Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
Postbox 1600
0900 Copenhagen C

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

Tumlare Corporation A/S

Vesterbrogade 6D
1620 Copenhagen V
Central Business Registration
No 46357019

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: Eijiro Yamakita

Contents

Entity details

Entity
Tumlare Corporation A/S
Vesterbrogade 6D
1620 Copenhagen V

Central Business Registration No (CVR): 46357019
Registered in: Copenhagen
Financial year: 01.01.2018 - 31.12.2018

Board of Directors
Lukas Kreienbühl
Claudio Torti
Niranjan Aleti

Executive Board
Claudio Torti
John Block Gartmann

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postbox 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Tumlare Corporation A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the group financial statement and the parent financial statements give a true and fair view of the groups and entity’s financial positions at 31.12.2018 and of the results of the group and the entity’s operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

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, 31.05.2019

Executive Board

Claudio Torti	John Block Gartmann

Board of Directors

Lukas Kreienbühl	Claudio Torti	Niranjan Aleti

Independent auditor's report

To the shareholders of Tumlare Corporation A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Tumlare Corporation A/S for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 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.

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 exits. Misstatements

Independent auditor's report

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.

Independent auditor's report

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.

Violation of other legislation
The company have in 2018 unknowingly violated the cash transactions ban as stipulated in §5 of the Danish Anti Money Laundering Act, as cash amounts above the limit have been received. Management may be held responsible.

Copenhagen, 31.05.2019

Deloitte
Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Thomas Frommelt Hertz
State Authorised Public Accountant
Identification No (MNE) mne31543

Management commentary

	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000
Financial highlights					
Key figures					
Revenue	2.045.747	2.039.932	1.727.541	1.535.718	1.463.733
Gross profit/loss	216.208	236.385	231.099	228.560	211.492
Operating profit/loss	(15.728)	2.107	16.178	18.173	2.424
Net financials	(14.138)	(5.572)	9.394	(945)	(5.645)
Profit/loss for the year	(46.326)	(2.916)	16.774	11.733	(2.896)
Profit/loss excl minority interests	(46.343)	(2.943)	16.768	11.731	-
Total assets	381.539	285.519	336.477	246.910	244.048
Investments in property, plant and equipment	4.990	4.375	2.347	4.852	2.751
Equity	7.220	51.395	55.763	41.448	25.320
Equity excl minority interests	7.124	51.321	55.714	41.407	25.281
Ratios					
Gross margin (%)	10,6	11,6	13,4	14,9	14,4
Net margin (%)	(2,3)	(0,1)	1,0	0,8	(0,2)
Return on equity (%)	(158,6)	(5,5)	34,5	35,2	(9,0)
Equity ratio (%)	1,9	18,0	16,6	16,8	10,4
Gross Profit Margin	15,6	15,2	17,5	19,5	19,2

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Calculation formula reflects**
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 (%)	$\frac{\text{Profit/loss excl minority interests x 100}}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.
Gross Profit Margin	$\frac{\text{(Revenue - Cost of sales) x 100}}{\text{Revenue}}$	The Entity's profit in main activity.

Management commentary

Primary activities
The main business field of the Company and the Group is to carry on travel and tourist agency activities and any other related business activity, including trade, import and export.

Development in activities and finances
The Group has realized a loss after taxes of 46,3 million DKK in 2018, compared with a loss of 2,9 million DKK in 2017. The Group's top line continued to increase, with consolidated revenue up by 0,3% and consolidated gross margin for tours up by 3%. However, the consolidated gross profit declined by 4,1%.

From a financial perspective, the increased loss compared to prior year can be attributed to a number of one-off adjustments:

Following a tax audit by the Finnish tax office in 2018 and in light of legislation change in the application of TOMS in the travel industry, Tumlare Finland was asked to refund the VAT amounts previously claimed back for the period 2016-17. The Group also decided to adopt a provision to cover any exposure resulting from a similar operating model in Tumlare Hungary. Both amounts led to an increase of the costs of sales for the Group, respectively by 15,1 million DKK and 4,5 million DKK.

Furthermore, Tumlare have partially adopted the Kuoni Tumlare Groups new accounting policy regarding bad debt provisions. For 2018 this change resulted in an additional cost of sales of 10,2 million DKK.

The net income was further reduced by the Group's decision to fully release the existing deferred tax asset held by the entity, in the context of the current results, combined with a financial outlook in a context of business transformation. The net impact was of 11,8 million DKK.

From an operational perspective the development compared to previous year should be linked to the reasons described below.

Inbound
The overall revenue result of 2018 was behind forecast, and also traded behind vs 2017. Unlike 2017 the main negative driver was the Japanese market, which reduced its business volume especially to Russia due the FIFA World Cup taking place, while package tours were not sold as expected. A similar market trend was registered in Brazil.

