Public bankruptcy report legal entity (pursuant to Section 73A Dutch Bankruptcy Act)

Subject

Report number	1
Date of report	6 Dec. 2018
Insolvency number	F.13/18/355
Supervision case number	NL:TZ:0000079523:F001
Date of judgment	7 Nov. 2018

R-C	Mr I.M. Bilderbeek
Receiver	Mr J.A.H. Padberg

General information

Name of company

TravelBird B.V.	6 Dec. 2018
	1

Company details

The private limited liability company	6 Dec. 2018
TravelBird B.V., having its registered	1
office in Amsterdam and its principal	
place of business there at Keizersgracht	
277 (1013 AP).	

Activities of the company

The company operated a business	6 Dec. 2018
engaged in the offering of trips to	1
consumers via an online platform,	
focussing on consumers in the Benelux	
countries and Germany in particular.	

Financial data

Year	Sales	Profit and loss	Balance sheet total
2015	€133,444,000	€-14,634,000	€42,586,000
2016	€133,781,000	€-1,974,000	€44,373,000
2017	€181,999,000	€-2,790,000	€39,876,000

Explanation financial details

The financial details have been taken	6 Dec. 2018
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from the financial statements.	1

Average number of employees

232	6 Dec. 2018	
	1	

Balance Bankruptcy estate

Balance of the bankruptcy estate:€	6 Dec. 2018
4,796,146.09	1

Reporting period

from 31	Oct. 2018 to 6 Dec. 2018	6 Dec. 2018
		1

Hours spent

Reporting period	Hours spent
1	710.40 hours
total	710.40 hours

Explanation hours spent

isional suspension of pa ber until 6 November 2 s	,	6 Dec. 2018
kruptcy (7 November ur ember 2018): 499.80 ho		1

1. Inventory

1.1 Board and organisation

The company was incorporated by deed of 15 March 2010. The sole shareholder of TravelBird B.V. is TravelBird Holding B.V.	6 Dec. 2018
The directors of TravelBird B.V. are the limited liability companies Klompalberts B.V., Jansma Beheer & Advies B.V. and Coniger B.V. The sole shareholder and director of Klompalberts B.V. is Mr D.A. Klompalberts and the sole shareholder and director of Jansma Beheer & Advies B.V. is Mr S. Jansma. The sole shareholder and director of Coniger B.V. is Mr S. Klooster. The holding companies of the three directors are also the directors of TravelBird Holding B.V.	
At the time the provisional suspension of payments was granted, Mr Klompalberts and Mr Jansma were no longer involved in the enterprise from an operational	

point of view. The CEO was Mr S.	
Klooster, as aforementioned. He was	
assisted by a management team.	

1.2 Pending proceedings

There ar	e no pending	proceedings.	6 Dec. 2018
			1

1.3 Insurance

Liability insurance policies will not be cancelled and will lapse due to	6 Dec.
non-payment. The other usual insurance policies have been cancelled,	2018
as the bankruptcy estate no longer has an interest in continuing these	1
insurance policies. For safety's sake, the auction company has	
secured the available inventory, which it will sell by auction.	

1.4 Rental

TravelBird B.V. leases an office space at the Keizersgracht 277 in Amsterdam. Due to the granting of the provisional suspension of payments, the lessor terminated the lease agreement with immediate effect on 31 October 2018, and ordered that the leased property should be vacated by 15 November 2018. The receiver now relies on the protection against eviction pursuant to Section 7:230a of the Dutch Civil Code (Burgerlijk Wetboek) for the duration of at least two months. The receiver strives to have the leased property vacated before the end of the aforementioned two-months period.

TravelBird is subleasing part of the abovementioned office space. The receiver terminated the sub-lease agreement pursuant to the conditions of the sub-lease agreement on 9 November 2018, ordering that the sub-leased property also be vacated by 15 November 2018. The lessor and the sub-lessor are consulting on the transfer of the leased property.

1.5 Cause of the bankruptcy

As a preliminary point, it must be noted that there has been no investigation into the cause of the liquidation yet. Any comments in this report concerning the causes of the bankruptcy are solely based on the information provided by the management board of TravelBird.

