

BCD Travel Denmark A/S
Ramsingsvej 30, 2
2500 Valby
Central Business Registration No
73624118

Annual report 2018

The Annual General Meeting adopted the annual report on 29.05.2019

Chairman of the General Meeting

Name: Thomas Åden

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Entity details

Entity

BCD Travel Denmark A/S
Ramsingsvej 30, 2
2500 Valby

Central Business Registration No: 73624118

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Heinz Jennewein, chairman
Alejandro Escartin Guarde
Christian Dahl

Executive Board

Thomas Åden, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København 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 BCD Travel Denmark A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 29.05.2019

Executive Board

Thomas Åden
CEO

Board of Directors

Heinz Jennewein
chairman

Alejandro Escartin Guarde

Christian Dahl

Independent auditor's report

To the shareholder of BCD Travel Denmark A/S

Opinion

We have audited the financial statements of BCD Travel Denmark A/S for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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, 29.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification number (MNE) mne32127

Ane Sachs Aasand
State Authorised Public Accountant
Identification number (MNE) mne42783

Management commentary

	2018	2017	2016	2015	2014
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Gross profit	47.048	51.875	51.881	56.428	64.036
Operating profit/loss	2.644	2.836	2.033	3.029	8.125
Net financials	(225)	(352)	(274)	22.010	(4.321)
Profit/loss for the year	1.880	1.902	1.342	24.396	1.898
Total assets	38.069	39.225	43.281	77.462	52.872
Investments in property, plant and equipment	2.274	306	340	242	932
Equity	21.599	19.720	17.818	55.330	30.988
Ratios					
Return on equity (%)	9,1	10,1	3,7	56,5	6,1
Equity ratio (%)	56,7	50,3	41,2	71,4	58,6
Return On Investment	6,9	7,2	4,7	3,9	15,4

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.
Return On Investment	$\frac{\text{Operating profit} \times 100}{\text{Total assets}}$	The Entity's return on total capital

Management commentary

Primary activities

BCD Travel Denmark A/S business consists of advisory service and sales of meeting- and travel related services to both national and international companies and organizations. The business is operated through two separate business areas, Travel and Meetings & Events. BCD Travel Denmark A/S is part of BCD Travel Group, represented in 109 countries worldwide with almost 13.500 employees.

BCD Travel Denmark A/S is established with own offices in Aarhus and Copenhagen. Sales are conducted through internet based self booking tools and via travel consultants.

Development in activities and finances

Despite the growth in the world economy and in Denmark, the effects of globalization and digitalization have contributed to a highly competitive situation which is driving the companies' efforts to reduce their overall costs. Business travel within companies is challenged by the overall need to reduce the direct costs for travel and meetings. The highly competitive situation remains in the industry and are also affected by this development, which contributes to continued high pressure on our revenues.

In November 2015, BCD Travel acquired Ticket Biz to strengthen its position in the Nordics. Merger and integration activities have mainly been consisted of consolidating offices, systems and the operations.

Since 2017 the business goes under one common brand, BCD Travel, and our group travel services under BCD Meetings & Events. In 2018, a legal merger of the companies in Sweden and Norway was carried out. Ticket Biz AB merged with BCD Travel Sweden AB and Ticket Biz AS merged with BCD Travel Norway AS.

BCD Travel has continued to make significant efforts and investments in new technology to offer new and existing clients digital solutions that improves and develops travel management value for both companies and the business traveler.

Internally within the business, investments have primarily focused on developing own booking systems for our travel consultants and developing self-booking systems for our business travelers. During the year our offices in Aarhus and Copenhagen has moved to new modern premises with an open office space solution.

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.

Expectations for 2019

We expect a highly competitive market that will continue to focus on expertise services, quality and products to an attractive pricing.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Gross profit		47.048	51.875
Staff costs	1	(43.651)	(48.409)
Depreciation, amortisation and impairment losses	2	<u>(753)</u>	<u>(630)</u>
Operating profit/loss		2.644	2.836
Other financial income	3	22	54
Other financial expenses	4	<u>(247)</u>	<u>(406)</u>
Profit/loss before tax		2.419	2.484
Tax on profit/loss for the year	5	<u>(539)</u>	<u>(582)</u>
Profit/loss for the year	6	<u>1.880</u>	<u>1.902</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Acquired intangible assets		142	333
Intangible assets	7	142	333
Other fixtures and fittings, tools and equipment		1.484	598
Leasehold improvements		824	24
Property, plant and equipment	8	2.308	622
Other receivables		189	437
Deferred tax	10	66	186
Fixed asset investments	9	255	623
Fixed assets		2.705	1.578
Trade receivables		3.418	4.571
Receivables from group enterprises		1.752	2.084
Other receivables		2.382	3.952
Prepayments	11	596	1.281
Receivables		8.148	11.888
Cash		27.216	25.759
Current assets		35.364	37.647
Assets		38.069	39.225