On the other hand, the Group witnessed an excellent revenue increase in Taiwan, US and Europe, where all markets increased business volume to East Europe and Croatia; the US added strong business volume with Educational tours and Maestro by Tumlare brand. It is also worth mentioning that in the Indian market, despite the intentional discontinuation of business with one key customer, the market fully managed to absorb the sales gap and even increase its overall net sales vs 2017 by adding new customers and increase on MICE movements.

Management commentary

Outbound

Outbound activities continued to show a positive trend and contributed with a positive result to the overall Group result. All countries saw an increase in Gross Profit, except Sweden where the dependencies on Japan Rail Pass and the reduction in commission for this product, led to a decrease.

The segments that showed biggest improvements in 2018 were again Japan-bound leisure business, however, the Business Travel Management-segment shows some improvements as well.

Profit/loss for the year in relation to expected developments

The overall gross profit fell slightly short from target by 1% and by 5,5% vs 2017. The main market driver was Japan where, despite the decrease in sales volume, the margin improved substantially vs budget due to revenue control focus, combined with higher rates vs 2017 in the sales for all destinations across Scandinavia. Likewise, it is important to note the excellent gross profit margin improvement vs budget by South East Asia, Taiwan, Korea and Europe.

The decision to remove one large account from India proved to be very positive, whereby the gross profit margin improved remarkably vs 2017 and almost hit the target.

Taiwan, South East Asia, US, Europe and FIT all improved their gross profit well over the 10% vs the given target, which showcased a strong combined team effort between sales and destination management, alongside a stricter revenue control with the addition of 2 revenue FTE's for Asia and US.

Outlook for 2019

The Groups' management expects a further increase to the operational result in 2019, while minimizing the financial loss.

From an Inbound market perspective, we are witnessing fierce added competition, especially in Taiwan, China and South East Asia, which may put additional pressure on our gross profit margin, especially in the Q2 and Q3. A number of external factors can also have a disruptive impact towards our goals, and we expect that the Indian election and Brexit will not hinder our continued positive growth.

Outbound activities, hereunder especially the Japan bound business, will continue to be a focus area, and shall be developed further in all Outbound-entities.

Particular risks

The operation of the Group is considerably influenced by the development in the international market and events affecting the travel industry in general.

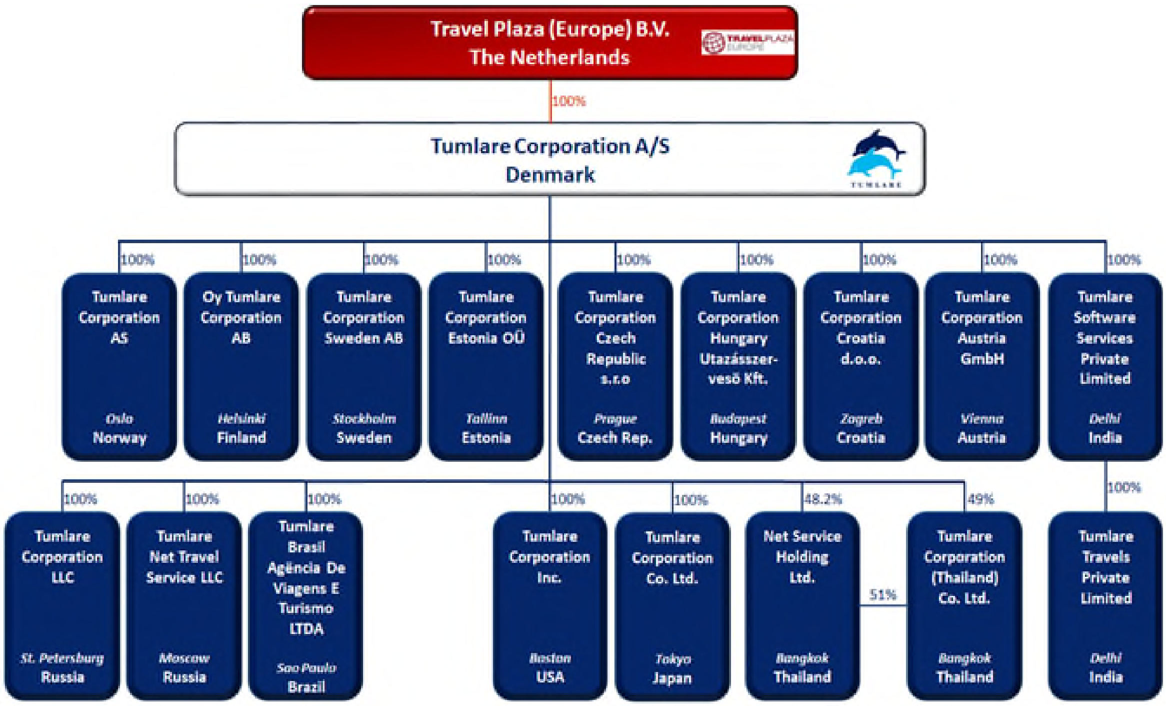
Financial risks

The Group's activities are international, and as a consequence the cash flow and equity are affected by the development in exchange and interest rates for a number of currencies. It is the policy of the company, when it appears relevant, to meet commercial currency risks primarily via forward exchange transactions.

