Worldticket A/S

Kultorvet 11, 3., 1175 København K

CVR no. 29 79 46 26

Annual report 2016

Approved at the Company's annual general meeting on 20 June 2017

Chairman:

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Lars Bloch

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 2016.

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 2016 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 2016.

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, 20 June 2017
Executive Board:

Lars Bloch
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

Opinion

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 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, as well as a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter in the financial statement

We have not modified our opinion in respect of these matters.

Without modifying our opinion, we refer to note 2 to the financial statements, which describes the uncertainty relating to the company's capital ressources and management expectations for 2017 and going forward.

Without modifying our opinion, we refer to note 7 in which management describes the uncertainty relating to the recognition and measurement of the company's development costs of DKK 23,530 thousand.

Without modifying our opinion, we refer to note 10, which describes the uncertainty relating to the valuation of receivable related to 2MBA ApS.

Management's responsibilities 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 as 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.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 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 consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group's and the Parent Company'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 consolidated financial statements and the parent company 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 Group's and the Parent Company'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 consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 20 June 2017
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	Lars Bloch
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, 5100 Odense C

Financial highlights

	Consolidated			Parent company	
DKK'000	2016	2015	*2014**	*2013*	*2012*
Key figures					
System revenue*	348,000	452,000	190,300	*147,300*	*39,600*
Revenue	48,417	54,800	35,604	*19,715*	*16,628*
Gross profit	29,580	29,136	13,974	*13,264*	*11,797*
EBITDA	6,685	9,773	653	*6,085*	*5,932*
Ordinary operating result	1,467	3,809	-3,920	*1,571*	*1,734*
Result from financial income and expense	185	3,310	-4,553	*989*	*1,544*
Result for the year	125	2,488	-597	*989*	*1,544*
Total assets	58,634	55,965	36,758	*20,902*	*18,449*
Portion relating to investment in property, plant and equipment	1,607	1,511	1,603	*509*	*386*
Equity	3,907	3,782	7,519	*8,116*	*7,127*
Cash flows from operating activities	-7,939	15.862	-1,255	-	-
Net cash flows from investing activities	-285	-68	-30	-	-
Cash flows from financing activities	0	-2,043	546	-	-
Total cash flows	-9,565	15,070	-739	-	-
Financial ratios					
Operating margin	3%	7 %	-11 %	*8 %*	*10 %*
Gross margin	61%	53 %	39 %	*67 %*	*71 %*
EBITDA Margin	14%	18 %	2 %	*31 %*	*36 %*
Solvency ratio	7%	7 %	20 %	*39 %*	*39 %*
Return on equity	3%	66 %	-8 %	*13 %*	*25 %*
Average number of full-time employees	78	59	37	21	15

*The financial ratios for 2014 have not been changed by the material misstatement.

* 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.

As 2013 and previous financial years, no financial highlights have been recognised nor any key figures for the cash flow statement as for those years, no consolidated financial statements have been prepared.

Furthermore, financial highlights regarding the cash flow statement have likewise not been presented in the period 2012 and 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 50 airlines globally and has generated significant annual growth over the last years.

WorldTicket is unique by being the only SaaS provider of an airline Passenger Service System (PSS) that has also acquired the right to use the IATA airline two-letter code W2. The combination of being a SaaS provider and the owner of an IATA two-letter code means that WorldTicket as the only provider can offer unique benefits in the form of ticketing, interline and codeshare partnerships to our airline customers – our W2 Sub-hosting (W2 SUB) and W2 Ticketing (W2 TKT) solutions.

By combining our SaaS solution and the W2 code capabilities, WorldTicket provides regional, mid-sized and low cost airlines globally with a distribution set-up similar to the major carriers but with quick time to market and low up-front investments for our customers.

The fully-owned subsidiary FlexFlight (W2 AIR) operates the required passenger scheduled services to comply with IATA regulations for having the 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 working independently of the location, and is thereby 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, Aviareps, a German-founded global travel representation company with offices in 46 countries, Travelsky, the state-owned Chinese IT and distribution provider for the Chinese market and Amadeus, the largest global provider of airline IT and distribution.

