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Egencia Denmark A/S

Meldahlsgade 5, 3., DK-1613 København V

Annual Report for 1 January - 31 December 2019

CVR No 26 52 48 57

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31/8 2020

Hans-Henrik Piplits Jensen
Chairman of the General Meeting

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Henrik Piplits Jensen
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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Egencia Denmark A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at thc Annual General Meeting.

Copenhagen, 31 August 2020

Executive Board

DocuSigned by:
Henrik Piplits Jensen
Hans-Henrik Piplits Jensen

Board of Directors

DocuSigned by:
Regi Vengalil
Regi Vengalil
Chairman

DocuSigned by:
Raul Rivera
Raul Rivera

DocuSigned by:
Henrik Piplits Jensen
Hans-Henrik Piplits Jensen

Independent Auditor's Report

To the Shareholder of Egencia Denmark A/S

Qualified opinion

We have audited the financial statements of Egencia Denmark A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the potential effect of the matter described in the "Basis for qualified opinion" section on the comparative figures, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

We were appointed auditor of the Company on 22 October 2018. In 2017 the Company presented the financial statements based on a new ERP system. In connection with the implementation of the ERP system, difficulties have occurred in the 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 opening balance of the financial statements at 1 January 2018. As opening trade receivables and trade payables are included in the determination of net turnover and cost of sales, we have not been able to determine whether adjustments to the profit/loss for 2018 might have been necessary. Our opinion on the financial statements for the current period is qualified due to this matter and due to the effect on the comparability between the current period figures and the comparative figures.

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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

Independent Auditor's Report

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Company'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 Company'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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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 Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 31 August 2020
EY
Godkendt revisionspartnerselskab
CVR No 30 70 02 28

Peter Andersen
State Authorised Public Accountant
mne34313

Company Information

The Company	Egencia Denmark A/S Meldahlsgade 5, 3. DK-1613 København V E-mail: denmark@egencia.com Website: www.egencia.dk CVR No: 26 52 48 57 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Regi Vengalil, Chairman Raul Rivera Hans-Henrik Piplits Jensen
Executive Board	Hans-Henrik Piplits Jensen
Auditors	EY Godkendt revisionspartnerselskab Dirch Passers Allé 36 DK-2000 Frederiksberg

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK	2015 TDKK
Key figures					
Profit/loss					
Gross profit/loss	82.773	90.220	89.426	77.992	90.676
Profit/loss before financial income and expenses	2.093	2.314	3.610	4.368	16.376
Net financials	1	-480	287	222	-664
Net profit/loss for the year	1.584	1.457	3.042	3.587	12.005
Balance sheet					
Balance sheet total	190.296	135.617	164.939	121.706	101.107
Equity	58.789	57.127	55.670	52.628	35.387
Investment in property, plant and equipment	692	512	689	7.334	89
Number of employees	157	162	158	148	156
Ratios					
Solvency ratio	30,9%	42,1%	33,8%	43,2%	35,0%
Return on equity	2,7%	2,6%	5,6%	8,2%	31,2%

The ratios have been prepared in accordance with definitions under accounting policies.

Management's Review

Key activities

The principal activities of the company is to provide corporate travel management services and support services for Expedia Group.

Development in the year

The income statement of the Company for 2019 shows a profit of TDKK 1,584, and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 58,789.

Gross profit for the Company has decreased 8% YoY, and against the expectations of the 2018 Annual Report, due to challenging market conditions.

Targets and expectations for the year ahead

As part of ongoing monitoring, management has identified the COVID-19 outbreak as a risk that could cause significant disruption to Egencia Denmark in 2020, during which the revenues and cash flows of the Company could be negatively impacted. Accordingly, Expedia Group has taken several measures to protect its cash flows and finance its working capital, as per its latest public filings. The Company will continue to act as a distributor of Corporate Travel Support Services for Expedia Group in 2020, earning an arm's length return for provision of these services.

Subsequent events

As part of ongoing monitoring, management has identified the COVID-19 outbreak as a risk that could cause significant disruption to Egencia Denmark in 2020, during which the revenues and cash flows of the Company could be negatively impacted. Accordingly, Expedia Group has taken several measures to protect its cash flows and finance its working capital, as per its latest public filings. The Company will continue to act as a distributor of Corporate Travel Support Services for Expedia Group in 2020, earning an arm's length return for provision of these services.

