



TRAVEL POOL EUROPE F.M.B.A.

Vermundsgade 38 A, 1.
2100 København Ø
CVR No. 15753498

Annual report 2019

The Annual General Meeting adopted the
annual report on 26.05.2020

Søren Schødt

Chairman of the General Meeting

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Entity details

Entity

TRAVEL POOL EUROPE F.M.B.A.

Vermundsgade 38 A, 1.

2100 København Ø

CVR No.: 15753498

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Mikael Koch Jensen, Chairman

Kim Henry Jensen, Vice Chairman

Anders Boelskift

Lars Johan Frahm

Henrik Feldborg Rüz

Executive Board

Søren Schødt, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of TRAVEL POOL EUROPE F.M.B.A. for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Copenhagen, 06.05.2020

Executive Board

Søren Schødt
CEO

Board of Directors

Mikael Koch Jensen
Chairman

Kim Henry Jensen
Vice Chairman

Anders Boelskift

Lars Johan Frahm

Henrik Feldborg Rüz

Independent auditor's report

To the shareholders of TRAVEL POOL EUROPE F.M.B.A.

Opinion

We have audited the financial statements of TRAVEL POOL EUROPE F.M.B.A. for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Copenhagen, 06.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Morten Speitzer

State Authorised Public Accountant

Identification No (MNE) mne10057

Management commentary

Primary activities

TravelpoolEurope is a member-owned association whose primary business area is to represent our members' interests in relation to purchasing and managing business travel, as if TravelpoolEurope was a part of the company's own functions.

In the financial year the association has handled purchase and administration of travel and transportation services for the amount of 696 million DKK compared to last financial year's 641 million DKK, which is an increase of 9 %. This increase is primarily due to the accession of new member companies and an increase in activity with the association's existing member companies. This financial year the number of transactions was 937,634 compared to 865,865 last year, an increase of 8 %.

This financial year the association has had an influx of new members which ensures growth in the strategic focus areas – international travel set-up and increases in travel expense management activities.

The main part of the association's activities in this time period were based in Europe, USA and China. The association now has activities in 29 countries in total, and this means the association can provide services to member companies in all significant business markets.

The year's result was characterised by less focus on international growth and increased focus on optimization projects, including investing in digital support, which means greater scalability and services for our members.

It is the management's view that all significant data needed for assessment of the association's financial position, the year's result and the financial development, is evident from the annual accounts as well as the management's review.

Development in activities and finances

The association achieved a result of plus 509 thousand DKK compared to minus 1.193 thousand DKK the year before, and the association's total equity was on the day of inventory minus 4.877 thousand DKK. The association still has at its disposal prepayments of the members.

The positive result is mainly due to a change in the company's depreciation period on IT projects, which was reevaluated from 7 years to 10 years. The change in depreciation period positively impacted the result with 414 thousand DKK. The most significant divergence from last year's expectations has primarily been the lack of new sale which is due to a shift in focus early in the year.

In 2019 the association has continued to focus on global implementation of existing members as well as ensuring the members better and more advantageous procurement terms in the travel area. The focus has also continued to be on increasing efficiency improvement of operations, including replacing and updating the association's digital options.

The association exits the financial year with 2.035 thousand DKK in EBITDA compared to 383 thousand DKK in 2018.

The management is happy that the negative development during the later years has been turned around to a

positive result, but does not find the result satisfactory.

A number of new member companies have joined the association during the year. The association's end-to-end solution where both strong competitive global travel purchasing and a complete web-based administration are integrated into a complete solution in particular provide the member companies with substantial economical advantages.

Member satisfaction with the association remains at a stable high level.

External analyses compared to non-TPE members continue to show good results which document that the association's management of the member companies' travel purchasing activities is still incredibly advantageous.

Uncertainty relating to recognition and measurement

There are no uncertainties relating to recognition and measurement.

Outlook

The objective of the association is to be Europe's best Shared Service center for travel solutions with global delivery. It is the management's assessment that there continues to be increasing requirements for expertise as well as effective and resource-saving administrative solutions. Therefore the association expects a continued increase in demand for savings and efficiency improvements in the travel area, which is the core competence of the association, and continued accession of new members is expected as well as increased global activities for existing member companies.

Events after the balance sheet date

In spite of a good start to 2020 with several new members joining TPE, in March 2020 TPE was hit by Covid-19 along with everyone else in the travel business, which has meant a significant decrease in activity - the situation is expected to improve during the late summer and to normalise by the end of the year, where it is expected that the activity level will return to a similar level as it was before the crisis.

The Covid-19 crisis is expected to cost TPE 1.5 million-2.0 million, and this will be able to be funded via operation.