Development in activities and financial matters

For further significant revenue stream benefits, WorldTicket has in 2016 increased the focus on selling our solutions developed through our W2 code as stand-alone solutions independent of our SaaS solution.

With our collaboration with Travelsky in China, WorldTicket has been granted unique access to sell our W2 SUB and W2 TKT solutions to the Chinese airlines, and with the establishment of a local sales force in China, WorldTicket is already in closing stages with several Chinese carriers that in volume are between 1-5m passengers transported per year.

With the recent roll-out of a new ecommerce solution with advanced functionality similar to the most modern webshops of other industries, WorldTicket has further increased the focus on airlines with mixed business models of scheduled flights combined with charter flights. Furthermore the ecommerce solution has brought along significant up-sell opportunities to existing airlines in the WorldTicket customer base.

Material misstatements

Material misstatements have been identified in the financial statements in the fiscal year 2014. The error relates to the completeness, accuracy and valuation of prepayments of flight tickets and deferred tax.

The errors have been restated in the financial highlights, in the balance sheet and in the notes. The errors have the following impact on the comparative figures for 2015:

- Other payables are underestimated by DKK 7.9 million (costs are attributable to previous years)
- Current tax and deferred tax assets are underestimated by DKK 1.6 million (relate to previous years)
- Equity at January 1th 2015 is affected by the restatement by DKK 6.3 million

Management's review

Operating review

For 2016 WorldTicket reported EBITDA of DKK 6.7 million (13,8 %) compared to DKK 9.7 million (17.8 %) in 2015 and operating income of DKK 1.4 million compared to DKK 3.8 million in 2015.

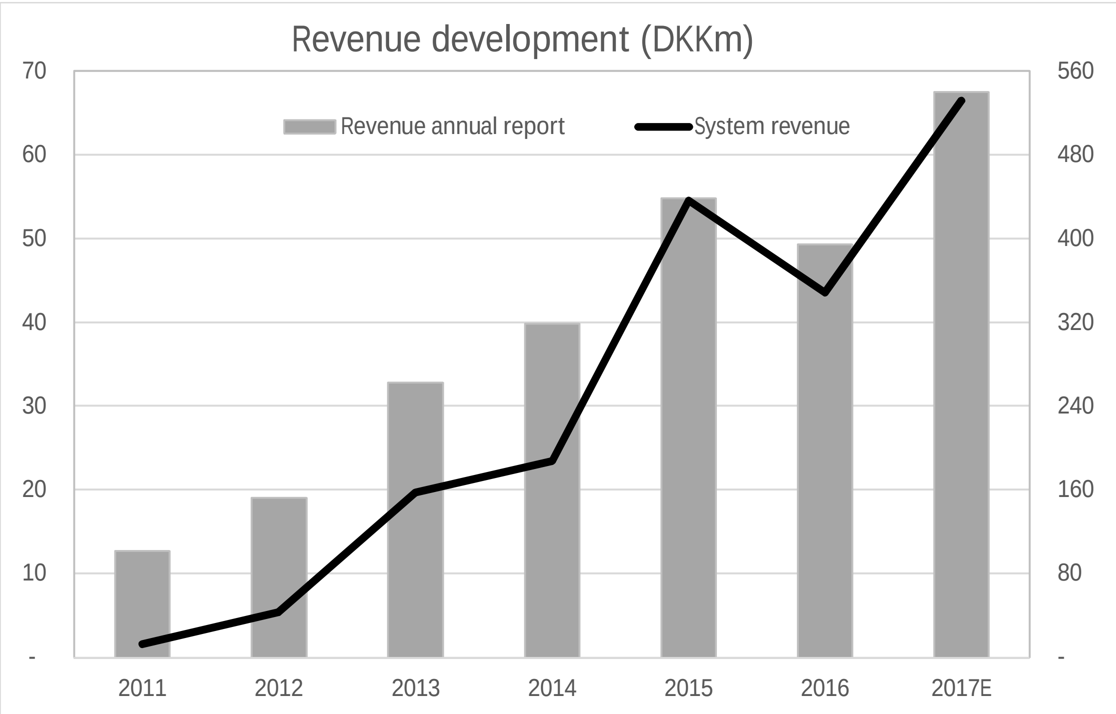
WorldTicket has budgeted with significant investments in future growth and therefore may need up to DKK 5-10 million in liquidity to support this strategy, depending on new business sales in 2017. Management expects this to be carried out as a capital increase or by establishing a credit facility during 2017 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 May 2017, the Group had realised a loss. The loss is in line with the budget at the end of April. By the end of May 2017, the Group had realized a growth in system sales of 45% and in net sales 67% compared to end of May 2016.

