Tour Partner Group Nordics ApS

Bomhusvej 13, 1., 2100 Copenhagen Ø
CVR-nr. 18 82 37 48

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 10 June 2025

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Thais Kamieniarcyk Machado

BDO Statsautoriseret revisionsaktieselskab
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Company Details

Company	Tour Partner Group Nordics ApS Bomhusvej 13, 1. 2100 Copenhagen Ø	
	CVR No.:	18 82 37 48
	Established:	1 October 1995
	Municipality:	Copenhagen
	Financial Year:	1 January - 31 December
Board of Directors	Peter Richard Liney, chairman Paul John Maine Alexander Leo Edward Graves	
Executive Board	Thais Kamieniarczyk Machado	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	
Bank	Danske Bank Holmens Kanal 2 1090 Copenhagen K	
Law Firm	Gorrissen Federspiel Advokatpartnerselskab Axeltorv 2 1609 Copenhagen V	
General Meeting	The Annual General Meeting is held on 10 June 2025, at the company's address.	

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Tour Partner Group Nordics ApS for the financial year 1 January - 31 December 2024.

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 Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 10 June 2025

Executive Board

Thais Kamieniarczyk Machado

Board of Directors

Peter Richard Liney Chairman	Paul John Maine	Alexander Leo Edward Graves

Independent Auditor's Report

To the Shareholder of Tour Partner Group Nordics ApS

Opinion

We have audited the Financial Statements of Tour Partner Group Nordics ApS for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Independent Auditor's Report

Copenhagen, 10 June 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mikkel Mauritzen
State Authorised Public Accountant
MNE no. mne46621

Financial Highlights

	2024 DKK '000	2023 DKK '000	2022 DKK '000	2021 DKK '000
Income statement				
Gross profit/loss	78.063	57.354	32.468	5.802
Operating profit/loss of main activities	41.340	23.316	9.641	-9.344
Financial income and expenses, net	5.814	2.333	1.941	2.099
Profit/loss for the year before tax	47.153	25.649	11.582	-7.245
Profit/loss for the year	35.925	19.379	13.181	-7.195
Balance sheet				
Total assets	217.433	138.083	149.748	61.996
Equity	121.870	81.310	58.822	43.137
Investment in property, plant and equipment	-128	-491	-398	-31
Key ratios				
Quick ratio	232.6	252.0	167.5	372.5
Equity ratio	56.0	58.9	39.3	69.6
Return on equity	35.4	27.7	25.9	-13.2

The ratios stated in the list of key figures and ratios have been calculated as follows:

Quick ratio: $\frac{\text{Current assets x 100}}{\text{Current liabilities}}$

Equity ratio: $\frac{\text{Equity, at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Management Commentary

Principal activities
The company remains a leading provider of travel solutions, specializing in accommodation and tour services across Northern Europe. Our strong partnerships with global business clients have allowed us to deliver high-quality travel experiences while adapting to evolving market dynamics.

Review of the business in the year
2024 marked a year of robust recovery and expansion. European markets regained stability, while long-haul destinations witnessed increasing demand as flight availability improved. Despite global economic fluctuations, the resilience of the travel sector and the company's strategic approach contributed to a strong performance. The Far East market, in particular, demonstrated significant growth, surpassing pre-pandemic levels.

Our workforce continues to evolve, with a growing pool of skilled professionals contributing to our success. We experienced some efficiency gains as employee expertise matures. The company remains committed to training, process optimization, and system enhancements to strengthen operational effectiveness.

Development in activities and financial and economic position
The company achieved a 28% increase in revenue, primarily driven by heightened demand, the resurgence of long-haul travel, and necessary adjustments to pricing amid rising operational costs. Margins remained stable, supported by a favourable market mix, with high-margin segments such as South America and the Far East benefiting from improved flight capacity.

EBITDA reached over 9%, strengthened by strategic pricing measures and currency advantages in key markets. The company maintained financial discipline while ensuring sustainable growth and operational efficiency.

