

Deloitte  
Statsautoriseret  
Revisionspartnerselskab  
CVR-nr. 33963556  
Weidekampsgade 6  
Postboks 1600  
0900 København C

Telefon 36 10 20 30  
Telefax 36 10 20 40  
www.deloitte.dk

**Egencia Denmark A/S**  
Meldahlsgade 5, 3.  
1613 København V  
Central Business Registration No  
26524857

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 18.06.2018

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

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Name: Helle Sys Hansen

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## Entity details

### Entity

Egencia Denmark A/S  
Meldahlsgade 5, 3.  
1613 København V

Central Business Registration No: 26524857  
Registered in: København  
Financial year: 01.01.2017 - 31.12.2017

Website: [www.egencia.dk](http://www.egencia.dk)  
E-mail: [denmark@egencia.com](mailto:denmark@egencia.com)

### Board of Directors

Hemanth Ramswamy Munipalli, formand  
Ricardo A. Castillo  
Helle Sys Hansen

### Executive Board

Helle Sys Hansen, administrerende direktør

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Egencia Denmark A/S for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 18.06.2018

### Executive Board

Helle Sys Hansen  
administrerende direktør

### Board of Directors

Hemanth Ramswamy Munipalli  
formand

Ricardo A. Castillo

Helle Sys Hansen

# Independent auditor's report

## To the shareholders of Egencia Denmark A/S

### Qualified opinion

We have audited the financial statements of Egencia Denmark A/S for the financial year 01.01.2017 - 31.12.2017, 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, except for the possible effect of the matter described in the Basis for qualified opinion section, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

### Basis for qualified opinion

This is the first year in which the Entity presents its financial statements based on a new ERP system. In connection with the implementation of the ERP system, difficulties have occurred in reconciling trade receivables and trade payables, and accordingly, we have not been able to obtain sufficient and appropriate audit evidence about these financial statement items in the financial statements at 31.12.2017.

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 qualified 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,

## Independent auditor's report

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

## Independent auditor's report

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, 18.06.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Morten Speitzer  
State Authorised Public Accountant  
Identification number (MNE) mne10057

## Management commentary

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	89.426	77.992	90.676	91.969	96.070
Operating profit/loss	3.610	4.368	16.376	14.861	18.984
Net financials	287	222	(664)	(293)	(670)
Profit/loss for the year	3.042	3.587	12.005	11.009	13.640
Total assets	164.963	121.706	101.107	73.467	62.192
Investments in property, plant and equipment	689	7.334	89	208	872
Equity	55.670	52.628	35.387	41.691	23.855
<b>Ratios</b>					
Return on equity (%)	5,6	8,2	31,2	33,6	60,4
Equity ratio (%)	33,7	43,2	35,0	56,7	38,4

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios</b>
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

Egencia Denmark A/S deals with all areas within Travel Marketing, including consulting services, management and completing of individual as well as group-related business trips.

### Development in activities and finances

Profit for the year amounts to DKK 3,042 thousand which is considered satisfactory compared to expectations.

The Entity is still working in a greater efficiency in relation to its business procedures which has influenced the Entity's performance positively.

Total assets amount to DKK 164,963 thousand at 31 December 2017. Equity amounts to DKK 55.665 thousand corresponding to an equity ratio of 33,7%.

### Uncertainty relating to recognition and measurement

There are no material uncertainties relating to recognition and measurement.

### Unusual circumstances affecting recognition and measurement

This is the first year in which the Entity presents its financial statements based on a new ERP system. In connection with the implementation of the ERP system, difficulties have occurred in reconciling trade receivables and trade payables.

Subsequent to the year-end a considerable effort have been made to solve the reconciliation issues of trade receivables and trade payables, thus the number of reconciliation items have been reduced significantly. Management expects that for the 2018 year-end closing that all reconciliation issues have been solved and there will be no impact on the 2018 financials.