TravelBird was incorporated in 2010 as a start-up travel company that, through smart technological applications, offered personalised travel options to its customers on a daily basis. According to the management board, TravelBird experienced tempestuous growth in its first years of existence. In 2017, a turnover of EUR 180,000,000 was realised. Initially, TravelBird only offered accommodations to its customers. After a few years, it offered trips, including transport, which mostly concerned airline tickets. According to the management board, the organisation was not completely prepared for the enormous growth. Initially, the trips customers booked largely had to be processed manually by TravelBird employees. The enormous growth in the number of trips required the company to hire a large number of employees over a short period of time. In 2013, TravelBird

1

2018

6 Dec.

6 Dec. 2018 had around 90 employees. By 2015, this number had increased to approximately 750 employees. As a result, personnel costs were substantial. According to the management board, these costs – among other things – made it impossible for TravelBird to make a profit. In order to require fewer employees to perform its business activities, TravelBird subsequently focused on developing software that could process the bookings. In addition, it developed software that enabled it to offer its customers personalised trips. Thanks to these technological developments, the company was able to reduce the number of employees. By 2018, the TravelBird workforce was down to approximately 300 employees.

In the years after its incorporation, TravelBird predominantly focused on growing the company. According to the management board, less attention was paid to efficient business operations. Due to the substantial costs, which included personnel costs and software development costs, TravelBird did not make a profit until 2017. TravelBird only started making a profit in the first half of 2018.

The margins in the travel business are limited, particularly those on airline tickets. According to the management board, the company therefore had to achieve a high turnover in order to be able to continue paying the high costs. In terms of weather, summer 2018 was an exceptionally good season in the Netherlands and its surrounding countries, as a result of which fewer trips were booked. As most of TravelBird's customers reside in these countries, it became clear that the number of bookings in the summer and autumn of 2018 would be very disappointing. As a result, according to the management board, it was clear that TravelBird would have insufficient financial means to continue meeting its financial obligations. In the weeks prior to the granting of the provisional suspension of payments, problems had occurred when customers arrived at accommodations that TravelBird had not paid for. This had already led to negative publicity for TravelBird, which seriously damaged confidence in the company and resulted in even fewer bookings.

In the months before the provisional suspension of payments was granted, the management board investigated the possibilities to obtain additional external financing from third parties. Several parties, both in the Netherlands and abroad, were approached about providing financing or taking over the business as a whole. After the last interested party definitively pulled out on 30 October 2018, the management board of TravelBird was left with no choice but to apply for a provisional suspension of payments on 31 October 2018. The Court of Amsterdam granted this request on that same day. From that moment onwards, it was no longer possible to book trips via TravelBird, meaning the revenue dried up straight away as well.

Consultations on a possible relaunch of the company commenced immediately after the provisional suspension of payments was granted. There was a substantial group of interested parties. Within that framework, a number of interested parties were consulted. A few parties indicated that they were potentially interested in a relaunch

(as a going concern, or by means of a composition with creditors) based on the provisional suspension of payments, before the provisional suspension of payments would be converted into a bankruptcy. As a relaunch without a bankruptcy would be in the creditors' interest, the receiver gave these parties the opportunity to investigate this option. On 6 November 2018, these parties finally indicated that they were not interested in a relaunch before the bankruptcy was declared after all. As there had been no revenue since the provisional suspension of payments had been granted, this made it clear that, in time, TravelBird would be unable to pay its creditors. The liabilities of the bankruptcy estate were increasing and, in the absence of a possible different solution, a wage quarantee scheme had to be set up for the employees as well. Therefore, the receiver requested the court to revoke the provisional suspension of payments and to convert it into a bankruptcy. This request was granted, and TravelBird was declared bankrupt on 7 November 2018.

As indicated above, there will be an extensive investigation into the causes of the bankruptcy.

2. Employees

2.1 Number at the time of the liquidation

Employees	6 Dec. 2018
232	1

2.2 Number in the year prior to the liquidation

Employees	6 Dec. 2018	
300	1	

2.3 Notice of dismissal

Date	Number	Explanation
7 Nov. 2018	232	
total	232	

2.4 Activities with regard to the employees

After obtaining authorisation from the delegated judge, the employment agreements with the employees were terminated pursuant to Section 40 of the Dutch Bankruptcy Act (<i>Faillissementswet</i>). The work experience agreements with approximately 35 interns were terminated as well. In addition, the trade unions were informed of the collective redundancy, and prior to the bankruptcy, there were two consultations with	6 Dec. 2018 1
the works council of TravelBird. Due to the large number of employees, there were seven intakes with the Institution Implementing Employee Insurance Schemes (<i>UWV</i>), on 16, 19, 20 and 30 November 2018. In addition, there has been extensive correspondence and consultation with	

employees, TravelBird's HR department and the	
Institution Implementing Employee Insurance Schemes	
(UWV).	