Profit for the year compared to the expected development
The result shows an increase in Revenue of almost 16%, mainly due to increasing cost of products/services, and the Margin was effected by this as well, as the Market mix, where our High Margin Markets in South America and the Far East was not fully recovered yet, due slow rebuild of flight availability and increase of flight prices for our clients.

The end result of almost 8% EBITDA was supported by the currency used at pricing against the actual rates of the NOK; SEK and ISK at the time of paying our suppliers.

Results and financial was still impacted partly by the pandemic, mainly on the Longhaul markets, effecting both revenue and margins.

EBITDA was expected to end between 3.5 and 3.9 million Euro (26 and 29 million DKK), however effected by above mentioned reasons.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Management Commentary

Financial risk

The Group's most significant operating risk is attached to the ability to be strongly positioned in the markets where the products are sold, to obtain the necessary space with the suppliers, and to ensure that the price of our services is always competitive. This have increased in difficulty due to the significant inflation in connection with Russian/Ukrainian war. The remains uncertain for the nearby future.

Financial Risks:
The company has effectively managed currency fluctuations and remains committed to hedging over 80% of budgeted foreign currency exposure for the upcoming year.

VAT risks:
The company has provided for the potential historic VAT registration risk in Norway. Whilst the final position for potential liability and registration is still to be agreed with the respective tax authorities, the company feels it prudent to recognize current provisional estimates.

Foreign exchange risks:
Given operations across multiple markets, the company monitors currency volatility closely. Strategic hedging practices have been implemented to safeguard against unfavourable fluctuations, ensuring pricing stability.

Going concern assumptions

The Board of Directors, who are also directors of the parent company, prepare the financial statements on a going concern basis unless it is inappropriate to presume the company will continue in business. The Company is a member of Tour Partner Group (the Group), a leading destination management company (DMC) and the going concern assessment has been performed for the Company and wider Group.

The Group has continued its strong recovery seen in recent years, with 2024 setting a record level of trading, surpassing pre-pandemic levels. Through close management of cost pressures, margins have been strengthened resulting in a strong Group result. The order book for 2025 has reinforced managements' expectations for another year of growth in the year ahead.

The group maintains a strong relationship with its shareholders and lenders, who continue to support management and their liquidity and working capital requirements. At the balance sheet date, bank debt repayments commence in 2025, however these have been renegotiated since the year with repayments now due mainly in summer 2026. Since the year end the group has also received confirmation that, unless the loan notes have been settled on or before the current repayment date, the loan note holders will extend the repayment date to January 2027.

The directors have prepared detailed forecasts for the period until June 2026 (the "going concern period"), which current trading continues to be monitored against. Based on these forecasts, the Group will have sufficient funds to continue to meet its liabilities as they fall due during the going concern period. The directors are confident these robust forecasts are achievable, which is supported by the current order pipeline and wider market trends.

Whilst not guaranteed, based on the forecasts prepared and the trading in 2025 to date, together with the continued support and new repayment terms agreed with shareholders and lenders, the directors are confident that the business will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Management Commentary

Future expectations
Looking ahead to 2025 and beyond, we anticipate continued stabilization across key markets, with revenue projected to remain strong and margins in line with prior years. Although some uncertainty persists due to geopolitical tensions and re-routing challenges, we are confident in our strategic positioning and operational agility.

The revenue is forecasted to end at +67 mill Euros, and margins at equal point as 2024.

Our focus remains on strengthening client relationships, developing internal systems, and enhancing staff capabilities. We also actively engage in exciting development projects to ensure we continue leading the Nordic market.

