NUSTAY

Annual Report 2017

Nustay A/S

Nyhavn 43B, st. 1051 Copenhagen K

Business Registration No. 36 09 03 16

Contents

Entity details

Entity

Nustay A/S
Nyhavn 43B, st.
1051 Copenhagen K

Business Registration No. 36 09 03 16
Registered in: Copenhagen
Financial year: 1 January to 31 December 2017

Board of Directors

Lone Føns Schrøder, Chairman
Piyush Jain
Carl Erik Skovgaard
Simon Skouboe
Michael Telling Jørgensen

Executive Board

Mathias Lundø Nielsen, Chief Executive Officer

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

The Annual General Meeting adopted the annual report on 25 June 2018

Chairman of the General Meeting

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Name: Chantal Pernille Pate

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nustay A/S for the financial year 1 January to 31 December 2017.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2017 as well as the Entity's results and cash flows for the financial year 1 January to 31 December 2017.

In our opinion, the management commentary contains a fair review of the development of the Entity's business and financial matters, the results for the year and the Entity's financial position, together with a description of the principal risks and uncertainties that the Entity faces.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 7 June 2018

Executive Board

Mathias Lundø Nielsen
Chief Executive Officer

Board of Directors

Lone Føns Schrøder Chairman	Piyush Jain	Carl Erik Skovgaard
Simon Skouboe	Michael Telling Jørgensen	

Independent auditor's report

To the shareholders of Nustay A/S

Opinion

We have audited the financial statements of Nustay A/S for the financial year 1 January to 31 December 2017, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2017, and of the results of its operations and cash flows for the financial year 1 January to 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Independent auditor's report

Management's responsibilities for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Copenhagen, 7 June 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Claus Jorch Andersen	Bjørn Philip Rosendal
State-Authorised Public Accountant	State-Authorised Public Accountant
MNE no. mne33712	MNE no. mne40039

Management commentary

	2017 DKK'000	2016 DKK'000	2014/15 DKK'000
Financial highlights			
Key figures			
Revenue	1,086	118	4
Gross profit/(loss)	(2,774)	(2,546)	(1,296)
Operating profit/(loss) (EBIT)	(4,776)	(4,339)	(1,377)
Net financial income/(expenses)	48	(19)	(1)
Net profit/(loss) for the year	(4,187)	(3,728)	(1,077)
Total comprehensive income/(loss)	0	0	0
Balance sheet total	13,520	10,003	3,891
Equity	11,647	9,508	3,762
Investments in properties, plant and equipment	292	14	0
Average number of employees (number)	3	4	0
Ratios			
Profit margin (%)	(428)	(3,677)	(34,425)
Return on assets (%)	(35)	(43)	(35)
Return on equity (%)	(40)	(56)	-
Solvency ratio (%)	86	95	97

The Company was established on 16 September 2014 for which reason the financial year 2014/15 covers the period 16 September 2014 to 31 December 2015.

As of 2017, Nustay A/S presents its financial statements in accordance with International Financial Reports Standards. The comparative figures for 2016 are restated in accordance with IFRS while the comparative figures for 2014/15 are stated in accordance with Danish GAAP.

Financial highlights are defined and calculated in accordance with current recommendations issued by the Danish Society of Financial Analysts. The ratios have been compiled in accordance with the following calculation formulas:

$$\text{Profit margin} = \frac{\text{Operating profit/(loss) x 100}}{\text{Revenue}}$$

$$\text{Return on assets} = \frac{\text{Operating profit/(loss) x 100}}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit/(loss) for the year x 100}}{\text{Average equity}}$$

$$\text{Solvency ratio} = \frac{\text{Equity x 100}}{\text{Total assets}}$$

Management commentary

Primary activities

The Company's primary activities comprise the development, operation and marketing of IT systems for online communication and booking of hotel rooms.

Description of the results for the year

Revenue reached DKK 9,913 thousand. Net of hotel costs, fees and cancellation revenue reached DKK 1,086 thousand. Results for the year show a loss of DKK 4,187 thousand and equity of DKK 11,647 thousand at 31 December 2017.

The main focus for 2017 has been on further developing our platform and supplier network. This year's results are characterised by investments made in this connection.

Management is very satisfied with the investments made which have further improved the Company’s unique market position in a very competitive market.

Description of uncertainties related to recognition and measurement

At the 31 December 2017, the Company has recognised DKK 2,024 thousand regarding ongoing development projects and DKK 5,159 thousand regarding completed developments projects. The value of the development projects depends on the Company’s ability to develop, market and sell them.

