Worldticket A/S

Kultorvet 11, 3., 1175 København K

CVR no. 29 79 46 26

Annual report 2015

Approved at the Company's annual general meeting on 20 June 2016

Chairman:

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Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Worldticket A/S for the financial year 1 January – 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 17 June 2016
Executive Board:

Per Tversted
CEO

Board of Directors:

Torben Frigaard Rasmussen Chairman	Hans Neye Jørgensen	Erik Martin Troelsen Pretzmann

Independent auditors' report

To the shareholders of Worldticket A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Worldticket A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company 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 as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company 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 Company'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 evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditors' report

Report on other legal and regulatory requirements

Emphasis of matter regarding other matters

The Company has not complied with the Danish Bookkeeping Act, which requires that the bookkeeping be organised and carried out in accordance with good bookkeeping practice. Consequently, some of the Company’s bookkeeping vouchers are missing from the bookkeeping records. The Company's Management may incur liability for violation of the bookkeeping legislation.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Odense, 17 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised
Public Accountant

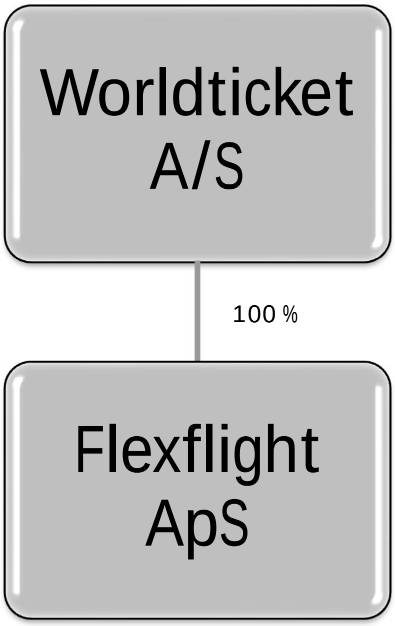
Management's review

Company details

Name	Worldticket A/S
Address, zip code, city	Kultorvet 11, 3. DK-1175 Copenhagen K
CVR no.	29 79 46 26
Established	16 October 2006
Registered office	Copenhagen
Financial year	1 January – 31 December
Websites	www.worldticket.com www.flexflight.dk
Board of Directors	Torben Frigaard Rasmussen, Chairman Hans Neye Jørgensen Erik Martin Troelsen Pretzmann
Executive Board	Per Tversted
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, 5100 Odense C

Management's review

Group chart



Management's review

Financial highlights

	Consolidated		Parent company		
DKKm	2015	2014	*2013*	*2012*	*2011*
Key figures					
System revenue*	452,000	190,300	*147,300*	*39,600*	*12,700*
Revenue	54,800	35,604	*19,715*	*16,628*	*12,724*
Gross profit	29,137	13,974	*13,264*	*11,797*	*9,140*
EBITDA	9,775	653	*6,085*	*5,932*	*4,888*
Ordinary operating result	3,810	-3,920	*1,571*	*1,734*	*1,285*
Result from financial income and expense	3,311	-4,553	*989*	*1,544*	*156*
Result for the year	2,488	-597	*989*	*1,544*	*156*
Total assets	54,291	36,758	*20,902*	*18,449*	*15,958*
Portion relating to investment in property, plant and equipment	1,511	1,603	*509*	*386*	*534*
Equity	10,007	7,519	*8,116*	*7,127*	*5,277*
Cash flows from operating activities	15,862	-1,255	-	-	-
Net cash flows from investing activities	-68	-30	-	-	-
Cash flows from financing activities	-2,043	546	-	-	-
Total cash flows	15,070	-739	-	-	-
Financial ratios					
Operating margin	7%	-11 %	*8 %*	*10 %*	*10 %*
Gross margin	53%	39 %	*67 %*	*71 %*	*72 %*
EBITDA Margin	18%	2 %	*31 %*	*36 %*	*38 %*
Solvency ratio	18%	20 %	*39 %*	*39 %*	*33 %*
Return on equity	25%	-8 %	*13 %*	*25 %*	*3 %*
Average number of full-time employees	22	15	*9*	*6*	*5*
Outsourced FTE	33	22	*12*	*9*	*6*
Total FTE	55	37	21	15	11

* System revenue is not shown in the official statement of profit and loss. The system revenue is defined as the total cash flow which WorldTicket Group handles and settles.

