

Weco-Travel CEE A/S

CVR-no. 29 78 72 39

Store Strandstræde 21 1.
1255 Copenhagen K
Denmark

Consolidated financial statements 2024

The annual report has been presented
and approved at the annual general
meeting of the company
on 24th June 2025

(chairman) Stefan D. Buch

Table of contents

	Page
Management's review	
Company information	1
Management's review	2
Financial highlights for the group	4
Statement by Management and independent auditor's report	
Statement by the Management on the annual report	6
Independent auditor's report.	7
Financial statements for 1 January - 31 December 2024	
Income statement	10
Statement of financial position.	11
Notes	14

Company information

The company	Weco-Travel CEE A/S Store Strandstræde 21 1. 1255 Copenhagen K Denmark
	Phone: +45 70 20 22 24
	CVR-no.: 29 78 72 39
	Established: 2 November 2006
	Registered office: Copenhagen
	Financial year: 1 January - 31 December

Board of Directors	Ditlev Wedell-Wedellsborg, chairman Jawahar Jyoti Singh Stefan D. Buch
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Executive Board	Jawahar Jyoti Singh
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Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Denmark
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Management's review

Main activities

The company is the parent company for several foreign enterprises conducting business travel agency activities in Central Eastern Europe

Development in activities and financial activities

The result for the year is a profit of 27,124 tDKK (2023 a profit of 21,281 tDKK). The result for the whole year came in above expectations, which were in line or slightly above the 2023 level primarily due to higher activity.

Development in activities and economic conditions

The result for the Group company is a profit of tDKK 27,124 (2023 profit tDKK 21,281).

Total revenue was tDKK 787,246 which is app. 18% above last year's revenue of tDKK 667,795. The result is above expectations due to higher sales than anticipated.

Risk factors

Operational risks

In addition to the ordinary commercial risk in the various markets, the Group has no unusual risks.

Currency risks

The Group's foreign companies are not immediately affected by exchange rate fluctuations, as both income and expenses are settled in local currency. Activities performed by Danish companies are affected by exchange rate changes, as certain services and goods are generated in foreign currency, while costs are charged in Danish kroner.

The Group's share of the profit for the year is affected by changes in exchange rates, as the foreign subsidiaries are converted to Danish kroner.

Statement of corporate social responsibility, cf. section 99 a of the Danish Financial Statements Act

Business Model

Weco-travel CEE A/S primary business is to conduct investment business and related business. Weco-Travel CEE A/S is the parent company of several companies that include travel agency activities and investment in general. No companies in which Weco-Travel CEE A/S owns shares are independently covered by the requirements for reporting on corporate social responsibility, including having formulated corporate social responsibility policies.

Risk analysis

Weco-Travel CEE A/S complies with relevant legislation across industries and locations in which the Group's companies operate. Against this background and taking the activities of the Group into consideration, the Group's risk of influencing the environment, climate, social and employee relations, human rights and anti-corruption is considered to be limited.

Management's review

Environment, climate, social and employee relations and human rights

Weco-Travel CEE A/S has no separate policies regarding the environment and climate impact, social and employee relations and human rights. The Company's affiliates are of a size that is not subject to the same as the Group reporting requirements, so it is not considered necessary to develop formal policies. Furthermore, based on the size and geographical location of affiliated companies, the absence of joint processes is not considered to expose the Group to risks associated with the company's employee relations or human rights violations.

As the Company operates in locations with regulations to the protection of the environment and climate, the risks are considered to be appropriately mitigated through compliance with regulation. A policy has therefore not been implemented.

Anti-corruption

Weco-Travel CEE A/S is aware that some of the Group's companies are located in areas where there is other risk of corruption and bribery. It is considered that national legislation is sufficient to deal with related risks, and it is therefore not assessed that the Group's possible exposure to corruption and bribery is present to an extent that requires a policy for this.

Data ethics

The Weco-Travel CEE A/S does not use advanced technologies such as artificial intelligence or machine learning. The company handles general data in the form of customer data and employee data. Data is processed in accordance with the GDPR and privacy and information security policies. With the limited processing of data, it is the company's assessment that there is no need for a policy on data ethics. The company will continuously assess whether a policy is necessary.

Expected development

As world geopolitical outlook feels more uncertain than normal, and since development in both global GDP and country GDP has real impact on the result from the company's activities they are less predictable

However, if world economic outlook does not deteriorate from its current state, it is expected that results for the company will be in line with last year with an estimated profit before financial items in the range of DKK 30 – 35 million.