Income Statement 1 January - 31 December

	Note	2019 TDKK	2018 TDKK
Gross profit/loss		**82.773**	**90.220**
Staff expenses	2	-78.801	-85.225
Depreciation, amortisation and impairment of property, plant and equipment		-1.879	-2.681
Profit/loss before financial income and expenses		**2.093**	**2.314**
Financial income		387	132
Financial expenses		-386	-612
Profit/loss before tax		**2.094**	**1.834**
Tax on profit/loss for the year	3	-510	-377
Net profit/loss for the year		**1.584**	**1.457**

Balance Sheet 31 December

Assets

	Note	2019	2018
		TDKK	TDKK
Other fixtures and fittings, tools and equipment		782	1.576
Leasehold improvements		502	895
Property, plant and equipment	4	**1.284**	**2.471**
Deposits		1.524	1.499
Fixed asset investments	5	**1.524**	**1.499**
Fixed assets		**2.808**	**3.970**
Trade receivables		50.002	47.477
Receivables from group enterprises		6.271	16.723
Other receivables		32.571	35.014
Deferred tax asset	9	1.478	490
Corporation tax		0	699
Prepayments	6	1.373	2.892
Receivables		**91.695**	**103.295**
Cash at bank and in hand		**95.793**	**28.352**
Current assets		**187.488**	**131.647**
Assets		**190.296**	**135.617**

Balance Sheet 31 December

Liabilities and equity

	Note	2019 TDKK	2018 TDKK
Share capital		5.000	5.000
Other reserves		78	0
Retained earnings		53.711	52.127
Equity	7	**58.789**	**57.127**
Other payables		2.560	0
Long-term debt	10	**2.560**	**0**
Trade payables		11.295	23.190
Payables to group enterprises		99.487	32.006
Payables to group enterprises relating to corporation tax		893	93
Other payables	10	15.122	20.760
Deferred income	11	2.150	2.441
Short-term debt		**128.947**	**78.490**
Debt		**131.507**	**78.490**
Liabilities and equity		**190.296**	**135.617**

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Statement of Changes in Equity

	Share capital	Other reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	5.000	0	52.127	57.127
Share based compensation employees	0	78	0	78
Net profit/loss for the year	0	0	1.584	1.584
Equity at 31 December	**5.000**	**78**	**53.711**	**58.789**

Notes to the Financial Statements

1 Subsequent events

As part of ongoing monitoring, management has identified the COVID-19 outbreak as a risk that could cause significant disruption to Egencia Denmark in 2020, during which the revenues and cash flows of the Company could be negatively impacted. Accordingly, Expedia Group has taken several measures to protect its cash flows and finance its working capital, as per its latest public filings. The Company will continue to act as a distributor of Corporate Travel Support Services for Expedia Group in 2020, earning an arm's length return for provision of these services.

2 Staff expenses

	2019 TDKK	2018 TDKK
Wages and salaries	70.490	77.705
Pensions	5.306	5.143
Other staff expenses	3.005	2.377
	78.801	**85.225**
Including remuneration to the Executive Board of:		
Executive Board	0	6.111
	0	**6.111**
Average number of employees	**157**	**162**

Remuneration to the Executive Board for 2019 has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3 Tax on profit/loss for the year

	2019 TDKK	2018 TDKK
Current tax for the year	338	593
Deferred tax for the year	125	-220
Adjustment of tax concerning previous years	31	4
Adjustment of deferred tax concerning previous years	16	0
	510	**377**

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK
Cost at 1 January	8.128	1.674	9.802
Additions for the year	692	0	692
Disposals for the year	-45	-182	-227
Cost at 31 December	8.775	1.492	10.267
Impairment losses and depreciation at 1 January	6.552	779	7.331
Depreciation for the year	1.486	332	1.818
Reversal of impairment and depreciation of sold assets	-45	-121	-166
Impairment losses and depreciation at 31 December	7.993	990	8.983
Carrying amount at 31 December	**782**	**502**	**1.284**

5 Fixed asset investments

	Deposits
	TDKK
Cost at 1 January	1.499
Additions for the year	25
Cost at 31 December	1.524
Carrying amount at 31 December	**1.524**

6 Prepayments

Prepayments includes prepayments of courses and rent.

