



## Tumlare Corporation A/S

Vester Farimagsgade 1, 1.  
1606 København V  
CVR No. 46357019

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 10.08.2022

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**Katsumi Shimizu**

Chairman of the General Meeting

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# Entity details

## Entity

Tumlare Corporation A/S  
Vester Farimagsgade 1, 1.  
1606 København V

Business Registration No.: 46357019  
Registered office: København  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Keiichiro Otofujii, Chairman  
Adrian Heinz Hugentobler  
Marco Russi

## Executive Board

Marco Russi  
John Block Gartmann

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management

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 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 10.08.2022

## Executive Board

**Marco Russi**

**John Block Gartmann**

## Board of Directors

**Keiichiro Otofujii**

Chairman

**Adrian Heinz Hugentobler**

**Marco Russi**

# Independent auditor's report

## To the shareholders of Tumlare Corporation A/S

### Opinion

We have audited the financial statements of Tumlare Corporation A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 financial statements" section of this auditor's report. We are independent of the Entity 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.

### Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which describes the impact of the Covid19 Pandemic on the business and activities of the company in 2021. The activity have reduced significantly, and a loss have occurred for the financial year 2021, the company is expecting to receive support from the parent group to continue its operations in 2022 and beyond. Due to the uncertainties of the Covid19 Pandemic and the recovery of the travel business a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### 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 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 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 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 judgement and maintain professional scepticism 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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, 10.08.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Thomas Frommelt Hertz**

State Authorised Public Accountant  
Identification No (MNE) mne31543

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
<b>Key figures</b>					
Revenue	10,059	143,610	2,059,677	1,915,470	1,890,764
Gross profit/loss	20,649	(2,490)	48,974	55,358	89,312
Operating profit/loss	(5,005)	(64,415)	(31,924)	(33,487)	(11,018)
Net financials	(2,369)	(5,216)	7,748	(13,166)	(15,367)
Profit/loss for the year	(6,829)	(60,363)	(56,035)	(46,343)	(2,943)
Total assets	73,904	221,587	431,641	363,685	285,761
Investments in property, plant and equipment	61	435	889	1,586	1,671
Equity	(123,948)	(116,513)	(50,989)	7,124	51,321
<b>Ratios</b>					
Gross margin (%)	205.28	(1.73)	2.38	2.89	4.72
EBIT margin (%)	(49.76)	(44.85)	(1.55)	(1.75)	(0.58)
Net margin (%)	(67.89)	(42.03)	(2.72)	(2.42)	(0.16)
Equity ratio (%)	(167.71)	(52.58)	(11.81)	1.96	17.96

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

Gross profit/loss \* 100

Revenue

### EBIT margin (%):

Operating profit/loss \* 100

Revenue

### Net margin (%):

Profit/loss for the year \* 100

Revenue

### Equity ratio (%):

Equity \* 100

Total assets



### Primary activities

The main business field of the Company is to develop travel and tourist agency activities and any other related business activity, including trade, import and export. The Tumlare Group curates and delivers group travel, meetings, incentives, congresses and events.

### Development in activities and finances

The Company realised a loss after taxes of roughly 6.8 million DKK in 2021, compared with a loss of 60 million DKK in 2020.

The Company's top line declined, with revenue down by 93% due to the Covid-19 pandemic. The gross profit increased by 21 million DKK.

Alongside the decrease in margin percentage of sales, the decrease in operating profit of Tumlare during the year was slightly compensated by the savings in staff costs during 2021 as part of the company restructuring, and sales expenses due to travel restrictions and as a result savings on business trips and meetings.

### Profit/loss for the year in relation to expected developments

From a business unit perspective, the development compared to prior year can be explained as follows:

#### Inbound

Tumlare Corporation A/S becomes a cost+ entity from 2021 onwards and perform sales support, marketing and operations activities on a cost+ basis to the Swiss principal (Kuoni Global Travel Services (Schweiz) AG). The cost+ revenue for 2021 is 1.3 million DKK.

#### Outbound

Due to the impact of Covid-19, Outbound activities also showed a decline in the turnover and contributed with a negative result to the overall Company's result.

Outbound business is predominantly Japan-bound and Japan borders being closed for the tourists during 2021 due to which the leisure business had a huge impact on the revenue. Due to the Covid-19 pandemic, majority of the European countries were also under travel restrictions due to this, there were very few corporate travels, events, congresses held during 2021 which had an impact on the revenues of business travel and MICE business. All the business segments showed decline in 2021 with a negative impact on sales volume and as well as gross profit compared to 2020.

