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Infare Solutions A/S
Borgergade 14, 2.
1300 København K
Business Registration No
25525639

Annual report 2017

The Annual General Meeting adopted the annual report on 29.05.2018

Chairman of the General Meeting

Name: Søren Leth Truelsen

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Entity details

Entity
Infare Solutions A/S
Borgergade 14, 2.
1300 København K

Central Business Registration No (CVR): 25525639
Registered in: Copenhagen
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Ian Wheeler, Chairman
Daniel Konrad Mytnik
Niclas Gabran
Otto Gernandt
Lars-Erik Houmann Christensen
Søren Leth Truelsen

Executive Board
Nils Gelbjerg-Hansen
Philip Christopher Schwarck
Karl Peter Kjær Freiesleben

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Infare Solutions 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, 24.05.2018

Executive Board

Nils Gelbjerg-Hansen	Philip Christopher Schwarck	Karl Peter Kjær Freiesleben

Board of Directors

Ian Wheeler Chairman	Daniel Konrad Mytnik	Niclas Gabran
Otto Gernandt	Lars-Erik Houmann Christensen	Søren Leth Truelsen

Independent auditor's report

To the shareholder of Infare Solutions A/S

Opinion

We have audited the financial statements of Infare Solutions 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, 24.05.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne32127

Henrik Hartmann Olesen
State Authorised Public Accountant
Identification No (MNE) mne34143

Management commentary

Primary activities
The objective of the Company is trade and it's largest area of activity is the provision of airline price data to the airline and travel industry.

Description of material changes in activities and finances
In 2017, the subsidiary Infare VNO UAB was integrated in the Company´s Annual Report accordring to the equity method. In consequence, the Company changed its accounting policies for recognition of investments from recognition at cost to recognition at equity value. The change is mentioned under accounting policies.

Development in activities and finances
The income statement of the Company for 2017 shows a profit of DKK 226 thousand and at 31 December 2017 the balance sheet of the Company shows an equity of DKK 12.551 thousand.

The Company is the world's premium supplier of competitor fare intelligence to the airline and travel industry.

The Company's main product, a bundled offer of software tool Infare Pharos with regular data feeds, is based on a robot search technology, collecting airline fare data via the internet, API's and other data sources. Data is processed and presented in a form relevant to the customers in Infare's online analytical tool or sent directly to the customers in a format selected by them, often to be used in their revenue management systems.

The Company holds one of the world's biggest database of air fares, which gives airlines and other companies access to more than 10 years of detailed historical airfares through SaaS or file download, enabling airlines, airports and other related companies to conduct in-depth analysis of these airfares.

The company plans to continue investments in the business in the coming years.

Revenue growth and profit for the year are satisfactory.

Acquiring QL2 Software's airline and airport business
In May 2017 the Company has acquired QL2 Software's airline and airport business through an asset purchase to become a global provider of airline fare data and analytics software.

The agreement was funded through an investment in Infare by Alef SEC Ltd by Ventiga Capital Partners LLP and Alef SEC Ltd is now a majority shareholder in the Infare Group.

Uncertainty relating to recognition and measurement
At 31 December 2017 goodwill from the acquisition of Infare Solutions amounted to 109 m DKK. Due to the nature of business activities, expected cash flow are estimated several years ahead. The budget for 2018 and forecasts have been approved by management and Board of directors. They include the effect of plans intended to achieve growth and efficiency in the years ahead. The budgets and forecasts forming the basis of the future expected cash flows, are subject to uncertainty.

Management commentary

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

	Notes	2017 DKK	2016 DKK
Gross profit		**30.527.026**	**22.695.723**
Staff costs	1	(11.712.721)	(12.500.451)
Depreciation, amortisation and impairment losses		(12.814.198)	(4.669.008)
Operating profit/loss		**6.000.107**	**5.526.264**
Income from investments in group enterprises		191.261	797.646
Other financial income	2	520.973	530.755
Other financial expenses	3	(8.336.341)	(527.722)
Profit/loss before tax		**(1.624.000)**	**6.326.943**
Tax on profit/loss for the year	4	1.850.000	(1.216.438)
Profit/loss for the year		**226.000**	**5.110.505**
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		191.261	797.646
Retained earnings		34.739	4.312.859
		226.000	**5.110.505**

Balance sheet at 31.12.2017

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Completed development projects		16.390.654	13.608.424
Goodwill		102.996.582	0
Intangible assets	5	**119.387.236**	**13.608.424**
Other fixtures and fittings, tools and equipment		4.313.809	4.763.085
Property, plant and equipment	6	**4.313.809**	**4.763.085**
Investments in group enterprises		1.197.304	1.004.462
Deposits		337.633	327.847
Fixed asset investments	7	**1.534.937**	**1.332.309**
Fixed assets		**125.235.982**	**19.703.818**
Trade receivables		18.276.317	12.673.653
Receivables from group enterprises		98.181	9.375
Other receivables		840.327	104.406
Income tax receivable	8	1.014.882	0
Prepayments		1.210.254	700.142
Receivables		**21.439.961**	**13.487.576**
Cash		**889.944**	**154.116**
Current assets		**22.329.905**	**13.641.692**
Assets		**147.565.887**	**33.345.510**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital		4.440.001	4.440.001
Reserve for net revaluation according to the equity method		1.151.787	958.945
Reserve for development expenditure		8.061.936	3.929.419
Retained earnings		(1.102.807)	2.994.971
Equity		**12.550.917**	**12.323.336**
Deferred tax		1.148.556	3.043.000
Provisions		**1.148.556**	**3.043.000**
Bank loans		1.813.575	2.619.543
Prepayments received from customers		15.078.180	8.009.600
Trade payables		2.953.458	3.098.189
Payables to group enterprises		110.510.527	1.055.685
Payables to shareholders and management		5.235	20.835
Income tax payable		1.059.326	430.272
Other payables		2.446.113	2.745.050
Current liabilities other than provisions		**133.866.414**	**17.979.174**
Liabilities other than provisions		**133.866.414**	**17.979.174**
Equity and liabilities		**147.565.887**	**33.345.510**
Contingent liabilities	9		

