

Nyhavn Rejser A/S

Folke Bernadottes Allé 7
2100 Copenhagen
CVR No. 15500999

Annual report 01.10.2020 - 30.09.2021

The Annual General Meeting adopted the
annual report on 26.01.2022

Morten Krüger

Chairman of the General Meeting

Contents

| | |
|--|----|
| Entity details | 2 |
| Statement by Management | 3 |
| Independent auditor's report | 4 |
| Management commentary | 7 |
| Income statement for 2020/21 | 9 |
| Balance sheet at 30.09.2021 | 10 |
| Statement of changes in equity for 2020/21 | 12 |
| Notes | 13 |
| Accounting policies | 18 |

Entity details

Entity

Nyhavn Rejser A/S
Folke Bernadottes Allé 7
2100 Copenhagen

Business Registration No.: 15500999
Date of foundation: 01.09.1991
Registered office: Copenhagen
Financial year: 01.10.2020 - 30.09.2021
URL: www.nyhavn.dk

Board of Directors

Katinka Pernille Aller, Chairman
Erik Aller
Bettina Charlotte Aller
Morten Krüger
Berit Algren Bonde, Elected by the employees
Lasse Westh, Elected by the employees

Executive Board

Morten Krüger

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 Nyhavn Rejser A/S for the financial year 01.10.2020 - 30.09.2021.

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 30.09.2021 and of the results of its operations for the financial year 01.10.2020 - 30.09.2021.

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.

København, 14.12.2021

Executive Board

Morten Krüger

Board of Directors

Katinka Pernille Aller
Chairman

Erik Aller

Bettina Charlotte Aller

Morten Krüger

Berit Algren Bonde
Elected by the employees

Lasse Westh
Elected by the employees

Independent auditor's report

To the shareholder of Nyhavn Rejser A/S

Opinion

We have audited the financial statements of Nyhavn Rejser A/S for the financial year 01.10.2020 - 30.09.2021, 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 30.09.2021 and of the results of its operations for the financial year 01.10.2020 - 30.09.2021 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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.

København, 14.12.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Kronow

State Authorised Public Accountant
Identification No (MNE) mne19708

Christina Nilsson

State Authorised Public Accountant
Identification No (MNE) mne44182

Management commentary

Financial highlights

| | 2020/21 | 2019/20 | 2018/19 | 2017/18 | 2016/17 |
|---|---------|----------|---------|---------|---------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | | | |
| Gross profit/loss | 6,747 | 12,653 | 33,514 | 45,355 | 46,040 |
| Operating profit/loss | (6,613) | (10,567) | 4,753 | 11,141 | 9,995 |
| Net financials | (196) | 669 | 1,033 | (255) | (853) |
| Profit/loss for the year | (5,389) | (7,602) | 4,497 | 8,473 | 7,119 |
| Total assets | 97,250 | 64,342 | 107,287 | 117,499 | 111,116 |
| Investments in property, plant and equipment | 0 | 0 | 0 | 0 | 248 |
| Equity | 13,748 | 10,521 | 23,883 | 28,989 | 19,867 |
| Average number of employees | 28 | 38 | 49 | 61 | 59 |
| Ratios | | | | | |
| Return on equity (%) | (44.41) | (44.19) | 17.01 | 34.69 | 42.64 |
| Equity ratio (%) | 14.14 | 16.35 | 22.26 | 24.67 | 17.88 |

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

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The object of the Company is to operate travel agency business and related activities.

Development in activities and finances

Once again, the COVID-19 pandemic has had a significant adverse effect on this year's activities. The financial year started with a lockdown in most of Europe and with it, a material uncertainty as to selling vacations for the next year because of COVID-19. The lockdown in Denmark and the rest of Europe lasted, generally speaking, until the early summer of 2021, when the vaccinations became more and more widespread, a corona passport was introduced, and the number of infected people started to drop. When several European countries reopened their borders, it became possible again to send off travellers; however, to a minimal extent compared to an "average" summer, as many Danes had already decided on a staycation in Denmark.

During the period, the Company was partly compensated for fixed costs and payroll of DKK 15.702 thousand. However, at the same time, it repaid DKK 3.150 thousand of last year's compensation received from the Travel Guarantee Fund regarding trips cancelled between 13 March 2020 and 13 April 2020 due to changes in the announced travel guidelines. Consequently, the Company has recognised a net compensation of DKK 12.552 thousand see comments in note 2.

Loss for the year before tax amounts to DKK 6,809 thousands compared to a loss of DKK 9,898 thousands in 2019/20. Overall, the performance is considered highly unsatisfactory but is solely the result of the dramatic effects of the COVID-19 pandemic and its impact on the travel industry.

