



# NUSTAY

## Annual Report 2018

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**Nustay A/S**

Nyhavn 43B, st. 1051 Copenhagen K

Business Registration No. 36 09 03 16

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## **Entity details**

### **Entity**

Nustay A/S  
Nyhavn 43B, st.  
1051 Copenhagen K

Business Registration No. 36 09 03 16  
Registered in: Copenhagen  
Financial year: 1 January to 31 December 2018

### **Board of Directors**

Lone Føns Schrøder, Chairman  
Piyush Jain  
Carl Erik Skovgaard  
Simon Skouboe  
Michael Telling Jørgensen

### **Executive Board**

Mathias Lundø Nielsen, Chief Executive Officer

### **Entity auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen C

The Annual General Meeting adopted the annual report on 30 April 2019

### **Chairman of the General Meeting**

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Name: Chantel Pernille Patel

## **Statement by Management on the annual report**

The Board of Directors and the Executive Board have today considered and approved the annual report of Nustay A/S for the financial year 1 January to 31 December 2018.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2018 as well as their results and consolidated cash flow for the financial year 1 January to 31 December 2018.

In our opinion, the management commentary contains a fair review of the development of the Group's and Parent's business and financial matters, the results for the year and the Group's and the Parent's financial position, together with a description of the principal risks and uncertainties that the Group and Parent face.

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

Copenhagen, 12 April 2019

### **Executive Board**

Mathias Lundø Nielsen  
Chief Executive Officer

### **Board of Directors**

Lone Føns Schrøder  
Chairman

Piyush Jain

Carl Erik Skovgaard

Simon Skouboe

Michael Telling Jørgensen

## Independent auditor's report

### To the shareholders of Nustay A/S

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of Nustay A/S for the financial year 1 January to 31 December 2018, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2018, and of the results of their operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group 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.

#### Statement on the management commentary

Management is responsible for the management commentary.

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

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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.

### **Management's responsibilities for the consolidated financial statements and the parent financial statements**

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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.

## Independent auditor's report

- 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'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 consolidated financial statements and the parent 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'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, 12 April 2019

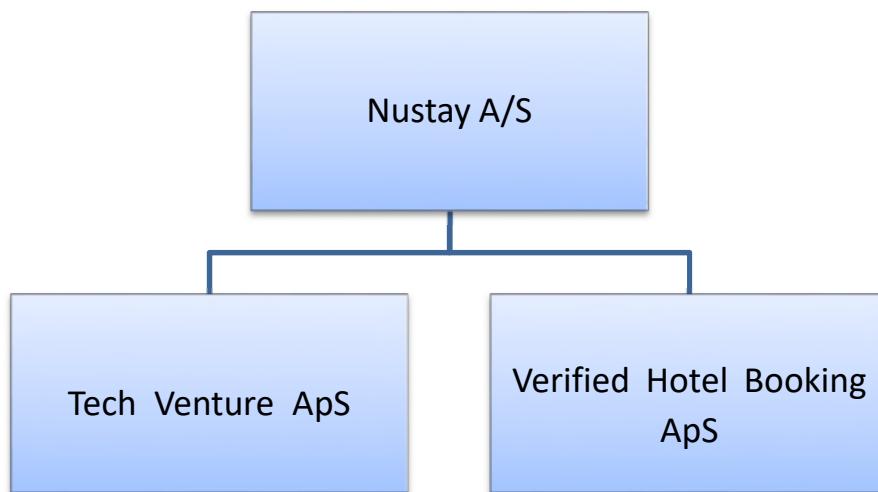
### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No. 33 96 35 56

Claus Jorch Andersen  
State-Authorised Public Accountant  
MNE no. mne33712

## Management commentary

### Group chart



### Group financial highlights

#### Key figures

	2018 DKK'000	2017 DKK'000	2016 DKK'000	2014/15 DKK'000
Revenue	1,341	1,086	118	4
Gross profit/(loss)	(10,786)	(2,774)	(2,546)	(1,296)
Operating profit/(loss) (EBIT)	(17,863)	(4,776)	(4,339)	(1,377)
Net financial income/(expenses)	(584)	48	(19)	(1)
Net profit/(loss) for the year	(14,048)	(4,187)	(3,728)	(1,077)
Total comprehensive income/(loss)	0	0	0	0
Balance sheet total	23,042	13,520	10,003	3,891
Equity	8,554	11,647	9,508	3,762
Investments in properties, plant and equipment	671	292	14	0
Average number of employees (number)	5	3	4	0

#### Ratios

Profit margin (%)	(1,332)	(440)	(3,677)	(34,425)
Return on assets (%)	(77)	(35)	(43)	(35)
Return on equity (%)	(139)	(40)	(56)	-
Solvency ratio (%)	37	86	95	97

## Management commentary

The Company was established on 16 September 2014 for which reason the financial year 2014/15 covers the period 16 September 2014 to 31 December 2015.

As of 2017, Nustay A/S presents its financial statements in accordance with International Financial Reports Standards. The comparative figures for 2016 are restated in accordance with IFRS while the comparative figures for 2014/15 are stated in accordance with Danish GAAP.

Financial highlights are defined and calculated in accordance with current recommendations issued by the Danish Society of Financial Analysts. The ratios have been compiled in accordance with the following calculation formulas:

$$\text{Profit margin} = \frac{\text{Operating profit/(loss) x 100}}{\text{Revenue}}$$

$$\text{Return on assets} = \frac{\text{Operating profit/(loss) x 100}}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit/(loss) for the year x 100}}{\text{Average equity}}$$

$$\text{Solvency ratio} = \frac{\text{Equity x 100}}{\text{Total assets}}$$

## Management commentary

### Primary activities

The Company's primary activities comprise development, operation and marketing of IT systems for online communication and booking of hotel rooms.

