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Worldticket A/S

Kultorvet 11,3, 29794626 København

Company reg. no. 29 79 46 26

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 22 August 2022.

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 2021.

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 consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2021, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2021.

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.

626 København, 22 August 2022

Managing Director

Adam Randall Weiss

Board of directors

Steven William Pasko	Joshua Craig Wander	Adam Randall Weiss
Lasse Meilsøe		

Independent auditor's report

To the Shareholders of Worldticket A/S

Opinion

We have audited the consolidated financial statements and the financial statements of Worldticket A/S for the financial year 1 January to 31 December 2021, which comprise income statement, statement of financial position, statement of changes in equity and notes, including a summary of significant accounting policies, consolidated and of the company, respectively, as well as consolidated statement of cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2021 and of the results of the company's activities, consolidated and of the company, respectively as well as the consolidated cash flows, for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". 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.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

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

In preparing the consolidated financial statements and the financial statements, management is responsible for assessing the group's and 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 unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated annual accounts and the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 consolidated financial statements and financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 the 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 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 preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the group's and 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 consolidated financial statements and 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the consolidated financial statements and the financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the 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 the 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 financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the Management’s Review is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management’s Review.

Copenhagen, 22 August 2022

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

Anders Flymer-Dindler
State Authorised Public Accountant
mne35423

Company information

The company	Worldticket A/S Kultorvet 11,3 29794626 København	
	Company reg. no.	29 79 46 26
	Established:	16 October 2006
	Financial year:	1 January - 31 December
Board of directors	Steven William Pasko Joshua Craig Wander Adam Randall Weiss Lasse Meilsøe	
Managing Director	Adam Randall Weiss	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiaries	Flexflight ApS, Denmark Worldticket China Ltd, China Worldticket Thailand Ltd, Thailand Worldticket OTA ApS, Denmark Worldticket Ltd, United Kingdoms	

Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Revenue	79.818	50.066	83.852	69.398	89.017
Net profit or loss for the year	-49.885	-20.074	3.522	-5.914	480
Statement of financial position:					
Balance sheet total	101.698	95.720	87.953	80.919	100.127
Equity	7.592	20.578	1.995	-1.527	4.387
Cash flows:					
Operating activities	-15.970	-24.994	15.226	-6.426	25.040
Total cash flows	16.470	1.780	3.067	-25.513	20.229
Employees:					
Average number of full-time employees	61	89	120	118	91
Key figures in %:					
Gross margin ratio	5,9	31,9	36,2	28,2	79,7
Profit margin (EBIT-margin)	-56,4	-48,4	-9,9	7,2	3,0
Solvency ratio	5,1	18,7	2,3	-1,9	4,4

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio

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

Profit margin (EBIT margin)

$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Solvency ratio

$$\frac{\text{Equity less non-controlling interests, closing balance x 100}}{\text{Total assets, closing balance}}$$

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, 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. 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.

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.

Management´s review

Development in activities and financial matters

The income statement for 2021 shows a loss of DKK 49.885 thousand against a loss of DKK 20.074 thousand last year, and the group's balance sheet at 31 December 2020 shows equity of DKK 7.592 thousand.

The loss for the year has been impacted by the effect of COVID-19 on the airline industry in 2021. Management expects an increase in revenue and the results in 2022 with the uncertainties in the industry related to the pandemic

The parent company has supported the company, during the financial year, with group contribution of total DKK 37.555 thousand.

The company has received a letter of support from the parent company ensuring that the company is going concern 12 month forward. Reference is furthermore made to note 1.

Events occurring after the end of the financial year

No events have occured after the end of the financial year.

Income statement 1 January - 31 December

DKK thousand.

