



Travel Operations Business A/S

Kirsten Walthers Vej 8
2500 Valby
CVR No. 41097272

Annual report 01.07.2021 - 30.06.2022

The Annual General Meeting adopted the
annual report on 05.01.2023

Michael Holst Andersen
Chairman of the General Meeting

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Entity details

Entity

Travel Operations Business A/S

Kirsten Walthers Vej 8

2500 Valby

Business Registration No.: 41097272

Registered office: Copenhagen

Financial year: 01.07.2021 - 30.06.2022

Board of Directors

Peter Jacobsen, Chairman

Peter Tolstrup Holm

Michael Holst Andersen

Jacob Sylvest Andersen

Executive Board

Peter Tolstrup Holm

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Travel Operations Business A/S for the financial year 01.07.2021 - 30.06.2022.

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 30.06.2022 and of the results of its operations for the financial year 01.07.2021 - 30.06.2022.

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.

Valby, 05.01.2023

Executive Board

Peter Tolstrup Holm

Board of Directors

Peter Jacobsen
Chairman

Peter Tolstrup Holm

Michael Holst Andersen

Jacob Sylvest Andersen

Independent auditor's report

To the shareholders of Travel Operations Business A/S

Opinion

We have audited the financial statements of Travel Operations Business A/S for the financial year 01.07.2021 - 30.06.2022, 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 30.06.2022 and of the results of its operations for the financial year 01.07.2021 - 30.06.2022 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

Valby, 05.01.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Stine Eva Grothen

State Authorised Public Accountant
Identification No (MNE) mne29431

Management commentary

Financial highlights

	2021/22	2020/21
	DKK'000	DKK'000
Key figures		
Gross profit/loss	1,531	459
Operating profit/loss	(2,652)	(4,020)
Net financials	(150)	(101)
Profit/loss for the year	(1,680)	(3,215)
Total assets	7,045	5,982
Equity	(3,895)	(2,215)
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	(542)	(1,809)
Ratios		
Equity ratio (%)	(55.29)	(37.03)

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

Return on equity (%):

Equity ratio (%):

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

Total assets

Primary activities

TravelOperations Business' primary activity is to develop and deliver cloud-based software solutions and services based on Microsoft technology for companies within the travel industry.

TravelOperations continuously update the solutions with new capabilities. Updates are released in a fixed release cycle every 6 weeks, across all customers. Thus, all customers are running on the same solution.

Development in activities and finances

TravelOperations Business' customers has been heavily impacted by Covid-19. Consequently, TravelOperations Business' customers has been hesitating to take on new investments before the travelling picked up again. During the financial year Covid-19 exemptions were removed and borders was reopened. Since the reopening TravelOperations Business has seen a significant increase in the number of new customers and are now present in 10 countries. TravelOperations Business expect this growth to continue in the coming years.

The result for the year was a loss of DKK 1,680 thousand which is considered as expected.

The company has lost more than 50% of the contributed capital. The management has initiated measures to re-establish the capital via the company's own operations. The capital is expected to be re-established in the coming years.

The company has received a letter of indemnity from the parent company. The letter of indemnity includes payables to group enterprises.

The letter of indemnity runs for 12 months as of today.

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 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		1,531,218	458,991
Staff costs	2	(2,145,678)	(2,268,309)
Depreciation, amortisation and impairment losses	3	(2,037,634)	(2,211,140)
Operating profit/loss		(2,652,094)	(4,020,458)
Other financial income		18,096	0
Other financial expenses	4	(167,634)	(100,832)
Profit/loss before tax		(2,801,632)	(4,121,290)
Tax on profit/loss for the year	5	1,121,594	906,668
Profit/loss for the year		(1,680,038)	(3,214,622)
Proposed distribution of profit and loss			
Retained earnings		(1,680,038)	(3,214,622)
Proposed distribution of profit and loss		(1,680,038)	(3,214,622)

Balance sheet at 30.06.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Completed development projects	7	2,901,363	2,414,230
Acquired rights		458,333	1,375,000
Goodwill		562,500	637,500
Intangible assets	6	3,922,196	4,426,730
Fixed assets		3,922,196	4,426,730
Trade receivables		882,257	189,144
Deferred tax		948,839	234,259
Other receivables		117,693	37,263
Joint taxation contribution receivable		1,079,423	672,409
Prepayments		95,018	4,628
Receivables		3,123,230	1,137,703
Cash		0	417,547
Current assets		3,123,230	1,555,250
Assets		7,045,426	5,981,980