The budget for 2017 shows a profit after tax. The Group thus budgets for a profit for the second half of 2017 through cost management and increasing revenue.

The cash flows realised by the Group for 2017 at the end of May and the budget for the rest of 2017 show no need for additional external financing.



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

Management's review

In Management's opinion, the Group has sufficient liquidity and capital resources to continue its operations for 2017.

Operating review

Events after the balance sheet date

No events which have a considerable effect on the 2016 annual report have occurred after the balance sheet date.

Outlook

As for previous years, 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 remain to be Asia, 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.

At the same time, Europe remains as a more stagnant market in terms of passenger numbers and carriers in operation, and WorldTicket has kept our stronghold as the tier-two provider with most SaaS installations in Europe.

With the opportunities we have already generated in China during 2016 as well as significant opportunities through our partnership with Aviareps, WorldTicket expects significant growth on our W2 TKT and W2 SUB solutions, particularly in Asia and Latin America.

With new SaaS contracts in 2016 outside of Europe, including several new contracts with African based carriers, WorldTicket expects to get a stronger position on our SaaS offerings outside of Europe during 2017, while maintaining the current position in Europe.

Again in 2017 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 has already launched a new ecommerce platform that is 100% IATA NDC compliant and 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. In 2017 WorldTicket will be 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.

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 W2 SUB in the market

Income statement

		Consolidated		Parent company	
Note	DKK'000	2016	2015	2016	2015
	Revenue	48,417	54,800	35,267	33,553
	Other external costs	-18,837	-25,664	-11,772	-11,637
	Gross profit	29,580	29,136	23,495	21,916
3	Staff costs	-22,895	-19,363	-17,660	-13,274
	Depreciation	-5,218	-5,964	-5,146	-5,943
	Operating profit/loss	1,467	3,809	689	2,699
	Share of profit/loss in subsidiaries after tax	0	0	267	758
4	Financial income	1,529	1,095	213	622
5	Financial expenses	-2,811	-1,594	-1,060	-988
	Profit/loss from ordinary activities before tax	185	3,310	109	3.091
6	Tax on profit/loss from ordinary activities	-60	-823	16	-604
	Profit/loss from ordinary activities after tax	125	2,487	125	2.487
	Profit/loss for the year	125	2,487	125	2.487

Balance sheet

Note	DKK'000	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
	ASSETS				
	Non-current assets				
7	Intangible assets				
	Development completed	23,530	17,881	23,530	17,881
	Patents and licences	763	792	763	792
	Intangible assets total	24,293	18,673	24,293	18,673
8	Property, plant and equipment				
	Land and buildings	1,210	1,220	0	0
	Property, plant and equipment under construction	99	210	99	210
	Fixtures and fittings, tools and equipment	298	81	152	0
	Property, plant and equipment total	1,607	1,511	251	210
	Investments				
9	Investments in subsidiaries	0	0	1,910	0
	Deposits	114	83	92	62
	Investment total	114	83	2,002	62
	Total non-current assets	26,014	20,267	26,546	18,945
	Current assets				
	Receivables				
	Trade receivables	5,896	2,869	3,992	2,272
	Deferred tax	3,494	3,478	1,893	1,876
10	Other receivables	7,059	4,464	7,059	1,945
	Prepayments	1,580	731	1,406	647
	Receivables total	18,029	11,542	14,350	6,742
	Cash at bank and in hand	14,591	24,156	4,747	5,953
	Total current assets	32,620	35,698	19,097	12,694
	TOTAL ASSETS	58,634	55,965	45,643	31,639