The Group has reported net financial loss of 13 million DKK which is a result of the big fluctuation of currencies in 2018.

Management commentary

Group Relations



Statutory report on corporate social responsibility

This section covers Tumlare Corporation A/S's non-financial statutory disclosure of corporate social responsibility (CSR) according to the Danish Financial Statements Act § 99a and § 99b. Tumlare Corporation A/S is a part of the JTB Group.

Our mission and values

At Tumlare, we create truly inspiring travel experiences that go beyond expectations. Proudly part of the JTB Corporation, we curate and deliver group travel (including small groups), as well as customized FIT travel. Our team members are located across 34 countries throughout Europe, Asia Pacific and the Americas. Tumlare's business model focuses primarily on Inbound travel from Asian markets, namely Japan, but also China, Hong-Kong, Malaysia and India. Alongside it, we also cater a smaller Outbound unit which focuses on bringing European customers to Japan.

As one of Europe´s leading destinations management companies our mission is to provide exceptional service quality and outstanding travel experiences based on delivery across diverse cultures with our local leadership. By listening to our clients and valuing their feedback, we seek to ensure a continuous improvement of our service.

Management commentary

Our approach to CSR

At Tumlare, we perceive CSR as part of our core values. We believe that working with CSR is not only the right thing to do, but also a benefit for our activities. In 2015, we have initiated the implementation of JTB Group's global anti-discrimination and anti-harassment policy.

Our intention to undertake a CSR strategy process and develop a CSR strategy have been postponed to 2020, due to merge with the Kuoni group in March 2018 and the subsequent organizational changes and restructuring. However, we have outlined our CSR approach in the JTB Group Code of Conduct and the JTB Way, which is a statement of our corporate values. The Code of Conduct includes issues such as employees, business ethics, environment and social contributions.

Employees

We perceive that the primary risk regarding employees is if employees are not motivated or engaged. If the risk materializes, this may impact our ability to attract and retain employees. At Tumlare, our strategic objective is "to attract, develop and retain staff of the highest quality." Given the ongoing transformation within the company it is particularly important to ensure that the various teams remain committed and motivated.

For that purpose, in 2018, we have implemented a uniform approach to performance management, using Workday, which allows us to set clear goals for the employees, but also monitor & support their development from a leadership skills point of view. We have put in place Above & Beyond Excellence Awards for our staff to recognize their individual contribution to the company and we have set in motion a Merit salary increase program to identify and harmonize the salaries of all employees across different gradings and in line with market.

Part of that commitment to employee development also includes the facilitation of a series of training sessions, which cover not only legal requirements like GDPR, or fraud risks. Internally, Tumlare now offers sets of leadership skills courses in line with the JTB course offering either locally, in Zurich or in Japan, and at basic, intermediate or managerial level. The next Global offering will take place in June under the header of #fivedaysoflearning.

We haven't conducted any employee engagement survey in 2018. Since the restructuring of the organization was not finalized fully, the plan is to launch one as soon as we put in place our outlined strategy, as we are interested in their feedback. Despite this we believe that the Global Initiatives that we kicked off already have resulted in a team that remains passionate and committed about the company, across all offices in 2018.

Management commentary

Human Rights

We believe that the primary risk regarding human rights is if employees feel discriminated. This may impact our ability to attract and retain employees as well as impact our reputation. We do not have a stand-alone policy for human rights. However, we strongly believe in the protection of the well-being of individuals by ensuring that across our extensive network of employees and suppliers in different areas of the globe are not subject to harassment, or discrimination. We also aim to maintain the data of our staff and external parties safe.

This is in order to avoid any potential breaches and legal consequences if that data was made available, but also to ensure that are identified as a trusted partner by the different travel associations and key suppliers.

