,000) | (17,000,000) |
| Increase/decrease in cash and cash equivalents | | 7,951,391 | (12,634,447) |
| Cash and cash equivalents beginning of year | | 40,001,237 | 52,635,684 |
| Cash and cash equivalents end of year | | 47,952,628 | 40,001,237 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 47,952,628 | 40,001,237 |
| Cash and cash equivalents end of year | | 47,952,628 | 40,001,237 |

Notes to consolidated financial statements

1 Revenue

| | 2022 DKK | 2021 DKK |
|---|--------------------|-------------------|
| Nordic | 119,898,219 | 13,939,822 |
| Other | 137,207,667 | 15,035,149 |
| Total revenue by geographical market | 257,105,886 | 28,974,971 |
| Package tour | 257,095,402 | 13,939,822 |
| Other | 10,484 | 15,035,149 |
| Total revenue by activity | 257,105,886 | 28,974,971 |

2 Other operating income

Other operating income comparisons comprises Covid-19 help packages, incl. DKK 971k fixed cost compensation and DKK 3.070k from fixed cost and turnover decrease compensation.

Other operating income in 2021 comprises Covid-19 help packages, incl. DKK 7,881 fixed cost compensation and DKK 470k conversion compensation. The amount also comprises a cost of DKK 185k related to final settlement of salary compensation as well as a cost of DKK 3,755k related to final settlement of cancelled trips compensation.

3 Fees to the auditor appointed by the Annual General Meeting

| | 2022 DKK | 2021 DKK |
|-----------------------------|----------------|----------------|
| Statutory audit services | 136,000 | 154,500 |
| Other assurance engagements | 45,500 | 17,500 |
| Tax services | 110,975 | 27,000 |
| Other services | 0 | 8,000 |
| | 292,475 | 207,000 |

4 Staff costs

| | 2022 DKK | 2021 DKK |
|-----------------------------|-------------------|-------------------|
| Wages and salaries | 19,413,674 | 9,922,449 |
| Pension costs | 1,068,734 | 515,803 |
| Other social security costs | 175,321 | 116,991 |
| Other staff costs | 175,827 | 198,991 |
| | 20,833,556 | 10,754,234 |

| | | |
|---------------------------------------|-----------|-----------|
| Average number of full-time employees | 34 | 17 |
|---------------------------------------|-----------|-----------|

| | Remuneration of manage- ment 2022 DKK | Remuneration of manage- ment 2021 DKK |
|--|--|--|
| Total amount for management categories | 1,805,417 | 1,400,000 |
| | 1,805,417 | 1,400,000 |

Referring to section 98b (3) of the Danish Financial Statement Act, Management's remuneration has been disclosed as an aggregate amount for management categories.

5 Depreciation, amortisation and impairment losses

| | 2022 DKK | 2021 DKK |
|---|---------------------|---------------------|
| Amortisation of intangible assets | 14,697,481 | 15,123,647 |
| Depreciation on property, plant and equipment | 431,091 | 713,729 |
| | 15,128,572 | 15,837,376 |

6 Tax on profit/loss for the year

| | 2022 DKK | 2021 DKK |
|--------------------------------------|---------------------|---------------------|
| Current tax | (76,434) | 41,126 |
| Change in deferred tax | 3,698,324 | (3,526,432) |
| Adjustment concerning previous years | (37) | 0 |
| | 3,621,853 | (3,485,306) |

7 Proposed distribution of profit/loss

| | 2022 DKK | 2021 DKK |
|-------------------|---------------------|---------------------|
| Retained earnings | 701,079 | (22,661,325) |
| | 701,079 | (22,661,325) |

8 Intangible assets

| | Acquired rights DKK | Goodwill DKK |
|---|------------------------------------|-------------------------|
| Cost beginning of year | 16,232,015 | 229,302,026 |
| Additions | 1,304,875 | 0 |
| Cost end of year | 17,536,890 | 229,302,026 |
| Amortisation and impairment losses beginning of year | (9,935,615) | (53,222,693) |
| Amortisation for the year | (2,713,129) | (11,984,352) |
| Amortisation and impairment losses end of year | (12,648,744) | (65,207,045) |
| Carrying amount end of year | 4,888,146 | 164,094,981 |

The valuation of goodwill has been supported by a DCF-model prepared by management. The following central assumption has been used to the valuation:

- Departures will take place through out 2023
- WACC 12,36%, including a company specific premium of 5%
- Growth rate 1%

Uncertainty is attached to the statement of the fair value, and even minor changes to the key assumptions will lead to significant changes to the stated fair value – positive as well as negative.

