


**FlightCentre A/S**  
**Central Business Registration No**  
**27755445**  
**Brøndby Stadion 20**  
**2605 Brøndby**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 08.06.2016

**Chairman of the General Meeting**



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Name: Bjarne Barry Eklund

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## Entity details

### Entity

FlightCentre A/S  
Brøndby Stadion 20  
2605 Brøndby

Central Business Registration No: 27755445

Registered in: Brøndby

Financial year: 01.01.2015 - 31.12.2015

Phone: +4543262840

Internet: [www.fcmtravel.dk](http://www.fcmtravel.dk)

E-mail: [fcm@dk.fcm.travel](mailto:fcm@dk.fcm.travel)

### Board of Directors

Bjarne Barry Eklund, Chairman

Rik Jan Viezee

Ole Hammer Mortensen

### Executive Board

Rik Jan Viezee, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of FlightCentre A/S for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

Brøndby, 08.06.2016

### Executive Board



Rik Jan Viezee  
Chief Executive Officer

### Board of Directors



Bjarne Barry Eklund  
Chairman



Rik Jan Viezee



Ole Hammer Mortensen

## **Independent auditor's reports**

### **To the owners of FlightCentre A/S**

#### **Report on the financial statements**

We have audited the financial statements of FlightCentre A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### **Emphasis of matter affecting the financial statements**

Without qualifying our auditor's report, we refer to the management commentary and the notes in which important information on the Entity's activities and financial position has been provided. Furthermore, we refer to the management commentary due to the uncertainty about the continued capitalisation of calculated VAT receivable and deferred tax assets recognised in the balance sheet, as they represent material amounts.

## Independent auditor's reports

### Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 08.06.2016

### Deloitte

Statsautoriseret Revisionspartnerselskab



Ove Nielsen

State Authorised Public Accountant

CVR-nr. 33963556

## Management commentary

### Primary activities

The Company's activities consist of travel agency operations, consultancy services and other related business.

### Development in activities and finances

Last year, the Company changed its financial year to follow the calendar year implying that this financial year is a full year of twelve months compared to only eight months the year before. During the year, Management was subject to changes and a number of new activities were launched. The activities include the launch of a new online engine, portals and extension of the sport platform. The target market segments have received the activities very well, and the Company expects increased activities in the coming years. Viewed in the light of these facts, the performance for the year is considered satisfactory. In line with last year, we have seen a slight increase in the average ticket price. Investments in sales continue, and the Company is experiencing an inflow of new customers while at the same time retaining existing customers.

FCM Travel Solutions experiences a very positive development when it comes to attract larger global customers, which has a clear influence on the Company. The Company therefore expects a continuing positive financial impact on future results. Also, many new activities will come when the global FCM network appoints new partners in Sweden, Norway and Finland. FCM will engage in a stronger focus on Nordic customers to the FCM network, and this combined with the global sales activities within FCM will result in a growing pipeline of large customers. We will already see this result in a big new customer starting to trade with the Company in Q3 2016 with full impact in 2017.

DGI has signed a contract with the Company. With this contract the Company now has contracts with DIF and DGI for the next 4½ years, and that covers about 90% of all sports clubs and federations in Denmark. Many initiatives are made with the management of both DIF and DGI to get the Company positioned and promoted to the member clubs and federations. From this the Company expects a substantial growth in requests for group and individual travel arrangements from the more than 10.000 clubs and federations under DIF and DGI.

However, in spite of the above the loss for the financial year 2015 amounts to DKK 1,915 thousand because of extraordinary expenses. Nevertheless, Management expects an acceptable profit for 2016.

In order to support the Company, both shareholders have waived their subordinated loans at 31.12.2014 and, accordingly, an amount of DKK 4,614 thousand was added to and increased the equity in 2015. Furthermore, the major shareholder granted a new subordinated loan to the Company of DKK 1,257 thousand in 2015.

At 31.12.2015, equity is positive by DKK 756 thousand. Including the subordinated loans of DKK 1,257 thousand, equity and the subordinated loans total DKK 2,013 thousand. Management confirms that the present credit facilities will be maintained and that the major shareholders have issued a letter of support to the Company for the next year in order to secure its future activities.