### Outlook

Since March 2020, the Company operation has been severely disrupted by the impact of Covid-19 in the travel industry. The continuation of virus pandemic until the date of this report, associated with the uncertainty and health situation that it caused in most of the markets and/or destinations where the Company operates, led to a sharp decline of our business operations in those markets.

As a result, we expect that the reduction of our revenue will continue in 2022, with the potential for some first modest signs of recovery in Q2 2022. Our current working models suggest a recovery of business to take place in H2 2022.

The company had liquidity requirement in 2021 that was significantly higher than the cash inflows resulting from current operations. Given the uncertainties in the global travel market, the group is still fully dependent on the continued support of the ultimate parent and its willingness to continue its operations as going concern. For a detailed description of the management's assessment of the company as going concern, we refer to note 1.

Starting from 2021, new business model has been introduced by the Group for Inbound business - moving both sales and sourcing from Denmark to Switzerland (Kuoni Global Travel Services (Schweiz) AG).

Tumlare Corporation A/S, Denmark used to be the principal entity with all sales invoices being issued on behalf of it, except for sales to Japan and US which were invoiced from the respective local entity. Tumlare Corporation A/S, Denmark also used to be the principal sourcing entity, and all trade related supplier invoices were addressed to it. In new business model this role is taken over by Kuoni Global Travel Services (Schweiz) AG.

Tumlare Corporation A/S becomes a cost+ entity from 2021 onwards and will perform sales support, marketing and operations activities on a cost+ basis to the Swiss principal. All representative offices and branches are liquidated in 2021, except for branch in Warsaw.

New business model implementation aims to adapt to the new travel post Covid-19 reality, by adjusting the size and creating a flexible and agile organisation that meets the requirements of the future business. No changes are expected for the Outbound business unit as far as business model is concerned.

### **Use of financial instruments**

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 company has reported net currency loss of 1,7 million DKK which is a result of the fluctuation of currencies in 2021.

### **Group relations**

The annual report of the Company also consists of a representative offices and branches. The following representative offices and branches are included in the financial statement 2021:

- Representative offices:
  - o Saint Petersburg (closed in 2021)
  - o Moscow
  - o China (closed in 2021)
- Branches:
  - o Hong Kong (closed in 2021)
  - o Taipei (closed in 2021)
  - o Warsaw
  - o Paris (closed in 2021)
  - o London (closed in 2021)
  - o Rome (closed in 2021)
  - o Madrid (closed in 2021)
  - o Kuala Lumpur (closed in 2021)

### **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**

At Tumlare, our mission is to deliver truly inspiring and innovative solutions and experiences that create value both for our partners and society at large. Proudly part of the JTB Corporation, we curate and deliver group travel (including small groups), as well as customised FIT travel. Our team members are located across 33 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 we seek 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.

### **Our values**

Our Values reflect who we are, what we stand for and what we believe in. They shape the way we behave and the way we do things.

#### Partner First:

We see things from our partners' perspective and we're all about building strong relationships, and establishing win-win partnerships with our Customers, Suppliers and Employees.

#### Innovation:

We challenge the status quo, promote forward thinking and continuously create new business models to meet the needs of tomorrow.

#### Respect:

We treat our Partners, the Market and Destinations in which we operate, and Society at large, with respect.

#### Value Creation:

We create value by going above and beyond to meet the needs of our Partners and Society - knowing that what we do matters and can change lives for the better.

#### Excellence:

We continually focus on delivering excellence in all we do by striving to exceed expectations, always.

#### Grit:

We "never give up" – together we know we can do anything – we always say "How", never "No".

### **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.

We take our role as a global provider of products and services seriously – appreciating and embracing our responsibility to act appropriately and to have a positive impact in all that we do.

Our approach to CSR is multi-faceted and seeks to achieve results through partnership and progress.

There is of course always work to do relating to CSR. We are always looking to minimise our ecological footprint and drive the industry forward with responsibility and sustainability as a top priority.

## Employees

Our social responsibility starts at home. As an equal opportunity employer, we strive to create an environment where staff are safe, comfortable, and supported. As such, our commitment to CSR runs throughout the organisation from dedicated wellbeing initiatives and training programmes to employee-driven community schemes.

The promotion of flexible and remote working arrangements across the business reduces employee transport and our office footprint. Our ecological footprint is further reduced through our ongoing digitisation which has seen us switch to digital communication tools – minimising paper usage and unnecessary business travel.