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.

9 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improvements DKK |
|---|--|----------------------------------|
| Cost beginning of year | 1,293,381 | 747,728 |
| Exchange rate adjustments | (9,692) | 0 |
| Additions | 352,393 | 22,355 |
| Cost end of year | 1,636,082 | 770,083 |
| Depreciation and impairment losses beginning of year | (758,003) | (394,633) |
| Exchange rate adjustments | 23,027 | 0 |
| Depreciation for the year | (278,422) | (166,003) |
| Depreciation and impairment losses end of year | (1,013,398) | (560,636) |
| Carrying amount end of year | 622,684 | 209,447 |

10 Financial assets

| | Deposits DKK |
|------------------------------------|-----------------|
| Cost beginning of year | 491,258 |
| Exchange rate adjustments | (95) |
| Additions | 40,894 |
| Cost end of year | 532,057 |
| Carrying amount end of year | 532,057 |

11 Deferred tax

| | 2022 DKK | 2021 DKK |
|-------------------------------|----------------|------------------|
| Intangible assets | 350,000 | 317,000 |
| Property, plant and equipment | 70,000 | 70,000 |
| Provisions | 102,000 | 6,000 |
| Tax losses carried forward | 78,000 | 4,003,021 |
| Deferred tax | 600,000 | 4,396,021 |

| | 2022 DKK | 2021 DKK |
|------------------------------------|----------------|------------------|
| Changes during the year | | |
| Beginning of year | 4,396,021 | 1,365,000 |
| Recognised in the income statement | (3,699,345) | 2,535,610 |
| Recognised directly in equity | (96,676) | 495,411 |
| End of year | 600,000 | 4,396,021 |

Deferred tax assets

Deferred tax is recognised at DKK 600k where at approximately DKK 78k is expected to be utilized within 12 months from the balance sheet date.

12 Other receivables

| | 2022 | 2021 |
|-------------------|------------------|------------------|
| | DKK | DKK |
| Other receivables | 3,178,264 | 5,618,983 |
| | 3,178,264 | 5,618,983 |

Other receivables include a positive fair value of the forward exchange contracts of DKK 327k. 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.

13 Prepayments

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

14 Other provisions

Other provisions comprise estimated costs of reestablishing leased premises at the end of the lease term.

15 Non-current liabilities other than provisions

| | Due within 12 | Due within 12 | Due after | Outstanding |
|----------------|----------------------|----------------------|---------------------|----------------------|
| | months | months | more than 12 | after 5 years |
| | 2022 | 2021 | months | 2022 |
| | DKK | DKK | DKK | DKK |
| Bank loans | 7,000,000 | 17,000,000 | 31,000,000 | 0 |
| Other payables | 0 | 542,686 | 1,707,449 | 1,707,449 |
| | 7,000,000 | 17,542,686 | 32,707,449 | 1,707,449 |

16 Other payables

| | 2022 | 2021 |
|--|------------------|------------------|
| | DKK | DKK |
| Wages and salaries, personal income taxes, social security costs, etc. payable | 912,149 | 508,496 |
| Holiday pay obligation | 945,081 | 509,763 |
| Derivative financial instruments | 0 | 112,631 |
| Other costs payable | 2,461,059 | 4,236,326 |
| | 4,318,289 | 5,367,216 |

Other payables include a negative fair value of the forward exchange contracts of DKK 113k in prior year. 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.

17 Deferred income

Deferred income comprise incurred revenue relating to subsequent financial years.

