

Travel Operations A/S

Måløv Byvej 229

2760 Måløv

Business Registration No

38707701

Annual report 01.07.2018 - 30.06.2019

The Annual General Meeting adopted the annual report on 17.10.2019

Chairman of the General Meeting

Name: Michael Holst Andersen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018/19	8
Balance sheet at 30.06.2019	9
Statement of changes in equity for 2018/19	11
Notes	12
Accounting policies	15

Entity details

Entity

Travel Operations A/S
Måløv Byvej 229
2760 Måløv

Central Business Registration No (CVR): 38707701

Registered in: Ballerup

Financial year: 01.07.2018 - 30.06.2019

Board of Directors

Jacob Sylvest Andersen, Chairman

Michael Holst Andersen

Peter Jacobsen

Executive Board

Michael Holst Andersen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

PO Box 1600

0900 Copenhagen 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 Travel Operations A/S for the financial year 01.07.2018 - 30.06.2019.

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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

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.

Måløv, 17.10.2019

Executive Board

Michael Holst Andersen
CEO

Board of Directors

Jacob Sylvest Andersen
Chairman

Michael Holst Andersen

Peter Jacobsen

Independent auditor's report

To the shareholders of Travel Operations A/S

Opinion

We have audited the financial statements of Travel Operations A/S for the financial year 01.07.2018 - 30.06.2019, 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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 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.

Independent auditor's report

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.

Independent auditor's report

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, 17.10.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Stine Eva Grothen

State-Authorised Public Accountant

Identification No (MNE) mne29431

Management commentary

	2018/19 DKK'000	2017/18 DKK'000
Financial highlights		
Key figures		
Gross profit	17.124	17.033
Operating profit/loss	1.742	5.991
Net financials	(78)	(39)
Profit/loss for the year	1.294	4.612
Total assets	11.812	15.192
Equity	3.906	5.612
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	5.320	8.459
Ratios		
Return on equity (%)	27,2	82,2
Equity ratio (%)	33,1	36,9

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

Ratios	Calculation formula	Calculation formula reflects
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

Travel Operations' primary activity is to develop and deliver software solutions and services based on Microsoft technology for companies within the travel industry.

Development in activities and finances

During the year, Travel Operations has continued to invest in our solution TravelOperations Enterprise for Microsoft Dynamics 365. This solution is targeted larger global organisations within the travel industry. We also started the development of TravelOperations Business for Microsoft Dynamics 365. This solution is targeted small to medium-sized travel agencies.

With the two solutions, Travel Operations will have offerings tailored each segment of the travel industry. Both solutions have received the highest recognition from Microsoft and are listed as preferred solutions on Microsoft AppSource. We continue to see a strong demand for our solutions and services, and we have invested heavily in attracting and onboarding new employees to all of our locations. This focus continues to attract top talent within the ERP and business application space combined with talent from the travel industry.

Moreover, it has been a year of transition. We see that the demand is shifting towards a subscription model for both software and services. This impacts our revenue and EBIT and will also have an impact in the coming years as we expect this tendency to continue. However, we are very satisfied with the development of our subscription business which is progressing as planned, and we expect the positive growth in subscription-based software and services to continue and to provide a strong financial stability in the future to keep us investing in our solutions, people and continuous growth.

The Company realised an EBITDA of DKK 5,320 thousand and a profit of DKK 1,294 thousand, which Management considers satisfactory.

