



CWT DENMARK A/S

Ørestads Boulevard 35, 3.
2300 København S
CVR No. 66097218

Annual report 2021

The Annual General Meeting adopted the
annual report on 15.07.2022

Torben Brik Rodenberg
Chairman of the General Meeting

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Entity details

Entity

CWT DENMARK A/S
Ørestads Boulevard 35, 3.
2300 København S

Business Registration No.: 66097218
Registered office: København
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Rhodri Llewelyn Hollister Turner, Chairman
Torben Brik Rodenberg
Jens Michael Hyldnæs
Kaj Mikael Genas

Executive Board

Torben Brik Rodenberg, Chief Executive Officer

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 CWT DENMARK A/S for the financial year 01.01.2021 - 31.12.2021.

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

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

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 15.07.2022

Executive Board

Torben Brik Rodenberg
Chief Executive Officer

Board of Directors

Rhodri Llewelyn Hollister Turner
Chairman

Torben Brik Rodenberg

Jens Michael Hyldnæs

Kaj Mikael Genas

Independent auditor's report

To the shareholders of CWT DENMARK A/S

Report on the audit of the financial statements

Opinion

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the Financial Statements describing that due to the continuing nature of Covid 19 pandemic further capital injections will be needed in order to maintain liquidity for CWT Denmark A/S. CWT Group's financial situation indicates there is uncertainty related to the ability to establish a capital injection. As such material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. As it follows from note 1 The Board of Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. Our Opinion is not modified in respect of this matter.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of Danish company law

The Entity has not been able to find the rules of procedure of the Board of Directors in the company's archive, which is in conflict with section 130 of the Danish Companies Act, for which Management may be held liable. New rules of procedures have been prepared and signed in July 2022.

København, 15.07.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Kim Gerner Jacobsen

State Authorised Public Accountant

Identification No (MNE) mne10122

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	14,796	27,820	58,965	54,217	44,361
Operating profit/loss	(16,042)	(17,064)	(1,418)	(2,419)	(15,074)
Net financials	(1,070)	(998)	(2,405)	(1,938)	(1,529)
Profit/loss for the year	(17,112)	(18,062)	(3,823)	(5,414)	(16,888)
Total assets	55,390	50,854	63,414	54,032	65,105
Investments in property, plant and equipment	119	1,340	258	178	108
Equity	11,909	12,771	8,233	12,052	17,474
Cash flows from (used in) operating activities	(16,131)	(24,780)	(573)	0	0
Cash flows from (used in) investing activities	(119)	(811)	(258)	0	0
Cash flows from (used in) financing activities	16,250	22,600	0	0	0
Ratios					
Return on equity (%)	(145.90)	(172.00)	(37.70)	(36.70)	(65.20)
Equity ratio (%)	22.80	25.10	13.00	22.30	30.60

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 primary activities of the Company are the sale of business travel services, travel management, group travels as well as meetings and events facilitated under the name of CWT.

Partnering with companies of all types and sizes, CWT knows that not two customers have the same requirements. Consequently, CWT works closely with each customer to define and implement the solutions that best correspond to their specific needs, challenges and objectives.

To that end, CWT offers a range of products and services aimed at Programme Optimisation for the benefit of the Company as well as the traveller. CWT solutions can be grouped into five categories:

- 1. Traveller Services** offers best-in-class services and assistance to travellers and optimises the processing of simple and complex transactions. This service includes personalised services as well as technology solutions.
- 2. Programme Optimisation** offers a variety of products and services to help customers optimise their travel programmes and savings.
- 3. Safety & Security** offers a range of products and services to inform companies of potential risks and help locate and assist travellers in an emergency situation.
- 4. Meetings & Events** offers best-in-class services to create and manage meetings and events while helping companies control and optimise related expenditures.
- 5. RoomIT** offers best-in-class hotel programmes with extensive contents and modern technology to enable customers to fully include their entire hotel needs with CWT.

Development in activities and finances

The worldwide pandemic resulting from the spread of the COVID-19 virus caused a significant interruption to CWT Denmark A/S's ("The Company") business, beginning in March 2020. The situation continues to evolve, however, it demonstrates that an infectious disease which results in a pandemic, can have a dramatic impact on operations in a relatively short space of time.

Whilst the spread of the disease and the measures mandated by Government are not within the Company's control, the Company management took decisive cost reduction and cash management actions through 2020 and 2021 to mitigate the impact on the CWT Group and Company's liquidity and financial position. These actions to date have included delaying vendor payments, renegotiating lease and other supplier agreements, delaying or suspending discretionary projects, and making use of the Danish government support schemes. The support schemes have been utilised by the Company in order to reduce cash expenditure during the time that the pandemic has drastically reduced trading, and to maintain the employment of staff for when trading returns.