Material issues are covered as part of the JTB Group Code of Conduct and include the following key areas:

- Protection of children from sexual exploration in the travel and tourist industry
- Data protection of employee and customer information
- Respect of intellectual property

In 2015, we have initiated the implementation of JTB Group's global anti-discrimination and anti-harassment policy as a supplement to our code of conduct. The policy formulates Tumlare's stand on how to prevent and actively work against any form for discrimination and harassment. We encourage all employees to report cases of unlawful discrimination, harassment or victimization to their direct managers or to our Human Resources Department. On a yearly basis all employees, alongside all new joiners need to follow online courses on both GDPR and the Code of Conduct. In 2018, no such incidents have been reported.

Anti-corruption and business ethics

The primary risk in relation to this area is that the tourism industry is often identified with money laundering activities in specific parts of the world, which may have severe consequences in terms of the license to operate, but also in terms of who we can work with in each country.

As a part of the JTB Group Code of Conduct, we have outlined ethical and behavioral guidelines. This includes guidelines for anti-corruption, fair transactions and zero tolerance against bribery of any kind. We have also established a whistle blower system, which we encourage our employees and third party collaborators to use.

Through the system they can report any misconducts experienced in our business, such as; fraudulent advertising, corruption and bribery, discrimination, harassment, or improper disclosure of confidential information. In 2018, no misconduct was reported to Tumlare.

All employees in Tumlare must sign and comply with our Code of Conduct. During the year, we have conducted ongoing mandatory training to ensure that all employees are aware of and understand the content of

Management commentary

the Code of Conduct. We ensure continued compliance with the Code of Conduct by conducting internal audits in all offices. In 2018, we have conducted 4 internal audits and we implemented ICS (Internal Control Framework), which is a JTB wide framework of internal controls covering all key SOD and financial processes (AP, AR, GL, and payroll related) within the Tumlare organization.

Environment

The primary risk regarding environment is if our activities cause an unnecessary and excessive impact on the environment. This could both impact the local environment as well as our reputation. Tumlare emphasizes the importance of good corporate citizenship, contributing to sustainable development of society and to the preservation of the environment and natural resources. We have introduced the Brighter Earth Project, in cooperation with JTB Group, aiming to implement activities that make the earth a "brighter" place, and combine environmental conservation activities with team building activities related to employee engagement.

We successfully continued to conduct technical visits to schools and suppliers which are recognized in promoting sustainable development, while we promote sustainable practices at our offices and in the way we travel to decrease our carbon footprint.

One of the most recent initiatives is the Global Walking Challenge which at the same time strives to foster a work environment where our people can enjoy a healthy and balanced lifestyle, but also enforces our collaboration with our global community.

All combined we believe to have grown the awareness of our teams to environmental issues in 2018.

Social contribution

While we don't believe that this section represents added risks to our operations, we encourage our local offices to contribute to their local communities and in 2018, a number of local community projects have again been organized.

As part of our core business offering, we organize technical visits to showcase local expertise and specialties, contributing to knowledge sharing and intercultural exchange. The technical visits aim to improve knowledge between countries, improve mutual understanding, and further enable grounds for international collaboration.

Given the complexity of our operation on the ground and the recent merge with Kuoni, we have also setup regular exchanges of information and training sessions between the local offices and the operational and financial hubs (Tallinn, Budapest, Saint Petersburg), to ensure that we standardize our ways of operating, but also to drive multicultural awareness.
We are confident that this has increased our standing internally, with the aim of extending our focus further outwards in 2019.

Management commentary

Statutory report on the underrepresented gender

At Tumlare, we strive towards an unprejudiced, open-minded culture, where all employees are treated fair and equal without consideration to race, ancestry, place of origin, ethnic origin, language, citizenship, creed, religion, gender, sexual orientation, marital status, physical/and or mental handicap or financial ability. This commitment is described in the JTB Group Code of Conduct and the Tumlare Employee Handbook.

In 2018, we strengthened our focus on providing re-employment possibilities for retired employees.

In 2018, no members of our Executive Board were female as Tumlare is currently in the process of aligning the structures of the Kuoni and Tumlare entities and new Board appointments need to take place after that. It remains our goal to increase this distribution to at least one third female representation in the Board by 2020, once our organizational changes are finalized.

The Group has a strong focus on empowering women in management positions and in 2018 we hold a ratio of 65% female employees placed in headquarter managerial functions in Denmark (9 female vs 5 male employees). The same can be applied to the individual local teams, across the various offices of Tumlare.

Tumlare also actively promotes work/life balance, which is described in our Employee Handbook. We provide good opportunities for maternity leave, with a minimum of six months up to three years, depending on the national law of the various offices. When managers are on maternity leave, we offer the position to second line managers, until the return of the main manager.