Balance sheet

Note	DKK'000	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
	EQUITY AND LIABILITIES				
	Equity				
11	Share capital	1,805	1,805	1,805	1,805
	Retained earnings	-8,716	1,419	-8,158	1,977
	Reserve for development costs	10,260	0	10,260	0
	Revaluation	558	558	0	0
	Total equity	3,907	3,782	3,907	3,782
	Provisions				
	Provision, investments in group entities	0	0	0	4,357
		0	0	0	4,357
	Liabilities				
	Non-current liabilities				
12	Other non-current liabilities	1,973	2,774	1,973	2,774
		1,973	2,774	1,973	2,774
	Current liabilities other than provisions				
	Current portion of non-current liabilities other than provisions	1,130	720	1,130	720
	Trade payables	7,651	3,645	6,488	2,490
13	Amounts owed to subsidiaries	0	0	22,281	1,737
14	Other payables	40,939	41,623	6,953	12,521
	Prepayments received from customers	2,911	3,258	2,911	3,258
	Prepayments	25	82	0	0
	Other credit institutions	23	81	0	0
	Tax	75	0	0	0
		52,754	49,409	39,763	20,726
	Total liabilities other than provisions	54,727	52,183	41,736	23,500
	TOTAL EQUITY AND LIABILITIES	58,634	55,965	45,643	31,639

1 Accounting policies
2 Capital resources
15 Contingencies, etc.
16 Related parties

Statement of changes in equity

	Consolidated				
DKK'000	Share capital	Retained earnings	Revaluation reserve	Reserve for development costs	Total
Equity at 1 January 2015	1,805	5,156	558	0	7,519
Correction of fundamental error	0	-6,224	0	0	-6,224
Adjusted equity at 1 January 2015	1,805	-1,068	558	0	1,295
Transferred; see profit appropriation	0	2,487	0	0	2,487
Equity at 1 January 2016	1,805	1,419	558	0	3,782
Transferred; see profit appropriation	0	-10,135	0	10,260	125
Equity at 31 December 2016	1,805	-8,716	558	10,260	3,907

Statement of changes in equity

	Parent company			
DKK'000	Share capital	Retained earnings	Reserve for Development costs	Total
Equity at 1 January 2015	1,805	5,714	0	7,519
Correction if fundamental error	0	-6.224	0	-4,469
Adjusted equity at 1 January 2015	1,805	-510	0	3,050
Transferred; see profit appropriation	0	2.487	0	732
Equity at 1 January 2016	1,805	1,977	0	3,782
Transferred; see profit appropriation	0	-10,135	10,260	125
Equity at 31 December 2016	1,805	-8,158	10,260	3,907

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

Cash flow statement

Note	DKK'000	Consolidated 2016	2015
	Operating result	1,467	4,569
	Depreciation and amortisation	5,218	5,964
	Other adjustments of non-cash operating items	-10,649	-9,080
	Cash generated from operations (operating activities) before changes in working capital	-3,964	1,453
18	Changes in working capital	-3,975	14,909
	Cash generated from operations (operating activities)	-7,939	16,361
	Interest received	1,529	1,123
	Interest paid	-2,811	-1,622
	Cash generated from operations (ordinary activities)	-9,221	15,862
	Corporation tax paid	-59	1,319
	Cash flows from operating activities	-9,280	17,181
	Acquisition of tangible assets	-285	-68
	Cash flows from investing activities	-285	-68
	External financing:		
	Increase in debt to mortgage and credit institutions	0	-2,043
	Cash flows from financing activities	0	-2,043
	Net cash flows from operating, investing and financing activities	-9,565	15,070
	Cash and cash equivalents at 1 January	24,156	9,086
	Cash and cash equivalents at 31 December	14,591	24,156

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 2016 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.

Material misstatements

Material misstatements have been identified in the financial statements in the fiscal year 2014. The error relates to the completeness, accuracy and valuation of prepayments of flight tickets and deferred tax.