The Covid-19 pandemic has affected the performance of the company, its ultimate holding company, Carlson Travel, Inc., and the other subsidiaries of the Carlson Travel, Inc. group of companies (the "Group"). The company's Board of Directors has considered the Group's liquidity and cash flow forecast until May 2023, due to the fact that The Group entered into a Restructuring Support Agreement on September 10, 2021 (as amended and restated, the "RSA"). The RSA was executed by the Group and its financial stakeholders including Carlson Inc., (which indirectly owned 85% of the equity of the Group), 100% of the Group's revolving credit facility lender group and holders of over 90% of the Group's outstanding secured debt. Under the RSA, the stakeholders agreed to support a Plan of Reorganization ("the Plan") and vote or consent in favor of any matter requiring their

approval. On November 11, 2021, Carlson Travel, Inc. and certain of its domestic and international subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. On November 12, 2021, the Bankruptcy Court entered an order confirming and approving the Plan. On November 19, 2021 the conditions to the effectiveness of the Plan were satisfied and the Group emerged from Chapter 11.

Under the Plan, the existing equity in the Group was cancelled and Carlson, Inc. no longer maintains control of the Group as of the effective date of the Plan. In addition, USD350 million of new equity capital was injected into the Group and approximately 50% of the Group's total global secured debt was eliminated, which is a significant deleveraging event. All of the Group's business partners and other providers of goods and services have or will be paid in full. Following implementation of the Plan, the Group has a significantly stronger financial position, with increased available cash and approximately 50% less long-term debt. CWT Travel Holdings, Inc., a new Delaware entity formed in line with the terms of the Plan, is the surviving new Group parent entity.

As a result of the emergence from the Chapter 11 process, the stronger financial position of the global Company, combined with the comfort letters received from the owners of CWT Denmark A/S within the CWT Group, the directors have agreed to prepare and present these accounts on a going concern basis.

Initially the impact of the pandemic was forecast to last for a few months in 2020, whilst the impact of the pandemic was brought under control, and trading would start to return. The impact of the pandemic was more protracted however, and trading has yet to return to pre-pandemic levels. Expectations are improving for 2022 following some gradual trading improvements in late-2021. There remains some uncertainty however as to future recovery, and whether further lockdowns and strains will impede this. Although CWT and many industry peers and experts believe that business travel will return to pre-pandemic levels, the timeline for the return to full trading is open to interpretation.

The reduced demand for travel has had an unprecedented and materially adverse impact on the Group and Company's revenue, and has a material adverse effect on the Group and Company's financial position, results of operations, and cash flows. The Group and Company is not yet able to determine the overall impact, given the unknown duration of the outbreak and the significant additional analysis that will be required. Because of the uncertainties associated with the pandemic, its ultimate impact on the Group and Company's operations and financial results cannot be estimated at this time.

Profit/loss for the year in relation to expected developments

Loss for the year amounts to DKK 17,1 million, which is considered unsatisfactory. This is almost solely due to the continued impact of the Coronavirus pandemic and the subsequent reduced trading in Danish and international markets.

Uncertainty relating to recognition and measurement

Due to the impacts of the pandemic, there is uncertainty around the receivables balance recognised in the Company's books due from CWT Group enterprises. The directors are aware of the situation and following group communications are confident that receivables balances from the CWT Group can be paid when called.

Outlook

Because of the uncertainties associated with the pandemic and the longer-term return to full trading, its ultimate impact on the Company's operations and financial results cannot be estimated at this time. For 2022 the Company expects to be in a loss-making position in the first half of the year given the impacts of the pandemic, but a more rapid return to trading than current estimates could change this position. Longer-term projections for

business travel and meetings and events for 2023-25 are more positive, with industry and airline forecasts predicting a return to pre-pandemic levels and longer-term growth in the industry.

Knowledge resources

CWT Denmark A/S is a company with a high level of know-how. Approximately 80% of the employees are travel management specialists. The Company ensures the continuous development of employee knowledge and skills through internal and external training.

Events after the balance sheet date

As a result of the global pandemic and the related significant reduction in travel on a global basis, CWT Denmark has received capital injections of DKK 16,25 million from its parent in 2021 and DKK 15 million in July 2022. Due to the continuing nature of the pandemic further injections will be needed in order to maintain liquidity.