The financial ratios have been prepared in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

The financial highlights shown in the period 2011-2013 have not been consolidated.

Furthermore, financial highlights regarding the cash flow statement have likewise not been presented in the period 2011-2013.

Management's review

Operating review

Principal activities of the Group

WorldTicket is a market-leading tier-two provider of sales and distribution platforms for regional, mid-sized and low cost airlines. The SaaS solution, Sell-More-Seats® (W1 SMS), is used as the sales and distribution platform by more than 45 airlines globally and has generated significant annual growth over the last years.

WorldTicket is unique as it is the only SaaS provider of an airline Passenger Service System which has also acquired the right to use the IATA two-letter code W2. The combination of being a SaaS provider and the owner of an IATA two-letter code means that WorldTicket can offer unique benefits in the form of ticketing, interline and codeshare partnerships to airline customers, which is unmatched by any other provider.

With the products W2 sub-hosting (W2 SUB) and W2 Interline e-ticketing (W2 TKT) combined with the SaaS platform, WorldTicket can provide regional, mid-sized and low cost airlines with a global sales set-up under attractive commercial conditions, extremely quick time to market and low upfront investments in one contract. This has created substantial possibilities for new revenue streams as well as a significant value add to the SaaS solution, making WorldTicket stand out from others competitors in the tier-two supplier segment.

The fully-owned subsidiary FlexFlight (W2 AIR) operates the required passenger scheduled services to comply with IATA regulations for having a two-letter code (W2). As such, the subsidiary is operated with a strong risk adverse focus but within the legislative requirements to maintain the W2 code.

WorldTicket group revenue streams stem from the SaaS passenger-based W1 SMS transactions, the W2 SUB and W2 TKT airline ticketing partnerships as well as from the W2 AIR operation.

WorldTicket is the only cross-function multi-location company in the second tier supplier segment, with offices in Copenhagen, Warsaw, Kiev, Bangkok and Beijing and staff in multiple cross-border collaborative departments. The company works as a virtual organization with staff who are independent of the location, and is well prepared for further international expansion.

The company has entered several strategic partnerships with key industry partners such as IATA, the leading air transport trade organization, and Amadeus, the world's leading provider of airline IT and distribution. WorldTicket's solutions are also hosted by IBM, which is global leader in the B2B cloud hosting segment.

WorldTicket also recently entered a sales and representation partnership with the global travel representation company, Aviareps.

Development in activities and financial matters

During 2015 WorldTicket signed new contracts with airlines that generally have a higher number of passengers per year and more diverse airline business models than previously. This requires adjustments to solution functionality as well as organizational service flexibility and growth potential.

During 2015 WorldTicket won 12 new airline contracts, which puts the company in the top 3 in won airline contracts globally for the year compared to our competitors. The contacts include strategic contracts with bigger airlines as well as airlines with mixed business models of scheduled flights combined with charter flights.