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>	<u>2017</u> <u>DKK'000</u>
Contributed capital	12	2.500	2.500
Retained earnings		19.099	17.220
Equity		21.599	19.720
Prepayments received from customers		425	271
Trade payables		3.068	2.922
Payables to group enterprises		433	2.237
Joint taxation contribution payable		420	584
Other payables		12.124	13.491
Current liabilities other than provisions		16.470	19.505
Liabilities other than provisions		16.470	19.505
Equity and liabilities		38.069	39.225
Contingent liabilities	13		
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Statement of changes in equity for 2018

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2.500	17.219	19.719
Profit/loss for the year	0	1.880	1.880
Equity end of year	2.500	19.099	21.599

Notes

	2018	2017
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	35.275	40.822
Pension costs	3.336	3.745
Other social security costs	376	454
Other staff costs	4.664	3.388
	43.651	48.409
Average number of employees	103	115

No remuneration was paid by the Company to its Board of Directors or Executive Board.

	2018	2017
	DKK'000	DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	184	194
Depreciation of property, plant and equipment	573	436
Profit/loss from sale of intangible assets and property, plant and equipment	(4)	0
	753	630

	2018	2017
	DKK'000	DKK'000
3. Other financial income		
Financial income arising from group enterprises	0	7
Exchange rate adjustments	22	47
	22	54

	2018	2017
	DKK'000	DKK'000
4. Other financial expenses		
Interest expenses	140	90
Exchange rate adjustments	103	160
Other financial expenses	4	156
	247	406

Notes

	2018	2017
	DKK'000	DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	420	584
Change in deferred tax for the year	120	2
Adjustment concerning previous years	(1)	(4)
	539	582
	2018	2017
	DKK'000	DKK'000
6. Proposed distribution of profit/loss		
Retained earnings	1.880	1.902
	1.880	1.902
		Acquired intangible assets DKK'000
7. Intangible assets		
Cost beginning of year		2.668
Disposals		(39)
Cost end of year		2.629
Amortisation and impairment losses beginning of year		(2.335)
Amortisation for the year		(184)
Reversal regarding disposals		32
Amortisation and impairment losses end of year		(2.487)
Carrying amount end of year		142

Notes

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
8. Property, plant and equipment		
Cost beginning of year	6.208	3.494
Additions	1.426	848
Disposals	(3.610)	(3.493)
Cost end of year	4.024	849
Depreciation and impairment losses beginning of the year	(5.610)	(3.468)
Depreciation for the year	(537)	(36)
Reversal regarding disposals	3.607	3.479
Depreciation and impairment losses end of the year	(2.540)	(25)
Carrying amount end of year	1.484	824
	Other receivables DKK'000	Deferred tax DKK'000
9. Fixed asset investments		
Cost beginning of year	437	186
Additions	104	0
Disposals	(352)	(120)
Cost end of year	189	66
Carrying amount end of year	189	66

Notes

	2018	2017
	DKK'000	DKK'000
10. Deferred tax		
Intangible assets	(31)	(73)
Property, plant and equipment	97	259
	66	186
Changes during the year		
Beginning of year	186	
Recognised in the income statement	(120)	
End of year	66	

11. Prepayments

Prepayments recognised under assets comprise expenses incurred related to the subsequent financial year.

	Number	Nominal value DKK'000
12. Contributed capital		
Ordinary shares	4	2.500
	4	2.500

No changes have been made in share capital in the period 2013-2018.

13. Contingent liabilities

The Company is jointly taxed with BCD Travel Nordics ApS as the administration company and, consequently, according to the Danish Corporation Tax Act, is liable as of the financial year 2013 for any income taxes etc for the jointly taxed companies, and as of 1 July 2012 for the obligation to withhold tax at source on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Notes

14. Mortgages and securities

As security for payables, the Company has through its bank issued guarantees totaling DKK 6,503 thousand.

In connection with the Company entering into a Group cash pool agreement, the Company is liable to any deposits on this bank account. At 31 December 2018, this amounted to deposits of DKK 25,795 thousand.

The Company has entered into rental agreements, which at the balance sheet date amounted to a liability totalling DKK 4,287 thousand, in all essentials being the rent in the period of non-terminability. The rental agreements are non-terminable for a period of no more than one years.

The Company has entered into other operating leases with an annual lease payment of DKK 716 thousand. The remaining maturity on the leases is up to 48 months, and the remaining lease payment totals DKK 1,506 thousand.

15. Related parties with controlling interest

BCD Travel Nordic ApS, Ramsingsvej 30 2, 2500 Valby wholly owns the shares of the company and thus has control over the Company.

16. Transactions with related parties

The annual report only discloses transactions between related parties that have not been conducted at arm's length. Such transactions have not been conducted during this financial year.

17. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
BCD Travel B.V., Europalaan 400, Utrecht 3526 KS, The Netherlands

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, except for minor adjustments concerning classifications without effect on result and 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 one 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. Other equipment, intangible assets 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, other operating income and 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.

Accounting policies

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 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 other 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 other equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities 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 the 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).

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

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

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.

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
Leasehold improvements (or rental period)	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Other 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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

Prepayments

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

Accounting policies

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.

Income tax receivable or payable

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.

Cash flow statement

Referring to 84(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.