### Outlook

Positive results comparable to 2017 are expected for 2018.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
<b>Gross profit</b>		<b>89.426</b>	<b>77.992</b>
Staff costs	1	(83.019)	(72.162)
Depreciation, amortisation and impairment losses		<u>(2.797)</u>	<u>(1.462)</u>
<b>Operating profit/loss</b>		<b>3.610</b>	<b>4.368</b>
Other financial income	2	672	1.193
Other financial expenses	3	<u>(385)</u>	<u>(971)</u>
<b>Profit/loss before tax</b>		<b>3.897</b>	<b>4.590</b>
Tax on profit/loss for the year	4	<u>(855)</u>	<u>(1.003)</u>
<b>Profit/loss for the year</b>	5	<u><b>3.042</b></u>	<u><b>3.587</b></u>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Other fixtures and fittings, tools and equipment		3.521	5.429
Leasehold improvements		<u>1.119</u>	<u>1.455</u>
<b>Property, plant and equipment</b>	6	<u><b>4.640</b></u>	<u><b>6.884</b></u>
Deposits		<u>1.493</u>	<u>1.460</u>
<b>Fixed asset investments</b>	7	<u><b>1.493</b></u>	<u><b>1.460</b></u>
<b>Fixed assets</b>		<u><b>6.133</b></u>	<u><b>8.344</b></u>
Trade receivables		73.237	44.383
Receivables from group enterprises		41.100	17.483
Deferred tax		270	81
Other receivables		0	589
Income tax receivable		0	899
Prepayments	8	<u>3.985</u>	<u>9.114</u>
<b>Receivables</b>		<u><b>118.592</b></u>	<u><b>72.549</b></u>
<b>Cash</b>		<u><b>40.238</b></u>	<u><b>40.813</b></u>
<b>Current assets</b>		<u><b>158.830</b></u>	<u><b>113.362</b></u>
<b>Assets</b>		<u><b>164.963</b></u>	<u><b>121.706</b></u>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Contributed capital	9	5.000	5.000
Retained earnings		50.670	47.628
<b>Equity</b>		<b>55.670</b>	<b>52.628</b>
Trade payables		27.814	8.334
Payables to group enterprises		56.092	37.035
Income tax payable		89	0
Other payables	10	18.546	11.764
Deferred income	11	6.752	11.945
<b>Current liabilities other than provisions</b>		<b>109.293</b>	<b>69.078</b>
<b>Liabilities other than provisions</b>		<b>109.293</b>	<b>69.078</b>
<b>Equity and liabilities</b>		<b>164.963</b>	<b>121.706</b>
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Transactions with related parties	14		
Group relations	15		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	5.000	47.628	52.628
Profit/loss for the year	0	3.042	3.042
<b>Equity end of year</b>	<b>5.000</b>	<b>50.670</b>	<b>55.670</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	76.102	65.100
Pension costs	5.245	4.688
Other staff costs	1.672	2.374
	<b>83.019</b>	<b>72.162</b>
Average number of employees	<b>158</b>	<b>148</b>

With reference to the Danish Financial Statements Act section 98b, 3, no. 2, remuneration to management has not been disclosed.

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Other financial income</b>		
Interest income	0	43
Exchange rate adjustments	671	1.150
Other financial income	1	0
	<b>672</b>	<b>1.193</b>

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Other financial expenses</b>		
Interest expenses	171	155
Exchange rate adjustments	167	760
Other financial expenses	47	56
	<b>385</b>	<b>971</b>

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Tax on profit/loss for the year</b>		
Tax on current year taxable income	1.044	773
Change in deferred tax for the year	(189)	230
	<b>855</b>	<b>1.003</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Proposed distribution of profit/loss</b>		
Retained earnings	3.042	3.587
	<b>3.042</b>	<b>3.587</b>
	<b>Other</b>	<b>Leasehold</b>
	<b>fixtures and</b>	<b>improve-</b>
	<b>fittings,</b>	<b>ments</b>
	<b>tools and</b>	<b>DKK'000</b>
	<b>equipment</b>	<b>DKK'000</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Property, plant and equipment</b>		
Cost beginning of year	7.037	1.600
Additions	689	0
Disposals	(16)	(20)
<b>Cost end of year</b>	<b>7.710</b>	<b>1.580</b>
Depreciation and impairment losses beginning of the year	(1.609)	(145)
Depreciation for the year	(2.580)	(316)
<b>Depreciation and impairment losses end of the year</b>	<b>(4.189)</b>	<b>(461)</b>
<b>Carrying amount end of year</b>	<b>3.521</b>	<b>1.119</b>
		<b>Deposits</b>
		<b>DKK'000</b>
<b>7. Fixed asset investments</b>		
Cost beginning of year		1.460
Additions		33
<b>Cost end of year</b>		<b>1.493</b>
<b>Carrying amount end of year</b>		<b>1.493</b>
<b>8. Prepayments</b>		

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed

## Notes

	<u>Number</u>	<u>Par value DKK'000</u>	<u>Nominal value DKK'000</u>
<b>9. Contributed capital</b>			
Ordinære aktier	5.000	1	5.000
	<b>5.000</b>		<b>5.000</b>

There have been no changes in the contributed capital for the last 5 years.

	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
<b>10. Other payables</b>		
VAT and duties	2.339	1.966
Wages and salaries, personal income taxes, social security costs, etc payable	6.298	2.423
Holiday pay obligation	9.290	7.375
Other costs payable	619	0
	<b>18.546</b>	<b>11.764</b>

### 11. Deferred income

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

	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
<b>12. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>2.393</b>	<b>2.784</b>

	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
<b>13. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	2.000	2.000
<b>Contingent liabilities in total</b>	<b>2.000</b>	<b>2.000</b>

### 14. Transactions with related parties

The financial statement only discloses transactions with related parties which has not been made on an arms lengths basis. Such transactions have not been made during the financial year.



## Notes

### **15. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Expedia Inc. Seattle, USA. 333 108<sup>th</sup> Avenue NE, Bellevue, WA 98004

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Expedia Inc. Seattle, USA. 333 108<sup>th</sup> Avenue NE, Bellevue, WA 98004

## Accounting policies

### Reporting class

This annual report has been presented 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.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, other operating income 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.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### 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.

## Accounting policies

### 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 dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets 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 securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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

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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

## Accounting policies

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.

### Deferred tax

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

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.

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits, comprising cash pools.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax

### Deferred income

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

### Cash flow statement

Referring to section 86(4) of the Danish Financial Statement Act, the Company has not prepared a cash flow statement.