Grant Thornton

Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

Worldticket A/S

Kultorvet 11,3, 1175 København K

Company reg. no. 29 79 46 26

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 30 July 2024.

DocuSigned by:
Keith Anthony Steele
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Keith Steele
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's statement

Today, the board of directors and the managing director have presented the annual report of Worldticket A/S for the financial year 1 January - 31 December 2023.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

København K, 30 July 2024

Managing Director

DocuSigned by:
Adam Weiss
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Adam Randall Weiss

Board of directors

DocuSigned by: DF9B492F396A415...	DocuSigned by: Josh Wander 1D763C43EC58465...	DocuSigned by: Adam Weiss 13E96D2EEF0F425...
Steven William Pasko Chairman	Joshua Craig Wander Deputy Chairman	Adam Randall Weiss

Independent auditor's report

To the Shareholders of Worldticket A/S

Adverse Opinion

We have audited the financial statements of Worldticket A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" section of our report, the financial statements do not give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Adverse conclusion

The Financial statements have been prepared under the assumption that the company is going concern. Since the company is loss making and have negative equity the company is dependent on continued financial support from the parent company. The company's ultimate shareholde 777 partners, is going though a process of reconstruction following financial difficulties in other of their investments and management has not provided evidence on the ability of the parent company to continue to support the company. Consequently there is significant uncertainty regarding the ability of the company to continue its operation. Management has not disclosed the mentioned significant uncertainties in the Financial Statemetns and due to the significant uncertainty relating to the company's ability to continue its operation some of the assets and liabilities may be inappropiately measured. which is not in accordance with the Companies Accounts Act.

The company's shareholder decided to make a capital contribution of USD 12 million on 17 August 2023, however the funds have only partially been contributed, resulting in a total receivable from group enterprises of DKK 82 million as at 31 December 2023. The company's shareholder has been unable to pay the contributed amount. We therefore qualify our opnion in respect of the valuation of the receivables from group enterprises.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

Independent auditor's report

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 Management's Review

Management is responsible for Management's Review.

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

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

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

As evident from the matter described in the "Basis for Adverse conclusion" section of our report, our opinion on the financial statements is modified due to the going concern assumption not being documented and explained in Financial statements We found that, for the same reason, the Management's Review contains material misstatements in relation to the amounts and other elements affected by material uncertainty relating to going concern

Copenhagen, 30 July 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

M.Beuchert
Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company	Worldticket A/S Kultorvet 11,3 1175 København K	
	Company reg. no.	29 79 46 26
	Established:	16 October 2006
	Financial year:	1 January - 31 December
Board of directors	Steven William Pasko, Chairman Joshua Craig Wander, Deputy Chairman Adam Randall Weiss	
Managing Director	Adam Randall Weiss	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management´s review

Description of key activities of the company

WorldTicket is a market-leading tier-two provider of sales and distribution platforms for regional, midsized 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. In addition, WorldTicket offering partnership of credit cards sales through PSP solutions with a strong risk adverse focus.

W1 PAY:

By combining our SaaS solution and the W2 code capabilities, WorldTicket provides regional, midsized 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. Affiliated company FlexFlight ApS (Flexflight AIR) operates the required passenger scheduled services to comply with IATA regulations for having the two-letter code, W2. As such, the company is operated with a strong risk adverse focus but within the legislative requirements to maintain the W2 code.

Worldticket A/S’ wholly owned subsidiary, Worldticket OTA ApS, has the purpose to offer online travel agency and GSA services packages to our airline customers for both call-center services and yield management services as well as packages for easier set-up of sales of 3rd party products (car rental, hotel, insurance etc.) and packages for improvement of their online presence by WorldTicket online marketing specialists. WorldTicket group revenue streams stem from the SaaS passenger-based W1 SMS transactions, the W1 pay, the W2 SUB and W2 TKT airline ticketing partnerships as well as from the Flexflight 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

The gross loss for the year totals -16.447 DKK against -25.011 tDKK last year. Income or loss from ordinary activities after tax totals -34.257 tDKK against -55.639 tDKK last year. Management considers the net profit or loss for the year unsatisfactory.

Management further expects a loss in 2024 as well as negative liquidity

Management´s review

Events occurring after the end of the financial year

Afther the year end, the W2 business has been sold to the affiliated company FlexFlight A/S.