## **Management commentary**

### **Uncertainty relating to recognition and measurement**

There is uncertainty about the capitalised tax assets, as their value depends on future income. However, based on budgets and expectations, Management believes that the tax loss carryforwards may be utilised within a period of three to five years.

In 2005, the Danish tax authorities issued a decision stating that travel agencies selling plane tickets are subject to VAT. Accordingly, the travel agencies were expected to be allowed to deduct VAT on costs and thereby to claim VAT refunds. An amount of DKK 986 thousand regarding calculated refundable VAT has been recognised as part of other receivables due to the fact that revenue from the travel agency activity is liable to VAT, and accordingly VAT paid should be refunded. Management finds that there is no doubt about the amount, but points out that a high risk is related hereto and it is based on the outcome of a court decision.

### **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.



## 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 enterprises.

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

### 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.

### Income statement

#### Gross profit or loss

For competitive reasons, the Company has chosen to consolidate the financial statement items revenue, cost of sales and other external expenses under gross profit or loss.

## Accounting policies

### Revenue

Revenue is recognised in the income statement when invoiced. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

### 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 write-downs of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for entity staff.

### Amortisation, depreciation and impairment losses

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

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, and net capital losses on payables and transactions in foreign currencies.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

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.

## Accounting policies

### Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	3-5 years

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

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs 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.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

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

## **Accounting policies**

### **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 statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
<b>Gross profit</b>		<b>376.380</b>	<b>1.938</b>
Staff costs	3	(3.006.640)	(1.682)
Depreciation, amortisation and impairment losses	4	(51.214)	(45)
<b>Operating profit/loss</b>		<b>(2.681.474)</b>	<b>211</b>
Other financial expenses	5	(186.152)	(177)
<b>Profit/loss from ordinary activities before tax</b>		<b>(2.867.626)</b>	<b>34</b>
Tax on profit/loss from ordinary activities	6	952.235	(119)
<b>Profit/loss for the year</b>		<b><u>(1.915.391)</u></b>	<b><u>(85)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(1.915.391)	(85)
		<b><u>(1.915.391)</u></b>	<b><u>(85)</u></b>

## Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Acquired intangible assets		183.209	262
<b>Intangible assets</b>	7	<u>183.209</u>	<u>262</u>
Other fixtures and fittings, tools and equipment		3.318	27
Leasehold improvements		0	0
<b>Property, plant and equipment</b>	8	<u>3.318</u>	<u>27</u>
Deposits		302.000	302
Other receivables		0	62
Deferred tax		1.643.449	691
<b>Fixed asset investments</b>	9	<u>1.945.449</u>	<u>1.055</u>
<b>Fixed assets</b>		<u>2.131.976</u>	<u>1.344</u>
Trade receivables		907.433	1.350
Receivables from group enterprises		49.286	0
Other short-term receivables		1.128.718	1.655
Prepayments		110.000	435
<b>Receivables</b>		<u>2.195.437</u>	<u>3.440</u>
<b>Cash</b>		<u>3.605</u>	<u>3</u>
<b>Current assets</b>		<u>2.199.042</u>	<u>3.443</u>
<b>Assets</b>		<u>4.331.018</u>	<u>4.787</u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	10	875.000	875
Retained earnings		(118.513)	(2.817)
<b>Equity</b>		<u>756.487</u>	<u>(1.942)</u>
Subordinate loan capital	11	1.256.994	4.614
<b>Non-current liabilities other than provisions</b>		<u>1.256.994</u>	<u>4.614</u>
Bank loans		159.275	225
Prepayments received from customers		173.985	0
Trade payables		457.148	528
Payables to shareholders and management		656.808	773
Other payables		870.321	589
<b>Current liabilities other than provisions</b>		<u>2.317.537</u>	<u>2.115</u>
<b>Liabilities other than provisions</b>		<u>3.574.531</u>	<u>6.729</u>
<b>Equity and liabilities</b>		<u>4.331.018</u>	<u>4.787</u>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Ownership	12		

**Statement of changes in equity for 2015**

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	875.000	(2.816.659)	(1.941.659)
Other adjustments	0	4.613.537	4.613.537
Profit/loss for the year	0	(1.915.391)	(1.915.391)
<b>Equity end of year</b>	<b>875.000</b>	<b>(118.513)</b>	<b>756.487</b>



## Notes

### 1. Going concern

At 31.12.2015, equity amounts to DKK 756 thousand. Including the subordinated loans of DKK 1,257 thousand, equity and the subordinated loans total DKK 2,013 thousand. Management confirms that the major shareholder will support the Company in the next year in order to secure its future activities.