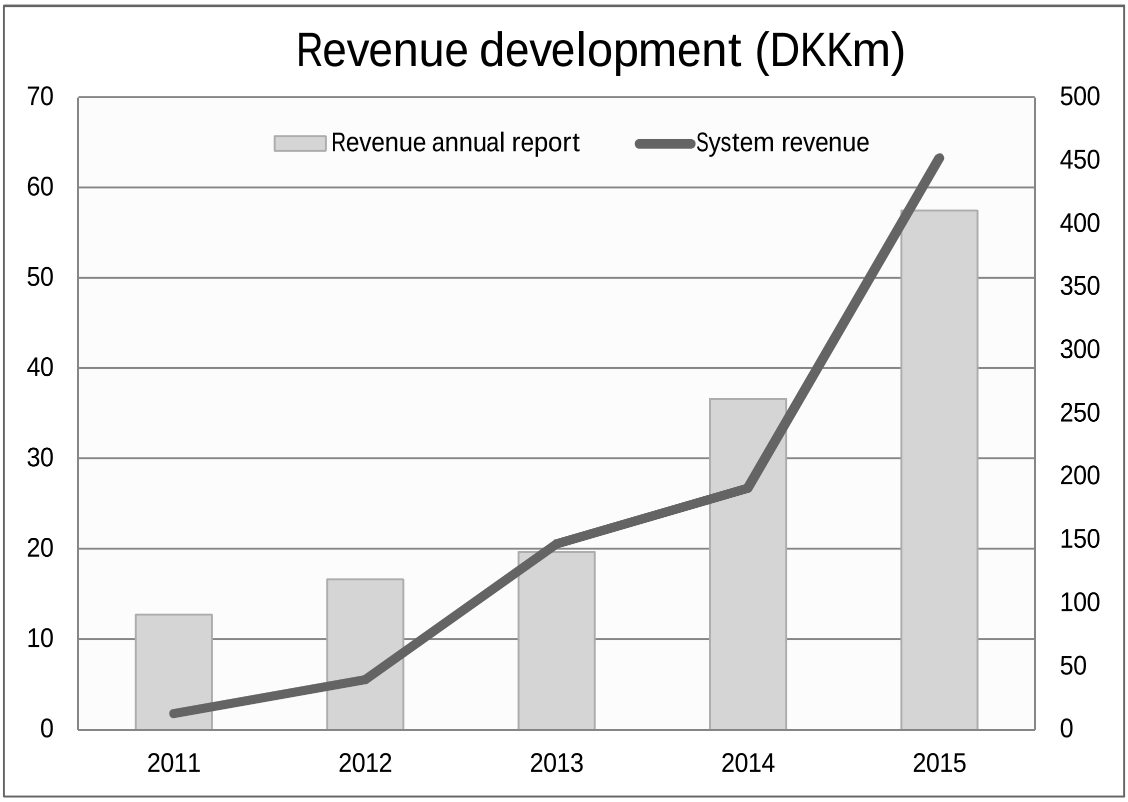
Through the partnership with Aviareps, which is the leading airline and travel representation company, WorldTicket expects to further drive growth of the products W2 TKT and W2 SUB. With local representation in more than 45 countries globally, Aviareps will be able to locally represent these products in markets where WorldTicket is not present today.

Management's review

Operating review

In 2015 WorldTicket achieved its growth targets, resulting in reported system revenue* of DKK 452 million and 136 % organic growth and reported revenue of DKK 54.8 million and 49 % organic growth. For 2011 to 2015 WorldTicket reported average system revenue growth of 136 % and average revenue growth of 57 %.

**System revenue is defined as the total cash flow which WorldTicket Group handles and settles.*



For 2015 WorldTicket reported EBITDA of DKK 9.7 million (17.8 %) compared to DKK 0.6 million (1.8 %) in 2014 and operating income of DKK 3.3 million compared to DKK -3.9 million in 2014.

WorldTicket has budgeted with significant investments in future growth and therefore may need up to DKK 5-10 million in liquidity to support this strategy, depending on new business sales in 2016. Management expects this to be carried out as a capital increase or by establishing a credit facility during 2016 in order to support the strategy and ensure continued sufficient liquidity to future growth.

In addition to the above, WorldTicket's parent company Celine E-bizz Ltd. has issued a general statement of support for the company.

By the end of April 2016, the Group had realised a significant loss. The loss is in line with the budget at the end of April.

The budget for 2016 shows a profit after tax. The Group thus budgets for a profit for the second half of 2016 through cost management and increasing revenue.

The cash flows realised by the Group for 2016 at the end of April and the budget for the rest of 2016 show no need for additional external financing.

Management's review

In Management’s opinion, the Group has sufficient liquidity and capital resources to continue its operations for 2016.

Operating review

Events after the balance sheet date

No events which have a considerable effect on the 2015 annual report have occurred after the balance sheet date.