We perceive that the primary risk regarding employees is if employees are not motivated or engaged. If the risk materialises, 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.

In 2021, we launched a dedicated employee wellbeing and engagement campaign, Destination: Wellness. The scheme promoted wellbeing activities to staff and provided a forum for them to discuss their progress and celebrate one another's success. The success of the project helped reframe a difficult business situation into an opportunity for self-improvement and development – highlighting the business's commitment to its staff population.

Further to this, Tumlare has continued to build its approach to Performance Management. During 2021 and encouraged goal-based performance discussions. Talent identification and risk assessment processes are run with a view to identifying and retaining high potential talent, building career ladders and creating succession plans. Year-end reviews are held, ratings given, and future development discussed. This is supported by an HRIS system.

Due to Covid-19 a modified year-end review process set in 2020 was followed for 2021 as well. It was called 'Career Conversations 2021'. It gave a platform to reflect on and share employee's achievements - small and big wins alike; recount the challenges he/she faced and overcame; take pride in his/her journey and personal growth.

At Tumlare, we also focus increasingly more on Staff Recognition. In 2018, we launched the Excellence Awards, including 3 award categories to recognise employees' achievements and commitment across our organisation: Above & Beyond, Outstanding Contribution and CEO Awards. We have continued the celebration of excellence by our employees in 2021 as well, with 145 awards across these categories given to employees demonstrating excellence as individuals or part of a team.

Since 2019, we expanded our recognition mechanisms by participating in JTB Corporation's annual GBU Awards and ALL JTB Awards. These recognise outstanding achievements in various businesses of the JTB Group with the intention of fostering unity, diversity, innovation and synergy between group companies keeping customer centricity top of mind.

Our learning programs in 2021 catered to employee training needs ranging from Customer Support, Sales & Communication, Conducting Effective Online Consultations, Strategy & Management in the post-pandemic economy, Personal Productivity, Destination Training, IT Security & Compliance Training, Functional Trainings for Business Intelligence, Systems and Processes, Virtual Global Induction and e-Learnings for Big Data, IoT, Project Management and MS Office 365 tools. Trainings were conducted Live in a virtual format with some e-Learnings accessed over our Learning Management System, LEON+. 2021 saw learning activities pursued by 38 Employees in Tumlare Denmark office for a duration of 103.5 hours in all.

Access to our online learning platform was enhanced with the promotion of mobile learning and launch of the “Habit Calendar”, covering each workday of the month to entice employees to literally learn on the go, and create a habit of daily learning.

In March 2020 additional employees support in the time of pandemic – a set of measures to support employees who might confront challenging situation due the Covid-19 pandemic impacting themselves or their families – was introduced. List of the measures is below.

1. Paid leave in case of hospitalisation in family
2. “We stand as one” – a procedure to donate the earned leave to an impacted employee who needs extra leave for himself or for his family on top of what is provided by the current policy (subject to local legislation)
3. Hospitalisation support including compensation of additional medical charges and paid leave to resume work
4. Bereavement support in case of death of an employee or death of an immediate family member.

### **Diversity**

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 2021, no members of our Executive Board were female as Tumlare is currently in the process of streamlining the structures of the Kuoni and Tumlare entities in Denmark 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 2022, once our organizational changes are finalised.

The Group has a strong focus on empowering women in management positions and in 2021 we hold a ratio of 60% female employees placed in HQ managerial functions in Denmark (9 female vs 6 male employees). Similar ratios are visible across individual local teams, in the various offices of Tumlare.

Given the international presence of Tumlare across the globe, we have given our local offices the power to adopt local initiatives that address diversity topics in their own cultural environment. One of those initiatives was the Diversity Day at the Bangkok office. The value of diversity in the workplace isn't really recognised in Thailand, but we have built our workforce on merit regardless of sex, age, race, religion, sexual orientation, socio-economic status etc. To celebrate the Stonewall anniversary, we decided to recognise our own rainbow of diversity and the wonderful team-spirit that we enjoy with some spectacular rainbow cakes.

Tumlare actively promotes work/life balance, which is described in our Employee Handbook. As a standard we present our employees with a broad opportunity for maternity leave, with a minimum of six months up to three years, depending on the national law of the various offices.

At the same time, given the matrix setup of the organisation whereby managers and employees tend to work from different locations, we have introduced more flexible working hour schedules and committed to firm plans to work from home on a regular basis.

