



Travel Operations A/S

Måløv Byvej 229
2760 Måløv
CVR No. 38707701

Annual report 01.07.2019 - 30.06.2020

The Annual General Meeting adopted the
annual report on 23.11.2020

Michael Holst Andersen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019/20	9
Balance sheet at 30.06.2020	10
Statement of changes in equity for 2019/20	12
Notes	13
Accounting policies	16

Entity details

Entity

Travel Operations A/S

Måløv Byvej 229

2760 Måløv

CVR No.: 38707701

Registered office: Ballerup

Financial year: 01.07.2019 - 30.06.2020

Board of Directors

Michael Holst Andersen

Peter Christian Mægbæk Madsen

Johnny Peter Lanther Thorsen

Peter Jacobsen

Jacob Sylvest Andersen

Executive Board

Michael Holst Andersen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Travel Operations A/S for the financial year 01.07.2019 - 30.06.2020.

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 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020.

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, 23.11.2020

Executive Board

Michael Holst Andersen
CEO

Board of Directors

Michael Holst Andersen

Peter Christian Mægbæk Madsen

Johnny Peter Lanther Thorsen

Peter Jacobsen

Jacob Sylvest Andersen

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 01.07.2019 - 30.06.2020, 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 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 23.11.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Stine Eva Grothen

State Authorised Public Accountant
Identification No (MNE) mne29431

Management commentary

Financial highlights

	2019/20 DKK'000	2018/19 DKK'000	2017/18 DKK'000
Key figures			
Gross profit/loss	15,991	17,124	17,033
Operating profit/loss	(1,227)	1,742	5,991
Net financials	(218)	(78)	(39)
Profit/loss for the year	(1,133)	1,294	4,612
Total assets	12,625	11,812	15,192
Investments in property, plant and equipment	0	0	150
Equity	2,773	3,906	5,612
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	2,765	5,320	8,459
Ratios			
Equity ratio (%)	21.96	33.07	36.94

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

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

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 at larger global organizations within the travel industry. To secure a dedicated focus on the TravelOperations Business for Microsoft Dynamics 365 solution targeted small to medium-sized travel agencies, the solution, and key personal has during the year been transferred to the independent subsidiary Travel Operations Business A/S

Travel Operations will therefore intensify the focus on larger and enterprise travel agencies, while Travel Operations Business A/S will focus on small and mid-sized travel agencies.

Both solutions have received the highest recognition from Microsoft and are listed as preferred solutions on Microsoft AppSource. We have seen strong demand for our solutions and services, pre-COVID 19, and were on track for a year with growth.

From February 2020 COVID 19 impacted our customers and their revenue significantly and therefore also impacted our revenue and customer acquisition. The impact has been significant and resulted in a Q4 well below original expectation from a revenue and operation profit perspective.

The Company realized an EBITDA of DKK 2,765 thousand and a loss of DKK 1,133 thousand, which Management considers satisfactory under the circumstances.

Events after the balance sheet date

COVID 19 and global travel constrictions continue to impact our customers and their financial performance, but we also see that visionary travel companies start to evaluate digitalization possibilities and new IT-Platforms like TravelOperations to support their business when travel restrictions lift and customers start to travel again. We see that Travel Operations are positioned very well for these opportunities and have a growing sales pipeline.

After the balance sheet date, Travel Operations has performed a capital increase and taken considerable funding to continue the development of our platform and continue to focus on growth and execution of the overall strategy that remains unchanged.

Income statement for 2019/20

	Notes	2019/20 DKK	2018/19 DKK
Gross profit/loss	2	15,991,383	17,124,465
Staff costs	3	(13,229,041)	(11,804,606)
Depreciation, amortisation and impairment losses	4	(3,989,694)	(3,577,956)
Operating profit/loss		(1,227,352)	1,741,903
Other financial income		0	48,997
Other financial expenses		(217,717)	(126,577)
Profit/loss before tax		(1,445,069)	1,664,323
Tax on profit/loss for the year	5	311,981	(370,510)
Profit/loss for the year		(1,133,088)	1,293,813
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		0	3,000,000
Retained earnings		(1,133,088)	(1,706,187)
Proposed distribution of profit and loss		(1,133,088)	1,293,813

Balance sheet at 30.06.2020

Assets

	Notes	2019/20 DKK	2018/19 DKK
Completed development projects	7	3,470,388	5,643,459
Development projects in progress	7	0	1,136,800
Intangible assets	6	3,470,388	6,780,259
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	8	0	0
Investments in group enterprises		900,000	0
Deposits		97,312	65,135
Other financial assets	9	997,312	65,135
Fixed assets		4,467,700	6,845,394
Trade receivables	10	3,429,529	1,780,034
Receivables from group enterprises		3,714,025	0
Other receivables		156,163	311,896
Prepayments		208,953	266,600
Receivables		7,508,670	2,358,530
Cash		648,778	2,608,285
Current assets		8,157,448	4,966,815
Assets		12,625,148	11,812,209