Outlook

Generally, the number of passengers in airline transportation is growing on a global scale every year. Research by IATA (International Air Transport Association) shows that some of the markets with the biggest growth over the coming years will be India, Middle East and Latin America where the percentage of the population who will choose air transport as a means of transportation is expected to continue to increase rapidly.

Europe is a more stagnant market, and WorldTicket already has a significant stronghold here as the tier-two provider with most SaaS installations in Europe.

By having local representation in identified key growth markets with own staffed offices and through our partnership with Aviareps, WorldTicket expects to add new airlines from these markets to the customer portfolio in 2016, while still maintaining the European stronghold.

China is yet another key growth opportunity for WorldTicket. China is historically a very difficult market to enter for foreign providers. WorldTicket now has the opportunity to harness the growth potential in this region as it has signed an agreement with the state-owned airline IT company, Travelsky. Thanks to this agreement several cooperative relationships and partnership models concerning airlines interline based on W1 SMS, W2 SUB and W2 TKT solutions are materializing and are being further explored in 2016.

In 2015 again in 2016 WorldTicket is investing heavily in maturing the organizational structure and skills levels to match that of a truly global service provider. This includes continued growth of multi-departmental local offices in growth markets as well as strengthening management teams and international structures.

Generally, airline business models are currently evolving into a new distribution model that require new IT solution capabilities. WorldTicket is implementing the defined industry standard for this new distribution capability (NDC) into the existing solution architecture in order to support the airlines and to be compatible with the industry standard. This includes significant investments in a new e-commerce platform which is automatically integrated with the existing SaaS solution but is also capable of integrating with competing SaaS solutions or any other third party provider of ancillary services and additional revenue-generating cross or upsell products. The e-commerce platform is 100% IATA NDC compliant.

Risks

General risks

The company is subject to general airline industry trends and development, in particular the industry growth in low cost carriers, charter airlines and mid-sized regional airlines. Generally speaking, airlines are struggling to make profits and are looking for niche markets and routes. Changes in this market structure represent both significant opportunities but also risks.

Management's review

Operating review

Interest rate, credit and currency risks

The company has no significant interest rate, credit or currency risk.

Intellectual capital

The company owns all IP rights related to the SaaS solution. Some supplementary functionality like business intelligence, airport check-in services and other third party products are provided through partnerships.

The company provides individual share and/or warrant programs to retain key staff and long-term developed skills and has continuous focus on attracting, developing and maintaining talent in the company.

Research and development activities

WorldTicket has invested heavily in product development to comply with solution requirements due to having an increasing number of large airlines in the customer portfolio and in order to serve airlines with mixed business models combining the traditional regional and low-cost models with the charter segment.

The industry is moving towards a more flexible distribution infrastructure which is less dominated by simple displays of departure time and price, with focus on the IATA New Distribution Capability (NDC). WorldTicket knows that this is the key in order to continue to be a successful provider and has therefore initiated the development of new functionality and defined future solution strategies to comply with IATA NDC standards.

WorldTicket is preparing to play a more active role in the distribution layer as next generation solutions are gradually deployed as part of the SaaS solution and as part of the increasing role of W2 TKT and FlexFlight SUB in the market.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Income statement

		Consolidated		Parent company	
Note	DKK'000	2015	2014	2015	2014
	Revenue	54,800	35,604	33,552	17,159
	Other external costs	-25,663	-21,630	-11,635	-8,043
	Gross profit	29,137	13,974	21,917	9,116
3	Staff costs	-19,363	-13,411	-13,274	-7,925
	Depreciation	-5,964	-4,483	-5,943	-4,467
	Ordinary operating profit/loss	3,810	-3,920	2,700	-3,276
	Other operating income	0	90	0	0
	Operating profit/loss	3,810	-3,830	2,700	-3,276
	Share of profit/loss in subsidiaries after tax	0	0	758	-527
4	Financial income	1,095	375	621	151
5	Financial expenses	-1,594	-1,098	-987	-743
	Profit/loss from ordinary activities before tax	3,311	-4,553	3,092	-4,395
6	Tax on profit/loss from ordinary activities	-823	3,956	-604	3,798
	Profit/loss from ordinary activities after tax	2,488	-597	2,488	-597
	Profit/loss for the year	2,488	-597	2,488	-597
	Proposed profit appropriation/distribution of loss				
	Proposed dividends			0	0
	Reserve for net revaluation under the equity method			11	-597
	Retained earnings			2,447	0
				2,488	-597