3. Assets

3.1 Immovable property

Description	Sales proceeds	Mortgage	Receiver fee
Not applicable			
total	€0.00		€0.00

Explanatory notes immovable property

Not applicable	6 Dec. 2018
	1

3.2 Activities with regard to immovable property

Not applicable	6 Dec. 2018
	1

3.3 Business assets

Description	Sales proceeds	Receiver fee
Inventory		
longboat		
Total	€0.00	€0.00

Explanatory notes business assets

The business location at the Keizersgracht contains a	6 Dec. 2018
substantial amount of office furniture and equipment. It	1
contained approximately 300 workstations. The bankruptcy	
estate also includes approximately 600 MacBooks. A small	
amount of office furniture and equipment is located at an	
external location. In addition, TravelBird owns a longboat,	
which is currently garaged at a shipyard.	

3.4 Priority right tax authorities

Pursuant to Section 21 of the Dutch Collection of State Taxes	6 Dec. 2018
Act (Invorderingswet) of 1990, the tax authorities is privileged	1
to the proceeds of the inventory.	

3.5 Activities with regard to the business assets

The receiver has engaged a valuator to	6 Dec. 2018
value the business assets. The various	1
options for the sale of the business	
assets were assessed. These included	
selling the business assets to a single	
party, and having these items sold by	
auction. Based on the various indicative	
offers that were received from wholesale	
buyers, it was decided to let BVA	

Auctions sell the business assets by auction. The content of the MacBooks will be erased by a professional external party. The auction is started on the website of BVA Auctions.

There has been extensive correspondence with the valuer, wholesale buyers and BVA Auctions in order to maximise the proceeds of the business assets. There have been various meetings with the aforementioned parties as well. In addition, practical activities were carried out in order to safeguard the business assets.

3.6 Stocks/work in progress

Description	Sales proceeds	Receiver fee
Not applicable		
total	€0.00	€0.00

Explanatory notes stocks/work in progress

Not	applicable	6 Dec. 2018
		1

3.7 Activities with regard to stocks/work in progress

Not applicable	6 Dec. 2018
	1

3.8 Other assets

Description	Sales proceeds	Receiver fee
Goodwill and intangible	€3,200,000	
assets		
Software	€1,500,000	
Deposit amounts with PSP		
Total	€4,700,000	€0.00

Explanatory notes other assets

The relaunching party has taken over the goodwill and some of the intangible assets (the various figurative marks and word marks, the domain names, know-how and the customer database) for €3,200,000. The other intangible assets, consisting of the IP rights to TravelBird's proprietary software, were taken over for €1,500,000. The entire purchase price of €4,700,000 will accrue to the bankruptcy estate.	6 Dec. 2018 1
In addition, amounts are kept on deposit with several Payment Service Providers (PSPs) and credit card companies. Under certain conditions, consumers have the option of reversing their payments. Such reversals	

will cause the deposited amounts to decrease. At present, the total amount of these reversals is not yet known. SGR (the Travel Guarantee Foundation) is	
involved in determining whether customers are entitled	
to reversing their payments.	

3.9 Activities with regard to other assets

With regard to the activities performed in order to realise the sales proceeds of €3,200,000 and €1,500,000, reference is made to paragraphs 6.4 until 6.8 of this report, which describe the entire sales process.	6 Dec. 2018 1
In addition, there has been extensive correspondence with PSPs in order to safeguard the interest of the bankruptcy estate in the amounts placed with the PSPs.	

4. Accounts receivable

4.1 Accounts receivable

Description	Scope	Proceeds	Receiver fee
Invoices for	€35,090		
marketing			
campaigns			
Total	€35,090	€0.00	€0.00

Explanatory notes accounts receivable

TravelBird has claims of €18,150 and €16,940 on two debtors. The bankruptcy estate will attempt to collect these claims.	6 Dec. 2018 1
There will be a further investigation into other accounts receivable.	

4.2 Activities with regard to with accounts receivable

There has been an investigation into the	6 Dec. 2018
accounts receivable and there has been	1
correspondence with the debtors.	

5. Bank/Guarantees

5.1 Claims from banks

TravelBird has various bank accounts with ABN AMRO bank. The receiver has asked for the amounts on the various accounts – which includes accounts in foreign currency – to be transferred into	6 Dec. 2018 1
the bank account of the bankruptcy	

estate. The amount of the credit balances is limited.	
In addition, TravelBird has provided various bank guarantees, to a total of approximately €7,500,000. This amount is fully covered by a balance on a blocked bank account with ABN AMRO bank.	
TravelBird has not been provided with bank financing.	

5.2 Lease agreements

At present, there is not yet evidence of	6 Dec. 2018
TravelBird being a party to one or more	1
lease agreements.	