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Revenue	79.818	50.066	12.124	18.427
	Other operating income	3.565	1.839	1.030	520
	Costs of raw materials and consumables	-57.515	-16.913	0	0
	Other external costs	-21.197	-19.034	-14.988	-16.126
	Gross profit	**4.671**	**15.958**	**-1.834**	**2.821**
3	Staff costs	-28.763	-29.100	-24.128	-13.534
	Depreciation, amortisation, and impairment	-16.925	-11.077	-16.348	-10.713
	Other operating costs	-3.988	0	-3.407	0
	Operating profit	**-45.005**	**-24.219**	**-45.717**	**-21.426**
	Income from equity investments in subsidiaries	0	0	-832	-7.030
4	Other financial income	787	1.309	780	543
5	Other financial costs	-7.931	-3.386	-6.906	-2.126
	Pre-tax net profit or loss	**-52.149**	**-26.296**	**-52.675**	**-30.039**
6	Tax on net profit or loss for the year	2.264	6.222	2.454	8.833
	Profit or loss from ordinary activities after tax	**-49.885**	**-20.074**	**-50.221**	**-21.206**
7	**Net profit or loss for the year**	**-49.885**	**-20.074**	**-50.221**	**-21.206**
	Break-down of the consolidated profit or loss:				
	Shareholders in Worldticket A/S	-50.221	-21.206		
	Non-controlling interests	336	1.132		
		-49.885	**-20.074**		

Balance sheet at 31 December

DKK thousand.

Note	Assets	Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
8	Completed development projects, including patents and similar rights arising from development projects	22.335	36.836	21.832	38.027
9	Concessions, patents, licenses, trademarks, and similar rights acquired	532	648	531	648
	Total intangible assets	22.867	37.484	22.363	38.675
10	Property	1.159	1.169	0	0
11	Plant and equipment	1.467	1.251	104	33
	Total property, plant, and equipment	2.626	2.420	104	33
12	Equity investments in group enterprises	0	0	2.731	2.870
13	Deposits, investments	8.489	8.823	7.549	7.754
	Total investments	8.489	8.823	10.280	10.624
	Total non-current assets	**33.982**	**48.727**	**32.747**	**49.332**
	Current assets				
	Trade receivables	17.594	12.183	10.691	9.755
	Receivables from group enterprises	0	0	1.968	1.685
	Income tax receivables	11.778	11.814	11.778	11.778
	Other receivables	2.868	8.374	460	6.481
14	Prepayments and accrued income	4.852	468	40	86
	Total receivables	37.092	32.839	24.937	29.785
	Cash on hand and demand deposits	30.624	14.154	3.173	3.807
	Total current assets	**67.716**	**46.993**	**28.110**	**33.592**
	Total assets	**101.698**	**95.720**	**60.857**	**82.924**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
15	Contributed capital	1.805	1.805	1.805	1.805
16	Revaluation reserve	3	314	0	0
17	Reserve for development costs	17.029	8.735	17.029	8.734
	Other reserves	0	0	0	3.556
18	Retained earnings	-13.619	7.087	-13.615	3.846
	Equity before non-controlling interest.	5.218	17.941	5.219	17.941
	Non-controlling interests	2.374	2.637	0	0
	Total equity	**7.592**	**20.578**	**5.219**	**17.941**
	Provisions				
19	Provisions for deferred tax	2.035	2.040	1.790	1.790
20	Provisions for equity investments in group enterprises	0	0	351	1.996
	Total provisions	**2.035**	**2.040**	**2.141**	**3.786**
	Liabilities other than provisions				
	Other payables	2.084	1.250	1.360	1.250
	Total long term liabilities other than provisions	2.084	1.250	1.360	1.250

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	Group 2021	Group 2020	Parent 2021	Parent 2020
	Bank loans	0	0	0	3
	Prepayments received from customers	60.781	45.173	10.973	10.663
	Trade payables	17.471	10.842	2.244	5.288
	Payables to group enterprises	0	0	37.733	40.046
	Income tax payable	193	0	0	0
	Other payables	8.771	14.219	1.187	3.947
21	Accruals and deferred income	2.771	1.618	0	0
	Total short term liabilities other than provisions	89.987	71.852	52.137	59.947
	Total liabilities other than provisions	**92.071**	**73.102**	**53.497**	**61.197**
	Total equity and liabilities	**101.698**	**95.720**	**60.857**	**82.924**