Income statement 1 January - 31 December

DKK thousand.

Note		2023	2022
	Gross loss	**-16.447**	**-25.011**
2	Staff costs	-7.893	-7.964
	Depreciation, amortisation, and impairment	-10.636	-11.611
	Other operating costs	0	-4
	Operating profit	**-34.976**	**-44.590**
	Income from equity investments in subsidiaries	-687	-446
	Income from investments in associates	1.701	1.523
3	Other financial income	786	1.690
4	Other financial costs	-1.077	-1.872
	Pre-tax net profit or loss	**-34.253**	**-43.695**
	Tax on net profit or loss for the year	-4	-11.944
	Profit or loss from ordinary activities after tax	**-34.257**	**-55.639**
	Net profit or loss for the year	**-34.257**	**-55.639**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-34.257	-55.639
	Total allocations and transfers	**-34.257**	**-55.639**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2023	2022
	Non-current assets		
5	Completed development projects, including patents and similar rights arising from development projects	0	10.432
6	Concessions, patents, licenses, trademarks, and similar rights acquired	531	558
	Total intangible assets	531	10.990
7	Plant and equipment	166	246
	Total property, plant, and equipment	166	246
8	Investments in group enterprises	0	26
9	Investments in participating interests	10.973	9.273
	Total investments	10.973	9.299
	Total non-current assets	**11.670**	**20.535**
	Current assets		
	Trade receivables	2.964	8.844
	Receivables from group enterprises	83.191	15.783
	Other receivables	92	605
	Prepayments and accrued income	392	393
	Total receivables	86.639	25.625
	Cash on hand and demand deposits	8.259	2.488
	Total current assets	**94.898**	**28.113**
	Total assets	**106.568**	**48.648**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	1.805	1.805
	Reserve for development costs	0	8.137
	Retained earnings	1.209	-54.927
	Total equity	**3.014**	**-44.985**
	Provisions		
10	Provisions for equity investments in group enterprises	31	0
	Total provisions	**31**	**0**
	Liabilities other than provisions		
	Other payables	1.699	1.538
	Total long term liabilities other than provisions	1.699	1.538
	Prepayments received from customers	43.958	17.680
	Trade payables	6.814	5.530
	Payables to associates	25.965	67.463
	Other payables	1.881	1.422
	Accruals and deferred income	23.206	0
	Total short term liabilities other than provisions	101.824	92.095
	Total liabilities other than provisions	**103.523**	**93.633**
	Total equity and liabilities	**106.568**	**48.648**

1 Liquidity and capital resources

11 Contingencies

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2023	1.805	8.137	-54.927	-44.985
Retained earnings for the year	0	0	-26.120	-26.120
Transferred to retained earnings	0	-8.137	0	-8.137
Exchange rate adjustments	0	0	218	218
Capital contributions	0	0	82.038	82.038
	1.805	**0**	**1.209**	**3.014**

Notes

DKK thousand.

1. Liquidity and capital resources

The company has negative liquidity and a net loss for the year. Management further expects a loss as well as negative liquidity for the financial year 2024. Management plans that the negative liquidity will be financed through capital contributions from group companies. The company's ability to be going concern is therefore dependent on continued support from the from the group.

	2023	2022
2. Staff costs		
Salaries and wages	7.569	7.638
Pension costs	244	233
Other costs for social security	80	93
	7.893	**7.964**
Average number of employees	9	11
3. Other financial income		
Interest, banks	112	0
Group interest	475	0
Exchange differences	199	1.690
	786	**1.690**
4. Other financial costs		
Other financial costs	1.077	1.872
	1.077	**1.872**

Notes

DKK thousand.

		31/12 2023	31/12 2022
5.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2023	67.793	67.793
	Cost 31 December 2023	**67.793**	**67.793**
	Amortisation and writedown 1 January 2023	-57.361	-45.961
	Amortisation and depreciation for the year	-10.432	-11.400
	Amortisation and writedown 31 December 2023	**-67.793**	**-57.361**
	Carrying amount, 31 December 2023	**0**	**10.432**
6.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 January 2023	959	2.350
	Additions during the year	0	61
	Disposals during the year	0	-1.452
	Cost 31 December 2023	**959**	**959**
	Amortisation and writedown 1 January 2023	-401	-1.819
	Amortisation and depreciation for the year	-27	-34
	Reversal of depreciation, amortisation, and impairment loss, assets disposed of	0	1.452
	Amortisation and writedown 31 December 2023	**-428**	**-401**
	Carrying amount, 31 December 2023	**531**	**558**

Notes

DKK thousand.

		31/12 2023	31/12 2022
7.	**Plant and equipment**		
	Cost 1 January 2023	762	1.467
	Additions during the year	98	315
	Disposals during the year	0	-1.020
	Cost 31 December 2023	**860**	**762**
	Depreciation and writedown 1 January 2023	-516	-1.363
	Amortisation and depreciation for the year	-178	-137
	Depreciation, amortisation and impairment loss for the year, assets disposed of	0	984
	Depreciation and writedown 31 December 2023	**-694**	**-516**
	Carrying amount, 31 December 2023	**166**	**246**

Notes

DKK thousand.

		31/12 2023	31/12 2022
8.	**Investments in group enterprises**		
	Cost 1 January 2023	3.602	3.929
	Additions during the year	0	-21
	Disposals during the year	0	-306
	Cost 31 December 2023	**3.602**	**3.602**
	Writedown, opening balance 1 January 2023	-5.389	-1.058
	Correction of previous writedown	0	-3.043
	Translation at the exchange rate at the balance sheet date	218	-304
	Net profit or loss for the year before amortisation of goodwill	-844	-416
	Other movements in capital 1	155	-568
	Writedown 31 December 2023	**-5.860**	**-5.389**
	Offset against receiveables	2.227	1.813
	Transferred to provisions	31	0
	Set off against debtors and provisions for liabilities	**2.258**	**1.813**
	Carrying amount, 31 December 2023	**0**	**26**

Group enterprises:

	Domicile	**Equity interest**
Worldticket China Ltd	China	100 %
Worldticket Thailand Ltd	Thailand	100 %
Worldticket OTA ApS	Denmark	100 %
Worldticket Ltd	United Kingdoms	100 %

Notes

DKK thousand.

		31/12 2023	31/12 2022
9.	**Investments in participating interests**		
	Cost 1 January 2023	306	0
	Additions during the year	0	306
	Cost 31 December 2023	**306**	**306**
	Revaluations, opening balance 1 January 2023	8.967	0
	Correction of previous revaluations	0	2.067
	Net profit or loss for the year before amortisation of goodwill	1.700	1.523
	Other movements in capital	0	5.377
	Revaluations 31 December 2023	**10.667**	**8.967**
	Carrying amount, 31 December 2023	**10.973**	**9.273**

Participating interests:

	Domicile	Equity interest
Flexflight ApS	Roskilde	49,99 %

10.	**Provisions for equity investments in group enterprises**		
	Provision for negative equity in subsidiaries	31	0
		31	**0**

11. Contingencies

Contingent liabilities

The total rental obligation at 31. december 2023 amount to 539 thousand.

The company has issued payment guarantees with creditors totalling 4.472 thousand.

Notes

DKK thousand.

11. Contingencies (continued)

Contingent liabilities (continued)

Other liabilities:

The company has pledged unlimited financial support to Worldticket OTA ApS for a period of 12 months.

The company is currently involved in a legal dispute with a customer that involves a total claim amounting to EUR 3,535 thousand, equivalent to DKK 24,346 thousand. This claim is jointly raised against Worldticket A/S and the affiliated company Flexflight ApS. The outcome of this case and the financial impact remain uncertain at this stage.

Additionally, the company is engaged in a dispute with a supplier, for which management is unable to determine the potential financial impact of any claims that may arise.

Furthermore, the company is involved in a dispute with a former member of the board, where a claim of DKK 1,774 thousand has been raised.

Management assesses that there is a low probability that these matters will result in a significant financial burden on the company's resources.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Worldticket A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Accounting policies

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries and associates as well as participating interest

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the individual associates are recognised in the income statement as a proportional share of the associate' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the individual participating interests are recognised in the income statement as a proportional share of the participating interest' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Capitalized development projects are armotized over 6 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries, associates og participating interest are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries and associates as well as participating interest

Investments in subsidiaries and associates as well as participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in subsidiaries and associates as well as participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries and associates as well as participating interest but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries and associates as well as participating interest with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries and associates as well as participating interest transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries and associates as well as participating interest.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

As administration company, Worldticket A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Accounting policies

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.