

**Carlson Wagonlit Danmark
A/S**
Ørestads Boulevard 35, 3.
2300 Copenhagen S
Central Business Registration No
66097218

Annual report 2017

The Annual General Meeting adopted the annual report on 17.05.2018

Chairman of the General Meeting

Name: Torben Brik Rodenberg

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Entity details

Entity

Carlson Wagonlit Danmark A/S
Ørestads Boulevard 35, 3.
2300 Copenhagen S

Central Business Registration No: 66097218

Registered in: Copenhagen

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Chris Bowen, Chairman
Mahmoud Masoud
Torben Brik Rodenberg
Palle Bruun
Jens Michael Hyldnæs

Executive Board

Torben Brik Rodenberg, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. 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 Carlson Wagonlit Danmark A/S for the financial year 01.01.2017 - 31.12.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 17.05.2018

Executive Board

Torben Brik Rodenberg
Chief Executive Officer

Board of Directors

Chris Bowen
Chairman

Mahmoud Masoud

Torben Brik Rodenberg

Palle Bruun

Jens Michael Hyldnæs

Independent auditor's report

To the shareholder of Carlson Wagonlit Danmark A/S

Opinion

We have audited the financial statements of Carlson Wagonlit Danmark A/S for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

Independent auditor's report

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

Copenhagen, 17.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Kim Gerner Jacobsen

State Authorised Public Accountant

Identification number (MNE) mne10122

Management commentary

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Gross profit	44.354	50.643	65.849	75.732	73.557
Operating profit/loss	(15.081)	(12.154)	(6.178)	2.734	(145)
Net financials	(1.529)	(1.217)	(1.648)	(1.968)	(2.347)
Profit/loss for the year	(16.895)	(9.689)	(8.088)	661	(5.818)
Total assets	57.073	67.641	77.357	90.464	97.132
Investments in property, plant and equipment	108	256	677	554	352
Equity	17.474	34.369	44.058	52.146	51.485
Ratios					
Return on equity (%)	(65,2)	(24,7)	(16,8)	1,3	(10,7)
Equity ratio (%)	30,6	50,8	57,0	57,6	53,0

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

Ratios	Calculation formula	Ratios
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

The primary activities of the Company are the sale of business travel services, travel management, group travels as well as meetings and events facilitated under the name of Carlson Wagonlit Travel (CWT).

Partnering with companies of all types and sizes, CWT knows that not two customers have the same requirements. Consequently, CWT works closely with each customer to define and implement the solutions that best correspond to their specific needs, challenges and objectives. To that end, CWT offers a range of products and services aimed at Programme Optimisation for the benefit of the Company as well as the traveller.

CWT solutions can be grouped into four categories:

1. Traveller Services offers best-in-class services and assistance to travellers and optimises the processing of simple and complex transactions. This service includes personalised services as well as technology solutions.

2. Programme Optimisation offers a variety of products and services to help customers optimise their travel programmes and savings.

3. Safety & Security offers a range of products and services to inform companies of potential risks and help locate and assist travellers in an emergency situation.

4. Meetings & Events offers best-in-class services to create and manage meetings and events while helping companies control and optimise related expenditures.

5. RoomIT offers best-in-class hotel programmes with extensive contents and modern technology to enable customers to fully include their entire hotel needs with CWT.

Development in activities and finances

Loss before tax for the year amounts to DKK 16.6 million, which is considered unsatisfactory.

Outlook

Loss before tax for 2018 is expected to reach a level of approx. DKK 9-10 million.

Intellectual capital resources

Carlson Wagonlit Danmark A/S is a company with a high level of know-how. At 31.12.2017, the Company had 133 qualified and dedicated employees. Approximately 80% of the employees are travel management specialists.

The Company ensures the continuous development of employee knowledge and skills through internal and external training.

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 2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Gross profit	1	44.354	50.643
Staff costs	2	(59.018)	(62.219)
Depreciation, amortisation and impairment losses	3	<u>(417)</u>	<u>(578)</u>
Operating profit/loss		(15.081)	(12.154)
Other financial income	4	33	23
Other financial expenses	5	<u>(1.562)</u>	<u>(1.240)</u>
Profit/loss before tax		(16.610)	(13.371)
Tax on profit/loss for the year	6	<u>(285)</u>	<u>3.682</u>
Profit/loss for the year	7	<u>(16.895)</u>	<u>(9.689)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Acquired intangible assets		2	5
Intangible assets	8	<u>2</u>	<u>5</u>
Other fixtures and fittings, tools and equipment		255	523
Leasehold improvements		82	120
Property, plant and equipment	9	<u>337</u>	<u>643</u>
Other receivables		1.782	1.782
Fixed asset investments	10	<u>1.782</u>	<u>1.782</u>
Fixed assets		<u>2.121</u>	<u>2.430</u>
Trade receivables		25.003	30.227
Receivables from group enterprises		8.945	8.536
Other receivables		94	422
Joint taxation contribution receivable		0	2.536
Prepayments	11	1.294	1.309
Receivables		<u>35.336</u>	<u>43.030</u>
Cash		<u>19.616</u>	<u>22.181</u>
Current assets		<u>54.952</u>	<u>65.211</u>
Assets		<u>57.073</u>	<u>67.641</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Contributed capital	12	10.020	10.020
Retained earnings		7.454	24.349
Equity		17.474	34.369
Prepayments received from customers		3.087	3.137
Trade payables		13.393	12.847
Payables to group enterprises		5.889	2.540
Other payables	13	17.230	14.748
Current liabilities other than provisions		39.599	33.272
Liabilities other than provisions		39.599	33.272
Equity and liabilities		57.073	67.641
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Related parties with controlling interest	16		
Transactions with related parties	17		
Group relations	18		