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
	ASSETS				
	Non-current assets				
7	Intangible assets				
	Development completed	17,881	12,375	17,881	12,375
	Patents and licences	792	821	792	821
	Development in progress	0	3,904	0	3,904
		18,673	17,100	18,673	17,100
8	Property, plant and equipment				
	Land and buildings	1,220	1,230	0	0
	Property, plant and equipment under construction	210	349	210	349
	Fixtures and fittings, tools and equipment	81	24	0	0
		1,511	1,603	210	349
	Investments				
9	Investments in subsidiaries	0	0	1,868	110
	Deposits	83	33	62	11
		83	33	1,930	121
	Total non-current assets	20,267	18,736	20,813	17,570
	Current assets				
	Receivables				
	Trade receivables	2,869	3,649	2,272	2,987
	Amounts owed by subsidiaries	0	0	0	0
	Deferred tax	1,723	2,546	1,876	2,480
	Corporation tax	0	1,319	0	1,319
	Other receivables	4,545	652	1,946	51
	Prepayments	731	769	647	624
		9,868	8,935	6,741	7,461
	Cash at bank and in hand	24,156	9,086	5,953	2,659
	Total current assets	34,024	18,054	12,694	10,120
	TOTAL ASSETS	54,291	36,757	33,507	27,690

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
	EQUITY AND LIABILITIES				
	Equity				
10	Share capital	1,805	1,805	1,805	1,805
	Reserve for net revaluation under the equity method	0	0	11	0
	Retained earnings	8,202	5,714	8,191	5,714
	Total equity	10,007	7,519	10,007	7,519
	Liabilities				
	Non-current liabilities				
	Other non-current liabilities	2,774	2,989	2,774	2,989
		2,774	2,989	2,774	2,989
	Current liabilities other than provisions				
	Current portion of non-current liabilities other than provisions	720	2,540	720	2,540
	Trade payables	3,645	1,188	2,490	979
	Amounts owed to subsidiaries	0	0	1,737	1,512
11	Other payables	33,724	19,724	12,520	10,232
	Prepayments received from customers	3,258	1,985	3,259	1,919
	Prepayments	82	723	0	0
	Other credit institutions	81	89	0	0
		41,510	26,249	20,726	17,182
	Total liabilities other than provisions	44,284	29,238	23,500	20,171
	TOTAL EQUITY AND LIABILITIES	54,291	36,757	33,507	27,690

1 Accounting policies
2 Capital resources
12 Contingencies, etc.
13 Related parties

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Statement of changes in equity

	Consolidated			
DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2014	1,805	6,311	0	8,116
Dividends	0	0	0	0
Transferred; see distribution of loss	0	-597	0	-597
Equity at 1 January 2015	1,805	5,714	0	7,519
Dividends	0	0	0	0
Transferred; see profit appropriation		2,488	0	2,488
Equity at 31 December 2015	1,805	8,202	0	10,007

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Statement of changes in equity

	Parent company				
DKK'000	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividends	Total
Equity at 1 January 2014	1,805	0	6,311	0	8,116
Dividends	0	0	0	0	0
Transferred; see distribution of loss	0	0	-597	0	-597
Equity at 1 January 2015	1,805	0	5,714	0	5,714
Dividends	0	0	0	0	0
Transferred; see profit appropriation	0	11	2,477	0	2,488
Equity at 31 December 2015	1,805	11	8,191	0	10,007