18 Changes in working capital

| | 2022 DKK | 2021 DKK |
|--|------------------|-------------------|
| Increase/decrease in receivables | (22,887,497) | (6,473,163) |
| Increase/decrease in trade payables etc. | 29,909,972 | 21,666,877 |
| | 7,022,475 | 15,193,714 |

19 Unrecognised rental and lease commitments

| | 2022 DKK | 2021 DKK |
|---|------------------|------------------|
| Total liabilities under rental or lease agreements until maturity | 1,751,483 | 2,797,317 |

20 Assets charged and collateral

The Group has provided payment guarantees totalling DKK 8,298k. The amount is distributed as follows:

- Rejsegarantifonden, DKK 1,800k
- Hansemerkur Reiseversicherung, DKK 1,190k
- DRSF, DKK 5,266k
- ATOL, DKK 24,315k
- Other guarantees, DKK 42k

The Group has provided its ownership interest i Tourcompass A/S as security for all debts to Jyske Bank The bank debt at 31.12.2022 amounts to DKK 38,000k. The carrying amount of the investment provided as security is DKK 198,770k at 31.12.2022.

Vækstfonden has entered as a loss guarantor in the process of obtaining the re-financing in the summer of 2020. The guarantees is in accordance with the Covid-19 state guarantee policy maximised to 80% of a loan originating at DKK 42,000k. As of 31.12.2022 the loan is minimized to DKK 28,000k.

The Group has provided payment guarantees totalling DKK 24,315k to ATOL for Tourcompass Ltd's debt to ATOL.

21 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

22 Subsidiaries

| | Registered in | Corporate form | Ownership % | Equity DKK | Profit/loss DKK |
|------------------|----------------------------------|-----------------------|--------------------|-------------------|------------------------|
| Tourcompass A/S | Aarhus, Denmark | A/S | 100.00 | 34,674,860 | 9,872,035 |
| TourCompass Ltd | Richmond, England | Ltd | 100.0 | 1,067,423 | 364,614 |
| Tourcompass GmbH | Henstedt- Ulzburg, Germany | GmbH | 100.00 | 4,426,847 | 1,010,921 |

Parent income statement for 2022

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|-------------------|--------------------|
| Other external expenses | | (50,000) | (63,438) |
| Gross profit/loss | | (50,000) | (63,438) |
| Income from investments in group enterprises | | 16,000,000 | 0 |
| Other financial expenses | | (2,243,619) | (2,393,388) |
| Profit/loss before tax | | 13,706,381 | (2,456,826) |
| Tax on profit/loss for the year | 1 | 504,056 | 541,000 |
| Profit/loss for the year | 2 | 14,210,437 | (1,915,826) |

Parent balance sheet at 31.12.2022

Assets

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|--------------------|--------------------|
| Investments in group enterprises | | 229,750,589 | 229,750,589 |
| Financial assets | 3 | 229,750,589 | 229,750,589 |
| Fixed assets | | 229,750,589 | 229,750,589 |
| Deferred tax | 4 | 78,000 | 1,037,000 |
| Joint taxation contribution receivable | | 1,463,056 | 0 |
| Receivables | | 1,541,056 | 1,037,000 |
| Cash | | 1,756,761 | 5,050,380 |
| Current assets | | 3,297,817 | 6,087,380 |
| Assets | | 233,048,406 | 235,837,969 |

Equity and liabilities

| | Notes | 2022 DKK | 2021 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 10,750,000 | 10,750,000 |
| Retained earnings | | 184,258,404 | 170,047,967 |
| Equity | | 195,008,404 | 180,797,967 |
| Bank loans | | 31,000,000 | 38,000,000 |
| Non-current liabilities other than provisions | 5 | 31,000,000 | 38,000,000 |
| Current portion of non-current liabilities other than provisions | 5 | 7,000,000 | 17,000,000 |
| Trade payables | | 40,002 | 40,002 |
| Current liabilities other than provisions | | 7,040,002 | 17,040,002 |
| Liabilities other than provisions | | 38,040,002 | 55,040,002 |
| Equity and liabilities | | 233,048,406 | 235,837,969 |
| Employees | 6 | | |
| Contingent liabilities | 7 | | |
| Assets charged and collateral | 8 | | |
| Related parties with controlling interest | 9 | | |
| Transactions with related parties | 10 | | |