1 Accounting policies

2 Liquidity and capital resources

22 Contingencies

23 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital not paid	Revaluation reserve	Reserve for development costs	Other reserves	Retained earnings	Non-controlling interests	Total
Equity 1 2021	1.805	314	8.735	0	7.087	2.637	20.578
Adjustments	0	0	0	0	3.255	-599	2.656
Transferred from retained earnings	0	-311	8.294	0	-58.516	336	-50.197
Capital contributions	0	0	0	0	34.555	0	34.555
	1.805	**3**	**17.029**	**0**	**-13.619**	**2.374**	**7.592**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2021	1.805	8.735	7.402	17.942
Transferred from retained earnings	0	8.294	-58.515	-50.221
Adjustments	0	0	2.965	2.965
Exchange rate differences	0	0	-22	-22
Capital contributions	0	0	34.555	34.555
	1.805	**17.029**	**-13.615**	**5.219**

Statement of cash flows 1 January - 31 December

DKK thousand.

Note		Group 2021	2020
	Net profit or loss for the year	-49.885	-20.074
24	Adjustments	21.805	6.932
	Change in working capital	12.523	-11.369
	Cash flows from operating activities before net financials	-15.557	-24.511
	Interest paid, etc.	-413	-483
	Cash flows from ordinary activities	-15.970	-24.994
	Cash flows from operating activities	**-15.970**	**-24.994**
	Purchase of intangible assets	-1.276	-6.042
	Purchase of property, plant, and equipment	-850	-1.643
	Sale of property, plant, and equipment	11	0
	Other changes in long term receiveables	0	-2.530
	Cash flows from investment activities	**-2.115**	**-10.215**
	Cash capital increase	34.555	37.152
	Other cash flows from financing activities	0	-163
	Cash flows from investment activities	**34.555**	**36.989**
	Change in cash and cash equivalents	**16.470**	**1.780**
	Cash and cash equivalents at 1 January 2021	14.154	12.374
	Cash and cash equivalents at 31 December 2021	**30.624**	**14.154**

		2021	2020
	Cash and cash equivalents		
	Cash on hand and demand deposits	30.624	14.154
	Cash and cash equivalents at 31 December 2021	**30.624**	**14.154**

Notes

1. Accounting policies

The annual report for Worldticket A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

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

The consolidated financial statements

The consolidated income statements comprise the parent company Worldticket A/S and those group enterprises of which Worldticket A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Notes

1. Accounting policies (continued)

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

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

Other operating income

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

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. Staff costs are less government reimbursements.

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.

Notes

1. Accounting policies (continued)

Results from equity investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' 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 parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group 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).

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 writedown 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.

Notes

1. Accounting policies (continued)

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
Property	50 years
Plant 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.

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 group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value 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 group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Notes

1. Accounting policies (continued)

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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

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

Investments in subsidiaries 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 but are not represented in the parent, the following accounting policies have been applied.

Notes

1. Accounting policies (continued)

Investments in subsidiaries 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 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.

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.

Receivables

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

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.

Notes

1. Accounting policies (continued)

Cash on hand and demand deposits

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

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property.

The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

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.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

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.

Notes

1. Accounting policies (continued)

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.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Notes

1. Accounting policies (continued)

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

2. Liquidity and capital resources

2021 has been a challenging year due to the impact COVID-19 has on the industry. The parent company has provided a capital contribution of 34,6 million DKK to cover the company's losses. The parent company has further provided a letter of support ensuring the company's liquidity for the next 12 months.

	Group		Parent	
	2021	2020	2021	2020
3. Staff costs				
Salaries and wages	27.370	27.548	23.803	13.164
Pension costs	488	676	259	259
Other costs for social security	202	390	66	111
Other staff costs	703	486	0	0
	28.763	**29.100**	**24.128**	**13.534**
Average number of employees	61	89	15	17
4. Other financial income				
Other financial income	4	15	0	0
Exchange differences	783	1.294	780	543
	787	**1.309**	**780**	**543**
5. Other financial costs				
Other financial costs	7.931	3.386	6.906	2.126
	7.931	**3.386**	**6.906**	**2.126**

Notes

DKK thousand.