The errors have been restated in the financial highlights, in the balance sheet and in the notes. The errors have the following impact on the comparative figures for 2015:

- Other payables are underestimated by DKK 7.9 million (costs are attributable to previous years)
- Current tax and deferred tax assets are underestimated by DKK 1.6 million (relate to previous years)
- Equity at January 1th 2015 is affected by the restatement by DKK 6.3 million

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.

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.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

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.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under 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)

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.

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.

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.

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

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.

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

Profits of operations for the financial year 2016 did not live up to the budgets due to lower non-strategic sales activities than expected. The Company's Management expects profits and cash flow to improve from future operations.

Management expects that profits of operations and cash flows will improve already in 2017 due to improved products following the Company's development activities. Profits of operation in 2017 is expected to be generated partly through a considerable increase in revenue. In accordance with the unaudited interim financial statements for year to date May 2017, there are no indications that the 2017 budget cannot be realized. The consolidated financial statement by the end of April shows a loss of DKK 3.095 thousand. The result is on level with the budget, which shows a loss of DKK 3.464 thousand.

The Company's cash resources will suffice for the Company to meet its obligations as they fall due.

		Consolidated		Parent company	
	DKK'000	2016	2015	2016	2015
3	**Staff costs and incentive programmes**				
	Wages and salaries	32,776	26,064	27,834	20,325
	Pensions	384	349	324	240
	Other staff costs and other social security costs	385	327	152	86
	Capitalised development costs	-10,650	-7,377	-10,650	-7,377
		22,895	19,363	17,660	13,274
	Average number of full-time employees	78	59	68	49
4	**Financial income**				
	Other interest income	1,529	1,095	213	622
		1,529	1,095	213	622
5	**Financial expenses**				
	Interest expense to subsidiaries	0	0	115	29
	Other interest expense	2,811	1,594	945	959
		2,811	1,594	1,060	988

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

Notes to the financial statements

DKK'000	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
6 Tax on the profit/loss for the year				
Current tax for the year	75	0	0	0
Adjustment of deferred tax	-15	823	-16	604
	60	823	-16	604
Specified as follows:				
Tax on the profit/loss from ordinary activities	60	823	-16	604
Tax on the profit/loss for the year	60	823	-16	604
	60	823	-16	604

7 Intangible assets

DKK'000	Consolidated Development completed	Patents and licences	Total
Cost at 1 January 2016	42,778	2,350	45,128
Additions	10,650	0	10,650
Cost at 31 December 2016	53,428	2,350	55,778
Impairment losses and amortisation at 1 January 2016	24,898	1,558	26,456
Amortisation	5,000	29	5,029
Impairment losses and amortisation at 31 December 2016	29,898	1,587	31,485
Carrying amount at 31 December 2016	23,530	763	24,293
Amortised over	5-6 years	30 years	

Finalised development projects
In 2015, development costs capitalised totalled DKK 17,880 thousand. Recognition of development costs was made as the Company expected to realise the sales forecasts for 2016-2018 and to generate significant cash flows in 2016-2018 from the development projects. In 2016, the Company succeeded in generating high revenue, but below budgeted; further gross profit was significant lower than expected.

In the financial year, amortisation of development costs totalled DKK 5,000 thousand which had been capitalised in previous years.
In 2016, the Company capitalised an additional amount of DKK 10,650 thousand in respect of new development projects. As in 2015, recognition is based on expectations of realising the Company's sales budgets. The budgets and forecasts prepared are Management's best estimate of the development. Finalised and ongoing development projects include the development of the Company's products. Investments in the year relate primarily to the development of new production facilities for new payment solutions including an e-commerce platform. Ongoing development projects are expected to be finalised during 2017-2018.
The new product facilities are expected to give the Company a competitive edge and thereby an increase in activities and results of operation for the Company from 2017-2021. Management has not identified any evidence of impairment relative to the carrying amount.