Profit/loss for the year in relation to expected developments

This year's performance meets expectations despite the negative consequences of the COVID-19 pandemic.

Uncertainty relating to recognition and measurement

The current COVID-19 pandemic and its consequences have led to increased risk on receivables from the Company's foreign business partners. Based on estimates, the Company has reflected this risk in recognition of receivables.

Outlook

Based on the current travel restrictions at many destinations, the uncertainty about the further development of the COVID-19 pandemic worldwide, and the expiry of compensation schemes, management of the Aller Leisure A/S group expects the coming financial year to continue to be negatively affected by the COVID-19 pandemic. Also, the travel industry depends on the reopening of markets. However, management expects a continued increase in the activity level but slightly negative operating results (EBITDA) for 2021/22.

Knowledge resources

It is crucial to the Company to attract and retain employees with highly professional and personal skills. The Company is investing a significant amount of resources on a current basis for further improvement of staff qualifications.

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 2020/21

| | Notes | 2020/21 DKK'000 | 2019/20 DKK'000 |
|--|-------|--------------------|--------------------|
| Gross profit/loss | 2 | 6,747 | 12,653 |
| Staff costs | 3 | (13,358) | (21,910) |
| Depreciation, amortisation and impairment losses | | (2) | (1,310) |
| Operating profit/loss | | (6,613) | (10,567) |
| Other financial income | 4 | 10 | 821 |
| Other financial expenses | 5 | (206) | (152) |
| Profit/loss before tax | | (6,809) | (9,898) |
| Tax on profit/loss for the year | 6 | 1,420 | 2,296 |
| Profit/loss for the year | 7 | (5,389) | (7,602) |

Balance sheet at 30.09.2021

Assets

| | Notes | 2020/21 DKK'000 | 2019/20 DKK'000 |
|--|-------|--------------------|--------------------|
| Acquired rights | | 0 | 0 |
| Goodwill | | 0 | 0 |
| Intangible assets | 8 | 0 | 0 |
| Other fixtures and fittings, tools and equipment | | 0 | 2 |
| Property, plant and equipment | 9 | 0 | 2 |
| Receivables from group enterprises | | 0 | 17,413 |
| Deposits | | 1,505 | 1,443 |
| Financial assets | 10 | 1,505 | 18,856 |
| Fixed assets | | 1,505 | 18,858 |
| Trade receivables | | 5,387 | 1,810 |
| Receivables from group enterprises | 11 | 25,751 | 17,671 |
| Deferred tax | 12 | 3,452 | 2,377 |
| Other receivables | | 11,934 | 6,273 |
| Joint taxation contribution receivable | | 423 | 0 |
| Prepayments | 13 | 42,766 | 14,350 |
| Receivables | | 89,713 | 42,481 |
| Cash | | 6,032 | 3,003 |
| Current assets | | 95,745 | 45,484 |
| Assets | | 97,250 | 64,342 |

Equity and liabilities

| | Notes | 2020/21 DKK'000 | 2019/20 DKK'000 |
|---|--------------|----------------------------|----------------------------|
| Contributed capital | 14 | 1,227 | 1,227 |
| Reserve for fair value adjustments of hedging instruments | | 116 | 0 |
| Retained earnings | | 12,405 | 9,294 |
| Equity | | 13,748 | 10,521 |
| Prepayments received from customers | 15 | 51,318 | 33,488 |
| Trade payables | | 17,302 | 2,422 |
| Payables to group enterprises | | 1,119 | 598 |
| Joint taxation contribution payable | | 0 | 1,343 |
| Other payables | | 13,763 | 15,970 |
| Current liabilities other than provisions | | 83,502 | 53,821 |
| Liabilities other than provisions | | 83,502 | 53,821 |
| Equity and liabilities | | 97,250 | 64,342 |
| Unusual circumstances | 1 | | |
| Financial instruments | 16 | | |
| Unrecognised rental and lease commitments | 17 | | |
| Contingent liabilities | 18 | | |
| Assets charged and collateral | 19 | | |
| Related parties with controlling interest | 20 | | |
| Transactions with related parties | 21 | | |
| Group relations | 22 | | |

Statement of changes in equity for 2020/21

| | Contributed capital DKK'000 | Reserve for fair value adjustments of hedging instruments DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|--|-----------------------------------|--|---------------------------------|------------------|
| Equity beginning of year | 1,227 | 0 | 9,294 | 10,521 |
| Increase of capital | 1 | 0 | 8,499 | 8,500 |
| Decrease of capital | (1) | 0 | 1 | 0 |
| Fair value adjustments of hedging instruments | 0 | 149 | 0 | 149 |
| Tax of entries on equity | 0 | (33) | 0 | (33) |
| Profit/loss for the year | 0 | 0 | (5,389) | (5,389) |
| Equity end of year | 1,227 | 116 | 12,405 | 13,748 |

The Company's owner has promised to maintain the current credit facility, which is considered sufficient to meet the Company's financial needs in the next financial year.