6.	**Tax on net profit or loss for the year**				
	Tax on net profit or loss for the year	195	3.227	0	0
	Adjustment of deferred tax for the year	-5	1.228	0	1.844
	Adjustment of tax for previous years	-2.454	0	-2.454	0
	Other taxes	0	-10.677	0	-10.677
		-2.264	**-6.222**	**-2.454**	**-8.833**

		Parent	
		2021	2020
7.	**Proposed appropriation of net profit**		
	Transferred to other reserves	8.294	3.556
	Allocated from retained earnings	-58.515	-24.762
	Total allocations and transfers	**-50.221**	**-21.206**

Notes

DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
8.	**Completed development projects, including patents and similar rights arising from development projects**				
	Cost 1 January 2021	100.548	94.506	67.793	19.261
	Correction due to changes in accounting policies	1.276	0	0	0
	Additions concerning company transfer	0	0	0	42.656
	Additions during the year	0	6.042	0	5.876
	Transfers	-33.528	0	0	0
	Cost 31 December 2021	**68.296**	**100.548**	**67.793**	**67.793**
	Amortisation and writedown 1 January 2021	-63.712	-53.294	-29.766	-3.504
	Amortisation and impairment loss of additions concerning company transfer	0	0	0	-15.826
	Amortisation and depreciation for the year	-10.880	-10.418	-11.298	-10.436
	Impairment loss for the year	-4.897	0	-4.897	0
	Transfers	33.528	0	0	0
	Amortisation and writedown 31 December 2021	**-45.961**	**-63.712**	**-45.961**	**-29.766**
	Carrying amount, 31 December 2021	**22.335**	**36.836**	**21.832**	**38.027**

Notes

DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
9.	**Concessions, patents, licenses, trademarks, and similar rights acquired**				
	Cost 1 January 2021	2.358	2.350	2.350	2.350
	Cost 31 December 2021	**2.358**	**2.350**	**2.350**	**2.350**
	Amortisation and writedown 1 January 2021	-1.707	-1.675	-1.702	-1.675
	Amortisation and depreciation for the year	-119	-27	-117	-27
	Amortisation and writedown 31 December 2021	**-1.826**	**-1.702**	**-1.819**	**-1.702**
	Carrying amount, 31 December 2021	**532**	**648**	**531**	**648**

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
10.	**Property**				
	Cost 1 January 2021	1.250	1.250	0	0
	Cost 31 December 2021	**1.250**	**1.250**	**0**	**0**
	Depreciation and writedown 1 January 2021	-81	-71	0	0
	Amortisation and depreciation for the year	-10	-10	0	0
	Depreciation and writedown 31 December 2021	**-91**	**-81**	**0**	**0**
	Carrying amount, 31 December 2021	**1.159**	**1.169**	**0**	**0**

Notes

DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
11.	**Plant and equipment**				
	Cost 1 January 2021	3.642	1.998	1.321	1.320
	Additions concerning company transfer	0	1.643	0	0
	Additions during the year	850	1	146	1
	Disposals during the year	-11	0	0	0
	Cost 31 December 2021	**4.481**	**3.642**	**1.467**	**1.321**
	Depreciation and writedown 1 January 2021	-2.391	-1.424	-1.288	-1.038
	Amortisation and depreciation for the year	-623	-967	-75	-250
	Depreciation and writedown 31 December 2021	**-3.014**	**-2.391**	**-1.363**	**-1.288**
	Carrying amount, 31 December 2021	**1.467**	**1.251**	**104**	**33**

Notes

DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
12.	**Equity investments in group enterprises**				
	Cost 1 January 2021	0	0	3.929	7.856
	Disposals during the year	0	0	0	-3.927
	Cost 31 December 2021	**0**	**0**	**3.929**	**3.929**
	Revaluations, opening balance 1 January 2021	0	0	937	16.559
	Net profit or loss for the year before amortisation of goodwill	0	0	378	-5.082
	Other adjustments	0	0	-1.211	-29.745
	Adjustment related to reduction of debts	0	0	402	19.205
	Revaluation 31 December 2021	**0**	**0**	**506**	**937**
	Translation at the exchange rate at the balance sheet date	0	0	-22	0
	Depreciation on goodwill 31 December 2021	**0**	**0**	**-22**	**0**
	Transferred to provisions	0	0	-1.682	-1.996
	Set off against debtors and provisions for liabilities	**0**	**0**	**-1.682**	**-1.996**
	Carrying amount, 31 December 2021	**0**	**0**	**2.731**	**2.870**

Group enterprises:

	Domicile	Equity interest
Flexflight ApS	Denmark	49,99 %
Worldticket China Ltd	China	100 %
Worldticket Thailand Ltd	Thailand	100 %
Worldticket OTA ApS	Denmark	100 %
Worldticket Ltd	United Kingdoms	100 %

Notes

DKK thousand.

