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

Annual report 2016

The Annual General Meeting adopted the annual report on 14.06.2017

Chairman of the General Meeting

Name: Inge Wedderkopp Valentin

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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: 01.01.2016 - 31.12.2016

Website: www.egencia.dk
E-mail: denmark@egencia.com

Board of Directors

Hemanth Ramswamy Munipalli, formand
Maëlle Emilie Couvreur
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 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016.

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, 14.06.2017

Executive Board

Helle Sys Hansen
administrerende direktør

Board of Directors

Hemanth Ramswamy
Munipalli
formand

Maëlle Emilie Couvreur

Helle Sys Hansen

Independent auditor's report

To the shareholders of Egencia Denmark A/S

Opinion

We have audited the financial statements of Egencia Denmark A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016 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:

Independent auditor's report

- 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.

Independent auditor's report

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, 14.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Morten Speitzer
statsautoriseret revisor

Management commentary

	2016	2015	2014	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Gross profit	77.992	90.676	91.969	96.070	108.120
Operating profit/loss	4.368	16.376	14.861	18.984	32.406
Net financials	222	(664)	(293)	(670)	(656)
Profit/loss for the year	3.587	12.005	11.009	13.640	23.698
Total assets	121.706	101.107	73.467	62.192	72.394
Investments in property, plant and equipment	7.334	680	89	208	872
Equity	52.628	49.041	35.387	41.691	23.855
Ratios					
Return on equity (%)	7,1	28,4	28,6	41,6	105,0
Equity ratio (%)	43,2	48,5	48,2	67,0	33,0

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

Ratios

Return on equity (%)

Calculation formula

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

Ratios

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 3,587 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 121,706 thousand at 31 December 2016. Equity amounts to DKK 52.628 thousand corresponding to an equity ratio of 43.2%.

Uncertainty relating to recognition and measurement

There are no material uncertainties relating to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There are no unusual circumstances affecting recognition and measurement.

Outlook

Positive results comparable to 2016 are expected for 2017.

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 2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Gross profit		77.992	90.676
Staff costs	1	(72.162)	(73.992)
Depreciation, amortisation and impairment losses		<u>(1.462)</u>	<u>(308)</u>
Operating profit/loss		4.368	16.376
Other financial income	2	1.193	917
Other financial expenses	3	<u>(971)</u>	<u>(1.581)</u>
Profit/loss before tax		4.590	15.712
Tax on profit/loss for the year	4	<u>(1.003)</u>	<u>(3.707)</u>
Profit/loss for the year	5	<u>3.587</u>	<u>12.005</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Other fixtures and fittings, tools and equipment		5.429	1.012
Leasehold improvements		1.455	0
Property, plant and equipment	6	<u>6.884</u>	<u>1.012</u>
Other receivables		1.460	1.480
Deferred tax	8	81	311
Fixed asset investments	7	<u>1.541</u>	<u>1.791</u>
Fixed assets		<u>8.425</u>	<u>2.803</u>
Trade receivables		44.383	41.973
Receivables from group enterprises		17.483	18.736
Other receivables		589	135
Income tax receivable		899	241
Prepayments	9	9.114	7.030
Receivables		<u>72.468</u>	<u>68.115</u>
Cash		<u>40.813</u>	<u>30.189</u>
Current assets		<u>113.281</u>	<u>98.304</u>
Assets		<u>121.706</u>	<u>101.107</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Contributed capital	10	5.000	5.000
Retained earnings		47.628	44.041
Equity		52.628	49.041
Prepayments received from customers		100	92
Trade payables		8.334	15.610
Payables to group enterprises		37.035	16.904
Other payables	11	11.764	11.872
Deferred income	12	11.845	7.588
Current liabilities other than provisions		69.078	52.066
Liabilities other than provisions		69.078	52.066
Equity and liabilities		121.706	101.107
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Transactions with related parties	16		
Group relations	17		

Statement of changes in equity for 2016

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	5.000	44.041	49.041
Profit/loss for the year	0	3.587	3.587
Equity end of year	5.000	47.628	52.628