Notes

1 Unusual circumstances

The COVID-19 pandemic has had a significant adverse effect on the Company's current financial year. The global spread of COVID-19 has led to travel restrictions, resulting in the Company losing its entire business base unexpectedly. Moreover, it resulted in declined activities in 2020/21 compared to last year. Consequently, the Company has been partly compensated; see note 2.

2 Gross profit/loss

The item "Gross profit/loss" includes wage compensation of DKK 1,769 thousand (2019/20: DKK 2,094 thousand) paid to companies in financial crisis due to COVID-19. The Company received the wage compensation for having repatriated employees when the authorities introduced restrictions to reduce the spread of COVID-19.

"Gross profit/loss" also includes compensation of DKK 13,933 thousand (2019/20: DKK 3,080 thousand), received from the fixed costs aid package to help companies in financial crisis due to COVID-19. Of this, the remaining amount is DKK 11,500 thousand. The compensation paid the Company's fixed costs, which were unavoidable despite the lockdown and the restrictions introduced by the authorities. It mainly relates to costs included in the item "Other external expenses" in the income statement.

In 2019/20, the Travel Guarantee Fund compensated the Company for trips cancelled between 13 March 2020 and 13 April 2020. However, in the current financial year, the Company has recognised a repayment obligation of DKK 3,150 thousand (2019/20: DKK 3,917 thousand) from last year's compensation received due to changes in the announced travel guidelines.

3 Staff costs

| | 2020/21 | 2019/20 |
|---------------------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Wages and salaries | 12,099 | 20,223 |
| Pension costs | 1,026 | 1,448 |
| Other social security costs | 233 | 239 |
| | 13,358 | 21,910 |
| Average number of full-time employees | 28 | 38 |

With reference to section 98b (3)(2) of the Danish Financial Statements Act disclosure of payment to Management is not shown.

4 Other financial income

| | 2020/21 | 2019/20 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| Financial income from group enterprises | 0 | 413 |
| Other interest income | 10 | 49 |
| Exchange rate adjustments | 0 | 359 |
| | 10 | 821 |

5 Other financial expenses

| | 2020/21 DKK'000 | 2019/20 DKK'000 |
|---|--------------------|--------------------|
| Financial expenses from group enterprises | 91 | 151 |
| Other interest expenses | 74 | 1 |
| Exchange rate adjustments | 41 | 0 |
| | 206 | 152 |

6 Tax on profit/loss for the year

| | 2020/21 DKK'000 | 2019/20 DKK'000 |
|--------------------------------------|--------------------|--------------------|
| Change in deferred tax | (1,531) | (2,296) |
| Adjustment concerning previous years | 111 | 0 |
| | (1,420) | (2,296) |

7 Proposed distribution of profit and loss

| | 2020/21 DKK'000 | 2019/20 DKK'000 |
|-------------------|--------------------|--------------------|
| Retained earnings | (5,389) | (7,602) |
| | (5,389) | (7,602) |

8 Intangible assets

| | Acquired rights DKK'000 | Goodwill DKK'000 |
|---|-------------------------------|---------------------|
| Cost beginning of year | 9,753 | 1,200 |
| Cost end of year | 9,753 | 1,200 |
| Amortisation and impairment losses beginning of year | (9,753) | (1,200) |
| Amortisation and impairment losses end of year | (9,753) | (1,200) |
| Carrying amount end of year | 0 | 0 |

9 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK'000 |
|---|---|
| Cost beginning of year | 864 |
| Disposals | (56) |
| Cost end of year | 808 |
| Depreciation and impairment losses beginning of year | (863) |
| Depreciation for the year | (2) |
| Reversal regarding disposals | 57 |
| Depreciation and impairment losses end of year | (808) |
| Carrying amount end of year | 0 |

10 Financial assets

| | Receivables from group enterprises DKK'000 | Deposits DKK'000 |
|------------------------------------|---|-----------------------------|
| Cost beginning of year | 17,413 | 1,443 |
| Additions | 0 | 62 |
| Disposals | (17,413) | 0 |
| Cost end of year | 0 | 1,505 |
| Carrying amount end of year | 0 | 1,505 |

11 Receivables from group enterprises

Receivables from group enterprises comprise funds that are part of a cash pooling arrangement and an intra-group account. No due date has been decided for the intra-group account. The cash pooling arrangement is like cash resources and, consequently, it is impossible to calculate how much is settled after one year.