Statement of changes in equity for 2017

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	10.020	24.349	34.369
Profit/loss for the year	0	(16.895)	(16.895)
Equity end of year	10.020	7.454	17.474

Notes

1. Gross profit

Total gross revenue (traffic) amounts to DKK 1,211 million (2016: DKK 1,310 million).

Net revenue amounts to DKK 150.5 million (2016: DKK 151.4 million).

	2017	2016
	DKK'000	DKK'000
2. Staff costs		
Wages and salaries	51.572	54.489
Pension costs	4.647	5.242
Other social security costs	884	908
Other staff costs	1.915	1.580
	59.018	62.219
Average number of employees	136	151

According to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

	2017	2016
	DKK'000	DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	3	70
Depreciation of property, plant and equipment	414	508
	417	578

	2017	2016
	DKK'000	DKK'000
4. Other financial income		
Interest income	15	0
Exchange rate adjustments	18	23
	33	23

	2017	2016
	DKK'000	DKK'000
5. Other financial expenses		
Interest expenses	48	76
Exchange rate adjustments	36	23
Other financial expenses	1.478	1.141
	1.562	1.240

Notes

	2017	2016
	DKK'000	DKK'000
6. Tax on profit/loss for the year		
Tax on current year taxable income	0	(2.536)
Change in deferred tax for the year	0	1.116
Adjustment concerning previous years	285	(2.262)
	<u>285</u>	<u>(3.682)</u>
	2017	2016
	DKK'000	DKK'000
7. Proposed distribution of profit/loss		
Retained earnings	(16.895)	(9.689)
	<u>(16.895)</u>	<u>(9.689)</u>
		Acquired intangible assets DKK'000
8. Intangible assets		
Cost beginning of year		1.497
Cost end of year		<u>1.497</u>
Amortisation and impairment losses beginning of year		(1.492)
Amortisation for the year		(3)
Amortisation and impairment losses end of year		<u>(1.495)</u>
Carrying amount end of year		<u>2</u>

Notes

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
9. Property, plant and equipment		
Cost beginning of year	4.852	616
Additions	108	0
Cost end of year	4.960	616
Depreciation and impairment losses beginning of the year	(4.329)	(496)
Depreciation for the year	(376)	(38)
Depreciation and impairment losses end of the year	(4.705)	(534)
Carrying amount end of year	255	82

	Other receivables DKK'000
10. Fixed asset investments	
Cost beginning of year	1.782
Cost end of year	1.782
Carrying amount end of year	1.782

11. Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

	Number	Par value DKK'000	Nominal value DKK'000
12. Contributed capital			
Ordinary shares	10.020	1	10.020
	10.020		10.020

Notes

	2017	2016
	DKK'000	DKK'000
13. Other payables		
VAT and duties	509	223
Wages and salaries, personal income taxes, social security costs, etc payable	2.345	1.209
Holiday pay obligation	9.431	8.251
Other costs payable	4.945	5.065
	17.230	14.748

	2017	2016
	DKK'000	DKK'000
14. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	11.947	16.980

15. Contingent liabilities

From 18.08.2014 to 06.12.2016, the Entity participated in a Danish joint taxation arrangement in which Radisson Hospitality Denmark ApS served as the administration company. 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 from 18.08.2014 to 06.12.2016, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities from 18.08.2014 to 06.12.2016. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

16. Related parties with controlling interest

CW Travel Beheermaatschappij B.V., Apollo Building, Wisselwerking 58, NL-1112 XS Diemen, the Netherlands

17. Transactions with related parties

No transactions with related parties were made in the financial year 2017 which were not made on an arm's length basis.

18. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Carlson Inc., 701 Carlson Parkway, Minnetonka, MN 55305, USA

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Carlson Inc., 701 Carlson Parkway, Minnetonka, MN 55305, USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Minor changes have been made in the comparative figures that have no impact on the income statement or equity.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and other external expenses.

Revenue

Revenue from the sale of tickets etc is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

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

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on receivables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies 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 acquired intellectual property rights (software).

Intellectual property rights (software) acquired are measured at cost less accumulated amortisation.

Intellectual property rights (software) is amortised on a straight-line basis over a period of maximum twenty years.

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

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

For leasehold improvements, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Receivables

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

Income tax payable or receivable

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

Prepayments

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

Cash

Cash comprises 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.

Accounting policies

Cash flow statement

As a consolidated cash flow statement is prepared by the Ultimate Parent, a cash flow statement is not prepared, see section 86(4) of the Danish Financial Statements Act.