Events after the balance sheet date

No events occurred after the balance sheet date that materially affects the financial position of the group.

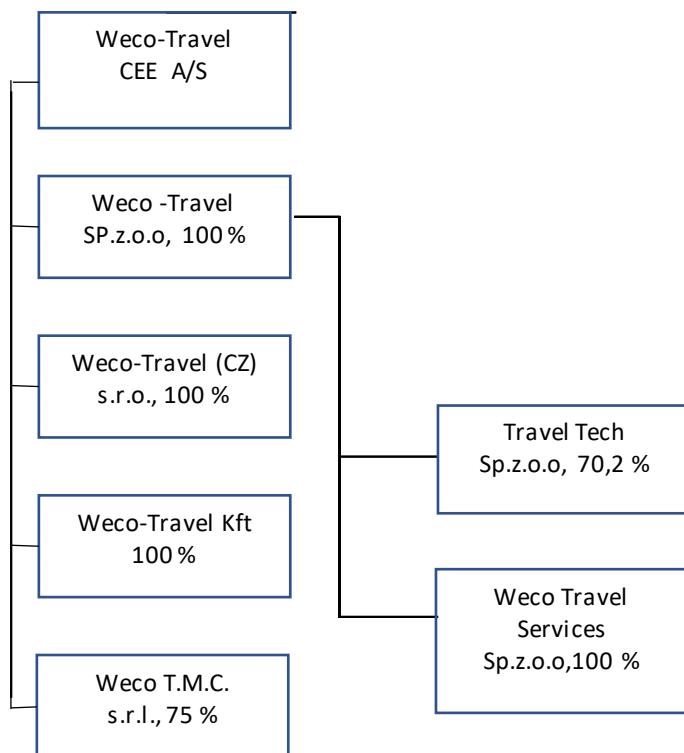
Financial highlights for the group

Due to development in the activities in Weco-Travel CEE A/S the company has now for two consecutive years surpassed the threshold for reporting requirements in the Danish Financial Statement Act for companies in Class "C large". Hence the accounting information is adjusted in accordance with the law. The financial highlights this year only shows two years and will be expanded to five year during the coming years.

	2024	2023
	(million DKK.)	(million DKK.)
Income statement		
Revenue	787,2	667,8
Contribution margin	170,9	138,6
Gross profit	121,5	101,1
EBITDA	39,4	33,1
Operating profit (EBIT)	31,9	26,3
Financial, netto	1,3	0,6
Result before tax	33,3	27,0
Statement of financial position at 31 December		
Total balance	180,9	147,6
Equity	62,6	46,4
Employees		
Average number	323	283
Key ratios in % *)		
Contribution margin	21,7	20,4
Gross margin	19,7	14,3
EBITDA-margin	6,4	3,7
Operating margin	5,2	2,4
Solidity	34,6%	31,4%

*) For definitions, see the section on accounting policies.

Group chart



Statement by the Management on the annual report

The Executive Board has today considered and adopted the Annual Report of Weco-Travel CEE A/S for the financial year 1 January – 31 December 2024.

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

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company operations for 2024. In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, on 24th June 2025.

Executive Board

Jawahar Jyoti Singh

Board of Directors

Ditlev Wedell-Wedellsborg
(Chairman)

Jawahar Jyoti Singh

Stefan D. Buch

Independent Auditor's Report

To the Shareholders of Weco-Travel CEE A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group's and the Parent Company's operations as well as for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Weco-Travel CEE A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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's Review and, in doing so, consider whether Management's Review 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Copenhagen, 24th June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Almas Naheed
State Authorised Public Accountant
mne50600

Income statement

	Note	Group		Parent	
		2024 (DKK '000)	2023 (DKK '000)	2024 (DKK '000)	2023 (DKK '000)
Revenue	1	787.246	667.795	7.464	8.067
Other income		2.406	38	-	-
Direct expenses		616.363	529.150	3.426	3.494
Other external expenses	2	<u>51.756</u>	<u>37.627</u>	<u>255</u>	<u>1.339</u>
Gross profit		121.533	101.057	3.783	3.234
Staff costs	3	82.167	67.977	655	653
Depreciation	8/9/10	<u>7.422</u>	<u>6.746</u>	<u>112</u>	
Result before financial items		31.944	26.334	3.016	2.581
Result in group enterprises				23.001	18.577
Financial income	4	2.832	1.472	177	24
Financial expenses	5	<u>1.513</u>	<u>831</u>	<u>310</u>	<u>284</u>
Result before tax		33.263	26.975	25.884	20.898
Tax on result for the year	6	<u>6.139</u>	<u>5.694</u>	<u>659</u>	<u>515</u>
Result for the year		<u>27.124</u>	<u>21.281</u>	<u>25.225</u>	<u>20.383</u>
Proposed distribution of result	7				