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 2018/19

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Gross profit		17.124.465	17.032.798
Staff costs	1	(11.804.606)	(8.574.050)
Depreciation, amortisation and impairment losses	2	<u>(3.577.956)</u>	<u>(2.468.070)</u>
Operating profit/loss		1.741.903	5.990.678
Other financial income		48.997	3.349
Other financial expenses		<u>(126.577)</u>	<u>(42.802)</u>
Profit/loss before tax		1.664.323	5.951.225
Tax on profit/loss for the year	3	<u>(370.510)</u>	<u>(1.338.970)</u>
Profit/loss for the year		<u>1.293.813</u>	<u>4.612.255</u>
Proposed distribution of profit/loss			
Extraordinary dividend distributed in the financial year		3.000.000	0
Retained earnings		<u>(1.706.187)</u>	<u>4.612.255</u>
		<u>1.293.813</u>	<u>4.612.255</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Completed development projects		5.643.459	7.297.487
Development projects in progress		<u>1.136.800</u>	<u>0</u>
Intangible assets	4	<u>6.780.259</u>	<u>7.297.487</u>
Other fixtures and fittings, tools and equipment		<u>0</u>	<u>75.000</u>
Property, plant and equipment	5	<u>0</u>	<u>75.000</u>
Deposits		<u>65.135</u>	<u>64.159</u>
Fixed asset investments	6	<u>65.135</u>	<u>64.159</u>
Fixed assets		<u>6.845.394</u>	<u>7.436.646</u>
Trade receivables		1.780.034	3.567.239
Other receivables		311.896	1.507.660
Prepayments		<u>266.600</u>	<u>70.027</u>
Receivables		<u>2.358.530</u>	<u>5.144.926</u>
Cash		<u>2.608.285</u>	<u>2.610.189</u>
Current assets		<u>4.966.815</u>	<u>7.755.115</u>
Assets		<u>11.812.209</u>	<u>15.191.761</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Contributed capital		1.000.000	1.000.000
Reserve for development expenditure		2.090.908	0
Retained earnings		815.158	4.612.253
Equity		3.906.066	5.612.253
Deferred tax		1.473.094	1.338.970
Provisions		1.473.094	1.338.970
Bank loans		1.992.119	2.494.473
Income tax payable		494.381	0
Other payables		0	400.000
Non-current liabilities other than provisions	7	2.486.500	2.894.473
Current portion of long-term liabilities other than provisions	7	869.527	1.042.948
Prepayments received from customers		638.708	542.810
Trade payables		356.010	700.672
Other payables		2.082.304	3.059.635
Current liabilities other than provisions		3.946.549	5.346.065
Liabilities other than provisions		6.433.049	8.240.538
Equity and liabilities		11.812.209	15.191.761
Unrecognised rental and lease commitments	8		
Assets charged and collateral	9		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	1.000.000	0	4.612.253
Extraordinary dividend paid	0	0	0
Transfer to reserves	0	2.090.908	(2.090.908)
Profit/loss for the year	0	0	(1.706.187)
Equity end of year	1.000.000	2.090.908	815.158

	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	0	5.612.253
Extraordinary dividend paid	(3.000.000)	(3.000.000)
Transfer to reserves	0	0
Profit/loss for the year	3.000.000	1.293.813
Equity end of year	0	3.906.066

Notes

	2018/19	2017/18
	DKK	DKK
1. Staff costs		
Wages and salaries	10.671.501	7.968.965
Pension costs	0	175.854
Other social security costs	188.027	120.941
Other staff costs	945.078	308.290
	11.804.606	8.574.050
 Average number of employees	 15	 10
	2018/19	2017/18
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	3.502.956	2.393.070
Depreciation of property, plant and equipment	75.000	75.000
	3.577.956	2.468.070
	2018/19	2017/18
	DKK	DKK
3. Tax on profit/loss for the year		
Current tax	494.381	0
Change in deferred tax	134.124	1.338.970
Refund in joint taxation arrangement	(257.995)	0
	370.510	1.338.970

Notes

	Completed develop- ment projects DKK	Develop- ment projects in progress DKK
4. Intangible assets		
Cost beginning of year	9.690.557	0
Additions	<u>1.848.928</u>	<u>1.136.800</u>
Cost end of year	<u>11.539.485</u>	<u>1.136.800</u>
Amortisation and impairment losses beginning of year	(2.393.070)	0
Amortisation for the year	<u>(3.502.956)</u>	<u>0</u>
Amortisation and impairment losses end of year	<u>(5.896.026)</u>	<u>0</u>
Carrying amount end of year	<u>5.643.459</u>	<u>1.136.800</u>

Development projects

The aim of development projects is the development of an ERP system for the travel sector. During the financial year, the Company completed a series of projects and expects the development projects in progress to be completed within a number of years.

	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment	
Cost beginning of year	<u>150.000</u>
Cost end of year	<u>150.000</u>
Depreciation and impairment losses beginning of year	(75.000)
Depreciation for the year	<u>(75.000)</u>
Depreciation and impairment losses end of year	<u>(150.000)</u>
Carrying amount end of year	<u>0</u>

Notes

	Deposits
	DKK
6. Fixed asset investments	
Cost beginning of year	64.159
Additions	976
Cost end of year	65.135
Carrying amount end of year	65.135

	Due within 12	Due within 12	Due after
	months	months	more than 12
	2018/19	2017/18	2018/19
	DKK	DKK	DKK
7. Liabilities other than provisions			
Bank loans	469.527	442.948	1.992.119
Income tax payable	0	0	494.381
Other payables	400.000	600.000	0
	869.527	1.042.948	2.486.500

	2018/19	2017/18
	DKK	DKK
8. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	68.176	118.846

9. Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor of DKK 2,000,000 nominal.

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 enterprises.

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, costs of raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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.

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, 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, 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, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

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

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 less deferred tax is taken to equity under Reserve for development costs that is 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.

Amortisation

3-5 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

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.

Income tax receivable or payable

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