### Description of the results for the year

Revenue reached DKK 19,822 thousand. Net of hotel costs, fees and cancellations revenue reached DKK 1,341 thousand. Results for the year show a loss of DKK 14,048 thousand and equity of DKK 8,554 thousand at 31 December 2018.

The main focus for 2018 has been on the further development of our platform and supplier network. This year's results are characterised by investments made in this connection.

Management is very satisfied with the investments made which have further improved the Company's unique market position in a very competitive market.

### Description of uncertainties related to recognition and measurement

At 31 December 2018, the Company has recognised DKK 957 thousand regarding ongoing development projects and DKK 10,082 thousand regarding completed developments projects. The value of the development projects depends on the Company's ability to develop, market and sell the projects.

Management believes that the Company will realise the implementation of its plans within a foreseeable future. Accordingly, Management has deemed the valuation sound. If the Company's introduction of its products is delayed, or if sales based on the Company's products deviate significantly from the plans, there may be uncertainty associated with the valuation.

### Description of unusual events which may have affected recognition and measurement

It is important to highlight that in 2018 Nustay A/S mainly focused on the platform development as reflected in the loss. Early November 2018, Nustay A/S started piloting marketing. Platform development and marketing testing are expected and planned to continue in the beginning of 2019.

### Description of the Company's expected development

The beginning of 2019 will constitute further development of the platform and marketing testing and next marketing investments are expected to trigger growth. A negative result is expected for the full year of 2019, but could change depending on the speed and timing of the revenue growth.

### Intellectual capital resources

The main intellectual capital resources are related to our heavy investment in our technical platform as well as our highly developed supplier network.

## Management commentary

### Particular risks

Business risks are mainly related to the Company's ability to constantly offer the best prices on a customer friendly platform.

The Company is mitigating the risks by continuously investing in and developing our platform and supplier network.

Financial risks are explained in note 27.

### Research and development costs

As earlier stated, the main activity of the Company comprise the development of its platform and supplier network. This development is expected to continue alongside the commercialisation over the coming years.

### 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, except for the events mentioned below.

At 6 February 2019, Nustay A/S converted DKK 5,250 thousand of debt into equity increasing the share capital with DKK 36 thousand.

At 14 March 2019, Nustay A/S raised DKK 21,332 thousand (approximately DKK 19,136 thousand net of issuing costs) at an Initial Public Offering at Spotlight Stock Market in Stockholm.

## Income statement for 2018

Parent			Group		
2017 <u>DKK'000</u>	2018 <u>DKK'000</u>		Notes	2018 <u>DKK'000</u>	2017 <u>DKK'000</u>
1,086	1,341	Revenue	4	1,341	1,086
(3,860)	(12,127)	Other external expenses	5	(12,127)	(3,860)
(2,774)	(10,786)	<b>Gross profit/(loss)</b>		(10,786)	(2,774)
(1,717)	(5,774)	Staff costs	6	(5,774)	(1,717)
(285)	(1,303)	Depreciation and amortisation	7	(1,303)	(285)
(4,776)	(17,863)	<b>Operating profit/(loss) (EBIT)</b>		(17,863)	(4,776)
62	0	Financial income	8	0	62
(14)	(584)	Financial expenses	9	(584)	(14)
(4,728)	(18,447)	<b>Profit/(loss) before tax</b>		(18,447)	(4,728)
541	4,399	Tax on profit/(loss) for the year	10	4,399	541
<u>(4,187)</u>	<u>(14,048)</u>	<b>Profit/(loss) for the year</b>		<u>(14,048)</u>	<u>(4,187)</u>
<b>Earnings per share (based on 576,878 shares issued)</b>					
Basic earnings per share			11	<u>(0.02)</u>	<u>(0.01)</u>
Diluted earnings per share			11	<u>(0.02)</u>	<u>(0.01)</u>
<b>Profit/(loss) for the year</b>				<b>(14,048)</b>	<b>(4,187)</b>
Other comprehensive income for the year				<u>0</u>	<u>0</u>
<b>Comprehensive income for the year</b>				<u><b>(14,048)</b></u>	<u><b>(4,187)</b></u>

## Balance sheet at 31 December 2018

Parent				Group		
2017	2018			2018	2017	
DKK'000	DKK'000			Notes	DKK'000	DKK'000
5,159	10,082	Development projects completed		12	10,082	5,159
2,024	957	Development projects in progress		13	957	2,024
<b>7,183</b>	<b>11,039</b>	<b>Intangible assets</b>			<b>11,039</b>	<b>7,183</b>
202	638	Other fixtures and fittings, tools and equipment		14	638	202
70	161	Leasehold improvements		15	161	70
<b>272</b>	<b>799</b>	<b>Property, plant and equipment</b>			<b>799</b>	<b>272</b>
0	100	Investments in subsidiaries		16	0	0
407	661	Deposits		17	661	407
633	4,214	Deferred tax assets		18	4,214	633
<b>1,040</b>	<b>4,975</b>	<b>Other non-current assets</b>			<b>4,875</b>	<b>1,040</b>
<b>8,495</b>	<b>16,813</b>	<b>Non-current assets</b>			<b>16,713</b>	<b>8,495</b>
274	687	Trade receivables		19	687	274
902	1,815	Other receivables		20	1,815	902
1,959	2,123	Prepayments		20	2,123	1,959
<b>3,135</b>	<b>4,625</b>	<b>Receivables</b>			<b>4,625</b>	<b>3,135</b>
<b>1,890</b>	<b>1,704</b>	<b>Cash</b>			<b>1,704</b>	<b>1,890</b>
<b>5,025</b>	<b>6,329</b>	<b>Current assets</b>			<b>6,329</b>	<b>5,025</b>
<b>13,520</b>	<b>23,142</b>	<b>Assets</b>			<b>23,042</b>	<b>13,520</b>