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 2018

	Notes	2018 DKK'000	2017 DKK'000
Revenue	1	2.045.747	2.039.932
Cost of sales		(1.726.990)	(1.730.399)
Other external expenses	2	(102.549)	(73.148)
Gross profit/loss		**216.208**	**236.385**
Staff costs	3	(227.485)	(216.857)
Depreciation, amortisation and impairment losses	4	(4.451)	(3.783)
Other operating expenses		0	(13.638)
Operating profit/loss		**(15.728)**	**2.107**
Other financial income	5	16.588	45.386
Other financial expenses	6	(30.726)	(50.958)
Profit/loss before tax		**(29.866)**	**(3.465)**
Tax on profit/loss for the year	7	(16.460)	549
Profit/loss for the year	8	**(46.326)**	**(2.916)**

Consolidated balance sheet at 31.12.2018

	Notes	2018 DKK'000	2017 DKK'000
Acquired licences		5	5
Goodwill		0	0
Intangible assets	9	**5**	**5**
Other fixtures and fittings, tools and equipment		7.142	6.687
Leasehold improvements		1.328	1.757
Property, plant and equipment	10	**8.470**	**8.444**
Investments in associates		0	0
Deposits		8.580	7.760
Deferred tax		1.233	12.267
Fixed asset investments	11	**9.813**	**20.027**
Fixed assets		**18.288**	**28.476**
Manufactured goods and goods for resale		5.088	5.731
Inventories		**5.088**	**5.731**
Trade receivables		112.025	98.750
Receivables from group enterprises		35.195	21.560
Receivables from associates		0	171
Other receivables		18.559	17.902
Income tax receivable		0	720
Prepayments	13	39.670	37.803
Receivables		**205.449**	**176.906**
Other investments		70	83
Other investments		**70**	**83**
Cash		**152.644**	**74.323**
Current assets		**363.251**	**257.043**
Assets		**381.539**	**285.519**

Consolidated balance sheet at 31.12.2018

	Notes	2018 DKK'000	2017 DKK'000
Contributed capital		10.001	10.001
Retained earnings		(2.877)	41.320
Equity attributable to the Parent's owners		**7.124**	**51.321**
Share of equity attributable to minority interests		**96**	**74**
Equity		**7.220**	**51.395**
Deferred tax		73	349
Provisions		**73**	**349**
Trade payables		86.535	108.041
Payables to group enterprises		144.968	42.585
Income tax payable		4.916	2.566
Other payables		70.053	39.868
Deferred income	14	67.774	40.715
Current liabilities other than provisions		**374.246**	**233.775**
Liabilities other than provisions		**374.246**	**233.775**
Equity and liabilities		**381.539**	**285.519**
Associates	12		
Unrecognised rental and lease commitments	16		
Assets charged and collateral	17		
Group relations	18		
Subsidiaries	19		

Consolidated statement of changes in equity for 2018

	Contributed capital DKK'000	Retained earnings DKK'000	Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year	10.001	41.320	74	51.395
Exchange rate adjustments	0	2.146	5	2.151
Profit/loss for the year	0	(46.343)	17	(46.326)
Equity end of year	**10.001**	**(2.877)**	**96**	**7.220**

Consolidated cash flow statement for 2018

	Notes	2018 DKK'000	2017 DKK'000
Operating profit/loss		(15.728)	2.110
Amortisation, depreciation and impairment losses		5.049	3.781
Working capital changes	15	109.486	(55.316)
Cash flow from ordinary operating activities		**98.807**	**(49.425)**
Financial income received		16.588	374
Financial expenses paid		(30.726)	(3.277)
Income taxes refunded/(paid)		(1.949)	(4.588)
Cash flows from operating activities		**82.720**	**(56.916)**
Acquisition etc of property, plant and equipment		(6.061)	(4.375)
Sale of property, plant and equipment		854	459
Acquisition of fixed asset investments		(1.078)	(849)
Sale of fixed asset investments		443	779
Other cash flows from investing activities		0	42
Cash flows from investing activities		**(5.842)**	**(3.944)**
Increase/decrease in cash and cash equivalents		**76.878**	**(60.860)**
Cash and cash equivalents beginning of year		74.323	138.668
Currency translation adjustments of cash and cash equivalents		1.443	(3.485)
Cash and cash equivalents end of year		**152.644**	**74.323**

Notes to consolidated financial statements

	2018 DKK'000	2017 DKK'000
1. Revenue		
Inbound activities	1.898.469	1.846.073
Outbound activities	144.428	187.508
Other activities	2.850	6.351
	2.045.747	**2.039.932**

	2018 DKK'000	2017 DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	2.740	2.581
Other assurance engagements	129	175
Tax services	195	229
Other services	258	324
	3.322	**3.309**

	2018 DKK'000	2017 DKK'000
3. Staff costs		
Wages and salaries	175.693	168.394
Pension costs	9.673	6.238
Other social security costs	32.348	30.976
Other staff costs	9.771	11.249
	227.485	**216.857**
Average number of employees	**951**	**919**