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Cash flow statement

Note	DKK'000	Consolidated 2015	2014
	Operating result	4,569	-4,448
	Depreciation and amortisation	5,964	4,483
	Other adjustments of non-cash operating items	-9,080	-3,870
	Cash generated from operations (operating activities) before changes in working capital	1,453	-3,835
14	Changes in working capital	14,909	3,302
	Cash generated from operations (operating activities)	16,361	-533
	Interest received	1,123	396
	Interest paid	-1,622	-1,118
	Cash generated from operations (ordinary activities)	15,862	-1,255
	Corporation tax paid	1,319	0
	Cash flows from operating activities	17,181	-1,255
	Acquisition of intangible assets	0	0
	Acquisition of tangible assets	-68	-30
	Cash flows from investing activities	-68	-30
	External financing:		
	Repayment of long-term debt	0	0
	Increase in debt to mortgage and credit institutions	-2,043	546
	Increase in bank loans and overdrafts	0	0
	Shareholders:		
	Dividends paid	0	0
	Cash flows from financing activities	-2,043	546
	Net cash flows from operating, investing and financing activities	15,070	-739
	Cash and cash equivalents at 1 January	9,086	9,825
	Cash and cash equivalents at 31 December	24,156	9,086

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Worldticket A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B with the addition of certain provisions pertaining to class C enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year with the exception of the choice to consolidate the financial statements in accordance with the provisions applying to reporting class B.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Worldticket A/S, and subsidiaries in which Worldticket A/S directly or indirectly holds more than 50% of the voting rights or which it otherwise controls. Enterprises in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence but which it does not control are considered associates; see the group chart.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisition of enterprises is accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc. involving enterprises controlled by the parent company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity. Moreover, comparative figures for previous financial years are restated.

Non-controlling interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

When entering into sales contracts that consist of several separate components, the contract amount is allocated by the individual components based on the relative fair value approach. The separate components are recognised as revenue when the criteria applicable to sale of goods, services or construction contracts have been met.

A contract is allocated by individual components when the fair value of these individual components can be reliably measured and when each component represents a separate value to the buyer. Sales components are deemed to represent a separate value to the buyer when the component is individually identifiable and is normally sold separately.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Revenue from sale of services

Revenue from services comprising sale of services/click/pax is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010. Where services sold are delivered and integrated in the buyer's property on a regular basis, income is recognised in revenue as the services are delivered. Accordingly, revenue corresponds to the selling price of work performed during the year.

Revenue from the use of the payment system Sell-More-Seats is recognised in revenue if the transaction has taken place before year-end and provided that the income can be reliably measured and payment is expected to be received.

Other external costs

Other external costs comprise expenses incurred during the year for group management and administration, including expenses for administrative staff, office premises and office expenses.

Other operating income

Other operating income comprises items secondary to the activities of the enterprises, including gains on disposal of intangible assets and property, plant and equipment.

Profits/losses from investments in subsidiaries and associates

The proportionate share of the results after tax of the individual subsidiaries is recognised in the parent company income statement after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intra-group profits/losses.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The parent company is covered by the Danish rules on compulsory joint taxation of the WorldTicket Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of the joint taxation contribution between the jointly-taxed companies in proportion to their taxable income. In this relation, companies with tax losses carry forwards receive a joint taxation contribution from the companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement when incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5-6 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence period, though not exceeding 20 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, fixtures and fittings, tools and equipment and property, plant and equipment under construction are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Land and buildings	50 years
Fixtures and fittings, tools and equipment	3-5 years
Property, plant and equipment under construction	5 years

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured under the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of Worldticket A/S' annual report are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see consolidated financial statements above.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's and the Group's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Securities and investments

Securities and investments, comprising listed securities and bonds, are measured at fair value at the balance sheet date. Unlisted securities are measured at fair value based on a calculated value in use.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions

Provisions comprise anticipated costs related to warranties, losses on work in progress, restructurings, etc. Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled in the distant future, the obligation is measured at fair value.

Warranties comprise obligations to make good any defects within the warranty period of one to five years. Provisions for warranties are measured at net realisable value and recognised based on past experience. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at the average bond interest rate.

On acquisition of enterprises, provision for restructurings of the acquired enterprise is included in the calculation of the cost of acquisition and, accordingly, in goodwill or consolidated goodwill, provided that they have been adopted and announced not later than at the date of the acquisition.