## Balance sheet at 31 December 2018

Parent				Group		
2017 DKK'000	2018 DKK'000			Notes	2018 DKK'000	2017 DKK'000
377	568	Share capital		21	568	377
4,360	8,610	Reserve for development costs			8,610	4,360
6,910	(624)	Retained earnings			(624)	6,910
<b>11,647</b>	<b>8,554</b>	<b>Equity</b>			<b>8,554</b>	<b>11,647</b>
<b>0</b>	<b>0</b>	<b>Minority interests</b>			<b>0</b>	<b>0</b>
0	4,563	Payables to shareholders and management			4,563	0
<b>0</b>	<b>4,563</b>	<b>Long-term liabilities</b>			<b>4,563</b>	<b>0</b>
0	99	Other bank debt			99	0
1,426	7,003	Trade payables			7,003	1,426
0	100	Payables to group enterprises			0	0
0	1,019	Payables to shareholders and management			1,019	0
447	1,804	Other payables	22		1,804	447
<b>1,873</b>	<b>10,025</b>	<b>Current liabilities</b>			<b>9,925</b>	<b>1,873</b>
<b>1,873</b>	<b>14,588</b>	<b>Liabilities</b>			<b>14,488</b>	<b>1,873</b>
<b>13,520</b>	<b>23,142</b>	<b>Equity and liabilities</b>			<b>23,042</b>	<b>13,520</b>

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## Statement of changes in equity for 2018

	Parent			
	Share capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2018	377	4,360	6,910	11,647
Loss for the period	0	0	(14,048)	(14,048)
Capital increase <sup>1</sup>	191	0	8,944	9,135
Transferred to reserves	0	4,250	(4,250)	0
Share option programme <sup>2</sup>	0	0	1,820	1,820
<b>Equity at 31 December 2018</b>	<b>568</b>	<b>8,610</b>	<b>(624)</b>	<b>8,554</b>
Equity at 1 January 2017	337	1,657	7,514	9,508
Loss for the year	0	0	(4,187)	(4,187)
Capital increase	40	0	6,048	6,088
Transferred to reserves	0	2,703	(2,703)	0
Share option programme	0	0	238	238
<b>Equity at 31 December 2017</b>	<b>377</b>	<b>4,360</b>	<b>6,910</b>	<b>11,647</b>

Reserves comprise the development costs reserve covering the book value of capitalised development less amortisation, if any, and deferred tax (22%).

<sup>1</sup> Capital increase consists of new shares issued amounting to DKK 191 thousand and a total share premium account of DKK 8,944 thousand.

<sup>2</sup> Please refer to note 6 for a description of the share option programme. An amount of DKK 1,820 relates to the amount expended in 2018.

## Statement of changes in equity for 2018

	Group			
	Share capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2018	377	4,360	6,910	11,647
Loss for the period	0	0	(14,048)	(14,048)
Capital increase <sup>1</sup>	191	0	8,944	9,135
Transferred to reserves	0	4,250	(4,250)	0
Share option programme <sup>2</sup>	0	0	1,820	1,820
<b>Equity at 31 December 2018</b>	<b>568</b>	<b>8,610</b>	<b>(624)</b>	<b>8,554</b>
Equity at 1 January 2017	337	1,657	7,514	9,508
Loss for the year	0	0	(4,187)	(4,187)
Capital increase	40	0	6,048	6,088
Transferred to reserves	0	2,703	(2,703)	0
Share option programme	0	0	238	238
<b>Equity at 31 December 2017</b>	<b>377</b>	<b>4,360</b>	<b>6,910</b>	<b>11,647</b>

Reserves comprise the development costs reserve covering the book value of capitalised development less amortisation, if any, and deferred tax (22%).

<sup>1</sup> Capital increase consists of new shares issued amounting to DKK 191 thousand and a total share premium account of DKK 8,944 thousand.

<sup>2</sup> Please refer to note 6 for a description of the share option programme. An amount of DKK 1,820 relates to the amount expended in 2018.

## Cash flow statement for 2018

		Group	
	Note	2018 DKK'000	2017 DKK'000
Operating profit/(loss) (EBIT)		(17,863)	(4,776)
Depreciation and amortisation		1,303	285
Other regulations		1,820	238
Working capital changes	24	<u>11,026</u>	<u>777</u>
		<u>(3,714)</u>	<u>(3,476)</u>
Income taxes received		818	467
Interest received		0	62
Interest paid		<u>(584)</u>	<u>(14)</u>
<b>Cash flows from operating activities</b>		<b><u>(3,480)</u></b>	<b><u>(2,961)</u></b>
Acquisition of intangibles		(5,015)	(3,719)
Acquisition of property, plant and equipment		(671)	(285)
Payment of deposits		<u>(254)</u>	<u>(346)</u>
<b>Cash flows from investing activities</b>		<b><u>(5,940)</u></b>	<b><u>(4,350)</u></b>
Capital increases		9,135	6,088
<b>Cash flows from financing activities*</b>		<b><u>9,135</u></b>	<b><u>6,088</u></b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b><u>(285)</u></b>	<b><u>(1,223)</u></b>
Cash and cash equivalents at 1 January 2018		1,890	3,113
Change in cash and cash equivalents 2018		<u>(285)</u>	<u>(1,223)</u>
<b>Cash and cash equivalents at 31 December 2018</b>	25	<b><u>1,605</u></b>	<b><u>1,890</u></b>

Reconciliation of liabilities arising from financing activities:

	2017 DKK'000	Cash flows DKK'000	Acqui- sition DKK'000	Foreign exchange movement DKK'000	Fair value changes DKK'000	2018 DKK'000
Long- term borrowings	0	4,563	0	0	0	4,563
Short-term borrowings	<u>1,873</u>	<u>8,052</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,925</u>
	<b><u>1,873</u></b>	<b><u>12,615</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>14,488</u></b>

\* The negative cash flow from operating activities due to development has been financed by capital increases from existing and new investors.

