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

Annual report 2016

The Annual General Meeting adopted the annual report on 31.05.2017

Chairman of the General Meeting

Name: Søren Leth Truelsen

Contents

Entity details

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

Central Business Registration No: 25525639
Registered in: København
Financial year: 01.01.2016 - 31.12.2016

Board of Directors
Niclas Gabran, Chairman
Dan Mytnik
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

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 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 31.05.2017

Executive Board

Nils Gelbjerg-Hansen	Philip Christopher Schwarck	Karl Peter Kjær Freiesleben

Board of Directors

Niclas Gabran Chairman	Dan Mytnik	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 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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, 31.05.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Jacob Simonsen
State Authorised Public Accountant

Management commentary

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000
Financial highlights					
Key figures					
Gross profit	22.696	19.009	15.418	18.234	14.837
Operating profit/loss	5.526	5.328	3.416	5.540	4.003
Net financials	3	48	335	(283)	(77)
Profit/loss for the year	4.313	4.160	2.862	4.098	2.926
Total assets	32.387	23.357	28.660	30.737	26.794
Investments in property, plant and equipment	4.691	1.409	642	669	390
Equity	11.364	8.113	14.311	13.499	9.400
Employees in average	27	23	22	22	19
Ratios					
Return on equity (%)	44,3	37,1	20,6	35,8	38,3
Equity ratio (%)	35,1	34,7	49,9	43,9	35,1
Return on assets	13,7	24,4	11,9	18,0	14,9

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 (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$	The Entity's return on assets

Management commentary

Primary activities

The objective of the Company is trade and internet related activities by way of web fare intelligence sales to the airline industry.

Development in activities and finances

The income statement of the Company for 2016 shows a profit of DKK 4,312,859 and at 31 December 2016 the balance sheet of the Company shows an equity of DKK 11,364,391.

The Company is the world's premium supplier of online competitor web fare intelligence to the air line industry.

The Company's main product, Infare Pharos, is based on an advanced robot search technology, collecting airline fare data via the internet 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 the world's biggest database of air fares, which in 2015 has been released as a SaaS product, Infare Altos, giving airlines and other companies access to more than 10 years of detailed historical airfares, enabling airlines, airports and other related companies to conduct in-depth analysis of these airfares.

Investments will increase in the coming years.

Revenue growth and profit for the year are satisfactory.

Events after the balance sheet date

After the balance sheet date the Company has acquired QL2 Software's airline and airport business.

The agreement is is being funded through an investment in Infare by Ventiga Capital Partners LLP.

Income statement for 2016

	Notes	2016 DKK	2015 DKK
Gross profit		**22.695.723**	**19.008.987**
Staff costs	1	(12.500.451)	(10.389.984)
Depreciation, amortisation and impairment losses		(4.669.008)	(3.290.512)
Operating profit/loss		**5.526.264**	**5.328.491**
Other financial income	2	530.755	956.412
Other financial expenses	3	(527.722)	(908.854)
Profit/loss before tax		**5.529.297**	**5.376.049**
Tax on profit/loss for the year	4	(1.216.438)	(1.215.691)
Profit/loss for the year		**4.312.859**	**4.160.358**
Proposed distribution of profit/loss			
Extraordinary dividend distributed in the financial year		0	11.000.000
Retained earnings		4.312.859	(6.839.642)
		4.312.859	**4.160.358**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Completed development projects		13.608.424	11.238.627
Intangible assets	5	**13.608.424**	**11.238.627**
Other fixtures and fittings, tools and equipment		4.763.086	1.641.600
Property, plant and equipment	6	**4.763.086**	**1.641.600**
Investments in group enterprises		45.517	45.517
Deposits		327.847	318.071
Fixed asset investments	7	**373.364**	**363.588**
Fixed assets		**18.744.874**	**13.243.815**
Trade receivables		12.673.653	6.488.676
Receivables from group enterprises		9.375	12.484
Other receivables		104.406	452.608
Prepayments		700.142	606.431
Receivables		**13.487.576**	**7.560.199**
Cash		**154.116**	**2.552.486**
Current assets		**13.641.692**	**10.112.685**
Assets		**32.386.566**	**23.356.500**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Contributed capital		4.440.001	4.440.001
Reserve for development expenditure		3.929.419	0
Retained earnings		2.994.971	3.673.399
Equity		**11.364.391**	**8.113.400**
Deferred tax		3.043.000	2.337.000
Provisions		**3.043.000**	**2.337.000**
Bank loans		2.619.543	226.444
Prepayments received from customers		8.009.600	6.883.999
Trade payables		3.098.189	3.493.285
Payables to group enterprises		1.055.685	0
Payables to shareholders and management		20.835	5.342
Income tax payable		430.272	55.705
Other payables		2.745.051	2.241.325
Current liabilities other than provisions		**17.979.175**	**12.906.100**
Liabilities other than provisions		**17.979.175**	**12.906.100**
Equity and liabilities		**32.386.566**	**23.356.500**
Contingent liabilities	8		