If it is likely that total costs will exceed total income from a construction contract, a provision is made for the total loss anticipated on the contract. The provision is recognised in production costs.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises negative goodwill; see the description of consolidation practice, and payments received concerning income in subsequent years.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin $$\frac{\text{Operating profit x 100}}{\text{Revenue}}$$

Gross margin $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Solvency ratio $$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Return on equity $$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$$

EBITDA % $$\frac{\text{EBITDA x 100}}{\text{Revenue}}$$

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

2 Capital resources

By the end of April 2016, the Group had realised a significant loss. The loss is in line with the budget at the end of April.

The budget for 2016 shows a profit after tax. The Group thus budgets for a profit for the second half of 2016 through cost management and increasing revenue.

The cash flows realised by the Group for 2016 at the end of April and the budget for the rest of 2016 show no need for additional external financing.

In Management's opinion, the Group has sufficient liquidity and capital resources to continue its operations for 2016.

		Consolidated		Parent company	
	DKK'000	2015	2014	2015	2014
3	**Staff costs and incentive programmes**				
	Wages and salaries	18,687	12,652	12,948	7,575
	Pensions	349	308	240	259
	Other staff costs and other social security costs	327	451	86	91
		19,363	13,411	13,274	7,925
	Average number of full-time employees	22	15	11	9
4	**Financial income**				
	Interest income to subsidiaries	0	0	0	0
	Other interest income	1,095	375	621	151
		1,095	375	621	151
5	**Financial expenses**				
	Interest expense to subsidiaries	0	0	29	21
	Other interest expense	1,594	1,098	958	722
		1,594	1,098	987	743

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

		Consolidated		Parent company	
	DKK'000	2015	2014	2015	2014
6	**Tax on the profit/loss for the year**				
	Current tax for the year	0	1,319	0	1,317
	Adjustment of deferred tax	823	2,638	604	2,481
		823	3,957	604	3,798
	Specified as follows:				
	Tax on the profit/loss from ordinary activities	823	3,957	604	3,798
	Tax on the profit/loss for the year	823	3,957	604	3,798
	Tax on changes in equity	0	0	0	0
		823	3,957	604	3,798

7 Intangible assets

	Consolidated			
DKK'000	Development completed	Patents and licences	Development in progress	Total
Cost at 1 January 2015	31,498	2,350	3,904	37,752
Additions on acquisition of subsidiaries	0	0	0	0
Additions	0	0	7,377	7,377
Transferred	11,281	0	-11,281	0
Cost at 31 December 2015	42,779	2,350	0	37,752
Impairment losses and amortisation at 1 January 2015	19,123	1,529	0	20,652
Impairment losses	0	0	0	0
Amortisation	5,775	29	0	5,804
Impairment losses and amortisation at 31 December 2015	24,898	1,558	0	26,456
Carrying amount at 31 December 2015	17,881	792	0	18,673
Amortised over	5-6 years	20 years	-	

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

7 Intangible assets (continued)

DKK'000	Parent company		
	Development completed	Development in progress	Total
Cost at 1 January 2015	31,498	3,904	35,402
Additions	0	7,377	7,377
Transferred	11,281	-11,281	0
Cost at 31 December 2015	42,779	0,0	42,779
Impairment losses and amortisation at 1 January 2015	19,123	0	19,123
Impairment losses	0	0	0
Amortisation	5,775	0	5,775
Impairment losses and amortisation at 31 December 2015	24,898	0	24,898
Carrying amount at 31 December 2015	17,881	0	17,881
Amortised over	5-6 years	-	

8 Property, plant and equipment

DKK'000	Consolidated			
	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment	Total
Cost at 1 January 2015	1,250	602	699	2,551
Foreign currency translation adjustments, foreign entities	0	0	0	0
Additions on acquisition of subsidiary	0	0	0	0
Additions	0	68	0	68
Transferred	0	0	0	0
Disposals	0	0	0	0
Cost at 31 December 2015	1,250	670	699	2.619
Impairment losses and depreciation at 1 January 2015	20	578	350	948
Foreign currency translation adjustments, foreign entities	0	0	0	0
Depreciation	10	11	139	160
Disposals	0	0	0	0
Impairment losses and depreciation at 31 December 2015	30	589	489	1,108
Carrying amount at 31 December 2015	1,220	81	210	1,511
Property, plant and equipment include finance leases with a carrying amount totaling	0	0	0	
Depreciated over	50 years	3-5 years	5 years	