## Notes

### 1. Accounting policies

#### General accounting policies

Nustay A/S presents its financial statements in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and disclosure requirements in accordance with the Danish Financial Statements Act for class B entities with additional disclosure for reporting class C enterprises.

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

Please see note 31 for accounting policies in general.

#### Basis for presentation

The consolidated financial statements and parent financial statements (including comparative figures) included in this annual report are presented in DKK 1,000.

The consolidated financial statements and parent financial statements are presented in DKK, which is considered the functional currency of the Group's and the Parent's activities.

#### Definition of materiality

The provisions in IFRS contain extensive disclosure requirements. The specific disclosures required according to IFRS are stated in the consolidated financial statements and parent financial statements included in this annual report unless the disclosures concerned are considered irrelevant or immaterial for financial decisions made by the financial statement users.

#### Standards and interpretations not yet effective

At the time of signation on this annual report, a number of new or revised standards and interpretations exist that have not become effective yet and that, accordingly, have not been incorporated in the annual report. In Management's opinion, these standards and interpretations will not have any significant impact on the annual report in the next few years.

#### Future IFRS amendments

IASB has issued IFRS 16 "Leases" with effect from 1 January 2019. The standard was endorsed by the EU in 2017, and Nustay A/S plans to adopt it on the effective date. Nustay A/S has performed an analysis of the impact of the standard.

Based on this analysis, it is assessed that the standard will not have any significant impact on the lease obligations or leased assets. Nustay A/S does not have any material operating leases and therefore the new rules are not expected to have any material impact on the consolidated financial statements and parent financial statements.

## Notes

### 1. Accounting policies (continued)

#### Implementation of new IFRS standards

The Company has implemented new and revised IFRS standards and interpretations for 2018. This has not resulted in any changes in the Company's accounting policies.

#### IFRS 9, Financial Instruments

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* and specifies the accounting treatment of financial assets and liabilities in terms of classification and measurement, hedge accounting and impairment.

The accounting policies concerning impairment losses have not been changed. In Management's opinion, there is no significant credit risk with respect to the trade receivables.

The Company has no hedging instruments.

#### IFRS 15, Revenue from Contracts with Customers

In accordance with IFRS 15, *Revenue from Contracts with Customers* revenue must be recognised in a way that depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The standard has no impact on the Company's revenue recognition and does not result in a change of accounting policies.

### 2. Significant accounting estimates and judgements

#### Revenue

We recognise revenue when it is earned and realisable based on the following criteria: persuasive evidence that an arrangement exists, services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

Under an agency model, we act as the agent in the transaction, passing reservations booked by the traveler to the relevant travel provider.

We record revenue on transactions when the traveler books the transaction, as we have no significant post-delivery obligations. We record a reserve for chargebacks and cancellations at the time of the transaction based on historical experience.

Our revenue is presented on a net basis. The Company's revenue is presented on a net basis being handled revenue deducted hotel costs, cancellations and fees.

## Notes

### 2. Significant accounting estimates and judgements (continued)

#### Development projects

At 31 December 2018, the Company has per recognised DKK 957 thousand regarding ongoing development projects and DKK 10,082 thousand regarding completed developments projects. The value of these development projects depends on the Company's ability to develop, market and sell the projects.

Management believes that the Company will realise the implementation of its plans within a foreseeable future and Management therefore finds the valuation sound. If the Company's introduction of its products is delayed or if sales based on the Company's products deviate significantly from the plans, there may be uncertainty associated with the valuation.

#### Deferred tax

Based on the Company's current long term planning, the Company expects to be able to utilise the deferred tax assets within the coming years. If the actual performance deviates significantly from the plans, there may be uncertainty associated with the valuations.

Parent		Group	
2017 DKK'000	2018 DKK'000	2018 DKK'000	2017 DKK'000
<b>3. Proposed distribution of profit/(loss)</b>			
<b>Distribution of loss</b>			
<u>(4,187)</u>	<u>(14,048)</u>	Retained earnings	<u>(14,048)</u>
<b>Distribution of comprehensive income</b>			
<u>0</u>	<u>0</u>	Retained earnings	<u>0</u>

### 4. Revenue

Revenue is generated through a website available to customers all over the world. In 2018 revenue amounted to DKK 1,341 thousand (2017: DKK 1,086 thousand). The Company's revenue is presented on a net basis being handled revenue deducted hotel costs, cancellations and fees.

The Group and Parent do not report geographical information.

### 5. Other external expenses

Other external expenses comprise rental costs, advertising costs, consultancy costs and other administration costs.

## Notes

Parent		Group	
2017 <u>DKK'000</u>	2018 <u>DKK'000</u>	2018 <u>DKK'000</u>	2017 <u>DKK'000</u>
<b>6. Staff costs and remuneration</b>			
1,188	3,850	Wages and salaries	3,850
0	0	Pension	0
8	25	Other social security costs	25
521	1,899	Other staff costs	1,899
<b><u>1,717</u></b>	<b><u>5,774</u></b>		<b><u>5,774</u></b>
			<b><u>1,717</u></b>

Of this, total remuneration for:

Executive Board/Board of Directors:				
0	2,240	Wages and salaries	2,240	0
0	0	Pension	0	0
<b><u>0</u></b>	<b><u>2,240</u></b>		<b><u>2,240</u></b>	<b><u>0</u></b>

The Executive Board and Board of Directors did not receive wages and salaries or pension in 2017.