	Remuneration of management 2018 DKK'000	Remuneration of management 2017 DKK'000
Executive Board	3.091	3.471
	3.091	**3.471**

	2018 DKK'000	2017 DKK'000
4. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	4.460	3.781
Profit/loss from sale of intangible assets and property, plant and equipment	(9)	2
	4.451	**3.783**

Notes to consolidated financial statements

	2018 DKK'000	2017 DKK'000
5. Other financial income		
Other interest income	196	374
Exchange rate adjustments	16.392	45.007
Fair value adjustments	0	5
	16.588	**45.386**

	2018 DKK'000	2017 DKK'000
6. Other financial expenses		
Other interest expenses	1.320	1.171
Exchange rate adjustments	29.406	49.769
Fair value adjustments	0	18
	30.726	**50.958**

	2018 DKK'000	2017 DKK'000
7. Tax on profit/loss for the year		
Current tax	4.035	4.866
Change in deferred tax	11.441	(6.042)
Adjustment concerning previous years	984	627
	16.460	**(549)**

	2018 DKK'000	2017 DKK'000
8. Proposed distribution of profit/loss		
Retained earnings	(46.343)	(2.943)
Minority interests' share of profit/loss	17	27
	(46.326)	**(2.916)**

	Acquired licences DKK'000	Goodwill DKK'000
9. Intangible assets		
Cost beginning of year	5	19.436
Cost end of year	**5**	**19.436**
Amortisation and impairment losses beginning of year	0	(19.436)
Amortisation and impairment losses end of year	**0**	**(19.436)**
Carrying amount end of year	**5**	**0**

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
10. Property, plant and equipment		
Cost beginning of year	26.317	5.015
Exchange rate adjustments	(456)	102
Additions	4.746	244
Disposals	(3.459)	(317)
Cost end of year	**27.148**	**5.044**
Depreciation and impairment losses beginning of year	(19.630)	(3.258)
Exchange rate adjustments	310	(61)
Depreciation for the year	(3.746)	(714)
Reversal regarding disposals	3.060	317
Depreciation and impairment losses end of year	**(20.006)**	**(3.716)**
Carrying amount end of year	**7.142**	**1.328**

	Investments in associates DKK'000	Deposits DKK'000	Deferred tax DKK'000
11. Fixed asset investments			
Cost beginning of year	7	7.760	12.267
Exchange rate adjustments	0	185	25
Additions	0	1.078	785
Disposals	0	(443)	(11.844)
Cost end of year	**7**	**8.580**	**1.233**
Impairment losses beginning of year	(7)	0	0
Share of profit/loss for the year	(3)	0	0
Fair value adjustments	3	0	0
Impairment losses end of year	**(7)**	**0**	**0**
Carrying amount end of year	**0**	**8.580**	**1.233**

	Registered in	Equity interest %
12. Associates		
Net Service Holding Ltd.	Thailand	48,2

Notes to consolidated financial statements

13. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

14. Short-term deferred income

Deferred income comprises of received income for recognition in subsequent financial years. In the travel industry, it is common to have such large prepayments received from costumers.

	2018 DKK'000	2017 DKK'000
15. Change in working capital		
Increase/decrease in inventories	643	(5.500)
Increase/decrease in receivables	(29.278)	(3.297)
Increase/decrease in trade payables etc	138.121	(46.519)
	109.486	**(55.316)**

	2018 DKK'000	2017 DKK'000
16. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**24.260**	**13.695**

17. Assets charged and collateral

The group has provided payment guarantee's for a total of DKK'000 596 (2017: 6.149)

18. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
JTB Corp., Japan, ultimate owner
Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Travel Plaza Europe B.V., Netherlands

Notes to consolidated financial statements

19. Subsidiaries

	Registered in	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Universal Net Link Ltd.	Thailand	73,6	295	64
Tumlare Corporation Croatia d.o.o	Croatia	100,0	718	175
Tumlare Corporation Austria GmbH	Austria	100,0	4.070	70
Tumlare Corporation Sweden AB	Sweden	100,0	9.057	(661)
Tumlare Corporation Hungary Utazásszervezo Kft	Hungary	100,0	24.803	2.340
Oy Tumlare Corporation AB	Finland	100,0	5.074	1.709
Tumlare Corporation AS	Norway	100,0	2.631	(849)
Tumlare Brasil Agência De Viagens E Turismo LTDA	Brasil	100,0	1.482	166
Tumlare Software Services Private Limited	India	100,0	5.804	3.778
Tumlare Travels Private Limited	India	100,0	2.943	2.260
Tumlare Corporation Inc.	USA	100,0	6.396	2.866
Tumlare Corporation Co. Ltd.	Japan	100,0	18.933	1.709
Tumlare Corporation Czech Republic s.r.o.	Czech Republic	100,0	1.805	(559)
Tumlare Corporation LLC	Russia	100,0	1.254	467
Tumlare Net Travel Service LLC	Russia	100,0	2.702	411
Tumlare Corporation Estonia OÜ	Estonia	100,0	2.079	1.109

