

**Nordic Leisure Travel Group Holding
Denmark A/S**

CVR no. 40 50 65 43

Annual report 2019/20

Financial year 1 May 2019 to 30 September 2020

1st financial year

Approved by the annual general meeting of the Company on March 16th 2021

Chairman of the meeting

Per Knudsen

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Company information

Company

Nordic Leisure Travel Group Holding Denmark A/S

CVR no.: 40 50 65 43

Municipality of registered office: Tårnby

Telephone +45 32 47 72 00

Telefax +45 32 45 12 20

Board of Directors

Lars Magnus Wikner, Chairman

Per Knudsen

Carsten Vester

Executive Board

Per Knudsen, CEO

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

DK-2900 Hellerup

CVR no. 33 77 12 31

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of Nordic Leisure Travel Group Holding A/S for the financial year 1 May 2019 to 30 September 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2020 and of the results of the Company's operation for the period 1 May 2019 to 30 September 2020.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Tårnby, 16 March 2021

Executive Board

Per Knudsen
CEO

Board of Directors

Lars Magnus Wikner
Chairman

Per Knudsen

Carsten Vester

Independent Auditor's Report

To the Shareholder of Nordic Leisure Travel Group Holding Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Nordic Leisure Travel Group Holding Denmark A/S at 30 September 2020, and of the results of the Company's operations for the financial year 1 May 2019 – 30 September 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordic Leisure Travel Group Holding Denmark A/S for the financial year 1 May 2019 – 30 September 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Hellerup, 16 March 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Stine Tage Gedbjerg

State Authorised Public Accountant

mne42823

Income statement 2019/20

	Note	2019/20
		DKK '000
Other external expenses		<u>-56</u>
Gross profit		-56
Income from investments in subsidiaries	4	-170.314
Financial expenses		<u>-529</u>
Profit before tax		-170.898
Tax on profit for the year	5	<u>0</u>
Net profit for the year		<u>-170.898</u>

Balance Sheet

Assets	Note	30-09-2020
		DKK '000
Investments in subsidiaries	5	<u>24.389</u>
Financiell fixed asset		<u>24.389</u>
Total fixed assets		<u>24.389</u>
Tax receivable		2.450
Receivables from affiliated companies	6	<u>398</u>
Receivables		<u>2.848</u>
Total non-fixed assets		<u>2.848</u>
Total assets		<u><u>27.237</u></u>

Balance Sheet

Equity and Liabilities	Note
	30-09-2020
	DKK '000
Share capital	400
Retained earnings	-182.886
Total equity	-182.486
Payables to affiliated companies	207.223
Tax payable	2.450
Other payables	50
Short-term debt	209.723
Liabilities other than provisions	209.723
Total equity and liabilities	27.237
Capital resources	1
Principal activity	2
Subsequent events	3
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Statement of changes in equity

All amounts in DKK '000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 May 2019	400	0	0	400
Equity at 30 October 2019	400	0	0	400
Impairment of internal acquisition with book value method	0	-11.988	0	-11.988
Profit and loss	0	-170.898	0	-170.898
Equity at 30 September 2020	400	-182.886	0	-182.486

In February 2021, the Company has been recapitalised with a capital increase of DKK 200 million from the owner NLTG Holdings AB, Sweden.

Note 1 – Capital Resources

Nordic Leisure Travel Group Holding Denmark A/S equity per 30 September 2020 is negative by DKK 182 million due to this year's negative result because of the Covid-19 pandemic. The Company is therefore covered by the Danish Companies Act's rules on capital losses. It is Management's assessment that equity will be restored in the future by capital contributions, earnings or a combination thereof. In February 2021, the Company has been recapitalised with a capital increase of DKK 200 million from the owner NLTG Holdings AB, Sweden.

Due to the Company's capital and liquidity conditions, the Company is dependent on continued liquidity from group companies, including NLTG HoldCo AB. The Company has received a letter of support from Nordic Leisure Travel Group Holdings AB, stating that Nordic Leisure Travel Group Holdings AB will support Nordic Leisure Travel Group Holding Denmark A/S to the extent necessary for the financial year 2020/21 and until 31 December 2021.

In connection with the new consortium's acquisition and the establishment of Nordic Leisure Travel Group, the new owners have, during the financial year have contributed SEK 1,500 million in new equity to the Group and in connection with this established credit facilities at DNB, state aid credits related to COVID-19, and loans at Vækstfonden in Denmark and Innovation in Norway. These total SEK 1.2 billion. After the balance sheet date, an additional state aid credit of SEK 785 billion has been established with Exportkreditnämnden in Sweden.