<b><u>3</u></b>	<b><u>5</u></b>	Average number of employees	<b><u>5</u></b>	<b><u>3</u></b>
-----------------	-----------------	-----------------------------	-----------------	-----------------

### Incentive programme

	<b>Number of options</b>	<b>Vesting period Months</b>	<b>Exercise price per option DKK</b>	<b>Fair value per option at grant date DKK'000</b>
Granted, February 2016	6,662	36	1	95
Granted, January 2017	200	24	1	119
Granted, February 2017	200	30	1	119
Granted, April 2017	500	30	1	140
Granted, February 2018	10,397	0	1	158

## Notes

### 6. Staff costs and remuneration (continued)

#### Stock options

The development in outstanding stock options during the current and prior years:

	Number of options 2018	Number of options 2017	Avg. exer- cise price per option DKK 2018	Avg. exer- cise price per option DKK 2017
Outstanding at 1 January	7,562	6,662	99	95
New options issued during the period	10,397	900	158	99
Forfeited during the period	(700)	0	-	-
Exercised during the period	(10,549)	0	-	-
Expired during the period	0	0	-	-
<b>Outstanding at 31 December</b>	<b>6,710</b>	<b>7,562</b>		

	2018	2017
Weighted average remaining contractual (months)	0	17
Number of options which can be excercised at the balance sheet date	6,710	0
Number of options full vested	0	0
Weighted average share price (DKK) at the exercise date during the period	158	99

In the period from 2016-2018 a number of external consultants have been granted the right to purchase shares in Nustay A/S at a strike price at 1 DKK. The share options granted in 2016 are subject to completion of a number of events to occur, driven by external factors. The share options granted in 2017 and 2018 are subject to completion of a service period of 24 to 36 months and can be exercised after publication of the annual report of Nustay A/S in the year 2019.

In February 2019 the 6,710 options was excercised. As a result all of the granted share options until the end of 2018 has now been excercised. In 2018 the board had an option to issue up to 35,000 new options. This incentive programme has been cancelled in February 2019 and replaced by a new programme as described below.

In February 2019 363.850 (14.554 before share split) new warrants was signed. The warrants will be vested in the period March 31 2019 to December 31 2022.

A valuation of Nustay A/S shares in connection with capital increases is applied for assessment of the fair value of the shares in Nustay A/S at grant date.

The amount expensed in the income statement as a result of the share option programme amounted to DKK 1,820 thousand (2017: DKK 238 thousand).

**Notes**

<b>Parent</b>		<b>Group</b>	
<b>2017</b> <u>DKK'000</u>	<b>2018</b> <u>DKK'000</u>	<b>2018</b> <u>DKK'000</u>	<b>2017</b> <u>DKK'000</u>
<b>7. Depreciation and amortisation</b>			
<b>Depreciation</b>			
253	1,159	Development projects completed	1,159
32	126	Other fixtures and fittings, tools and equipment	126
		Loss from sale of other fixtures and fittings, tools and equipment	
<u>0</u>	<u>18</u>		<u>18</u>
<b>285</b>	<b>1,303</b>	<b>Total depreciation</b>	<b>1,303</b>
<b>8. Financial income</b>			
<u>(62)</u>	<u>0</u>	Currency adjustments	<u>0</u>
<b>(62)</b>	<b>0</b>	<b>Interest income from financial activities not measured at fair value in the income statement</b>	<b>0</b>
<b>9. Financial expenses</b>			
1	466	Interest costs	466
<u>13</u>	<u>118</u>	Currency adjustments	<u>118</u>
<b>14</b>	<b>584</b>	<b>Interest expenses from financial activities not measured at fair value in the income statement</b>	<b>584</b>
<b>10. Tax</b>			
0	0	Current tax	0
<u>(541)</u>	<u>(4,399)</u>	Change in deferred taxes	<u>(4,399)</u>
<b>(541)</b>	<b>(4,399)</b>		<b>(4,399)</b>
(1,040)	(4,058)	Calculated tax, 22% (2017: 22%)	(4,058)
4	122	Tax-based value of non-deductible expenses	122
467	(463)	Tax loss not recognised reversed	(463)
<u>28</u>	<u>0</u>	Correction previous year	<u>0</u>
<b>(541)</b>	<b>(4,399)</b>		<b>(4,399)</b>
<b>11.4</b>	<b>23.8</b>	<b>Effective tax rate</b>	<b>23.8</b>

## Notes

Parent		Group	
2017 <u>DKK'000</u>	2018 <u>DKK'000</u>	2018 <u>DKK'000</u>	2017 <u>DKK'000</u>
<b>11. Earnings per share</b>			
<u>(4,187)</u>	<u>(14,048)</u>	Loss for the year attributable to the Company	<u>(14,048)</u>
<u>376,743</u>	<u>576,878</u>	Weighted average number of shares	<u>576,878</u>
<u>(0.01)</u>	<u>(0.02)</u>	Results per share	<u>(0.02)</u>
<u>(0.01)</u>	<u>(0.02)</u>	Diluted earnings per share	<u>(0.02)</u>
Earnings per share and diluted earnings per share are identical if the Entity has not issued any bonds, options or similar.			
<b>12. Development projects completed</b>			
0	5,412	Cost at 1 January 2018	5,412
<u>5,412</u>	<u>6,082</u>	Transfer from development projects in progress	<u>6,082</u>
<b><u>5,412</u></b>	<b><u>11,494</u></b>	<b>Cost at 31 December 2018</b>	<b><u>11,494</u></b>
0	(253)	Depreciation at 1 January 2018	(253)
<u>(253)</u>	<u>(1,159)</u>	Depreciation	<u>(1,159)</u>
<b><u>(253)</u></b>	<b><u>(1,412)</u></b>	<b>Depreciation at 31 December 2018</b>	<b><u>(1,412)</u></b>
<b><u>5,159</u></b>	<b><u>10,082</u></b>	<b>Carrying amount at 31 December 2018</b>	<b><u>10,082</u></b>
<b>13. Development projects in progress</b>			
3,717	2,024	Cost at 1 January 2018	2,024
3,719	5,015	Additions	5,015
<u>(5,412)</u>	<u>(6,082)</u>	Transfer to development projects in progress	<u>(6,082)</u>
<b><u>2,024</u></b>	<b><u>957</u></b>	<b>Cost at 31 December 2018</b>	<b><u>957</u></b>
<b><u>2,024</u></b>	<b><u>957</u></b>	<b>Carrying amount at 31 December 2018</b>	<b><u>957</u></b>

## Notes

The development projects focus on the core backbone of the Company's online platform including investment in 3<sup>rd</sup> party supplier and marketing integrations.