Cash flow statement 2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Operating profit/loss		4.368	16.376
Amortisation, depreciation and impairment losses		1.462	308
Working capital changes	13	<u>13.378</u>	<u>(4.537)</u>
Cash flow from ordinary operating activities		19.208	12.147
Financial income received		1.193	917
Financial income paid		(971)	(1.581)
Income taxes refunded/(paid)		<u>(1.432)</u>	<u>(3.382)</u>
Cash flows from operating activities		<u>17.998</u>	<u>8.101</u>
Acquisition etc of intangible assets		(61)	0
Acquisition etc of property, plant and equipment		(7.334)	(680)
Sale of fixed asset investments		<u>21</u>	<u>44</u>
Cash flows from investing activities		<u>(7.374)</u>	<u>(636)</u>
Increase/decrease in cash and cash equivalents		10.624	7.465
Cash and cash equivalents beginning of year		<u>30.189</u>	<u>22.724</u>
Cash and cash equivalents end of year		<u>40.813</u>	<u>30.189</u>

Notes

	2016	2015
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	65.100	66.871
Pension costs	4.688	4.815
Other staff costs	2.374	2.306
	72.162	73.992
Average number of employees	148	156

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

	2016	2015
	DKK'000	DKK'000
2. Other financial income		
Interest income	43	76
Exchange rate adjustments	1.150	841
	1.193	917

	2016	2015
	DKK'000	DKK'000
3. Other financial expenses		
Interest expenses	155	33
Exchange rate adjustments	760	1.500
Other financial expenses	56	48
	971	1.581

	2016	2015
	DKK'000	DKK'000
4. Tax on profit/loss for the year		
Tax on current year taxable income	773	3.561
Change in deferred tax for the year	230	125
Effect of changed tax rates	0	21
	1.003	3.707

Notes

	2016	2015
	DKK'000	DKK'000
5. Proposed distribution of profit/loss		
Retained earnings	3.587	12.005
	3.587	12.005
	Other	Leasehold
	fixtures and	improve-
	fittings,	ments
	tools and	DKK'000
	equipment	DKK'000
	DKK'000	DKK'000
6. Property, plant and equipment		
Cost beginning of year	14.453	2.686
Additions	5.734	1.600
Disposals	(13.150)	(2.686)
Cost end of year	7.037	1.600
Depreciation and impairment losses beginning of the year	(13.441)	(2.686)
Depreciation for the year	(1.317)	(145)
Reversal regarding disposals	13.150	2.686
Depreciation and impairment losses end of the year	(1.608)	(145)
Carrying amount end of year	5.429	1.455
	Other	Deferred tax
	receivables	DKK'000
	DKK'000	DKK'000
7. Fixed asset investments		
Cost beginning of year	1.480	311
Disposals	(20)	(230)
Cost end of year	1.460	81
Carrying amount end of year	1.460	81

8. Deferred tax

Deferred tax comprise tangible assets.

Notes

9. Prepayments

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

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

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

	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
11. Other payables		
VAT and duties	1.966	1.925
Wages and salaries, personal income taxes, social security costs, etc payable	2.423	2.378
Holiday pay obligation	7.375	7.569
	11.764	11.872

12. Deferred income

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

	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
13. Change in working capital		
Increase/decrease in receivables	(3.634)	(20.172)
Increase/decrease in trade payables etc	17.012	15.635
	13.378	(4.537)

	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
14. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	2.784	7.837

Notes

	2016	2015
	DKK'000	DKK'000
15. Contingent liabilities		
Recourse and non-recourse guarantee commitments	2.000	2.560
Contingent liabilities in total	2.000	2.560

16. 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.

17. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Expedia Inc. Seattle, USA. 333 108th 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 108th 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.

Other external expenses

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

Staff costs

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

Accounting policies

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.

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

Accounting policies

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.

Income tax payable or receivable

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.

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.

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.

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 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 purchase, development, improvement and sale,

Accounting policies

etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, and purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.