### **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 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 and the Anti-Corruption training was re-visited in 2019 and revamped for its launch in 2020. This ensures that our employees are aware of the company's Code of Conduct and that it remains relevant to our business and current times. 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 understand the content of the Code of Conduct. While from a managerial point of view we ensure continued compliance with the Code of Conduct by conducting internal audits in all offices. In 2021, no misconduct was reported to Tumlare.

### **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 emphasises the importance of good corporate citizenship, contributing to sustainable development of society and to the preservation of the environment and natural resources.

We strive to offer products and solutions that have a positive impact on people and the planet.

From specialist tours for those with disabilities, to virtual alternatives, low-impact eco trips and sustainable event arrangements, we're always looking at how we can expand our portfolio to include more eco options for our Partners and ultimately do good in the communities we operate in.

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

In 2021, we further invested in 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.

As part of it, our local offices are empowered to run local initiatives, fit to their environmental challenges. On April

22, 2021 Earth Day was celebrated by the employees. The theme for Earth Day 2020 was Restore Our Earth. Employees were encouraged to help protect and restore our planet, for example planting a tree in their garden, litter picking, composting etc.. Pictures from the day were collected by HR and shared on our social media channels.

**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 since 2018, a number of local community projects have again been organised.

Given the complexity of our operation on the ground and further integration of processes with Kuoni, we continued to 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 standardise our ways of operating, but also to drive multicultural awareness.

**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.

# Income statement for 2021

	Notes	2021 DKK'000	2020 DKK '000
Revenue		10,059	143,610
Other operating income	3	5,346	144,668
Cost of sales		10,096	(100,299)
Other external expenses		(4,852)	(190,469)
<b>Gross profit/loss</b>		<b>20,649</b>	<b>(2,490)</b>
Staff costs	4	(14,041)	(60,901)
Depreciation, amortisation and impairment losses	5	(11,613)	(1,024)
<b>Operating profit/loss</b>		<b>(5,005)</b>	<b>(64,415)</b>
Income from investments in group enterprises		(1,297)	9,776
Other financial income	6	3,125	12,098
Other financial expenses	7	(5,494)	(17,314)
<b>Profit/loss before tax</b>		<b>(8,671)</b>	<b>(59,855)</b>
Tax on profit/loss for the year	8	1,842	(508)
<b>Profit/loss for the year</b>	9	<b>(6,829)</b>	<b>(60,363)</b>



# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK'000	2020 DKK'000
Goodwill		0	0
<b>Intangible assets</b>	10	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		494	1,426
Leasehold improvements		0	165
<b>Property, plant and equipment</b>	11	<b>494</b>	<b>1,591</b>
Investments in group enterprises		14,978	20,521
Investments in associates		0	0
Deposits		801	1,107
<b>Financial assets</b>	12	<b>15,779</b>	<b>21,628</b>
<b>Fixed assets</b>		<b>16,273</b>	<b>23,219</b>
Manufactured goods and goods for resale		365	349
<b>Inventories</b>		<b>365</b>	<b>349</b>
Trade receivables		4,367	12,460
Receivables from group enterprises		15,284	111,648
Other receivables		2,101	48,031
Prepayments	13	2,636	2,133
<b>Receivables</b>		<b>24,388</b>	<b>174,272</b>
Other investments		7	7
<b>Other investments</b>		<b>7</b>	<b>7</b>
<b>Cash</b>		<b>32,871</b>	<b>23,740</b>
<b>Current assets</b>		<b>57,631</b>	<b>198,368</b>
<b>Assets</b>		<b>73,904</b>	<b>221,587</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Contributed capital	14	10,001	10,001
Retained earnings		(133,949)	(126,514)
<b>Equity</b>		<b>(123,948)</b>	<b>(116,513)</b>
Other payables		2,415	1,708
<b>Non-current liabilities other than provisions</b>	15	<b>2,415</b>	<b>1,708</b>
Trade payables		13,865	10,213
Payables to group enterprises		156,158	303,609
Tax payable		213	2,369
Other payables		17,895	18,531
Deferred income	16	7,306	1,670
<b>Current liabilities other than provisions</b>		<b>195,437</b>	<b>336,392</b>
<b>Liabilities other than provisions</b>		<b>197,852</b>	<b>338,100</b>
<b>Equity and liabilities</b>		<b>73,904</b>	<b>221,587</b>
Going concern	1		
Events after the balance sheet date	2		
Unrecognised rental and lease commitments	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Non-arm's length related party transactions	20		

# Statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	10,001	(126,514)	(116,513)
Exchange rate adjustments	0	(606)	(606)
Profit/loss for the year	0	(6,829)	(6,829)
<b>Equity end of year</b>	<b>10,001</b>	<b>(133,949)</b>	<b>(123,948)</b>

# Notes

## 1 Going concern

The coronavirus (Covid-19) pandemic, which has developed in 2020 has had a significant impact on the global travel sector, in which Tumlare Corporation A/S operate. The travel restrictions triggered by the COVID-19 pandemic have a highly negative impact on the Company's earnings and liquidity performance. The Company had liquidity requirement that was significantly higher than the cash inflows resulting from current operations. As a result, in 2021 variety measures, like restructuring, cost reduction and government support have been taken by the Company to protect cash.

Management has assessed the impact Covid-19 on the going concern assumption, noting the following key considerations:

- The Company has transferred its principal inbound business to Kuoni Global Travel Services (Schweiz) and will support the business as an affiliate with cost plus model.
- The Company benefits from support under applicable government support programs across relevant local geographies.
- From internal communications and confirmation received from JTB Corp, the ultimate parent company, JTB Corp. will continue to provide cash funding required as necessary, further demonstrated by the inclusion of a letter of support received.

Based on the above assurances the financial statements of the Company have been prepared on a going concern basis and the directors further confirm that the Company has adequate resources to continue in operational existence for the foreseeable future. Nonetheless, in case of a long-term impact of Covid-19 on the travel business and the parent Company therefore potentially not being able or willing to continue providing liquidity to the Group, an uncertainty that may cast doubt about the Company's ability to continue as a going concern exists.

### Overall assessment of going concern

The Company's financial statements have been presented on the assumption of going concern. The management deems a material uncertainty for the going concern assumption. Management's assessment of this is based on the following::

- The Danish government have introduced a number of initiatives in response to the negative financial impact, including temporarily extending payment deadlines for labour market contributions and income tax, compensation of fixed costs, etc.
- The Company has taken variety measures like restructuring, cost reduction by downsizing the number of employees.
- The Company has in 2020 sold its principal inbound business to Kuoni Global Travel Services (Schweiz) and provide it services via a cost plus mark-up model where the company would be remunerated for the services they would provide to principal office, this would ensure that there is sufficient liquidity for operating the company.
- The KTI Group has obtained a comfort letter from the ultimate parent, ensuring their commitment to support the group and its subsidiaries as going concern.
- The Company is part of a group cash pooling arrangement with other companies in the KTI Group which have significant cash resources available. The corona crisis has implied some uncertainty about the future of the entire aviation and travel industry and put the Group's cash resources under pressure. Management has initiated a number of cash management activities to ensure liquidity in the future, and at the same time Management expects the Company to benefit from the compensation and liquidity-boosting measures implemented by the government for the entire industry.

In the light of this, it is the overall assessment of the Executive Board and the Board of Directors that the Company has sufficient capital and cash resources to continue its operations. On this basis, the annual report of Tumlare Corporation A/S is presented on a going concern basis.

## 2 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.

## 3 Other operating income

	2021 DKK'000	2020 DKK'000
Government compensation for fixed costs	3,288	44,966
Government compensation for staff costs	0	2,159
Profit from sale of activities	2,058	95,959
Other income	0	1,584
	<b>5,346</b>	<b>144,668</b>

As a result of Covid-19, the company has been entitled to compensation for fixed costs. The company has received DKK000' 3.288 in compensation. The compensations compensate the company for fixed costs, which are inevitable despite the closure of society during the period when the authorities had imposed restrictions on reducing Covid-19 spread of infection.

## 4 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	11,361	47,561
Pension costs	1,062	3,560
Other social security costs	373	5,599
Other staff costs	1,245	4,181
	<b>14,041</b>	<b>60,901</b>
Average number of full-time employees	<b>45</b>	<b>111</b>

	Remuneration of Management 2021 DKK'000	Remuneration of Management 2020 DKK'000
Executive Board	107	1,519
	<b>107</b>	<b>1,519</b>

The Executive Board is employed by the group. Remuneration of the management is paid through management fee to the group.