Due to the previously mentioned Chapter 11 process completed in November 2021 for CWT Group, the directors are confident of the future trading of CWT Group, given the global signals of a return to more significant trading in the Danish and international markets recently.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss	4	14,796	27,820
Staff costs	5	(30,435)	(44,473)
Depreciation, amortisation and impairment losses	6	(403)	(411)
Operating profit/loss		(16,042)	(17,064)
Other financial income	7	19	19
Other financial expenses	8	(1,089)	(1,017)
Profit/loss for the year	9	(17,112)	(18,062)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired intangible assets		0	0
Intangible assets	10	0	0
Other fixtures and fittings, tools and equipment		256	266
Leasehold improvements		698	973
Property, plant and equipment	11	954	1,239
Deposits		1,253	1,253
Financial assets	12	1,253	1,253
Fixed assets		2,207	2,492
Trade receivables		14,093	7,672
Receivables from group enterprises		34,052	35,558
Other receivables		4,373	4,345
Prepayments	13	625	747
Receivables		53,143	48,322
Cash		40	40
Current assets		53,183	48,362
Assets		55,390	50,854

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital	14	10,020	10,020
Retained earnings		1,889	2,751
Equity		11,909	12,771
Other payables	15	5,179	5,124
Non-current liabilities other than provisions	16	5,179	5,124
Prepayments received from customers		1,667	626
Trade payables		15,825	11,243
Payables to group enterprises		9,130	6,987
Other payables	17	11,680	14,103
Current liabilities other than provisions		38,302	32,959
Liabilities other than provisions		43,481	38,083
Equity and liabilities		55,390	50,854
Going concern	1		
Events after the balance sheet date	2		
Uncertainty relating to recognition and measurement	3		
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Related parties with controlling interest	21		
Non-arm's length related party transactions	22		
Group relations	23		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	10,020	2,751	12,771
Group contributions etc	0	16,250	16,250
Profit/loss for the year	0	(17,112)	(17,112)
Equity end of year	10,020	1,889	11,909

Cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		(16,042)	(17,064)
Amortisation, depreciation and impairment losses		403	411
Working capital changes	18	578	(7,129)
Cash flow from ordinary operating activities		(15,061)	(23,782)
Financial income received		19	19
Financial expenses paid		(1,089)	(1,017)
Cash flows from operating activities		(16,131)	(24,780)
Acquisition etc of property, plant and equipment		(119)	(1,340)
Sale of financial asset investments		0	529
Cash flows from investing activities		(119)	(811)
Free cash flows generated from operations and investments before financing		(16,250)	(25,591)
Group contributions		16,250	22,600
Cash flows from financing activities		16,250	22,600
Increase/decrease in cash and cash equivalents		0	(2,991)
Cash and cash equivalents beginning of year		40	3,031
Cash and cash equivalents end of year		40	40
Cash and cash equivalents at year-end are composed of:			
Cash		40	40
Cash and cash equivalents end of year		40	40

Notes

1 Going concern

As a result of the global pandemic and the related significant reduction in travel on a global basis, CWT Denmark has received capital injections of DKK 16,25 million from its parent in 2021 and DKK 15 million in July 2022. Due to the continuing nature of the pandemic further injections will be needed in order to maintain liquidity for CWT Denmark A/S.

Due to Chapter 11 process completed in November 2021 for CWT Group, and the liquidity benefits that this has brought to the global group, the Directors are confident of the future trading of CWT Group, with further positive signs given by the return to more significant trading in the Danish and international markets through H1 2022.

The Directors have prepared a trading cashflow forecast which covers a period until May 2023. Whilst there will not be a uniform return to operations, the forecast assumes a reduced, but gradual return to operations that has begun through H1 2022. Transactions are predicted to grow through the course of 2022, but return to pre-pandemic levels are expected to take longer. With regard to this forecast, Chapter 11 and other factors which may impact the Company's future liquidity position, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

2 Events after the balance sheet date

As a result of the global pandemic and the related significant reduction in travel on a global basis, CWT Denmark has received capital injections of DKK 16,25 million from its parent in 2021 and DKK 15 million in July 2022. Due to the continuing nature of the pandemic further injections will likely be needed in order to maintain liquidity.

Due to the previously mentioned Chapter 11 process completed in November 2021 for CWT Group, the directors are confident of the future trading of CWT Group, given the global signals of a return to more significant trading in the Danish and international markets recently.

3 Uncertainty relating to recognition and measurement

Due to the impacts of the pandemic, there is uncertainty around the receivables balance recognised in the Company's books due from CWT Group enterprises. The directors are aware of the situation and following group communications are confident that receivables balances from the CWT Group can be paid when called.