Statement of changes in equity for 2017

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	4.440.001	0	3.929.419	2.994.971
Changes in accounting policies	0	958.945	0	0
Adjusted equity, beginning of year	**4.440.001**	**958.945**	**3.929.419**	**2.994.971**
Exchange rate adjustments	0	1.581	0	0
Transfer to reserves	0	0	4.132.517	(4.132.517)
Profit/loss for the year	0	191.261	0	34.739
Equity end of year	**4.440.001**	**1.151.787**	**8.061.936**	**(1.102.807)**

	Total DKK
Equity beginning of year	11.364.391
Changes in accounting policies	958.945
Adjusted equity, beginning of year	**12.323.336**
Exchange rate adjustments	1.581
Transfer to reserves	0
Profit/loss for the year	226.000
Equity end of year	**12.550.917**

Notes

	2017 DKK	2016 DKK
1. Staff costs		
Wages and salaries	16.215.496	16.481.982
Pension costs	495.438	373.885
Other social security costs	180.069	163.474
Other staff costs	1.442.349	727.914
Staff costs classified as assets	(6.620.631)	(5.246.804)
	11.712.721	**12.500.451**
Average number of employees	**27**	**27**

	2017 DKK	2016 DKK
2. Other financial income		
Other interest income	5.704	261
Exchange rate adjustments	515.269	530.494
	520.973	**530.755**

	2017 DKK	2016 DKK
3. Other financial expenses		
Financial expenses from group enterprises	6.694.276	0
Other interest expenses	28.769	7.656
Exchange rate adjustments	1.613.296	520.066
	8.336.341	**527.722**

	2017 DKK	2016 DKK
4. Tax on profit/loss for the year		
Current tax	44.444	486.825
Change in deferred tax	(1.894.444)	706.000
Adjustment concerning previous years	0	23.613
	(1.850.000)	**1.216.438**

Notes

	Completed development projects DKK	Goodwill DKK
5. Intangible assets		
Cost beginning of year	35.189.800	0
Additions	6.620.631	109.376.882
Cost end of year	**41.810.431**	**109.376.882**
Amortisation and impairment losses beginning of year	(21.581.376)	0
Amortisation for the year	(3.838.401)	(6.380.300)
Amortisation and impairment losses end of year	**(25.419.777)**	**(6.380.300)**
Carrying amount end of year	**16.390.654**	**102.996.582**

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	9.151.389
Additions	2.146.221
Cost end of year	**11.297.610**
Depreciation and impairment losses beginning of year	(4.388.304)
Depreciation for the year	(2.595.497)
Depreciation and impairment losses end of year	**(6.983.801)**
Carrying amount end of year	**4.313.809**

Notes

	Investments in group enterprises DKK	Deposits DKK
7. Fixed asset investments		
Cost beginning of year	45.517	327.847
Additions	0	9.786
Cost end of year	**45.517**	**337.633**
Revaluations beginning of year	958.945	0
Exchange rate adjustments	1.581	0
Share of profit/loss for the year	191.261	0
Revaluations end of year	**1.151.787**	**0**
Carrying amount end of year	**1.197.304**	**337.633**

	Registered in	Corporate form	Equity interest %
Investments in group enterprises comprise:			
Infare VNO, UAB	Litauen	UAB	100,0

8. Income tax receivable

Tax receivable and current tax represent the expected tax credit to be received based on the tax value of the Company’s development acitivities in proportion to the total tax loss in the joint taxation for the income year 2017, according to the tax credit system.

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Infare I ApS serves as the administration company. According to the joint taxation provi-sions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and 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 state-ments.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for report-ing class C.

Consolidated financial statements

Referring to section section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Changes in accounting policies

To provide a more true and fair view of the subsidiaries' value for the Company, the accounting policies have been changed and investments are now recognised at equity value. Previously, investments were recognised at cost totaling DKK 47,517. The change entails that dividends from subsidiaries are no longer recognised as income in the Parent income statement. Instead, profits for the year from the subsidiaries are recognised as income from investments in group enterprises in the Parent income statement.

The change entails that profit for the year for the Company is affected by the recognition of profit from investments in group enterprises of DKK 191,261. This also leads to an increase in equity at the beginning of the year of DKK 958,945 and an increase of the total balance sum by DKK 1,149,787.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale 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.

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.

Accounting policies

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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 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 securities, 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 Company are jointly taxed with Danish group enterprises and the Danish parent company is the management company. The current Danish cooperation tax is divided between the companies in proportion to their taxable income (full allocation with refunds for 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. Useful life is 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. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 10 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.

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

Accounting policies

the costs incurred is taken to equity under Reserve for development expenditure 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.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation periods used are 7-10 years.

Property, plant and equipment
Plant and machinery as well as 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 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Accounting policies

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

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

Cash
Cash comprises cash in hand and bank deposits.

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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