## 5 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Impairment losses on intangible assets	11,116	0
Depreciation of property, plant and equipment	707	1,018
Profit/loss from sale of intangible assets and property, plant and equipment	(210)	6
	<b>11,613</b>	<b>1,024</b>

## 6 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	0	360
Other interest income	34	58
Exchange rate adjustments	3,091	11,680
	<b>3,125</b>	<b>12,098</b>

## 7 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	65	2,349
Other interest expenses	662	1,029
Exchange rate adjustments	4,767	13,936
	<b>5,494</b>	<b>17,314</b>

## 8 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	96	357
Adjustment concerning previous years	(1,938)	151
	<b>(1,842)</b>	<b>508</b>

## 9 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Retained earnings	(6,829)	(60,363)
	<b>(6,829)</b>	<b>(60,363)</b>

## 10 Intangible assets

	Goodwill DKK'000
Additions	11,116
<b>Cost end of year</b>	<b>11,116</b>
Impairment losses for the year	(11,116)
<b>Amortisation and impairment losses end of year</b>	<b>(11,116)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	8,466	1,823
Exchange rate adjustments	157	58
Transfers	581	44
Additions	61	0
Disposals	(3,800)	(1,881)
<b>Cost end of year</b>	<b>5,465</b>	<b>44</b>
Depreciation and impairment losses beginning of year	(7,040)	(1,658)
Exchange rate adjustments	(126)	(51)
Transfers	(581)	(44)
Depreciation for the year	(637)	(70)
Reversal regarding disposals	3,413	1,779
<b>Depreciation and impairment losses end of year</b>	<b>(4,971)</b>	<b>(44)</b>
<b>Carrying amount end of year</b>	<b>494</b>	<b>0</b>

## 12 Financial assets

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Deposits DKK'000
Cost beginning of year	40,336	7	1,107
Exchange rate adjustments	0	0	1
Additions	285	0	1
Disposals	(4,928)	0	(308)
<b>Cost end of year</b>	<b>35,693</b>	<b>7</b>	<b>801</b>
Impairment losses beginning of year	(19,815)	(7)	0
Exchange rate adjustments	(1,365)	0	0
Share of profit/loss for the year	(4,818)	0	0
Investments with negative equity value depreciated over receivables	355	0	0
Reversal regarding disposals	4,928	0	0
<b>Impairment losses end of year</b>	<b>(20,715)</b>	<b>(7)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>14,978</b>	<b>0</b>	<b>801</b>

Investments in subsidiaries	Registered in	Equity interest %
Tumlare Corporation (Thailand) Co. Ltd. (In Liquidation)	Thailand	73,6
Tumlare Corporation Croatia d.o.o	Croatia	100
Tumlare Corporation Sweden AB	Sweden	100
Tumlare Corporation Hungary Utazásszervezo Kft	Hungary	100
Oy Tumlare Corporation AB	Finland	100
Tumlare Corporation AS	Norway	100
Tumlare Brasil Agência De Viagens E Turismo LTDA	Brasil	100
Tumlare Software Services Private Limited	India	100
Tumlare Corporation Inc.	USA	100
Tumlare Corporation Co. Ltd.	Japan	100
Tumlare Corporation LLC	Russia	100
Tumlare Net Travel Service LLC (In Liquidation)	Russia	100
Tumlare Corporation Estonia OÜ	Estonia	100

Investments in associates	Registered in	Equity interest %
Net Service Holding LTD	Thailand	48,2



### 13 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

### 14 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	10,001	1	10,001
	<b>10,001</b>		<b>10,001</b>

### 15 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Other payables	2,415	2,415
	<b>2,415</b>	<b>2,415</b>

Non-current liabilities consist entirely of transitional period holiday allowances.

### 16 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.

### 17 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	<b>1,190</b>	<b>2,280</b>

### 18 Assets charged and collateral

The company has provided payment guarantees of DKK'000 15.412 (2020: DKK'000 15,669)

### 19 Related parties with controlling interest

Related parties with controlling influence consist of Company's Management and the Board of Directors.

### 20 Non-arm's length related party transactions

The annual report only discloses transactions with related parties that have not been carried out on market terms. No such transactions have been carried out in 2021.

# Accounting policies

## Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## 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 and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve

in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve 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.

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

### **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 intra-group profits or losses.

### **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, and tax relief under the Danish Tax Prepayment Scheme etc.

### **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, and 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.

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

### **Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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**

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 or losses.

Group enterprises 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 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 in equity.

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

### **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.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

### **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.

### **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.

**Other financial liabilities**

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

**Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed 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**

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement have been prepared.