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
13.	**Deposits, investments**				
	Cost 1 January 2021	8.823	3.093	7.754	749
	Additions during the year	0	7.005	0	7.005
	Disposals during the year	-334	-1.275	-205	0
	Cost 31 December 2021	**8.489**	**8.823**	**7.549**	**7.754**
	Carrying amount, 31 December 2021	**8.489**	**8.823**	**7.549**	**7.754**
14.	**Prepayments and accrued income**				
	Other prepayments	4.852	468	40	86
		4.852	**468**	**40**	**86**

Prepayments comprise costs incurred concerning subsequent financial years.

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
15.	**Contributed capital**				
	Contributed capital 1 January 2021	1.805	1.805	1.805	1.805
		1.805	**1.805**	**1.805**	**1.805**

The capital consits of 665,254 A shares of DKK 1.00 nominal value each and 1,140,000 B shares of DKK 1.00 nominal value each.

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

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
16.	**Revaluation reserve**				
	Revaluation reserve 1 January 2021	314	580	0	0
	Revaluations for the year	-311	-266	0	0
		3	**314**	**0**	**0**

Notes

DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
17.	**Reserve for development costs**				
	Reserve for development costs 1 January 2021	8.735	12.291	8.735	15.495
	Transferred from retained earnings	8.294	-3.556	8.294	-6.761
		17.029	**8.735**	**17.029**	**8.734**
18.	**Retained earnings**				
	Retained earnings 1 January 2021	7.087	-12.681	7.402	-12.101
	Retained earnings for the year	-58.516	-17.384	-58.515	-21.205
	Other adjustments	3.255	0	2.965	0
	Exchange rate differences	0	0	-22	0
	Capital contribution	34.555	37.152	34.555	37.152
		-13.619	**7.087**	**-13.615**	**3.846**
19.	**Provisions for deferred tax**				
	Provisions for deferred tax 1 January 2021	2.040	-989	1.790	-12
	Deferred tax relating to the net profit or loss for the year	-5	3.029	0	1.802
		2.035	**2.040**	**1.790**	**1.790**
20.	**Provisions for equity investments in group enterprises**				
	Provision for negative equity in subsidiaries	0	0	351	1.996
		0	**0**	**351**	**1.996**

Notes

DKK thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
21. Accruals and deferred income				
Accruals and deferred income	2.771	1.618	0	0
	2.771	**1.618**	**0**	**0**

Deferred income consists of payments received from customers that cannot be recognised as revenue until in the subsequent financial year.

22. Contingencies

Contingent liabilities

Group

The total rental obligation at 31. december 2021 amount to 738 thousand.

The group has issued payment guarantees in connection with rent of office spaces totalling 539 thousand and 492 thousand to other creditors.

The group has pledged assets of 1.425 thousand for bank balances.

Parent company

The total rental obligation at 31. december 2021 amount to 403 thousand.

The company has issued payment guarantees in connection with rent of office spaces totalling 539 thousand.

The company has pledged assets of 450 thousand for bank balances.

Other liabilities:

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

Joint taxation

The Company is jointly taxed with the Danish subsidiary FlexFlight ApS and Worldticket OTA 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.

Notes

DKK thousand.

23. Related parties

Controlling interest

Joshua Craig Wander	Capitalowner

Transactions

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

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

24. Adjustments

Depreciation, amortisation, and impairment	16.925	11.077
Other financial income	-787	-1.309
Other financial costs	7.931	3.386
Tax on net profit or loss for the year	-2.264	-6.222
	21.805	**6.932**

25. Change in working capital

Change in inventories	0	7
Change in receivables	-4.270	2.197
Change in trade payables and other payables	16.770	-12.696
Other changes in working capital	23	-877
	12.523	**-11.369**