Parent statement of changes in equity for 2022

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|-------------------------------|-----------------------------|--------------------|
| Equity beginning of year | 10,750,000 | 170,047,967 | 180,797,967 |
| Profit/loss for the year | 0 | 14,210,437 | 14,210,437 |
| Equity end of year | 10,750,000 | 184,258,404 | 195,008,404 |

Notes to parent financial statements

1 Tax on profit/loss for the year

| | 2022 DKK | 2021 DKK |
|--------------------------------------|------------------|------------------|
| Change in deferred tax | 959,000 | (541,000) |
| Refund in joint taxation arrangement | (1,463,056) | 0 |
| | (504,056) | (541,000) |

2 Proposed distribution of profit and loss

| | 2022 DKK | 2021 DKK |
|-------------------|-------------------|--------------------|
| Retained earnings | 14,210,437 | (1,915,826) |
| | 14,210,437 | (1,915,826) |

3 Financial assets

| | Investments in group enterprises DKK |
|------------------------------------|---|
| Cost beginning of year | 229,750,589 |
| Cost end of year | 229,750,589 |
| Carrying amount end of year | 229,750,589 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

The valuation of investments in group enterprises has been supported by a DCF-model prepared by management. The following central assumption has been used to the valuation:

- Departures will take place through out 2023
- WACC 12,36%, including a company specific premium of 5 %
- Growth rate 1%

Uncertainty is attached to the statement of the fair value, and even minor changes to the key assumptions will lead to significant changes to the stated fair value – positive as well as negative.

To mitigate this uncertainty Management has prepared a sensitivity analysis that shows sufficient headroom before impairment of the goodwill investment.

4 Deferred tax

| | 2022 DKK | 2021 DKK |
|----------------------------|---------------|------------------|
| Provisions | 0 | 6,000 |
| Tax losses carried forward | 78,000 | 1,031,000 |
| Deferred tax | 78,000 | 1,037,000 |

| Changes during the year | 2022 DKK | 2021 DKK |
|------------------------------------|---------------------|---------------------|
| Beginning of year | 1,037,000 | 496,000 |
| Recognised in the income statement | (959,000) | 541,000 |
| End of year | 78,000 | 1,037,000 |

Deferred tax assets

Deferred tax is recognised at DKK 78k is expected to be utilized within 12 months from the balance sheet date.

5 Non-current liabilities other than provisions

| | Due within 12 months 2022 DKK | Due within 12 months 2021 DKK | Due after more than 12 months 2022 DKK |
|------------|--|--|--|
| Bank loans | 7,000,000 | 17,000,000 | 31,000,000 |
| | 7,000,000 | 17,000,000 | 31,000,000 |

6 Employees

The Entity has no employees other than the Executive Board.

7 Contingent liabilities

The Entity serves as the 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.

8 Assets charged and collateral

The Company has provided its ownership interest in Tourcompass A/S as security for all debts to Jyske Bank. The bank debt at 31.12.2022 amounts to DKK 38,000k. The carrying amount of the investment provided as security is DKK 229,751k at 31.12.2022.

Vækstfonden has entered as a loss guarantor in the process of obtaining the re-financing in the summer of 2020. The guarantee is in accordance with the Covid-19 state guarantee policy maximised to 80% of a loan originating at DKK 42,000k. As of 31.12.2022 the loan is minimized to DKK 28,000k.

The Company has provided a guarantee for its subsidiaries' total debt to Jyske Bank. The bank debt amounts to DKK 0k at 31.12.2022.

The Company has provided payment guarantees totalling DKK 24,315k to ATOL for Tourcompass Ltd's debt to ATOL.

9 Related parties with controlling interest

Related parties with controlling interest in the Company include:

- Maj Invest Equity 5 K/S, Gammeltorv 18, Copenhagen, holding the majority of voting rights.

10 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

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.

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.

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.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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 wages and salaries, and 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.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

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 Tourcomass Holding ApS. 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).

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:

| | Useful life |
|--|--------------------|
| 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.

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.

Tax payable or receivable

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of reestablishing leased premises at the end of the lease term.

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.

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.