Parent income statement for 2018

	Notes	2018 DKK'000	2017 DKK'000
Revenue		1.915.470	1.890.764
Cost of sales		(1.642.479)	(1.626.048)
Other external expenses	1	(217.633)	(175.404)
Gross profit/loss		**55.358**	**89.312**
Staff costs	2	(86.793)	(85.451)
Depreciation, amortisation and impairment losses	3	(2.052)	(1.763)
Other operating expenses		0	(13.116)
Operating profit/loss		**(33.487)**	**(11.018)**
Income from investments in group enterprises		12.603	18.104
Other financial income	4	12.557	24.350
Other financial expenses	5	(25.723)	(39.717)
Profit/loss before tax		**(34.050)**	**(8.281)**
Tax on profit/loss for the year	6	(12.293)	5.338
Profit/loss for the year	7	**(46.343)**	**(2.943)**

Parent balance sheet at 31.12.2018

	Notes	2018 DKK'000	2017 DKK'000
Goodwill		0	0
Intangible assets	8	**0**	**0**
Other fixtures and fittings, tools and equipment		2.300	2.451
Leasehold improvements		625	1.008
Property, plant and equipment	9	**2.925**	**3.459**
Investments in group enterprises		90.131	77.817
Investments in associates		0	0
Deposits		2.007	2.224
Deferred tax		0	11.800
Fixed asset investments	10	**92.138**	**91.841**
Fixed assets		**95.063**	**95.300**
Manufactured goods and goods for resale		4.949	1.489
Inventories		**4.949**	**1.489**
Trade receivables		75.514	70.081
Receivables from group enterprises		50.297	57.305
Receivables from associates		0	158
Other receivables		8.333	11.670
Income tax receivable		439	219
Prepayments	11	24.407	20.937
Receivables		**158.990**	**160.370**
Other investments		63	75
Other investments		**63**	**75**
Cash		**104.621**	**28.522**
Current assets		**268.623**	**190.456**
Assets		**363.686**	**285.756**

Parent balance sheet at 31.12.2018

	Notes	2018 DKK'000	2017 DKK'000
Contributed capital	12	10.001	10.001
Reserve for net revaluation according to the equity method		0	33.488
Retained earnings		(2.877)	7.832
Equity		**7.124**	**51.321**
Trade payables		74.848	92.854
Payables to group enterprises		204.536	81.027
Income tax payable		1.723	1.066
Other payables		26.406	34.520
Deferred income	13	49.049	24.968
Current liabilities other than provisions		**356.562**	**234.435**
Liabilities other than provisions		**356.562**	**234.435**
Equity and liabilities		**363.686**	**285.756**
Unrecognised rental and lease commitments	14		
Assets charged and collateral	15		

Parent statement of changes in equity for 2018

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	10.001	33.488	7.832	51.321
Exchange rate adjustments	0	(327)	2.473	2.146
Transfer for coverage of losses	0	(45.764)	45.764	0
Profit/loss for the year	0	12.603	(58.946)	(46.343)
Equity end of year	**10.001**	**0**	**(2.877)**	**7.124**

Notes to parent financial statements

	2018 DKK'000	2017 DKK'000
1. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	1.464	1.051
Other assurance engagements	78	77
Tax services	66	65
Other services	186	185
	1.794	**1.378**

	2018 DKK'000	2017 DKK'000
2. Staff costs		
Wages and salaries	70.241	69.311
Pension costs	3.687	3.184
Other social security costs	9.399	8.985
Other staff costs	3.466	3.971
	86.793	**85.451**
Average number of employees	**284**	**269**

	Remunera-tion of manage-ment 2018 DKK'000	Remunera-tion of manage-ment 2017 DKK'000
Executive Board	3.092	3.471
	3.092	**3.471**

	2018 DKK'000	2017 DKK'000
3. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	2.004	1.696
Profit/loss from sale of intangible assets and property, plant and equipment	48	67
	2.052	**1.763**

Notes to parent financial statements

4. Other financial income	2018 DKK'000	2017 DKK'000
Financial income arising from group enterprises	303	423
Other interest income	149	298
Exchange rate adjustments	12.105	23.624
Fair value adjustments	0	5
	12.557	**24.350**