Income Statement 1 January - 31 December

	Note	2024 DKK	2023 DKK
Gross profit		**78.063.222**	**57.353.517**
Staff costs	1	-36.446.250	-33.704.132
Depreciation, amortisation and impairment losses		-277.156	-333.423
Operating profit		**41.339.816**	**23.315.962**
Other financial income	2	10.454.609	7.070.459
Other financial expenses		-4.640.944	-4.737.071
Profit before tax		**47.153.481**	**25.649.350**
Tax on profit/loss for the year	3	-11.228.731	-6.270.472
Profit for the year	4	**35.924.750**	**19.378.878**

Balance Sheet at 31 December

Assets

	Note	2024 DKK	2023 DKK
Other plants, machinery, tools and equipment		310.979	418.787
Leasehold improvements		196.966	238.766
Property, plant and equipment	5	**507.945**	**657.553**
Rent deposit and other receivables		639.139	623.550
Financial non-current assets	6	**639.139**	**623.550**
Non-current assets		**1.147.084**	**1.281.103**
Trade receivables		12.817.129	4.055.079
Receivables from group enterprises		170.784.113	104.297.778
Deferred tax assets	7	65.410	529.467
Other receivables		222.591	1.289.644
Prepayments and accrued income	8	19.451.338	13.653.313
Receivables		**203.340.581**	**123.825.281**
Cash and cash equivalents		**12.945.561**	**12.976.559**
Current assets		**216.286.142**	**136.801.840**
Assets		**217.433.226**	**138.082.943**

Balance Sheet at 31 December

Equity and liabilities

	Note	2024 DKK	2023 DKK
Share capital		125.000	125.000
Retained earnings		121.744.612	81.184.865
Equity		**121.869.612**	**81.309.865**
Accrued frozen holiday funds		2.559.358	2.481.066
Non-current liabilities	9	**2.559.358**	**2.481.066**
Bank debt		63.548	73.700
Trade payables		43.116.292	28.984.639
Payables to group enterprises		18.380.696	0
Corporation tax		10.764.674	4.539.726
Other liabilities		2.195.189	3.030.558
Accruals and deferred income	10	18.483.857	17.663.389
Current liabilities		**93.004.256**	**54.292.012**
Liabilities		**95.563.614**	**56.773.078**
Equity and liabilities		**217.433.226**	**138.082.943**
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Equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2024	125.000	81.184.865	81.309.865
Proposed profit allocation, see note 4		35.924.750	35.924.750
Transactions with owners			
Subsidy from Parent Company		4.634.997	4.634.997
Equity at 31 December 2024	**125.000**	**121.744.612**	**121.869.612**

Notes

	2024 DKK	2023 DKK
1 | Staff costs		
Average number of full time employees	77	71
Wages and salaries	34.524.796	32.017.181
Pensions	998.577	849.194
Social security costs	922.877	837.757
	36.446.250	**33.704.132**

The Company's Management consists of one executive and the board of directors does not receive separate fees, and accordingly the remuneration is not disclosed pursuant to the exemption provision in section 98b(3) of the Danish Financial Statements Act.

2 | Other financial income		
Group enterprises	9.908.142	6.614.277
Other interest income	546.467	456.182
	10.454.609	**7.070.459**

3 | Tax on profit/loss for the year		
Calculated tax on taxable income of the year	10.764.674	4.539.726
Adjustment of tax in previous years	0	-30.066
Adjustment of deferred tax	464.057	1.760.812
	11.228.731	**6.270.472**

4 | Proposed distribution of profit		
Retained earnings	35.924.750	19.378.878
	35.924.750	**19.378.878**

Notes

5 | Property, plant and equipment

DKK	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2024	1.733.497	293.259
Additions	106.907	20.640
Disposals	-64.948	0
Cost at 31 December 2024	**1.775.456**	**313.899**
Depreciation and impairment losses at 1 January 2024	1.249.761	54.493
Depreciation for the year	214.716	62.440
Depreciation and impairment losses at 31 December 2024	**1.464.477**	**116.933**
Carrying amount at 31 December 2024	**310.979**	**196.966**

6 | Financial non-current assets

DKK	Rent deposit and other receivables
Cost at 1 January 2024	623.550
Additions	15.589
Cost at 31 December 2024	**639.139**
Carrying amount at 31 December 2024	**639.139**

7 | Deferred tax assets

The provision for deferred tax relates to differences between the carrying amount and tax value of tangible fixed assets, as well as tax losses carried forward.