Statement of financial position on 31 December

Assets	Note	Group		Parent	
		2024	2023	2024	2023
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Goodwill		116	228	-	-
Licenses		421	562	-	-
Software etc.		20.372	13.842	-	-
Intangible fixed assets	8	<u>20.909</u>	<u>14.632</u>	-	-
Land and Buildings		1.296	1.770	-	-
Other fixtures and fittings, tools and equipment		1.232	1.227	-	-
Tangible fixed assets	9	<u>2.528</u>	<u>2.997</u>	-	-
Investments in group enterprises	10	-	-	57.021	36.305
Other receivables		194	1.027	-	-
Financial fixed assets		<u>194</u>	<u>1.027</u>	<u>57.021</u>	<u>36.305</u>
Total fixed assets		<u>23.631</u>	<u>18.656</u>	<u>57.021</u>	<u>36.305</u>
Receivables from sale and services		96.851	83.197	-	-
Deferred tax asset	6	1.982	303	-	-
Receivable tax		118	123	-	-
Prepayments	11	9.036	11.609	-	-
Other receivables		9.541	5.481	2.292	2.177
Receivables		<u>117.528</u>	<u>100.713</u>	<u>2.292</u>	<u>2.177</u>
Cash and cash equivalents		<u>39.774</u>	<u>28.241</u>	<u>2.637</u>	<u>11.609</u>
Total current assets		<u>157.302</u>	<u>128.954</u>	<u>4.929</u>	<u>13.786</u>
Total assets		<u>180.933</u>	<u>147.610</u>	<u>61.949</u>	<u>50.091</u>

Statement of financial position on 31 December

	Note	Group		Parent	
		2024	2023	2024	2023
		(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity and liabilities					
Share capital		584	584	584	584
Net revaluation reserve according to the equity method		-	-	18.695	-
Proposed dividend		19.000	11.000	19.000	11.000
Retained earnings		37.455	30.676	18.760	30.676
		<u>57.039</u>	<u>42.260</u>	<u>57.039</u>	<u>42.260</u>
Minority interests		<u>5.524</u>	<u>4.155</u>	-	-
Total equity		<u>62.563</u>	<u>46.415</u>	<u>57.039</u>	<u>42.260</u>
Financial institutions	12	<u>10</u>	<u>112</u>	-	-
Long-term liabilities		<u>10</u>	<u>112</u>	-	-
Financial institutions		43.002	30.517	2.296	2.682
Prepayments received from customers		3.261	1.816	-	-
Trade payables		35.216	34.631	559	1.220
Debt to group enterprises		-	2.520	-	2.902
Corporate income tax		5.163	1.962	659	516
Accruals		16.382	11.627	-	-
Other payables		15.336	18.010	1.396	512
Short-term liabilities		<u>118.360</u>	<u>101.083</u>	<u>4.911</u>	<u>7.831</u>
Total liabilities and equity		<u>180.933</u>	<u>147.610</u>	<u>61.949</u>	<u>50.091</u>
Other financial commitments	13				
Contingent liabilities	14				
Related parties	15				
Group relations	16				
Accounting policies	17				

Equity statement

	Share ca- pital	Minority in- terests	Group Retained earnings	Proposed dividend	Total
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	584	4.155	30.676	11.000	46.415
Currency adjustments etc.		-155	554		399
Paid out dividend		-375		-11.000	-11.375
Result for the year		1.899	6.225	19.000	27.124
Equity at 31 December	<u>584</u>	<u>5.524</u>	<u>37.455</u>	<u>19.000</u>	<u>62.563</u>

	Share ca- pital	Reserve for net revalu- ation under the equity method	Parent Retained earnings	Proposed dividend	Total
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Equity at 1 January	584		30.676	11.000	42.260
Currency adjustments etc.			554		554
Paid out dividend				-11.000	-11.000
Added to reserve		18.695			18.695
Result for the year			-12.470	19.000	6.530
Equity at 31 December	<u>584</u>	<u>18.695</u>	<u>18.760</u>	<u>19.000</u>	<u>57.039</u>

Notes
Note 1 – Revenue

	Denmark	Group Other coun- tries EU	Group total
	(DKK '000)	(DKK '000)	(DKK '000)
Geographic Markets 2024	<u>7.464</u>	<u>779.782</u>	<u>787.246</u>
Geographic Markets 2023	<u>8.067</u>	<u>659.728</u>	<u>667.795</u>

Notes

Note 2 – Fees to parent company auditor

In accordance with Section 96, subsection 3 of the Danish Financial Statements Act, the statement of audit fees has been omitted, and reference is therefore made to the consolidated financial statements of the parent company, NIKI Invest ApS."

	Group		Parent	
	2024	2023	2024	2023
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Note 3 - Staff costs				
Wages	71.111	58.602	649	647
Pension	2.555	2.161		-
Other costs	8.501	7.214	6	6
Staff costs, total	<u>82.167</u>	<u>67.977</u>	<u>655</u>	<u>653</u>
Renumeration of management and board			611	611
Average number of employees	<u>323</u>	<u>283</u>	<u>1</u>	<u>1</u>

	Group		Parent	
	2024	2023	2024	2023
	(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Note 4 - Financial income				
Interest, bank	832	194	154	24
Currency exchange	2.000	1.277	23	-
Financial income, total	<u>2.832</u>	<u>1.472</u>	<u>177</u>	<u>24</u>

Note 5 - Financial expenses

Interest, bank	480	792	219	206
Currency exchange	1.024	-	81	39
Interest, Group enterprises	9	39	9	39
Financial expenses, total	<u>1.513</u>	<u>831</u>	<u>310</u>	<u>284</u>

Notes

	Group		Parent	
	2024 (DKK '000)	2023 (DKK '000)	2024 (DKK '000)	2023 (DKK '000)
Note 6 - Tax on results for the year				
Current tax	4.460	4.469	659	516
Deferred tax	1.679	1.225	-	0
Tax on results for the year	<u>6.139</u>	<u>5.694</u>	<u>659</u>	<u>515</u>

Recognition of deferred tax assets in the consolidated financial statements relates to tax losses from previous year's which the Group expect to utilise in the coming 3 to 5 financial years.

Note 7 - Proposed distribution of results

Minority interests	1.899	1.644	-	-
Dividend	19.000	11.000	19.000	11.000
Retained earnings	<u>6.225</u>	<u>8.637</u>	<u>6.225</u>	<u>9.383</u>
	<u>27.124</u>	<u>21.281</u>	<u>25.225</u>	<u>20.383</u>

Note 8 - Intangible fixed assets

	Group		
	Software (DKK '000)	Licences (DKK '000)	Goodwill (DKK '000)
Cost at 1. January	41.640	2.906	21.547
Additions	12.329	134	-
Disposals	-	-	-
Currency exchange	257	-	-
Cost at 31. December	<u>54.724</u>	<u>2.293</u>	<u>21.547</u>
Amortisation 1 January	27.798	2.344	21.319
Amortisation	6.105	296	112
Disposals	-	-	-
Currency exchange	22	-	-
Amortisation 31 December	<u>34.352</u>	<u>1.872</u>	<u>21.431</u>
Net value 31. December	<u>20.372</u>	<u>421</u>	<u>116</u>

Notes

Note 9 - Tangible fixed assets

	Group	
	Land and bul- dings	Other fixtures and fittings
	(DKK '000)	(DKK '000)
Cost at 1. January	2.370	9.595
Additions		881
Disposals	-436	-376
Currency exchange	-232	5
Cost at 31. December	<u>1.702</u>	<u>10.105</u>
Depreciation 1 January	600	8.368
Depreciations	31	878
Disposals	-213	-376
Currency exchange	-12	3
Depreciation 31 December	<u>406</u>	<u>8.873</u>
Net value 31. December	<u><u>1.296</u></u>	<u><u>1.232</u></u>