Through the mentioned refinancing packages, public support packages, furlough schemes and the implemented cost savings, the Group has established a liquidity contingency that can withstand a scenario without the sale of travel in the coming financial year 2020/21.

It is the assessment of the Executive Board and the Board of Directors that the Group and the Company, because of the above, has sufficient capital resources to continue operations. Management therefore submits the Annual Report on the assumption of going concern.

Note 2 – Principal activity

The Company's principal activity is ownership and administration of Danish subsidiaries in Nordic Leisure Travel Group.

Note 3 – Subsequent events

Please see note 1.

	2019/20
	DKK '000
<u>Note 4 - Income from investments in subsidiaries</u>	
Sunclass Airlines ApS	-179.075
NLTG Denmark A/S	8.761
	<u>-170.314</u>
<u>Note 5 - Investments in subsidiaries</u>	
Aquisition price at 1 May 2019	0
Additions during the financial year	206.691
Aquisition price at 30 September 2020	<u>206.691</u>
Value adjustment at 1 May 2019	0
Profit/loss for the financial year.....	-170.314
Adjustment in accordance with the book-value-method regarding a group internal acquisition	<u>-11.988</u>
Value adjustment at 30 September 2020	<u>-182.302</u>
Carrying amount at 30 September 2020	<u>24.389</u>

Company	Equity	Profit for the year
Sunclass Airlines ApS	-348.918	-476.480
Nordic Leisure Travel Group Denmark A/S	24.389	8.761

	30-09-2020
	DKK '000
<u>Note 6 - Receivables from affiliated companies</u>	
Cash, affiliated companies	398
	<u>398</u>

The Company is included in a cash pool agreement with other Nordic group companies through the Group's primary banker in Denmark, Norway and Sweden.

Note 7 - Contingent liabilities, securities etc

The Company is included in a joint taxation with other Danish group companies.

Thereby, the Company is jointly and severally liable for income tax with the other Danish Group Companies.

The company has issued a pledge over the shares in subsidiaries for the benefit of loans and credit facilities obtained by NLTG group companies with DNB, Vækstfonden and Export Kredit Nämnden.

Note 8 - Related parties**Parties exercising control**

Nordic Leisure Travel Group Holdings AB
Rålambsvägen 17
SE-112 59 Stockholm
Org.nr.: 559222-2797

Controlling shareholder

NLTG HoldCo AB
Box 16116
SE-103 23 Stockholm
Org.nr.: 559222-2789

Ultimate controlling shareholder

Related party transactions

The Company's intercompany transactions and normal management remuneration has during the year

Consolidated financial statements

The Company's immediate parent company Nordic Leisure Travel Group Holdings AB does not prepare consolidated financial statements. Nordic Leisure Travel Group Holding Denmark A/S is included in the consolidated financial statements of the ultimate parent company NLTG HoldCo AB, Sweden.

The consolidated financial statements for NLTG HoldCo AB can be obtained at:

NLTG HoldCo AB
Rålambsvägen 17
112 59 Stockholm
Sweden

Note 9 - Accounting policies

The Annual Report is presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with a selection of certain rules from reporting class C. The Annual Report comprises the first financial year of the Company. The Annual Report is presented in Danish kroner (DKK) 1,000.

Cash flow statement

In accordance with section 86 (4) of the Danish Financial Statement Act no cash flow statement has been prepared, whereas this is included in a cash flow statement for NLTG Holdco AB, Sweden.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of NLTG Holdco AB, Sweden, the Company has not prepared consolidated financial statements.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original

Accounting policies

cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Foreign currency translation

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement**Other external expenses**

Other external expenses comprise expenses for office and administration expenses, etc.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the profit for the full year.

Accounting policies

Financials

Interest income and expenses comprise interest on loans and realised and unrealised foreign exchange adjustments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Nordic Leisure Travel Group Holding Denmark A/S acts as the management Company in the Tax Group. Provision for and payment of the aggregate Danish tax of the taxable income of the Danish subsidiaries are made by Nordic Leisure Travel Group Holding Denmark A/S.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Accounting policies

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value, less write-downs to meet expected losses. Short-term net deposits with group enterprises are recognised in receivables.

Equity

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognized in the income statement in financial income and expenses.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, usually corresponding to nominal value.