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	4.440.001	0	3.673.399	8.113.400
Costs related to equity transactions	0	0	(1.061.868)	(1.061.868)
Transfer to reserves	0	3.929.419	(3.929.419)	0
Profit/loss for the year	0	0	4.312.859	4.312.859
Equity end of year	**4.440.001**	**3.929.419**	**2.994.971**	**11.364.391**

Notes

	2016 DKK	2015 DKK
1. Staff costs		
Wages and salaries	16.481.982	13.123.723
Pension costs	373.885	199.870
Other social security costs	163.474	150.830
Other staff costs	727.914	614.305
Staff costs classified as assets	(5.246.804)	(3.698.744)
	12.500.451	**10.389.984**
Average number of employees	**27**	**23**

	2016 DKK	2015 DKK
2. Other financial income		
Interest income	261	48.334
Exchange rate adjustments	530.494	908.078
	530.755	**956.412**

	2016 DKK	2015 DKK
3. Other financial expenses		
Interest expenses	7.656	33
Exchange rate adjustments	520.066	894.356
Other financial expenses	0	14.465
	527.722	**908.854**

	2016 DKK	2015 DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	486.825	132.691
Change in deferred tax for the year	706.000	1.083.000
Adjustment concerning previous years	23.613	0
	1.216.438	**1.215.691**

Notes

	Completed development projects DKK
5. Intangible assets	
Cost beginning of year	29.720.387
Additions	5.469.413
Cost end of year	**35.189.800**
Amortisation and impairment losses beginning of year	(18.481.760)
Amortisation for the year	(3.099.616)
Amortisation and impairment losses end of year	**(21.581.376)**
Carrying amount end of year	**13.608.424**

The Company's development projects are the developed software modules which are used to service the customers. New software modules and enhancements are continuously developed. The cost price of the development projects comprise direct staff costs to the internal developers. On an ongoing basis Management assess the value of the assets including an assessment of the underlying business case, the realised and expected earnings etc.

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	4.460.512
Additions	4.690.878
Cost end of year	**9.151.390**
Depreciation and impairment losses beginning of the year	(2.818.912)
Depreciation for the year	(1.569.392)
Depreciation and impairment losses end of the year	**(4.388.304)**
Carrying amount end of year	**4.763.086**

Notes

	Investments in group enterprises DKK	Deposits DKK
7. Fixed asset investments		
Cost beginning of year	45.517	318.071
Additions	0	9.776
Cost end of year	**45.517**	**327.847**
Carrying amount end of year	**45.517**	**327.847**

	Registered in	Corpo-rate form	Equity inte-rest %	Equity DKK	Profit/loss DKK
Investments in group enterprises comprise:					
Infare VNO, UAB	Litauen	UAB	100,0	1.004.462	796.484

8. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Orion II ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2015 for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

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 reporting class C.

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

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Changes in accounting policies

In accordance with the transitional provisions of the Danish Financial Statement Act, only for development costs which are recognized on 1 January 2016 or hereafter, a similar amount will be recognized on equity as "Reserve for development expenditure".

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, 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.

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.

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.

Balance sheet
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 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.

Accounting policies

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 measured at cost and 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.

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 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.

Accounting policies

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.