12 Deferred tax

| | 2020/21 DKK'000 | 2019/20 DKK'000 |
|-------------------------------|----------------------------|----------------------------|
| Intangible assets | 189 | 226 |
| Property, plant and equipment | 39 | 51 |
| Provisions | 462 | 1,108 |
| Tax losses carried forward | 2,762 | 992 |
| Deferred tax | 3,452 | 2,377 |

| | 2020/21 | 2019/20 |
|------------------------------------|----------------|----------------|
| Changes during the year | DKK'000 | DKK'000 |
| Beginning of year | 2,377 | (133) |
| Recognised in the income statement | 1,531 | 2,296 |
| Recognised directly in equity | (33) | 214 |
| Used in joint taxation | (423) | 0 |
| End of year | 3,452 | 2,377 |

At 30 September 2021, the Company has recognised a tax asset of DKK 2,985 thousand. The tax asset comprises tax losses carried forward and unused tax deductions by way of time differences between accounting and tax balance values. Management believes that the tax asset will be used in future taxable income.

13 Prepayments

Prepayments comprise prepaid expenses for trips with departure date after 30 September 2021.

14 Share capital

| | Number | Par value | Nominal |
|---------------|---------------|------------------|----------------|
| | | DKK'000 | value |
| | | | DKK'000 |
| Share capital | 1,227 | 1 | 1,227 |
| | 1,227 | | 1,227 |

The company has in the current financial year made a capital reduction of nominally 1 t.kr. at a price of 100 and made a capital increase of a nominal DKK 1 thousand. at a price of 850,000, corresponding to DKK 8,500 thousand.

15 Prepayments received from customers

Prepayments received from customers comprise payments related to trips with departure date after 30 September 2021.

16 Financial instruments

Other receivables include positive fair value of derivative financial instruments of DKK 33 thousand (2019/20: negative fair value of DKK 160 thousand). The Company has chosen to hedge part of the currency risk by entering into forward contracts on already sold trips distributed among currencies USD, AUD and ZAR. The fair value adjustment has been recognised in equity.

17 Unrecognised rental and lease commitments

The Company has entered into a lease on its premises. The lease is terminable at 12 months' notice. The total rental obligation amounts to DKK 2,945 thousand at 30.09.2021.

The Company has also entered into other lease agreements, which cannot be terminated until 31 July 2023. The total rental obligation amounts to DKK 66 thousand at 30 September 2021.

18 Contingent liabilities

The Company participates in a Danish joint taxation arrangement with other Danish consolidated companies. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

19 Assets charged and collateral

The Company has provided bank guarantee of DKK 2,500 thousand to the Danish Travel Guarantee Fund (Rejsegarantifonden) and other creditors.

20 Related parties with controlling interest

Related parties with controlling interest of the Company:

- Aller Leisure A/S, 2100 Copenhagen Ø, owns all shares in the Company and has the controlling interest.
- Aller A/S, 1561 Copenhagen V, owns all shares in Aller Leisure A/S and has the controlling interest.
- Allerfonden, 2100 Copenhagen Ø, is the ultimate owner of Aller A/S.

21 Transactions with related parties

Only non-arm's length transactions with related parties are disclosed in the financial statements. No such transactions have been made in the financial year.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

- Aller A/S, 1561 Copenhagen V.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

- Aller A/S, 1561 Copenhagen V.

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.

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. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of

comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and external expenses.

Revenue

Revenue from the sale of trips is recognised in the income statement at the time of departure and no later than 30 September of the financial year in question, and if the revenue can be measured reliably and is expected to be received.

Revenue is recognised net of VAT, duties and sales discounts and is measured at selling price of the consideration fixed.

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 direct costs for the sale of trips recognised in the financial year.

Other external expenses

External expenses comprise marketing cost, administrative expenses, cost of premises, loss of debtors, etc.

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 intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, including net capital gains on transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including net capital losses on transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with Aller A/S and all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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. Useful lives are reassessed annually. The amortisation periods used are 5 years.

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

Intellectual property rights etc

Intellectual property rights etc comprise of acquired rights, which consist of software and licenses are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement, usually 3-5 years. Estimated useful lives and residual values are reassessed annually.

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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 | 3-5 years |
|--|-----------|

Estimated useful lives and residual values are reassessed annually.

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

Receivables

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

Receivables from group enterprises

Funds included in the cash pool arrangement are recognised in receivables from group enterprises along with other current accounts.

Deferred tax

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

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers concerning trips with departure date after financial year-end.

Cash flow statement

Referring to section 86 (4) of the Danish Financial Statements Act, Nyhavn Rejser A/S has not prepared any cash flow statement.