5.3 Description of security rights

So far, no party has relied on any	6 Dec. 2018
security rights that may have been	1
stipulated.	

5.4 Position as a secured creditor

Not applicable at this time, as there has	6 Dec. 2018
been no reliance on any security rights	1
that may have been stipulated.	

5.5 Retention of title

Letters have been sent to the creditors,	6 Dec. 2018
asking them to indicate whether they	1
wish to invoke a retention of title. So far,	
a few of the creditors have done so.	
These will be assessed and settled within	
a short term.	

5.6 Rights of retention

So far, no creditors have claimed a right	6 Dec. 2018
of retention.	1

5.7 Rights to claim back goods

So far, no creditors have claimed a right	6 Dec. 2018
to claim back goods.	1

5.8 Contribution to the bankruptcy estate

Not applicable	6 Dec. 2018
	1

5.9 Activities with regard to bank/securities

There has been extensive 6 De	ec. 2018
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6. Continuation/relaunch of the company

6.1 Operation/securities

At the time of the bankruptcy, a total of approximately 27,000 sold trips, with a total value of approximately €13,000,000, had not yet been carried out. TravelBird was a member of SGR, the Travel Guarantee Foundation. As a result thereof, the trips of those who were already travelling at the time the provisional suspension of payments was granted, could be continued. In consultation with SGR, it was decided to continue as many trips as possible, particularly those that involved a flight. This was done in order to minimise the inconvenience for travellers and to limit the loss for SGR, because TravelBird had already largely paid the airline tickets. SGR used TUI's services in order to carry out of all the booked trips. Therefore, the continued business activities solely related to supporting SGR and TUI, which meant the financial risks for the bankruptcy estate was almost nil. At this moment, the business activities have been terminated completely.

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6.2 Financial reporting

The bankruptcy estate has made arrangements with SGR regarding the financial compensation to be paid to the bankruptcy estate for the support that was provided by the TravelBird employees to TUI and the availability of TravelBird's IT systems. €100,000 has already been paid to the bankruptcy estate to cover certain expenses of the bankruptcy estate that incurred in supporting SGR/TUI. In addition, the bankruptcy estate will receive a compensation of 10% of the ticket price if the tickets sold by TravelBird are used. Furthermore, arrangements have been made about for the compensation of some other specific costs.

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6.3 Activities with regard to the continuation of the company

In order to enable TUI to carry out the trips that had been booked via
TravelBird, there have been extensive consultations between SGR and its lawyer, and with the TravelBird employees. Arrangements have been made on the financial settlement, and many practical matters had to be agreed upon. In particular, agreement on the arrangements between the various stakeholders and the technical aspects of the transfer (such as the different IT systems and software) were very time-consuming.

Relaunch of the company

6.4 Description

The possibility of a relaunch has been investigated extensively. As there was a considerable amount of interest in a relaunch, a so-called sales protocol was set up in order to clarify to all the parties with regard to which assets they could make an offer and what the conditions of the sale would be. All the relevant documentation was placed in a data room to provide all the interested parties with the same information. In the end, 20 parties signed a confidentiality agreement in order to obtain access to the data room. Both the parties that gained access to the data room and the other parties were given the opportunity to make an offer for the assets of TravelBird's. During the sales process, the parties proved to be particularly interested in taking over the database with customer data, the trademark rights and TravelBird's proprietary software. Multiple offers were received. There have been offers for both multiple TravelBird assets and offers for only one asset.

With regard to the sale of the customer database and the transfer of personal data this would involve, particular attention was paid to the conditions to which such a transfer is subject, pursuant to the General Data Protection Regulation (GDPR) which has been in

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force since 25 May 2018. Before the data
from the customer database was actually
transferred, the customers were
informed of the intended transfer and
offered the opportunity to object to the
transfer of their data within two weeks
(opt-out).

6.5 Accountability

Of the offers received, the bankruptcy estate has accepted the highest bid. An added advantage to this bid was that this party (Secret Escapes Ltd.) was also willing to take over eight employees from the TravelBird IT team and intended to offer ten employees who performed commercial activities employment agreements as well. In view of the fact that this bid was by far the highest bid and employees would be taken over as well, the receiver has accepted this offer with the authorisation of the delegated judge.

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6.6 Proceeds

€4,700,000

The goodwill and some of the intangible assets – consisting of the various figurative marks and word marks, the domain names, know-how and the customer database – were sold for €3,700,000. The IP rights with regard to TravelBird's proprietary software were sold for €1,500,000. This brings the entire purchase price to €4,700,000, which will fully accrue to the bankruptcy estate.