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		1,000,000	1,000,000
Reserve for development expenditure		2,263,063	1,883,099
Retained earnings		(7,157,723)	(5,097,721)
Equity		(3,894,660)	(2,214,622)
Other payables		221,277	670,597
Non-current liabilities other than provisions	8	221,277	670,597
Bank loans		14,466	0
Prepayments received from customers		423,766	107,930
Trade payables		141,158	32,808
Payables to group enterprises		9,361,537	6,149,542
Other payables		777,882	1,235,725
Current liabilities other than provisions		10,718,809	7,526,005
Liabilities other than provisions		10,940,086	8,196,602
Equity and liabilities		7,045,426	5,981,980
Going concern	1		
Contingent liabilities	9		

Statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	1,883,099	(5,097,721)	(2,214,622)
Transfer to reserves	0	379,964	(379,964)	0
Profit/loss for the year	0	0	(1,680,038)	(1,680,038)
Equity end of year	1,000,000	2,263,063	(7,157,723)	(3,894,660)

Notes

1 Going concern

As expected, this year's performance resulted in a loss of DKK 2,028 thousand.

The Company has lost more than 50% of its contributed capital. Management has initiated measures to re-establish the capital through the Company's operations. The capital is expected to be re-established in the next few years.

The Company has received a letter of comfort from its Parent. Travel Operations A/S confirms that debt to group enterprises with a value of DKK 9,361,537 remains for other creditors if the company is unable to meet its obligations and that the Parent will provide additional capital if the need arises.

The letter of comfort is valid for 12 months as of today.

2 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	3,643,864	5,326,403
Other social security costs	39,290	41,531
Other staff costs	(4,376)	38,245
	3,678,778	5,406,179
Staff costs classified as assets	(1,533,100)	(3,137,870)
	2,145,678	2,268,309
Average number of full-time employees	4	5

3 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Amortisation of intangible assets	2,037,634	2,211,140
	2,037,634	2,211,140

4 Other financial expenses

	2021/22 DKK	2020/21 DKK
Financial expenses from group enterprises	151,653	92,298
Other interest expenses	15,981	6,746
Exchange rate adjustments	0	1,719
Other financial expenses	0	69
	167,634	100,832

5 Tax on profit/loss for the year

	2021/22	2020/21
	DKK	DKK
Change in deferred tax	(310,531)	(234,259)
Adjustment concerning previous years	(404,049)	0
Refund in joint taxation arrangement	(407,014)	(672,409)
	(1,121,594)	(906,668)

6 Intangible assets

	Completed development projects	Acquired rights	Goodwill
	DKK	DKK	DKK
Cost beginning of year	3,137,870	2,750,000	750,000
Additions	1,533,100	0	0
Cost end of year	4,670,970	2,750,000	750,000
Amortisation and impairment losses beginning of year	(723,640)	(1,375,000)	(112,500)
Amortisation for the year	(1,045,967)	(916,667)	(75,000)
Amortisation and impairment losses end of year	(1,769,607)	(2,291,667)	(187,500)
Carrying amount end of year	2,901,363	458,333	562,500

7 Development projects

The development projects aim at developing an ERP system for the travel industry. During the financial year, the Company acquired and completed a series of projects. These projects relate to two core business areas: country-specific localisations and solution capabilities. Travel Operations Business is now present in ten countries and has released a series of capabilities. All development is released across all customers.

8 Non-current liabilities other than provisions

	Due after more than 12 months
	2021/22
	DKK
Other payables	221,277
	221,277

Non-current liabilities other than provisions consist of holiday pay for the transitional period. The liability is expected to be settled within five years.

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Travel Operations A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the Entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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 a few provisions for reporting class C.

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, cost of sales and other 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 operating income

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

Cost of sales

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

Other external expenses

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

receivables recognised in current assets.

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 and 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, net capital or exchange losses on 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.

The Entity is jointly taxed with its Parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are ten years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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 between three and five years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and 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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.