The development projects are depreciated over 7 years which is in line with industry benchmarks where core platforms normally are utilised in between 7 and 10 years.

The first step of the platform went into operations in September 2017. The next step went into operations in October 2018. The current step is expected in operations mid 2019.

The depreciation is expensed in the line with depreciation and amortisation.

<b>Parent</b>		<b>Group</b>	
<b>2017</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>
<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>14. Other fixtures and fitting, tools and equipment</b>			
14	231	Cost at 1 January 2018	231
217	546	Additions	546
<b>231</b>	<b>777</b>	<b>Cost at 31 December 2018</b>	<b>777</b>
(2)	(29)	Depreciation at 1 January 2018	(29)
(27)	(110)	Depreciation	(110)
<b>(29)</b>	<b>(139)</b>	<b>Depreciation at 31 December 2018</b>	<b>(139)</b>
<b>202</b>	<b>638</b>	<b>Carrying amount at 31 December 2018</b>	<b>638</b>
<b>15. Leasehold improvements</b>			
0	75	Cost at 1 January 2018	75
75	125	Additions	125
0	(22)	Disposals	(22)
<b>75</b>	<b>178</b>	<b>Cost at 31 December 2018</b>	<b>178</b>
0	(5)	Depreciation at 1 January 2018	(5)
(5)	(16)	Depreciation	(16)
0	4	Reversal relating to disposals	4
<b>(5)</b>	<b>(17)</b>	<b>Depreciation at 31 December 2018</b>	<b>(17)</b>
<b>70</b>	<b>161</b>	<b>Carrying amount at 31 December 2018</b>	<b>161</b>

## Notes

### Parent

Investments  
in sub-  
sidiaries  
DKK'000

#### 16. Fixed asset investments

0	Cost at 1 January 2018
100	Additions
0	Disposals
<b>100</b>	<b>Cost at 31 December 2018</b>
0	Net revaluation at 1 January 2018
0	Net share of profit/loss for the year
0	Dividend distributed
<b>0</b>	<b>Net revaluation at 31 December 2018</b>
<b>100</b>	<b>Carrying amount at 31 December 2018</b>

Investments in subsidiaries comprise:

Tech Venture ApS, Randers, 100%

Verified Hotel Booking ApS, Copenhagen, 100%

The subsidiaries are established in 2018 and both are without any activities in 2018.

### Parent

2017      2018  
DKK'000    DKK'000

2018      2017  
DKK'000    DKK'000

#### 17. Deposits

61	407	Cost at 1 January 2018
346	254	Additions
<b>407</b>	<b>661</b>	<b>Cost at 31 December 2018</b>

407	61
254	346
<b>661</b>	<b>407</b>

*Deposits are deposits regarding rental buildings.*

## Notes

<b>Parent</b>		<b>Group</b>	
<b>2017</b> <u>DKK'000</u>	<b>2018</b> <u>DKK'000</u>	<b>2018</b> <u>DKK'000</u>	<b>2017</b> <u>DKK'000</u>
<b>18. Deferred taxes</b>			
Deferred tax relates to the following account balances:			
(1,580)	(2,429)	Intangible assets	(2,429)
(9)	(29)	Property, plant and equipment	(29)
<u>2,222</u>	<u>6,672</u>	Loss carryforwards (including the Danish tax credit scheme)	<u>6,672</u>
<u>(633)</u>	<u>(4,214)</u>		<u>(4,214)</u>
Net value is recognised in the balance sheet as:			
633	4,214	Deferred tax assets	4,214
<u>0</u>	<u>0</u>	Deferred tax liabilities	<u>0</u>
<u>633</u>	<u>4,214</u>		<u>4,214</u>
559	633	Deferred tax asset at 1 January	633
(437)	(818)	The Danish tax credit scheme	(818)
<u>511</u>	<u>4,399</u>	Deferred tax movements of the year	<u>4,399</u>
<u>633</u>	<u>4,214</u>	<b>Deferred tax asset at 31 December 2018</b>	<u>4,214</u>
Based on current business plans the Company expects to fully utilise the deferred tax asset within the next three years.			
<b>19. Trade receivables</b>			
274	687	Trade receivables	687
<u>0</u>	<u>0</u>	Impairment losses recognised	<u>0</u>
<u>274</u>	<u>687</u>	<b>Trade receivables at 31 December 2018</b>	<u>687</u>
The carrying amount of the trade receivables is assumed to approximate the fair value.			
<b>20. Other assets</b>			
902	1,815	Other receivables	1,815
<u>1,959</u>	<u>2,123</u>	Prepayments	<u>2,123</u>
<u>2,861</u>	<u>3,938</u>	<b>Total other assets</b>	<u>3,938</u>
The carrying amount of other assets is assumed to approximate the fair value.			

## Notes

### 21. Share capital

The share capital comprises DKK 567,878 divided into shares of DKK 1 each.

The shares have not been divided into classes.