5. Other financial expenses	2018 DKK'000	2017 DKK'000
Financial expenses from group enterprises	1.927	475
Other interest expenses	131	1.138
Exchange rate adjustments	23.665	38.086
Fair value adjustments	0	18
	25.723	**39.717**

6. Tax on profit/loss for the year	2018 DKK'000	2017 DKK'000
Current tax	808	1.095
Change in deferred tax	11.800	(6.300)
Adjustment concerning previous years	(315)	(133)
	12.293	**(5.338)**

7. Proposed distribution of profit/loss	2018 DKK'000	2017 DKK'000
Transferred to reserve for net revaluation according to the equity method	12.603	18.104
Retained earnings	(58.946)	(21.047)
	(46.343)	**(2.943)**

Notes to parent financial statements

	Goodwill DKK'000
8. Intangible assets	
Cost beginning of year	19.436
Cost end of year	**19.436**
Amortisation and impairment losses beginning of year	(19.436)
Amortisation and impairment losses end of year	**(19.436)**
Carrying amount end of year	**0**

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000
9. Property, plant and equipment		
Cost beginning of year	8.689	3.516
Exchange rate adjustments	(206)	5
Additions	1.392	194
Disposals	(1.190)	(300)
Cost end of year	**8.685**	**3.415**
Depreciation and impairment losses beginning of year	(6.238)	(2.508)
Exchange rate adjustments	95	(7)
Depreciation for the year	(1.429)	(575)
Reversal regarding disposals	1.187	300
Depreciation and impairment losses end of year	**(6.385)**	**(2.790)**
Carrying amount end of year	**2.300**	**625**

Notes to parent financial statements

10. Fixed asset investments	**Investments in group enterprises DKK'000**	**Investments in associates DKK'000**	**Deposits DKK'000**	**Deferred tax DKK'000**
Cost beginning of year	40.465	7	2.224	11.800
Exchange rate adjustments	0	0	(6)	0
Additions	0	0	229	0
Disposals	0	0	(440)	(11.800)
Cost end of year	**40.465**	**7**	**2.007**	**0**
Revaluations beginning of year	37.352	0	0	0
Exchange rate adjustments	(289)	0	0	0
Share of profit/loss for the year	12.603	0	0	0
Revaluations end of year	**49.666**	**0**	**0**	**0**
Impairment losses beginning of year	0	(7)	0	0
Share of profit/loss for the year	0	(3)	0	0
Fair value adjustments	0	3	0	0
Impairment losses end of year	**0**	**(7)**	**0**	**0**
Carrying amount end of year	**90.131**	**0**	**2.007**	**0**

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

	Registered in	**Corporate form**	**Equity interest %**	**Equity DKK'000**	**Profit/loss DKK'000**
Investments in associates comprise:					
Net Service Holding Ltd.	Thailand	Ltd.	48,2	(25)	(6)

11. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

Notes to parent financial statements

	Number	Par value DKK'000	Nominal value DKK'000
12. Contributed capital			
Ordinary shares	10.001	1	10.001
	10.001		**10.001**

13. Deferred income

Deferred income comprises of received income for recognition in subsequent financial years. In the travel industry, it is common to have such large prepayments received from costumers.

	2018 DKK'000	2017 DKK'000
14. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**2.588**	**9.363**

15. Assets charged and collateral

The company has provided payment guarantees of DKK’000 395 (2017: 4.086)

The company has issued a financial support statement, for grants of financial ressources for the subsidiary Oy Tumlare Corporation AB to meet its obligations. The financial support statement is irredeemable until the 31.12.2019.

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

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. Minority interests’ proportionate share of profit or loss is presented as a separate item in Management’s proposal for distribution of profit or loss, and their share of subsidiaries’ net assets is presented as a separate item in group equity.

Accounting policies

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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Income statement
Revenue
Revenue from the sale of tours is recognised in the income statement as the individual tour is held, on basis of percentage of completion. Additional revenue is recognized on time of invoicing. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. Realized and unrealized exchange gain on receivables, liabilities and transactions on foreign exchange is also recognized in the revenue.

Cost of sales
Cost of sales comprises tour cost directly related to costs which have been paid to obtain revenue. Tour costs are recognized as the individual tour is held, on basis of percentage of completion.

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. This item also includes writedowns of receivables recognised in current assets.

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

Accounting policies

assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities 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.

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. The amortisation period is usually five years, however, in certain cases it may be up to 20 years, for strategically acquired enterprises with strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Accounting policies

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

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but no more than 20 years.

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

Property, plant and equipment
Property, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	1-5 years
Leasehold improvements	3-10 years

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

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these en-terprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

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

Accounting policies

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

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

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

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

Accounting policies

Other investments
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

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.

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

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 acquisition and divestment of enterprises, 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 the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

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