Equity and liabilities

	Notes	2019/20 DKK	2018/19 DKK
Contributed capital		1,000,000	1,000,000
Reserve for development expenditure		2,652,065	2,090,908
Retained earnings		(879,087)	815,158
Equity		2,772,978	3,906,066
Deferred tax		749,564	1,473,094
Provisions		749,564	1,473,094
Bank loans		2,746,459	1,992,119
Income tax payable		410,930	494,381
Non-current liabilities other than provisions	11	3,157,389	2,486,500
Current portion of non-current liabilities other than provisions	11	716,766	869,527
Bank loans		1,091,372	0
Prepayments received from customers		397,315	638,708
Trade payables		602,091	356,010
Payables to group enterprises		134,652	0
Other payables		3,003,021	2,082,304
Current liabilities other than provisions		5,945,217	3,946,549
Liabilities other than provisions		9,102,606	6,433,049
Equity and liabilities		12,625,148	11,812,209
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		

Statement of changes in equity for 2019/20

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	2,090,908	815,158	3,906,066
Transfer to reserves	0	561,157	(561,157)	0
Profit/loss for the year	0	0	(1,133,088)	(1,133,088)
Equity end of year	1,000,000	2,652,065	(879,087)	2,772,978

Notes

1 Events after the balance sheet date

COVID 19 and global travel constrictions continue to impact our customers and their financial performance, but we also see that visionary travel companies start to evaluate digitalization possibilities and new IT-Platforms like TravelOperations to support their business when travel restrictions lift and customers start to travel again. We see that Travel Operations are positioned very well for these opportunities and have a growing sales pipeline.

After the balance sheet date, Travel Operations has performed a capital increase and taken considerable funding to continue the development of our platform and continue to focus on growth and execution of the overall strategy that remains unchanged.

2 Gross profit/loss

A profit of DKK1.4 million from the sale of an activity is included in the gross profit.

3 Staff costs

	2019/20 DKK	2018/19 DKK
Wages and salaries	11,897,410	10,671,501
Other social security costs	244,979	188,027
Other staff costs	1,086,652	945,078
	13,229,041	11,804,606
Average number of full-time employees	19	15

4 Depreciation, amortisation and impairment losses

	2019/20 DKK	2018/19 DKK
Amortisation of intangible assets	3,989,694	3,502,956
Depreciation of property, plant and equipment	0	75,000
	3,989,694	3,577,956

5 Tax on profit/loss for the year

	2019/20 DKK	2018/19 DKK
Current tax	411,549	494,381
Change in deferred tax	(723,530)	134,124
Refund in joint taxation arrangement	0	(257,995)
	(311,981)	370,510

6 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	11,539,485	1,136,800
Additions	1,816,620	925,446
Disposals	0	(2,062,246)
Cost end of year	13,356,105	0
Amortisation and impairment losses beginning of year	(5,896,026)	0
Amortisation for the year	(3,989,691)	0
Amortisation and impairment losses end of year	(9,885,717)	0
Carrying amount end of year	3,470,388	0

7 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.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	150,000
Cost end of year	150,000
Depreciation and impairment losses beginning of year	(150,000)
Depreciation and impairment losses end of year	(150,000)
Carrying amount end of year	0

9 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	0	65,135
Additions	900,000	52,477
Disposals	0	(20,300)
Cost end of year	900,000	97,312
Carrying amount end of year	900,000	97,312

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK
Travel Operations Business A/S	Denmark	A/S	90	1,000,000
Travel Operations PTY LTD	Australia	PTY LTD	100	1

Profit/loss is not reported because the subsidiaries has not yet submitted an audited financial statement for its first year of living.

10 Trade receivables

As a result of COVID 19, overdue accounts receivable has not been paid. The time of payment has not been settled, but management believes that these will be paid.

11 Non-current liabilities other than provisions

	Due within 12 months 2019/20 DKK	Due within 12 months 2018/19 DKK	Due after more than 12 months 2019/20 DKK
Bank loans	716,766	469,527	2,746,459
Income tax payable	0	0	410,930
Other payables	0	400,000	0
	716,766	869,527	3,157,389

12 Unrecognised rental and lease commitments

	2019/20 DKK	2018/19 DKK
Liabilities under rental or lease agreements until maturity in total	115,641	68,176

13 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, Travel Operations Business A/S and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

14 Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant 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.

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

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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, 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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, and 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.

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.

The amortisation period used is 3-5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

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 as-sets 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
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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.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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. 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.