Note 10 - Investments in group enterprises

	Parent Enter- prises
	(DKK '000)
Cost at 1 January	38.326
Disposals	-
Cost at 31 December	<u>38.326</u>
Net revaluation at 1 January	-2.020
Share of results for the year after tax	23.001
Amortization on goodwill for the year	-112
Currency exchange etc.	553
Distributed dividends	-2.727
Net revaluation at 31 December	<u>18.695</u>
Carrying amount at 31 December	<u><u>57.021</u></u>
Consolidation goodwill recognised in the carrying amount:	
31 December 2024	<u><u>116</u></u>
31 December 2023	<u><u>228</u></u>

Notes

Note 10 - Investments in group enterprises continued

Name	Registered office	Voting & owner share
Weco-Travel Sp. z o.o.	Poland	100%
Weco-Travel Services Sp. z.o.o.	Poland	100%
TravelTech Sp. z o.o.	Poland	71%
Weco-Travel (CZ) s.r.o.	Czech Republic	100%
Weco-Travel Kft	Hungary	100%
Weco T.M.C S.R.L.	Romania	75%

Note 11 - Prepayments

Prepayments consists of prepaid expenses concerning services, rent etc.

Note 12 - Other payables and financial institutions

	< 1 year (DKK '000)	1-5 years (DKK '000)	> 5 years (DKK '000)
		Group	
Long-term liabilities	-	10	-
		Parent	
Long-term liabilities	-	-	-

Note 13 - Other financial commitments

	Group		Parent	
	2024 (DKK '000)	2023 (DKK '000)	2024 (DKK '000)	2023 (DKK '000)
Rental liabilities etc	7.691	19.676	-	-
Guarantees	2.198	927	-	-

Notes

Note 14 - Contingent liabilities

The company is in joint taxation arrangement with Niki Invest ApS servicing as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the total known net liabilities of the jointly taxed companies are shown in the administration company's annual report. There are no other contingent liabilities.

Note 15 - Related parties

All transactions with related parties have been on market terms.

Note 16 - Group relations

Parent company where the company is included in consolidated financial statements:
Niki Invest ApS, Store Strandstræde 21 1st floor, 1255 Copenhagen K.

Note 17 - Accounting policies

The consolidated financial statements have been prepared in accordance with the provision of the Danish Financial Statements Act, applying to enterprises of reporting class C large.

The accounting policies applied remain unchanged from last year.

The consolidated financial and Parent financial statements are presented in DKK.

Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses including depreciation / amortisation and impairment losses are recognised in the income statement.

Assets and liabilities are recognised in the statement of financial position when it is probable that future economic benefits will flow to or flow out of the company and when the value of the asset or liability can be measured reliably.

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

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

Basis of consolidation

The Consolidated Financial Statements comprise Weco-Travel CEE A/S, and subsidiaries in which the Company directly or indirectly holds more than 50% of the votes or in which the Company, through share ownership or otherwise, exercises control.

Note 17 - Accounting policies continued

On consolidation, items of a similar nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises. The Company's investments in the consolidated subsidiaries are set off against the Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognized in intangible assets in the balance sheet as goodwill, which is amortized in the income statement on a straight-line basis over its estimated useful life but not exceeding 10 years. Any remaining negative differences are recognized in other income. Amounts attributable to expected losses or expenses are recognized as income in the income statement as the affairs and conditions to which the amounts relate materialize.

Negative goodwill not related to expected losses or expenses is recognized at an amount equal to the fair value of non-monetary assets in the income statement.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortization already made.

Foreign currency translation

Transactions denominated in other currencies than Danish kroner are translated at the exchange rate at the date of transaction. Exchange differences arising between the rate on the date of transaction and the rate on the payment day are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in other currencies than Danish kroner that have not been settled at the balance sheet date are translated by applying the exchange rates at the balance sheet date. Differences arising between the rate at the balance sheet date and the rate at the date of the arising of the receivable or payable are recognised in the income statement under financial income and expenses.

With regard to foreign enterprises, the income statements are translated at an average exchange rate for the year (or shorter owner period) and the balance sheet items are translated at the exchange rate at the balance sheet date. Differences arising in connection with translation of the foreign subsidiaries' equity at the beginning of the year (or later acquisition date) at the rate at the balance sheet date and in connection with translation of the income statements from average exchange rate to the rate at the balance sheet date are recognised directly in equity.

Note 17 - Accounting policies continued**The income statements****Revenue**

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other income

Other operating income and costs comprise items secondary to the principal activities of the enterprises, including gains and losses on disposal of intangible assets and property, plant and equipment. Gains and losses on disposal of intangible assets and property, plant and equipment are computed as the sales price less disposal costs and the carrying amount at the disposal date.