		2018	
		DKK'000	
Change in the number of shares:			
Balance at foundation		65	
Capital increase 2016, 2017 and 2018		503	
<b>Share capital at 31 December 2018</b>		<b>568</b>	

Parent		Group	
2017	2018	2018	2017
DKK'000	DKK'000	DKK'000	DKK'000
<b>22. Other payables</b>			
24	160	Wages and salaries, personal income taxes, social security costs, etc. payable	160
80	326	Holiday pay obligation	326
0	0	VAT and duties	0
<u>343</u>	<u>1,318</u>	Other costs payable	<u>1,318</u>
<b>447</b>	<b>1,804</b>	<b>Total other payables</b>	<b>1,804</b>
			<b>447</b>

### 23. Collateral provided and contingent liabilities

There are no collateral provided and contingent liabilities in the Company.

### 24. Changes in working capitals

Changes in receivables	(1,489)	(598)
Changes in trade payables etc.	<u>12,515</u>	<u>1,375</u>
	<b>11,026</b>	<b>777</b>

### 25. Cash and cash equivalents

Cash	1,704	1,890
Short-term bank debt	<u>(99)</u>	<u>0</u>
	<b>1,605</b>	<b>1,890</b>

## Notes

### 26. Related parties

Related parties with significant influence:

<u>Name of Company</u>	<u>Registered office</u>	<u>Basis of control</u>	<u>Other related parties</u>	<u>Total</u>
			<u>DKK'000</u>	<u>DKK'000</u>
La Dolce Vita Holding ApS	Randers, Denmark	Shareholder with + 5% of the votes		
Seier Capital A/S	Copenhagen, Denmark	Shareholder with + 5% of the votes		
SS Holding Kolding ApS	Kolding, Denmark	Shareholder with + 5% of the votes		
DBL Holding AS	Oslo, Norway	Shareholder with + 5% of the votes		
Magnus Kjøller Holding ApS	Aalborg, Denmark	Shareholder with + 5% of the votes		

#### Transactions between related parties and Nustay ApS

##### 2018

Sales of goods	<u>17</u>	<u>17</u>
----------------	-----------	-----------

Purchase of goods	<u>341</u>	<u>341</u>
-------------------	------------	------------

Amounts owed by related parties	<u>0</u>	<u>0</u>
---------------------------------	----------	----------

Amounts owed to related parties	<u>16</u>	<u>16</u>
---------------------------------	-----------	-----------

##### 2017

Sales of goods	<u>6</u>	<u>6</u>
----------------	----------	----------

Purchase of goods	<u>425</u>	<u>425</u>
-------------------	------------	------------

Amounts owed by related parties	<u>0</u>	<u>0</u>
---------------------------------	----------	----------

Amounts owed to related parties	<u>24</u>	<u>24</u>
---------------------------------	-----------	-----------

*All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.*

## Notes

Parent		Group	
2017 <u>DKK'000</u>	2018 <u>DKK'000</u>	2018 <u>DKK'000</u>	2017 <u>DKK'000</u>
<b>27. Financial risks and financial instruments</b>			
<b>Categories of financial instruments:</b>			
407	661	Deposits	661
274	687	Trade receivables	687
902	1,815	Other receivables	1,815
<u>1,890</u>	<u>1,704</u>	Cash	<u>1,704</u>
<b><u>3,473</u></b>	<b><u>4,867</u></b>	<b>Loan and receivables</b>	<b><u>4,867</u></b>
0	99	Other bank debt	99
1,426	7,003	Trade payables	7,003
0	100	Payables to group enterprises	0
0	5,582	Payables to shareholders and management	5,582
<u>447</u>	<u>1,804</u>	Other payables	<u>1,804</u>
<b><u>1,873</u></b>	<b><u>14,588</u></b>	<b>Financial liabilities measured at amortised cost</b>	<b><u>14,488</u></b>
			<b><u>1,873</u></b>

### Policy for management of financial risks

The Company constantly analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

The Company is controlling these financial risks and its liquidity, including its capital gain and administration of its liquidity surplus. The financial policy is approved by Management and operates with minimising its risk profile. The Company's financial policy is not to speculate in financial risks.

The Company is currently not using any financial instruments to hedge the risk exposures, but where possible the Company implements natural hedges. If considered necessary, the Company will implement financial instruments for hedging.

### Liquidity risks

The due date for financial obligations are specified below and allocated across the relevant time intervals, which are used internally in the Company. The specified amounts reflect the amounts due for payment incl fees etc.

### Currency risks

The currency fluctuations' impact on the Company is insignificant as all major transactions are done in either DKK or EUR.

## Notes

### Credit risks

The Company has no significant risk related to a single party at 31 December 2018 or 31 December 2017.

The credit risk from customers is minimised by collecting payment simultaneously with the sale. The maximal credit risk from receivables and cash is equal to the accounting value.

	Parent			
	0 - 6 Month	6 - 12 Month	>12 Month	Total Month
	DKK'000	DKK'000	DKK'000	DKK'000

### Non-derivative financial liabilities

#### 2018

Other bank debt	99	0	0	99
Trade payables	7,003	0	0	7,003
Payables to group enterprises	100	0	0	100
Payables to shareholders and management	1,019	0	4,563	5,582
Other payables	1,804	0	0	1,804
	<b>10,025</b>	<b>0</b>	<b>4,563</b>	<b>14,588</b>

#### 2017

Trade payables	1,426	0	0	1,426
Other payables	447	0	0	447
	<b>1,873</b>	<b>0</b>	<b>0</b>	<b>1,873</b>

	Group			
	0 - 6 Month	6 - 12 Month	>12 Month	Total Month
	DKK'000	DKK'000	DKK'000	DKK'000

### Non-derivative financial liabilities

#### 2018

Other bank debt	99	0	0	99
Trade payables	7,003	0	0	7,003
Payables to shareholders and management	1,019	0	4,563	5,582
Other payables	1,804	0	0	1,804
	<b>9,925</b>	<b>0</b>	<b>4,563</b>	<b>14,488</b>

#### 2017

Trade payables	1,426	0	0	1,426
Other payables	447	0	0	447
	<b>1,873</b>	<b>0</b>	<b>0</b>	<b>1,873</b>

## Notes

### Interest risks

The company has no interest-bearing assets or liabilities and therefore there is no direct risk related to interest.