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

8 Property, plant and equipment (continued)

	Parent company		
DKK'000	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2015	572	699	2,521
Additions	0	0	0
Transferred	0	0	0
Disposals	0	0	0
Cost at 31 December 2015	572	699	1,271
Impairment losses and depreciation at 1 January 2015	572	350	922
Depreciation	0	139	139
Disposals	0	0	0
Impairment losses and depreciation at 31 December 2015	572	489	1,061
Carrying amount at 31 December 2015	0	210	210
Property, plant and equipment include finance leases with a carrying amount totalling	0	0	
Depreciated over	3-5 years	5 years	

	Parent company	
DKK'000	2015	2014
9 Investments in subsidiaries		
Cost at 1 January	856	856
Additions	1,000	0
Cost at 31 December	1,856	856
Value adjustments at 1 January	-746	-128
Dividend distributed	0	0
Result for the year	758	-618
Value adjustments at 31 December	11	-746
Carrying amount at 31 December	1,868	110
Non-amortised goodwill	0	0

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

9 Investments in subsidiaries (continued)

Key figures for subsidiaries at 31 December 2015:

Name and registered office	Voting rights and ownership	*Share capital*	*Profit for the year*	*Carrying amount*
FlexFlight ApS	100 %	130	758	1,868

All subsidiaries are considered separate entities.

10 Share capital

The share capital comprises:

665,264 A shares of DKK 1 ones each
1,140,000 B shares of DKK 1 ones each

Changes in share capital for the past 5 years can be specified as follows:

DKK'000	2015	2014	2013	2012	2011
Balance at 1 January	1,805	1,805	1,805	1,715	1,715
Cash capital increase	0	0	0	90	0
	1,805	1,805	1,805	1,805	1,715

11 Other payables

Other payables mainly comprise prepayment of flight tickets which were not due by 31 December 2015 totalling DKK 11,156 thousand.

12 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company has signed a lease agreement for the lease of office space. The lease is non-cancellable until 1 April 2018, after which the lease can be cancelled with 6 months' notice. The rental obligation at 31 December 2015 amounts to DKK 658 thousand, of which DKK 329 thousand falls due in 2016.

A company charge for DKK 450 thousand has been provided as collateral for the Company’s balance with credit institutions.

We have been informed by the Company’s lawyers that the Company has received and rejected a claim for EUR 82,076.98 from Minoan Air S.A. According to Worldticket, the claim is unwarranted.

The Company is jointly taxed with the Danish subsidiary FlexFlight ApS. As the administrative company, the Company, jointly with the subsidiary, has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2015, the net taxes payable to SKAT by the joint taxation group amounted to DKK 0 thousand. Any subsequent corrections to the joint taxable income or withholding taxes on dividends, etc. may result in a liability.

Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

12 Contractual obligations and contingencies, etc. (continued)

The Group's Danish companies are jointly and severally liable for group VAT registration.

The Company has issued a letter of support to the subsidiary FlexFlight ApS undertaking among other things to provide the capital and liquidity needed. The letter of support is limited to DKK 2 million.

13 Related party disclosures

Worldticket A/S' related parties comprise the following:

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

- Celine E-Bizz Ltd., Tattersall House, East Parade, Harrogate, North Yorkshire HG1 5LT, UK
- Erik Martin Troelsen Pretzmann, SeegartenStrasse 67, CH 8810 Horgen, Switzerland

		Consolidated	
	DKK'000	2015	2014
14	Changes in working capital		
	Change in receivables	-1,808	-3,116
	Change in intercompany receivables/payables	0	12
	Change in trade	3,730	296
	Change in other payables and prepayments	12,987	6,110
		14,909	3,302