Management believes that the Company will realise the implementation of its plans within a foreseeable future and Management has therefore deemed the valuation sound. If the Company's introduction of its product is delayed or if sales based on the Company's product deviate significantly from the plans, there may be uncertainty associated with the valuation.

Description of unusual events which may have affected recognition and measurement

It is important to highlight that in 2017, Nustay A/S solely focused on the platform development as reflected in the loss. The development of the platform is expected and planned to continue in the beginning of 2018.

Description of the Company’s expected development

The first six month of 2018 will constitute a development of the platform after which marketing investments are expected to trigger growth. A negative result in line with 2017 is expected but could change depending on the timing of the growth generated.

Intellectual capital resources

The main intellectual capital resources are related to our heavy investment in our technical platform as well our highly developed supplier network.

Management commentary

Particular risks

Business Risks are mainly related to the Company's ability to constantly offer the best prices on a customer friendly platform.

The Company is mitigating the risks by continuously investing in and developing our platform and supplier network.

Financial risks are explained in note 25.

Research and development costs

As earlier stated, the main activity of the Company has comprised the development of its platform and supplier network. This development is expected to continue alongside the commercialisation over the coming years.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report, except for the events mentioned below.

At 20 March 2018, Nustay A/S changed its legal form from a limited liability company to a listed company. This event does not have any impact on the financial statements.

Income statement for 2017

	Note	2017 DKK'000	2016 DKK'000
Revenue	4	1,086	118
Other external expenses	5	(3,860)	(2,664)
Gross profit/(loss)		**(2,774)**	**(2,546)**
Staff costs	6	(1,717)	(1,791)
Depreciation and amortisation	7	(285)	(2)
Operating profit/(loss) (EBIT)		**(4,776)**	**(4,339)**
Financial income	8	62	10
Financial expenses	9	(14)	(31)
Profit/(loss) before tax		**(4,728)**	**(4,357)**
Tax on profit/(loss) for the year	10	541	632
Profit/(loss) for the year		**(4,187)**	**(3,728)**
Earnings per share (based on 376,743 shares issued)			
Basic earnings per share	11	**(0.01)**	**(0.01)**
Diluted earnings per share	11	**(0.01)**	**(0.01)**
Profit/(loss) for the year		**(4,187)**	**(3,728)**
Other comprehensive income for the year		0	0
Comprehensive income for the year		**(4,187)**	**(3,728)**

Balance sheet at 31 December 2017

	Note	31.12.2017 DKK'000	31.12.2016 DKK'000	01.01.2016 DKK'000
Development projects completed	12	5,159	0	0
Development projects in progress	13	2,024	3,717	1,593
Intangible assets		**7,183**	**3,717**	**1,593**
Other fixtures and fittings, tools and equipment	14	202	12	0
Leasehold improvements	15	70	0	0
Property, plant and equipment		**272**	**12**	**0**
Deposits	16	407	61	0
Deferred tax	17	633	559	301
Other non-current assets		**1,040**	**620**	**301**
Non-current assets		**8,495**	**4,349**	**1,894**
Trade receivables	18	274	378	14
Other receivables	19	902	128	41
Prepayments	19	1,959	2,035	1,500
Receivables		**3,135**	**2,541**	**1,555**
Cash		**1,890**	**3,113**	**442**
Current assets		**5,025**	**5,654**	**1,997**
Assets		**13,520**	**10,003**	**3,891**

Balance sheet at 31 December 2017

	Note	31.12.2017 DKK'000	31.12.2016 DKK'000	01.01.2016 DKK'000
Share capital	20	377	337	240
Reserve for development costs		4,360	1,657	0
Retained earnings		6,910	7,514	3,522
Equity		**11,647**	**9,508**	**3,762**
Trade payables		1,426	302	85
Other payables	21	447	193	44
Current liabilities		**1,873**	**495**	**129**
Liabilities		**1,873**	**495**	**129**
Equity and liabilities		**13,520**	**10,003**	**3,891**

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Statement of changes in equity for 2017

	Share capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2017	337	1,657	7,514	9,508
Loss for the year	0	0	(4,187)	(4,187)
Capital increase[1]	40	0	6,048	6,088
Transferred to reserves	0	2,703	(2,703)	0
Share option program	0	0	238	238
Equity at 31 December 2017	**377**	**4,360**	**6,910**	**11,647**
Equity at 1 January 2016	240	0	3,522	3,762
Loss for the year	0	0	(3,728)	(3,728)
Capital increase	97	0	9,167	9,264
Transferred to reserves	0	1,657	(1,657)	0
Share option program	0	0	210	210
Equity at 31 December 2016	**337**	**1,657**	**7,514**	**9,508**

Reserves comprise the development costs reserve covering book value of capitalised development less amortisation, if any, and deferred tax (22%) since 1 January 2017.