### Optimisation of capital structure

Management evaluates on a current basis whether the Company's capital structure is aligned with the Company's and shareholders' interests. The primary objective is to secure a capital structure supporting long-term economic growth while maximising the yield to the Company's stakeholders. The overall strategy of the Company remains unchanged compared to previous years.

## 28. Adoption of the annual report for publication

At the meeting held on 30 April 2019, the Board of Directors adopted the annual report for publication. The annual report will be presented to the shareholders of Nustay A/S for adoption at the annual general meeting on 30 April 2019.

## 29. 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, except for the events mentioned below.

At 6 February 2019, Nustay A/S converted DKK 5,250 thousand of debt into equity increasing the share capital with DKK 36 thousand.

At 14 March 2019, Nustay A/S raised DKK 21,332 thousand (approximately DKK 19,136 thousand net of issuing costs) at an Initial Public Offering at Spotlight Stock Market in Stockholm.

Parent		Group	
2017 <u>DKK'000</u>	2018 <u>DKK'000</u>	2018 <u>DKK'000</u>	2017 <u>DKK'000</u>
<b>30. Unrecognised rental and lease commitments</b>			
14	243	Liabilities under rental or lease agreements until maturity in total	243
<b>14</b>	<b>243</b>		<b>14</b>

## Notes

### 31. Accounting policies

#### 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 Group and the Parent, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Group and the Parent have 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 Group and 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.

#### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

#### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

## **31. Accounting policies (continued)**

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated into the Group's and the Entity's functional currency, DKK, 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 one 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 and other non-monetary assets that have been purchased in foreign currencies, and are measured based on historical costs, are translated using historical rates.

### **Income statement**

#### **Revenue**

Revenue 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.

We recognise revenue when it is earned and realisable based on the following criteria: persuasive evidence that an arrangement exists, services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

Under an agency model, we act as the agent in the transaction, passing reservations booked by the traveler to the relevant travel provider.

We record revenue on transactions when the traveler books the transaction, as we have no significant post-delivery obligations. We record a reserve for chargebacks and cancellations at the time of the transaction based on historical experience.

Our revenue is presented on a net basis. The Company's revenue is presented on a net basis being handled revenue deducted hotel costs, cancellations and fees.

#### **Other external expenses**

Other external expenses include expenses for external consultants, marketing, administration, premises etc.

#### **Staff costs**

Staff costs comprise wages and salaries as well as social security costs, pension contributions, etc for entity staff recognised in the financial year in which the employees have performed the related work.

## Notes

### 31. Accounting policies (continued)

#### Incentive programmes

The Company's incentive plans include a stock option programme for 41,710 shares.

The stock option programme is accounted for as equity-settled share-based payments to employees and is measured at the fair value of the options at the grant date.

The fair value is expensed on a straight-line basis over the vesting period, based on the Entity's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Entity revises its estimate of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss so that the cumulative expense reflects the revised estimate.

#### Financial income and expenses

These items comprise interest income and expenses, realised and unrealised capital gains and losses on foreign currency transactions as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

#### Income taxes

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

Current tax payable and current tax receivable are recognised in the balance sheet, calculated as tax on taxable income for the year, adjusted for prepaid tax.

On calculation of current tax, the tax rates and rules applicable at the balance sheet date are applied.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities using the balance sheet liability method.

Deferred tax is calculated on the basis of the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured using the tax rates and tax rules which – based on acts in force or acts actually in force at the balance sheet date – are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in profit or loss unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income.

## Notes

### 31. Accounting policies (continued)

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 to be set off against future positive taxable income. At each balance sheet date, it is considered whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

#### Balance sheet

##### Development projects

Development projects are projects that are clearly defined and identifiable, where the technical feasibility, adequate resources and a potential future market or application in the Entity can be demonstrated and where the intention is to use the project. Development projects are recognised as intangible assets if the cost can be measured reliably and there is sufficient assurance that future earnings, or the net selling price, will cover production, sales, administration, and development costs. Other development costs are recognised in the income statement as incurred.

Development costs are measured at cost less accumulated depreciation and impairment losses. The cost includes wages, salaries, services, depreciation and other costs directly attributable to the Entity's development and which are necessary to complete the project, from the time when the development project first qualifies for recognition as an asset.

After completion of the development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is seven years.

Development projects are reviewed annually to determine whether there are indications of impairment. If such an indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying value, the development projects are impaired to this value. Development projects in progress are tested at least annually for impairment.

##### Property, plant and equipment

Other fixtures and fittings, tools and equipment and 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 estimated useful lives of the assets, which is three to five years.

Depreciation methods, useful lives and residual values are reviewed annually.

## Notes

### 31. Accounting policies (continued)

Gains and losses from the sale of other fixtures and fittings, tools and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains or losses are recognised in the income statement as other operating income or expenses.

#### Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

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

#### Receivables

Receivables include receivables from the sale of services and other receivables.

Receivables are measured at fair value on initial recognition and subsequently at amortised cost, usually equalising nominal value less write-downs for bad debts.

#### Prepayments

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

#### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting.

#### Financial liabilities

Financial liabilities are measured at amortised cost.

## Notes

### 31. Accounting policies (continued)

#### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as 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 as well as financial income, financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as proceeds from the sale of property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Entity's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares and dividends paid to the shareholder.

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