### 2. Uncertainty relating to recognition and measurement

There is uncertainty about the capitalised tax assets, as their value depends on future income. However, based on budgets and expectations, Management believes that the tax loss carryforwards may be utilised within a period of three to five years.

In 2005, the Danish tax authorities issued a decision stating that travel agencies selling plane tickets are subject to VAT. Accordingly, the travel agencies were expected to be allowed to deduct VAT on costs and thereby to claim VAT refunds. An amount of DKK 986 thousand regarding calculated refundable VAT has been recognised as part of other receivables due to the fact that revenue from the travel agency activity is liable to VAT, and accordingly VAT paid should be refunded. Management finds that there is no doubt about the amount, but points out that a high risk is related hereto and it is based on the outcome of a court decision.

	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Staff costs</b>		
Wages and salaries	2.619.967	1.477
Pension costs	339.407	177
Other social security costs	47.266	28
	<b>3.006.640</b>	<b>1.682</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>4. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	27.574	25
Depreciation of property, plant and equipment	23.640	20
	<b>51.214</b>	<b>45</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>5. Other financial expenses</b>		
Financial expenses from group enterprises	39.477	140
Other financial expenses	146.675	37
	<b>186.152</b>	<b>177</b>

## Notes

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK'000</u>
<b>6. Tax on ordinary profit/loss for the year</b>		
Change in deferred tax for the year	(952.235)	9
Adjustment relating to previous years	0	16
Effect of changed tax rates	0	94
	<u>(952.235)</u>	<u>119</u>

The deferred tax assets are mainly incumbent on operating equipment and tax loss carryforwards.

	<u>Acquired intangible assets DKK</u>
<b>7. Intangible assets</b>	
Cost beginning of year	286.731
Additions	183.175
Disposals	(253.000)
<b>Cost end of year</b>	<u>216.906</u>
Amortisation and impairment losses beginning of year	(24.768)
Amortisation for the year	(27.574)
Reversal regarding disposals	18.645
<b>Amortisation and impairment losses end of year</b>	<u>(33.697)</u>
<b>Carrying amount end of year</b>	<u>183.209</u>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
<b>8. Property, plant and equipment</b>		
Cost beginning of year	580.131	35.940
Disposals	(490.774)	(35.940)
<b>Cost end of year</b>	<b>89.357</b>	<b>0</b>
Depreciation and impairment losses beginning of the year	(553.173)	(35.940)
Depreciation for the year	(23.640)	0
Reversal regarding disposals	490.774	35.940
<b>Depreciation and impairment losses end of the year</b>	<b>(86.039)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>3.318</b>	<b>0</b>

## 9. Fixed asset investments

Deposit of DKK 302,000 is placed on security accounts regarding guarantees.

## Notes

		<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
<b>10. Contributed capital</b>				
Share capital		875	1.000,00	875.000
		<u>875</u>		<u>875.000</u>
	<u>2015 DKK</u>	<u>2014 DKK</u>	<u>2012/13 DKK</u>	<u>2011/12 DKK</u>
<b>Changes in contributed capital</b>				<u>2010/11 DKK</u>
Contributed capital beginning of year	875.000	875.000	500.000	500.000
Increase of capital	0	0	375.000	0
<b>Contributed capital end of year</b>	<u>875.000</u>	<u>875.000</u>	<u>875.000</u>	<u>500.000</u>

## 11. Subordinate loan capital

The shareholders have granted the subordinate loan capital of DKK 1,257 thousand. The loans carrying interest at the rate of 1.5% will be repaid when the Company's earnings allow the Company to do so. The loans are subordinated to other creditors of the Company.

## 12. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

R.J. Viezee Holding B.V., Herenstraat 12 A, 1015CA Amsterdam, the Netherlands  
Ole Hammer Mortensen, Præstevejen 10 A, 3230 Græsted, Denmark