For the financial year 2020 management expects a deficit between 0.5 million and 1.0 million, and also expects the equity to be re-established within the next 4-6 years, which will primarily be due to a small activity increase with existing members, accession of new members as well as a small increase in TPE's fees.

Furthermore the budgeting for the next 4 years, on a base level with new initiatives, show a nice profit every year.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		21,615,535	20,800,010
Staff costs	1	(19,580,330)	(20,473,405)
Depreciation, amortisation and impairment losses	2	(912,290)	(804,144)
Operating profit/loss		1,122,915	(477,539)
Other financial income		374,118	349,412
Other financial expenses		(988,493)	(1,064,488)
Profit/loss for the year		508,540	(1,192,615)
Proposed distribution of profit and loss			
Retained earnings		508,540	(1,192,615)
Proposed distribution of profit and loss		508,540	(1,192,615)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	4	7,398,137	3,049,311
Development projects in progress	4	45,525	3,019,609
Intangible assets	3	7,443,662	6,068,920
Other fixtures and fittings, tools and equipment		241,697	418,169
Leasehold improvements		50,825	83,622
Property, plant and equipment	5	292,522	501,791
Fixed assets		7,736,184	6,570,711
Trade receivables		57,369,887	42,807,394
Other receivables		13,237,184	19,090,613
Prepayments		311,118	912,659
Receivables		70,918,189	62,810,666
Cash		10,984,954	10,414,106
Current assets		81,903,143	73,224,772
Assets		89,639,327	79,795,483

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Reserve for development expenditure		35,509	2,355,295
Retained earnings		(4,498,110)	(7,326,436)
Equity		(4,462,601)	(4,971,141)
Other payables		614,736	0
Non-current liabilities other than provisions	6	614,736	0
Prepayments received from customers		18,972,751	13,941,351
Trade payables		61,032,788	59,971,022
Other payables	7	8,097,521	6,876,392
Deferred income		5,384,132	3,977,859
Current liabilities other than provisions		93,487,192	84,766,624
Liabilities other than provisions		94,101,928	84,766,624
Equity and liabilities		89,639,327	79,795,483
Unrecognised rental and lease commitments	8		

Statement of changes in equity for 2019

	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,355,295	(7,326,436)	(4,971,141)
Transfer to reserves	(2,319,786)	2,319,786	0
Profit/loss for the year	0	508,540	508,540
Equity end of year	35,509	(4,498,110)	(4,462,601)

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	15,997,236	16,170,107
Pension costs	2,075,087	2,234,810
Other social security costs	1,508,007	2,068,488
	19,580,330	20,473,405
Average number of full-time employees	40	40

2 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	619,362	527,293
Depreciation of property, plant and equipment	250,928	276,851
Profit/loss from sale of intangible assets and property, plant and equipment	42,000	0
	912,290	804,144

The company has reevaluated the depreciation period on IT projects from 7 to 10 years. The change in depreciation period positively impacted the result with 414 thousand DKK.

3 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	4,988,885	3,019,609
Transfers	3,665,412	(3,665,412)
Additions	1,302,777	691,328
Cost end of year	9,957,074	45,525
Amortisation and impairment losses beginning of year	(1,939,575)	0
Amortisation for the year	(619,362)	0
Amortisation and impairment losses end of year	(2,558,937)	0
Carrying amount end of year	7,398,137	45,525

4 Development projects

Development projects concern improvement of the association's IT solutions and are supposed to increase the association's activities and earnings.

Consequently, the developments projects have been capitalised.

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,865,503	613,156
Additions	41,659	0
Cost end of year	1,907,162	613,156
Depreciation and impairment losses beginning of year	(1,447,334)	(529,534)
Depreciation for the year	(218,131)	(32,797)
Depreciation and impairment losses end of year	(1,665,465)	(562,331)
Carrying amount end of year	241,697	50,825

6 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	614,736
	614,736

7 Other payables

	2019 DKK	2018 DKK
VAT and duties	2,316,928	1,479,330
Wages and salaries, personal income taxes, social security costs, etc payable	113,727	122,865
Holiday pay obligation	2,001,131	2,231,355
Other costs payable	3,665,735	3,042,842
	8,097,521	6,876,392

8 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	287,577	353,280

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

There has been some adjustments in the balance statement due to classifications. The correction is merely a case of classification, and has no influence on the net profit from previous years or the equity

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 non-monetary 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 and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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 and realised and unrealised capital gains on transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses and realised and unrealised capital losses on transactions in foreign currencies.

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under reserve for development costs that are reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years.

Property, plant and equipment

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

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

The basis of depreciation is cost plus revaluation and less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

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

Receivables

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

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.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.