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6.7 Contribution to the bankruptcy estate

6.8 Activities with regard to the relaunch of the company

A sales process was set up, after which a data room was set up for the interested parties. There has been extensive correspondence and telephone contact with dozens of interested parties and the management board in order to obtain all the required information. In addition, there have been negotiations with Secret Escapes, and the final arrangements have been laid down in an asset

6 Dec. 2018

purchase agreement. As stated, specific attention was also paid to the privacy	
law aspects of the transfer of the	
customer database, and various	
competition law aspects were	
investigated.	

7. Regularity

7.1 Accounting obligation

Under investigation	6 Dec. 2018
	1

7.2 Deposit financial statements

2016: 27 December 2017	6 Dec. 2018
2015: 30 August 2016	1
2014: 31 January 2016	
The financial statements for 2014	
through 2016 were filed in due time. At	
the time the company was declared	
bankrupt, there was no obligation to file	
the 2017 financial statements yet.	

7.3 Auditor's certificate of approval

2016: approved	6 Dec. 2018
2015: approved	1
2014: approved	

7.4 Payment obligation for shares

The company was incorporated in 2010.	6 Dec. 2018
Any claim for payment in full of the	1
shares has now lapsed. It is currently	
being investigated whether subsequent	
shares were issued.	

7.5 Mismanagement

7.5 Mismanagement	6 Dec. 2018
	1
Under investigation	

7.6 Fraudulent conduct

7.6 Fraudulent conduct	6 Dec. 2018
	1
Under investigation	

7.7 Explanatory notes regularity

The (online) administration is currently being secured. The regularity audit will commence in the short term. 6 Dec. 2	2018
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7.8 Activities with regard to regularity

710 Activities with regard to regularity	
There has been correspondence with	6 Dec. 2018
various parties about securing the	1
TravelBird's online administration.	
TravelBird's administration was largely	
kept in an online environment. At the	
receiver's request, an expert has secured	
the administration, so that it can be	
consulted in a 'stand-alone'	
environment. The receiver will most	
likely instruct an expert to perform the	
regularity audit. There will be more	
information on this in the next reporting	
period.	

8. Accounts payable

8.1 Claims against the company in liquidation

€6,766.93	6 Dec. 2018
	1
Receiver: to be determined	
Lessor: to be determined	
Employee Insurance Agency: to be	
determined	
Claims agent: €6,766,93	

8.2 Pref. claim of the tax authorities

€692,949	6 Dec. 2018
	1

8.3 Pref. claim UWV:

No claim has been received from the	6 Dec. 2018
Institution Implementing Employee	1
Insurance Schemes (<i>UWV</i>) yet.	

8.4 Other pref. claims of creditors

€20,270	6 Dec. 2018
Several employees have submitted a preferential claim pursuant to Section 3:288, under e of the Dutch Civil Code.	1
In addition, over 100 creditors have claimed a right of priority. As long as these claims have not yet been assessed, these creditors have been placed on the list with unsecured creditors.	

8.5 Number of unsecured creditors

2318	6 Dec. 2018
	1

8.6 Amount for unsecured creditors

€22,908,936.55	6 Dec. 2018
	1

8.7 Expected settlement method

This can not be estimated yet.	6 Dec. 2018
	1

8.8 Activities with regard to creditors

claims that are submitted have been checked.		6 Dec. 2018 1
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9. Proceedings

9.1 Names of counter parties

There are no pending proceedings.	6 Dec. 2018
	1

9.2 Nature of the proceedings

Not applicable	6 Dec. 2018
	1

9.3 State of the proceedings

	, -
Not applicable	6 Dec. 2018
	1

9.4 Activities with regard to proceedings

Not applicable	6	Dec. 2018
	1	

10. Miscellaneous

10.1 Plan of action

- Completion of the transfer to the	6 Dec. 2018
relaunching party;	1
- Transfer of the business location;	
- Sale of the inventory and the longboat;	
- Settlement of the deposit amounts with	
PSPs;	
- Collection of accounts receivable;	
- Settlement of retentions of title;	

- Financial settlement with SGR with regard to the continued business	
activities; and	
- Performing of the investigation	
regarding the causes of the Bankruptcy	
and the regularity audit.	

10.2 Term for settlement of the liquidation

This cannot be estimated yet.	6 Dec. 2018
	1

10.3 Submission of next report

06/03/2019	6 Dec. 2018
	1

10.4 Miscellaneous activities

Reporting, correspondence and	6 Dec. 2018
consultations with the delegated judge	1
on many different matters.	

Annexes