7 Equity

The share capital consists of 5,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

Notes to the Financial Statements

8 Distribution of profit

	2019 TDKK	2018 TDKK
Retained earnings	1.584	1.457
	1.584	**1.457**

9 Deferred tax asset

	2019 TDKK	2018 TDKK
Deferred tax asset at 1 January	490	270
Amounts recognised in the income statement for the year	-125	220
Amounts recognised in equity for the year	1.113	0
Deferred tax asset at 31 December	**1.478**	**490**

The deferred tax asset at 31 December is made up of various timing differences. This includes the timing difference between depreciation and tax deductions of equipment & leasehold improvements, and a temporary difference for a provision for bad debts. These differences have been reconciled at a deferred tax rate of 22% and are expected to unwind in future periods.

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

	2019 TDKK	2018 TDKK
Between 1 and 5 years	2.560	0
Long-term part	2.560	0
Other payables	15.122	20.760
	17.682	**20.760**

11 Deferred income

Deferred income includes giftcards and received deposit.

Notes to the Financial Statements

	2019	2018
	TDKK	TDKK

12 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rental or lease agreements until maturity in total	1.600	1.862

Guarantee obligations

Recourse and non-recourse guarantee commitments	2.000	2.000

Other contingent liabilities

Suretyship for overdraft facilitty 25.000 tDKK (2018: 25.000 tDKK).

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Lodging Partner Services Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

13 Related parties

	Basis
Controlling Interest	
Egencia AS, Norge	Parent Company
Expedia Group, Inc.,	Ultimate Parent Company

Transactions

Sales of services to group (commission received from Group), TDKK 23,756 (TDKK 21,156 in FY18).

Purchase of services from group (Purchase from Group), TDKK 159,600 (TDKK 128,292 in FY18).

Received management fee, TDKK 2,977 (TDKK 11,256 in FY18).

Receivables from group, TDKK 6,271 (TDKK 16,723 in FY18).

Payables to group, TDKK 99,487 (TDKK 32,006 in FY18).

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company:

Name	Place of registered office
Expedia Group, Inc.	WA 98119, USA

The Group Annual Report of Expedia Group, Inc. may be obtained at the following address:

1111 Expedia Group Way West, Seattle WA 98119, USA

Notes to the Financial Statements

14 Accounting Policies

The Annual Report of Egencia Denmark A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2019 are presented in TDKK.

Changes in accounting policies

With effect from 1 January 2019, the Company has implemented the following interpretations under Danish Financial Statements Act:

- IFRS 2 Share-based payment/recognition of equity-settled share-based payment arrangement.
- IFRS 15 Revenue from contracts with customers.

Of the above, only IFRS 2 have effected recognition and measurement in the financial statements. The effect of IFRS 2 on recognition and measurement is shown as other adjustments to equity. The effect is insignificant for the balance sheet.

Apart from the above-mentioned matter, the financial statements have been prepared in accordance with the same accounting policies as last year.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Expedia Group Inc., the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

14 Accounting Policies (continued)

Translation of foreign currencies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue is recognised on an accrual basis as Egencia Denmark's performs corporate travel support services and other support services. Revenue is recognised when the support is delivered. Corporate travel support services are presented on a net basis and other support services are presented on a gross basis. Revenue is measured at the fair value of the agreed considerations excluding VAT and taxes charged on behalf of third parties. All discounts and rebates grated are recognised in revenue.

Cost of sales

Cost of sales comprises services consumed in the financial year are measured at cost.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, cost of sales and other external expenses.

Staff expenses

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

Notes to the Financial Statements

14 **Accounting Policies** (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment, 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 property, plant and equipment.

Other operating income

Other operating income comprise items of a secondary nature to the main activities of the Company, it primary include includes management fees.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Depreciation period and residual value are reassessed annually.

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Notes to the Financial Statements

14 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years. Prepayments are measured at cost.

Equity

At the presentation of the annual report for 2019, the company has elected to apply the rules according to IFRS 2 in the recognition of share options to the company's employees. In accordance with the rules this is recognised as other adjustments to equity.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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Notes to the Financial Statements

14 **Accounting Policies** (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years. Deferred income is measured at costs.

Cash

Cash comprises cash in hand and bank deposits.

Financial Highlights

Explanation of financial ratios

Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$