Direct costs

Direct costs include the costs incurred to achieve the revenue for the year. Direct costs are recognized, including wages and salaries, energy consumption, and maintenance.

Staff costs

Staff costs include wages and salaries, social expenses and pensions.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other external expenses

Other external costs include costs for administration, premises operating leases expenses, etc.

Result in group enterprises

Result in group enterprises include the parents share of the result in the individual subsidiary

Net financials

Financial income and financial expenses include interest receivable and payable, realised and unrealised exchange gains and losses on transactions denominated in foreign currencies, and charges and reimbursements related to the Danish Scheme for Payment of Tax on Account etc.

Corporation tax and deferred tax

The company is jointly taxed with the ultimate parent and all the parent company's other Danish subsidiaries. The Danish corporation tax is allocated between the jointly taxed Danish companies with the portion of taxes related to their taxable incomes (full allocation with refund regarding tax losses).

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the income statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

Note 17 - Accounting policies continued**The statement of financial position****Intangible assets**

Goodwill is amortized on a straight-line basis over the estimated useful life determinate on the basis of management expectations, not exceeding 10 years.

The carrying value of goodwill is regularly assessed and written down to value in use if the carrying value exceeds the estimated future net revenues from the business or activity to which the goodwill relates.

Acquired intellectual property rights in the form of licenses are measured at cost less accumulated depreciation. Licenses are amortized over the period, not exceeding 20 years.

Acquired intellectual property rights in the form of software are measured at cost less accumulated depreciation. Software is amortized over its useful life, not exceeding 7 years.

Tangible fixed assets

Leasehold improvements, fixtures and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements	5 years
Other fixtures and equipment	3 - 5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of leasehold improvements, fixtures and equipment and intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use.

Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Financial assets*Investments in group enterprises (in parent company)*

The proportionate share of the individual enterprises' results after tax is recognised in the parent's income statement.

Note 17 - Accounting policies continued

In the statement of financial position, investments in group enterprises are measured at the proportionate share of the group enterprises' equity calculated in accordance with the parent's accounting policies.

Net revaluation of investments in group enterprises is transferred under equity to reserves for net revaluation by the equity method to the extent the financial value exceeds the acquisition price less impairment on goodwill.

Companies with negative equity are recognized at DKK nil and possibly receivable from these companies are written down by the parent's share of the negative equity to the extent it is deemed uncollectible. If the negative equity value exceeds the receivables, the remaining amount under provisions to the extent that the parent has a legal or constructive obligation to cover the subsidiary's balance sheet

Acquisition or establishment of enterprises are recognised in the annual report from the date of acquisition. Divested or terminated enterprises are recognised to the date of disposal.

The purchase method is applied in connection with acquisition of new enterprises after which the newly acquired enterprises' identified assets and liabilities are measured at fair value at the date of acquisition.

Positive differences (goodwill) between acquisition price and market value of acquired assets and assumed liabilities are recognised under investments in group enterprises and are amortised after an individual estimation of the economic life, maximum 10 years.

Receivables

Receivables are measured at amortised cost which usually equals nominal value. Write down is made to net realisable value to meet expected losses.

Prepayments

Prepayments recognized under assets comprise costs incurred concerning subsequent financial years.

Current and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account.

Deferred tax is measured at temporary differences between the carrying amount and the tax base of assets and liabilities measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carry forwards are measured at the expected realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Note 17 - Accounting policies continued

Equity

Dividends expected distributed for the year are shown as a separate item under equity.

Accrual and other payables

Payables are measured at amortised cost which usually equals nominal value.

Prepayments

Prepayments received regarding subsequent financial year.

Cash flow statement

Cash flow statement is not prepared pursuant to section 86, subsection 4, of the Danish Financial Statements Act, as such statement is prepared for the ultimate group.

Key ratios

The key figures in the financial statements and financial statements are calculated as follows:

Contribution margin

$$\frac{(\text{Revenue} - \text{cost on sales}) \times 100}{\text{Revenue}}$$

Gross margin

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

EBITDA-margin

$$\frac{(\text{Result before financials} + \text{depreciation}) \times 100}{\text{Revenue}}$$

Operating margin

$$\frac{\text{Result before financials} \times 100}{\text{Revenue}}$$

Solidity

$$\frac{\text{Equity, year end} \times 100}{\text{Liabilities, year end}}$$