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	Patents and licences	Development in progress	Total
Cost at 1 January 2016	42,778	2,350	0	45,128
Additions	10,650	0	0	10,650
Cost at 31 December 2016	53,428	2,350	0	55,778
Impairment losses and amortisation at 1 January 2016	24,898	1,558	0	26,456
Amortisation	5,000	29	0	5,029
Impairment losses and amortisation at 31 December 2016	29,898	1,587	0	31,485
Carrying amount at 31 December 2015	23,530	763	0	24,293
Amortised over	5-6 years	20 yeasr	-	

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 2016	1,250	670	699	2,619
Additions	0	285	0	285
Cost at 31 December 2016	1,250	955	699	2,904
Impairment losses and depreciation at 1 January 2016	30	589	489	1,108
Depreciation	10	68	111	189
Impairment losses and depreciation at 31 December 2016	40	657	600	1,297
Carrying amount at 31 December 2016	1,210	298	99	1,607
Property, plant and equipment include finance leases with a carrying amount totaling	0	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 con-struction	Total
Cost at 1 January 2015	572	699	1,271
Additions	158	0	158
Transferred	0	0	0
Disposals	0	0	0
Cost at 31 December 2015	730	699	1,429
Impairment losses and depreciation at 1 January 2015	572	489	1,061
Depreciation	6	111	117
Disposals	0	0	0
Impairment losses and depreciation at 31 December 2015	578	600	1,178
Carrying amount at 31 December 2015	152	99	251
Property, plant and equipment include finance leases with a carrying amount totalling	0	0	0
Depreciated over	3-5 years	5 years	

	Parent company	
DKK'000	2016	2015
9 Investments in subsidiaries		
Cost at 1 January	1,856	856
Additions	6,000	1,000
Cost at 31 December	7,856	1,856
Value adjustments at 1 January	-1,856	-1,856
Result for the year	267	0
Other value adjustments	-4,357	
Value adjustments at 31 December	-5,946	-1,856
Carrying amount at 31 December	1,910	0
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 2016:

Name and registered office	Voting rights and ownership	*Share capital*	*Profit for the year*	*Carrying amount*
FlexFlight ApS	100 %	130	267	1,910

All subsidiaries are considered separate entities.

10 Other receivables

Other receivables comprise among other of a receivable from the related company 2MBA, CVR.nr. 25 87 95 70 that amounting to DKK 4.369 thousand. For the time being 2MBA has no free cash, and is not able to meet its obligations to support the loan from World Ticket.

The unaudited financial statements for 2016 shows a loss for 2MBA, but management expects increase in revenue and other income during 2017. The unaudited financial statements for Q1 for 2MBA shows significant increase in profit as expected

Due to this fact and management expectations, the management in World Ticket expects that 2MBA will be able to pay their debt during 2017 or beginning of 2018.

11 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	2016	2015	2014	2013	2012
Balance at 1 January	1,805	1,805	1,805	1,805	1,715
Cash capital increase	0	0	0	0	90
	1,805	1,805	1,805	1,805	1,805

12 Other non-current liabilities

Non-current liabilities

DKK	Total liabilities at 31/12 2016	Repayment, next year	Non-current portion	Outstanding debt after 5 years
Other non-current liabilities	3,103	1,130	1,973	0
	3,103	1,13	1,973	0

13 Amounts owed to subsidiaries

FlexFlight ApS has given a declaration of support to the parent company WorldTicket A/S until at least 31. December 2017.

14 Other payables

Other payables mainly comprise prepayment of flight tickets which were not due by 31 December 2016 totalling DKK 37,739 thousand.

15 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 2016 amounts to DKK 730 thousand.

A company charge for DKK 392 thousand has been provided as collateral for the Company's balance with credit institutions.

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 2016, 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.

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

16 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

Related party transactions:

Related party transactions effected in 2016 were carried out on market terms and therefore related party transactions are not disclosed in the financial statements in accordance with the Danish financial act.

	Parent company	
DKK'000	2016	2015
17 Proposed profit appropriation/distribution of loss		
Proposed profit appropriation/distribution of loss		
Reserve for development costs	10,260	0
Retained earnings	-10,135	732
	125	732

DKK'000	Consolidated 2016	2015
18 Changes in working capital		
Change in receivables	-6,518	-1,808
Change in trade	4,005	3,730
Change in other payables and prepayments	-1,462	12,987
	-3,975	14,909