	2024 DKK	2023 DKK
Deferred tax assets, beginning of year	529.467	2.290.279
Deferred tax of the year, income statement	-464.057	-1.760.812
Deferred tax assets 31 December 2024	**65.410**	**529.467**

The Company's deferred tax assets are recognised in the balance sheet at DKK ('000) 65. The deferred tax asset relates to the difference between the tax and accounting values of tangible assets, as well as accumulated tax losses carried forward. The deferred tax related to tangible fixed assets is expected to be settled in 2025.

8 | Prepayments and accrued income

Prepayments comprise prepaid expenses for future travels.

Notes

9 | Long-term liabilities

DKK	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Accrued frozen holiday funds	2.559.358	0	0	2.481.066
	2.559.358	**0**	**0**	**2.481.066**

10 | Accruals and deferred income

Accruals and deferred income relate to revenue invoiced in the current financial year,concerning the financial year 2025.

11 | Contingencies etc.

Contingent liabilities

The non-implementation of the EU judgement C-189/11 The Commission vs Spain in some member states leads to uncertainty in relation to the VAT treatment of B2B package tours within the EU, which may result in a risk that the company will be subject to VAT on its activities in other EU countries. Management consider this possibility to be low. A parent company guarantee is in place to cover a potential obligation should one arise.

The company has entered into rental and leasing agreement with a total contingent liability of DKK ('000) 3,213.

The company has a security deposit of DKK ('000) 100 concerning debit card terminals.

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Tour Partner ApS, which serves as management Company for the joint taxation.

12 | Related parties

The Company's related parties include:

Controlling interest

Tour Partner ApS and Tour Partner Group Holdco Limited are the principal shareholders.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Notes

13 | Going concern assumptions

The directors, who are also directors of the parent company, prepare the financial statements on a going concern basis unless it is inappropriate to presume the company will continue in business. The Company is a member of Tour Partner Group (the Group), a leading destination management company (DMC) and the going concern assessment has been performed for the Company and wider Group.

The Group has continued its strong recovery seen in recent years, with 2024 setting a record level of trading, surpassing pre-pandemic levels. Through close management of cost pressures, margins have been strengthened resulting in a strong Group result. The order book for 2025 has reinforced managements' expectations for another year of growth in the year ahead.

The group maintains a strong relationship with its shareholders and lenders, who continue to support management and their liquidity and working capital requirements. At the balance sheet date, bank debt repayments commence in 2025, however these have been renegotiated since the year with repayments now due mainly in summer 2026. Since the year end the group has also received confirmation that, unless the loan notes have been settled on or before the current repayment date, the loan note holders will extend the repayment date to January 2027.

The directors have prepared detailed forecasts for the period until June 2026 (the "going concern period"), which current trading continues to be monitored against. Based on these forecasts, the Group will have sufficient funds to continue to meet its liabilities as they fall due during the going concern period. The directors are confident these robust forecasts are achievable, which is supported by the current order pipeline and wider market trends.

Whilst not guaranteed, based on the forecasts prepared and the trading in 2025 to date, together with the continued support and new repayment terms agreed with shareholders and lenders, the directors are confident that the business will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

14 | Consolidated Financial Statements

The company is included in the consolidated financial statements of the parent, Tour Partner Group Midco Limited, Hygeia Building, 5th Floor, 66 - 68 College Road, Harrow, Middlesex, HA1 1BE, CVR no. 1-60989.

Accounting Policies

The Annual Report of Tour Partner Group Nordics ApS for 2024 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Income Statement

Net revenue
Net revenue is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group’s and the Company’s activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the company’s employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses
Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year.

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

Balance Sheet

Tangible fixed assets
Plant, machinery and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Accounting Policies

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Plant, machinery and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed asset investments, which are not measured at fair value, are assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is stated as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Accounting Policies

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-onaccount scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities corresponds usually to nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

Accounting Policies

Cash Flow Statement

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement.