

Worldticket A/S

Kultorvet 11, 3., 1175 Copenhagen K

CVR no. 29 76 46 26

Annual report 2019

Approved at the Company's annual general meeting on 9 October 2020

Chairman:

DocuSigned by:

Claus Boysen

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Claus Boysen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Worldticket A/S for the financial year 1 January - 31 December 2019.

The annual report is 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 Company at 31 December 2019 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 9 October 2020
Executive Board:

DocuSigned by:

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Adam Randall Weiss

Board of Directors:

DocuSigned by:

.....DF9B492F396A415.....
Steven William Pasko
Chairman

DocuSigned by:

.....FC768EG395214A8.....
Joshua Craig Wander

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Adam Randall Weiss

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Lasse Meilsøe

Independent auditor's 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 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and 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 2019, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

Our objectives are to obtain reasonable assurance as to 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 the financial statements.

Independent auditor's report

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

- ▶ 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 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 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 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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 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 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 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 the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Independent auditor's report

Report on other legal and regulatory requirements

Late submission of the annual report

The Company has not observed the deadline for submission of the annual report for 2019. Management may incur liability in this respect.

Odense, 9 October 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Name	Worldticket A/S
Address, Postal code, City	Kultorvet 11, 3., 1175 Copenhagen K
CVR no.	29 76 46 26
Established	1 March 1900
Financial year	1 January - 31 December
Board of Directors	Steven William Pasko, Chairman Joshua Craig Wander Adam Randall Weiss Lasse Meilsøe
Executive Board	Adam Randall Weiss
Auditors	EY Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

Management's review

Financial highlights for the Group

DKK'000	2019	2018	2017	2016	2015
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Key figures

Revenue	77,309	69,398	89,080	48,417	54,800
Profit/loss for the year	3,522	-5,914	480	125	2,488

Total assets	87,976	80,919	100,127	58,634	55,965
Equity	1,995	-1,527	4,387	3,907	3,782

Cash flows from operating activities	15,226	-6,423	25,040	-7,939	15,862
Total cash flows	3,067	-25,513	20,229	-9,565	15,070

Financial ratios

Operating margin	7.1%	-9.9%	7.2%	3.0%	7.0%
Gross margin	53.9%	36.2%	28.2%	79.7%	54.0%
EBITDA-margin	19.1%	2.3%	11.4%	13.8%	17.8%
Return on equity	1,505.1%	-413.6%	11.6%	3.3%	65.8%

Average number of employees	120	118	91	78	59
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Management's review

Business review

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, 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 ApS (Flexflight 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. Flexflight ApS wholly owned subsidiary, Flexflight Srl in San Marino has also obtained an AOC in San Marino. The two AOC's is approved by the same group of NP's and offers the opportunity to operate commercially with several type certificates (FAA, Transport Canada, EASA).

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.

Financial review

The income statement for 2019 shows a profit of DKK 3,522 thousand against a loss of DKK 5,914 thousand last year, and the group's balance sheet at 31 December 2019 shows equity of DKK 1,995 thousand. Management expects 2020 to be a challenging year due to the impact COVID-19 has on the industry. 100% of Worldticket A/S has been sold in 2020 and the new owner has supported the company with liquidity within the budget for the next 12 months in order to continue the company's focus on supporting and developing for its customers.

Events after the balance sheet date

Management expects 2020 to be a challenging year due to the impact COVID-19 has on the industry. 100% of Worldticket A/S has been sold in 2020 and the new owner has supported the company with liquidity to continue the company's focus on supporting and developing for its customers.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2019	2018	2019	2018
	Revenue	77,309	69,398	14,196	27,614
	Other operating income	0	12	0	1,756
	Other external expenses	-35,678	-44,270	-14,064	-16,414
	Gross profit	41,631	25,140	132	12,956
3	Staff costs	-26,814	-23,512	-15,613	-12,061
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-9,237	-8,494	-2,069	-8,312
	Other operating expenses	-81	0	-81	0
	Profit/loss before net financials	5,499	-6,866	-17,631	-7,417
	Income from investments in group enterprises	0	0	22,367	389
4	Financial income	1,118	1,108	152	396
5	Financial expenses	-1,894	-1,501	-591	-771
	Profit/loss before tax	4,723	-7,259	4,297	-7,403
6	Tax for the year	-1,201	1,345	-775	1,490
	Profit/loss for the year	3,522	-5,914	3,522	-5,913
	Recommended appropriation of profit/loss				
	Other statutory reserves			6,356	-7,529
	Retained earnings/accumulated loss			-2,834	1,616
				3,522	-5,913

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2019	2018	2019	2018
		ASSETS			
		Fixed assets			
7		Intangible assets			
		Completed development projects			
		41,213	38,269	15,757	5,935
		Acquired intangible assets			
		675	704	675	704
		<u>41,888</u>	<u>38,973</u>	<u>16,432</u>	<u>6,639</u>
8		Property, plant and equipment			
		Land and buildings			
		1,179	1,189	0	0
		Fixtures and fittings, other plant and equipment			
		574	816	283	407
		<u>1,753</u>	<u>2,005</u>	<u>283</u>	<u>407</u>
9		Investments			
		Investments in group enterprises			
		0	0	24,415	1,646
		Receivables from group enterprises			
		5,528	5,867	5,528	5,867
		Other receivables			
		22	117	0	0
		Deposits, investments			
		765	0	749	95
		<u>6,315</u>	<u>5,984</u>	<u>30,692</u>	<u>7,608</u>
		Total fixed assets			
		<u>49,956</u>	<u>46,962</u>	<u>47,407</u>	<u>14,654</u>
		Non-fixed assets			
		Inventories			
		Finished goods and goods for resale			
		26	0	0	0
		<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>
		Receivables			
		Trade receivables			
		10,009	4,889	6,045	4,115
		Receivables from group enterprises			
		2,165	0	2,722	0
		Deferred tax assets			
		989	3,246	12	1,808
		Corporation tax receivable			
		1,136	0	1,101	0
10		Other receivables			
		8,416	12,548	838	5,077
		Prepayments			
		2,632	3,927	513	1,781
		<u>25,347</u>	<u>24,610</u>	<u>11,231</u>	<u>12,781</u>
		Cash			
		12,647	9,347	880	114
		Total non-fixed assets			
		<u>38,020</u>	<u>33,957</u>	<u>12,111</u>	<u>12,895</u>
		TOTAL ASSETS			
		<u>87,976</u>	<u>80,919</u>	<u>59,518</u>	<u>27,549</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2019	2018	2019	2018
		EQUITY AND LIABILITIES			
		Equity			
11	Share capital	1,805	1,805	1,805	1,805
	Revaluation reserve	580	558	0	0
	Reserve for development costs	12,291	5,935	12,291	5,935
	Retained earnings	-12,681	-9,825	-12,101	-9,267
	Total equity	1,995	-1,527	1,995	-1,527
	Provisions				
9	Provision, investments in group enterprises	0	0	8,339	8,339
	Total provisions	0	0	8,339	8,339
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
	Other payables	1,140	1,031	1,140	1,031
		1,140	1,031	1,140	1,031
	Current liabilities other than provisions				
	Bank debt	273	40	0	0
	Prepayments received from customers	759	1,528	759	1,528
	Trade payables	11,940	9,946	7,227	7,501
	Payables to group enterprises	206	0	18,171	301
	Payables to shareholders and management	314	0	314	0
12	Other payables	70,002	68,439	21,573	10,376
	Deferred income	1,347	1,462	0	0
		84,841	81,415	48,044	19,706
	Total liabilities other than provisions	85,981	82,446	49,184	20,737
	TOTAL EQUITY AND LIABILITIES	87,976	80,919	59,518	27,549

1 Accounting policies

2 Going concern

13 Contractual obligations and contingencies, etc.

14 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Group				
	Share capital	Revaluation reserve	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2018	1,805	558	13,464	-11,440	4,387
Transfer through appropriation of loss	0	0	-7,529	1,615	-5,914
Equity at 1 January 2019	1,805	558	5,935	-9,825	-1,527
Transfer through appropriation of profit	0	0	6,356	-2,856	3,500
Revaluations for the year	0	22	0	0	22
Equity at 31 December 2019	1,805	580	12,291	-12,681	1,995

DKK'000	Parent company			
	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2018	1,805	13,464	-10,883	4,386
Transfer through appropriation of loss	0	-7,529	1,616	-5,913
Equity at 1 January 2019	1,805	5,935	-9,267	-1,527
Transfer through appropriation of profit	0	6,356	-2,834	3,522
Equity at 31 December 2019	1,805	12,291	-12,101	1,995

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	DKK'000	2019	2018
	Profit/loss for the year	3,522	-5,914
15	Adjustments	9,230	6,846
	Cash generated from operations (operating activities)	12,752	932
16	Changes in working capital	2,474	-7,355
	Cash flows from operating activities	15,226	-6,423
	Additions of intangible assets	-11,633	-19,306
	Additions of property, plant and equipment	-105	0
	Purchase of financial assets	-654	0
	Cash flows to investing activities	-12,392	-19,306
	Contracting of other long-term liabilities	233	216
	Cash flows from financing activities	233	216
	Net cash flow	3,067	-25,513
	Cash and cash equivalents at 1 January	9,307	34,820
17	Cash and cash equivalents at 31 December	12,374	9,307

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Worldticket A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	5 years
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Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

The item includes dividend received from subsidiaries.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Other securities and investments

Securities which the Company intends to hold to maturity are measured at amortised cost, using the effective interest rate method at the date of acquisition. Value adjustments are recognised in the income statement under "Net financials".

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base 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 alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

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

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

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

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Notes to the financial statements

2 Going concern

Management expects 2020 to be a challenging year due to the impact COVID-19 has on the industry. 100% of Worldticket A/S has been sold in 2020 and the new owner has supported the company with liquidity within the budget for the next 12 months in order to continue the company's focus on supporting and developing for its customers.

	Group		Parent company	
	2019	2018	2019	2018
DKK'000				
3 Staff costs				
Wages/salaries	25,387	21,987	15,123	11,607
Pensions	522	505	340	303
Other social security costs	303	304	150	151
Other staff costs	602	716	0	0
	<u>26,814</u>	<u>23,512</u>	<u>15,613</u>	<u>12,061</u>
Average number of full-time employees	<u>120</u>	<u>118</u>	<u>98</u>	<u>97</u>
4 Financial income				
Other financial income	<u>1,118</u>	<u>1,108</u>	<u>152</u>	<u>396</u>
	<u>1,118</u>	<u>1,108</u>	<u>152</u>	<u>396</u>
5 Financial expenses				
Other financial expenses	<u>1,894</u>	<u>1,501</u>	<u>591</u>	<u>771</u>
	<u>1,894</u>	<u>1,501</u>	<u>591</u>	<u>771</u>
6 Tax for the year				
Estimated tax charge for the year	-35	0	0	0
Deferred tax adjustments in the year	2,297	-1,345	1,876	-1,490
Tax adjustments, prior years	<u>-1,061</u>	<u>0</u>	<u>-1,101</u>	<u>0</u>
	<u>1,201</u>	<u>-1,345</u>	<u>775</u>	<u>-1,490</u>

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Notes to the financial statements

7 Intangible assets

DKK'000	Group		Total
	Completed development projects	Acquired intangible assets	
Cost at 1 January 2019	82,713	2,350	85,063
Additions	11,794	0	11,794
Cost at 31 December 2019	94,507	2,350	96,857
Impairment losses and amortisation at 1 January 2019	44,444	1,646	46,090
Impairment losses for the year	7,039	0	7,039
Amortisation for the year	1,811	29	1,840
Impairment losses and amortisation at 31 December 2019	53,294	1,675	54,969
Carrying amount at 31 December 2019	41,213	675	41,888

In 2019, development costs capitalised totalled DKK 11,794 thousand. Recognition of development costs were made as the Company expected to realise the sales forecasts for 2020 and to generate significant cash flows in 2020 from the development projects. Management expects that profits of operations and cash flows will be in line with the budget for 2020 however it for the profits of operations part requires that some of the promising sales pipeline materializes to sales in 2020 as budgeted. But the management expects that 2020 will change this picture. In the financial year, amortisation and depreciation of development costs totalled DKK 1,840 thousand which had been capitalised in previous years. Recognition is based on expectations of realising the Company's sales budgets. Increase sales to new customers at new markets. The budgets and forecasts prepared are Management's best estimate of the development but can of course be challenged by the current covid-19 situation.

Finalised development projects includes the development of the Company's products. Investments in the year relate primarily to the development of new production facilities for new payment solutions, travel agent module, further development of e-commerce platform, new inventory platform. Ongoing development projects are expected to be finalised during 2020-2021. 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 2020-2021. Management has not identified any evidence of impairment relative to the carrying amount.

DKK'000	Parent company		Total
	Completed development projects	Acquired intangible assets	
Cost at 1 January 2019	7,628	2,350	9,978
Additions	11,633	0	11,633
Cost at 31 December 2019	19,261	2,350	21,611
Impairment losses and amortisation at 1 January 2019	1,693	1,646	3,339
Amortisation for the year	1,811	29	1,840
Impairment losses and amortisation at 31 December 2019	3,504	1,675	5,179
Carrying amount at 31 December 2019	15,757	675	16,432

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Notes to the financial statements

8 Property, plant and equipment

DKK'000	Group		
	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2019	1,250	1,893	3,143
Additions	0	105	105
Cost at 31 December 2019	1,250	1,998	3,248
Impairment losses and depreciation at 1 January 2019	61	1,077	1,138
Depreciation	10	347	357
Impairment losses and depreciation at 31 December 2019	71	1,424	1,495
Carrying amount at 31 December 2019	1,179	574	1,753

DKK'000	Parent company
	Fixtures and fittings, other plant and equipment
Cost at 1 January 2019	1,215
Additions	105
Cost at 31 December 2019	1,320
Revaluations at 1 January 2019	0
Revaluations at 31 December 2019	0
Impairment losses and depreciation at 1 January 2019	808
Depreciation	229
Impairment losses and depreciation at 31 December 2019	1,037
Carrying amount at 31 December 2019	283

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Notes to the financial statements

9 Investments

DKK'000	Parent company			Total
	Investments in group enterprises	Receivables from group enterprises	Deposits, investments	
Cost at 1 January 2019	7,856	5,867	95	13,818
Additions	0	0	654	654
Disposals	0	-339	0	-339
Cost at 31 December 2019	7,856	5,528	749	14,133
Value adjustments at 1 January 2019	-6,210	0	0	-6,210
Profit/loss for the year	1,364	0	0	1,364
Adjustment related to reduction of debts	21,405	0	0	21,405
Value adjustments at 31 December 2019	16,559	0	0	16,559
Carrying amount at 31 December 2019	24,415	5,528	749	30,692

Parent company

Name	Interest
Subsidiaries	
Flexflight ApS	100.00%
Worldticket OTA ApS	100.00%

DKK'000	Group		Parent company	
	2019	2018	2019	2018
10 Other receivables				
Leases	140	948	140	948
Tax	2,193	2,193	0	0
Other receivables	6,083	9,407	698	4,129
	8,416	12,548	838	5,077

DKK'000	Parent company	
	2019	2018
11 Share capital		
Analysis of the share capital:		
665,264 A shares of DKK 1.00 nominal value each	665	665
1,140,000 B shares of DKK 1.00 nominal value each	1,140	1,140
	1,805	1,805

The parent's share capital has remained DKK 1,805 thousand in the past year.

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Notes to the financial statements

DKK'000	Group		Parent company	
	2019	2018	2019	2018
12 Other payables				
Customer debt	70,002	68,439	21,573	10,376
	<u>70,002</u>	<u>68,439</u>	<u>21,573</u>	<u>10,376</u>

13 Contractual obligations and contingencies, etc.

Other financial obligations

Group

The company has signed a lease agreement in China and Thailand, where the lease is non-cancellable until 31.12.2020 for the lease of office space. In Denmark the lease can be cancelled with 6 months' notice. The total rental obligation at 31. december 2019 amount to 1.087 thousand.

Parent company

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. 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.

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

14 Related parties

Group

Parent company

Significant influence

Related party	Domicile	Basis for significant influence
Celine e-Bizz Ltd.	United Kingdom	Capitalowner
Erik Martin Troelsen Pretzmann	Switzerland	Capitalowner

Transactions with related parties

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

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Notes to the financial statements

DKK'000	Group	
	2019	2018
15 Adjustments		
Amortisation/depreciation and impairment losses	9,237	8,495
Financial income	1,118	1,108
Financial expenses	-1,894	-1,501
Tax for the year	-507	-1,345
Other adjustments	1,276	89
	<u>9,230</u>	<u>6,846</u>
16 Changes in working capital		
Change in receivables	402	5,445
Change in trade and other payables	6,152	-11,325
Other changes in working capital	-4,080	-1,475
	<u>2,474</u>	<u>-7,355</u>
17 Cash and cash equivalents at year-end		
Cash according to the balance sheet	12,647	9,347
Short-term debt to banks	-273	-40
	<u>12,374</u>	<u>9,307</u>