4 Gross profit/loss

Other operating income, including special items, are income and costs that are specific because of their size and nature. During the financial year, the following special items have been included:

Public subsidies, fixed costs: DKK 7,505,312

5 Staff costs

	2021	2020
	DKK'000	DKK'000
Wages and salaries	27,311	39,895
Pension costs	2,425	3,680
Other social security costs	729	628
Other staff costs	(30)	270
	30,435	44,473
Average number of full-time employees	71	105

According to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

6 Depreciation, amortisation and impairment losses

	2021	2020
	DKK'000	DKK'000
Depreciation of property, plant and equipment	403	411
	403	411

7 Other financial income

	2021	2020
	DKK'000	DKK'000
Exchange rate adjustments	19	19
	19	19

8 Other financial expenses

	2021	2020
	DKK'000	DKK'000
Other interest expenses	16	18
Exchange rate adjustments	147	31
Other financial expenses	926	968
	1,089	1,017

9 Proposed distribution of profit and loss

	2021	2020
	DKK'000	DKK'000
Retained earnings	(17,112)	(18,062)
	(17,112)	(18,062)

10 Intangible assets

	Acquired intangible assets DKK'000
Cost beginning of year	1,497
Cost end of year	1,497
Amortisation and impairment losses beginning of year	(1,497)
Amortisation and impairment losses end of year	(1,497)
Carrying amount end of year	0

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	5,507	1,845
Additions	119	0
Cost end of year	5,626	1,845
Depreciation and impairment losses beginning of year	(5,242)	(872)
Depreciation for the year	(128)	(275)
Depreciation and impairment losses end of year	(5,370)	(1,147)
Carrying amount end of year	256	698

12 Financial assets

	Deposits DKK'000
Cost beginning of year	1,253
Cost end of year	1,253
Carrying amount end of year	1,253

13 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

14 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	10,020	1	10,020
	10,020		10,020

15 Other payables

	2021	2020
	DKK'000	DKK'000
Holiday pay obligation	5,179	5,124
	5,179	5,124

Long-term other payables relates to frozen holiday pay.

16 Non-current liabilities other than provisions

	Due after more than 12 months 2021	Outstanding after 5 years 2021
	DKK'000	DKK'000
Other payables	5,179	4,812
	5,179	4,812

17 Other payables

	2021	2020
	DKK'000	DKK'000
VAT and duties	932	424
Wages and salaries, personal income taxes, social security costs, etc payable	875	3,965
Holiday pay obligation	3,318	4,071
Other costs payable	6,555	5,643
	11,680	14,103

18 Changes in working capital

	2021	2020
	DKK'000	DKK'000
Increase/decrease in receivables	(4,821)	9,969
Increase/decrease in trade payables etc	5,399	(17,098)
	578	(7,129)

19 Unrecognised rental and lease commitments

	2021	2020
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	11,093	17,224

20 Contingent liabilities

From 18.08.2014 to 06.12.2016, the Entity participated in a Danish joint taxation arrangement in which Radisson Hospitality Denmark ApS served as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities from 18.08.2014 to 06.12.2016, and also for obligations, if any, relating to the withholding of

tax on interest, royalties and dividend for the jointly taxed entities from 18.08.2014 to 06.12.2016. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

21 Related parties with controlling interest

CWT Beheermaatschappij B.V., De Entree 159, Oval Tower, 1101 HE Amsterdam, the Netherlands

CWT Travel, Inc., 701 Carlson Parkway, Minnetonka, MN 55305, USA

CWT Travel Group Inc., 251 Litte Falls Drive, Wilmington, 19808 Delaware, USA

CWT Travel Holdings II Inc., 251 Litte Falls Drive, Wilmington, 19808 Delaware, USA

CWT Travel Holdings Inc., 251 Litte Falls Drive, Wilmington, 19808 Delaware, USA

22 Non-arm's length related party transactions

Except Group contributions DKK 16,25M, all transactions with related parties made in the financial year 2021 were on an arm's length basis.

23 Group relations

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

CWT Travel Holdings Inc., 251 Litte Falls Drive, Wilmington, 19808 Delaware, USA

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

Carlson Travel Inc., 701 Carlson Parkway, Minnetonka, MN 55305, USA

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.

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 nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of tickets etc is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value 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.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation 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 interest income, including interest income on receivables from group enterprises, net capital gains on receivables and 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 interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights (software).

Intellectual property rights (software) acquired are measured at cost less accumulated amortisation.

Intellectual property rights (software) is amortised on a straight-line basis over a period of maximum twenty years.

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as leasehold improvements 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 years
Leasehold improvements	5 years

For leasehold improvements, the depreciation period cannot exceed the contract period.

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.

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 prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and less short-term bank loans.