[1]Capital increase composes of DKK 40 thousand in new share issued and a total share premium acount of DKK 6,048 thousand.

Cash flow statement for 2017

	Note	2017 DKK'000	2016 DKK'000
Operating profit/(loss) (EBIT)		(4,776)	(4,339)
Depreciation and amortisation		285	2
Other regulations		238	210
Working capital changes	23	777	(638)
		(3,476)	**(4,765)**
Income taxes received		467	375
Interest received		62	10
Interest paid		(14)	(31)
Cash flows from operating activities		**(2,961)**	**(4,411)**
Acquisition of intangibles		(3,719)	(2,120)
Acquisition of property, plant and equipment		(285)	(14)
Payment of deposits		(346)	(48)
Cash flows from investing activities		**(4,350)**	**(2,182)**
Capital increases		6,088	9,264
Cash flows from financing activities*		**6,088**	**9,264**
Increase/(decrease) in cash and cash equivalents		**(1,223)**	**2,671**
Cash and cash equivalents at 1 January 2017		3,113	442
Change in cash and cash equivalents 2017		(1,223)	2,671
Cash and cash equivalents at 31 December 2017		**1,890**	**3,113**

Reconciliation of liabilities arising from financing activities

	2016 DKK'000	Cash flows DKK'000	Acqui-sition DKK'000	Foreign exchange movement DKK'000	Fair value changes DKK'000	2017 DKK'000
Long- term borrowings	0	0	0	0	0	0
Short-term borrowings	495	1,378	0	0	0	1,873
	495	**1,378**	**0**	**0**	**0**	**1,873**

* The negative cash flow from operating activities due to development has been financed by capital increases by existing and new investors.

Notes

1. Accounting policies

General accounting policies

Nustay A/S presents its financial statements in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and disclosure requirements in accordance with the Danish Financial Statements Act for class B entities with additional disclosure for reporting class C enterprises.

Please see note 30 for accounting policies in general.

First-time adoption of IFRS

2017 is the first year in which the financial statements are presented in accordance with IFRS as adopted by EU. In previous years, the financial statements were presented in accordance with the Danish Financial Statements Act governing reporting class B enterprises with additional disclosure for reporting class C enterprises.

IFRS 1 (First-time Adoption of International Financial Reporting Standards) was applied in connection with the transition to IFRS. In accordance with IFRS 1, the comparative figures for 2016 have been restated in accordance with the standards in effect on 31 December 2017. The balance sheet at 1 January 2016 has been prepared as if the standards and interpretations had always been applied except in cases in which specific transitional and effective date provisions in IFRS 1 apply. Please refer to note 29 for a reconciliation when comparing Danish Financial Statements Act with IFRS

Basis for presentation

The financial statements (including comparative figures) included in this annual report are presented in DKK 1,000.

The financial statements are presented in DKK, which is considered the functional currency of the Entity's activities.

The Entity was established on 16 September 2014, and the financial statements as well as the financial highlights in the management commentary only include figures for 2014/15, 2016 and 2017. The balance sheets at 1 January 2016, 31 December 2016 and 31 December 2017 are prepared in accordance with IFRS.

Definition of materiality

The provisions in IFRS contain extensive disclosure requirements. The specific disclosures required according to IFRS are stated in the financial statements included in this annual report unless the disclosures concerned are considered irrelevant or immaterial for financial decisions made by the financial statement users.

Notes

1. Accounting policies (continued)

As a result of the limited activity in prior years, the transition to presenting financial statements under IFRS as adopted by the EU have only limited impact on income and cash flows for 2016 and 2017, and on equity for the years ended 31 December 2016 and 2017, except for the following items:

Share based payment in accordance with IFRS 2, has not been recognised in accordance with the Danish Financial Statements Act, and therefore, this has been adjusted in the comparative figures. This has impacted the net result after tax negatively of DKK 238 thousand in 2017 (2016: DKK 210 thousand), and no impact on Equity.

Please see note 29 for reconciliation between equity and the comprehensive income when comparing the Danish Financial Statements Act with IFRS as adopted by the EU.

As first-time adopter of financial statements in accordance with IFRS/IAS, IFRS 1 lists a number of optional exemptions from the application of IFRS/IAS with retroactive effect. Because of no differences, Nustay A/S has not taken advantage of the optional exemptions.

Changes in accounting policies

Nustay A/S has implemented the standards and interpretations effective on 31 December 2017. The implementation of standards and interpretations has not influenced recognition and measurement in 2017.

Future IFRS amendments

IASB has issued IFRS 9 “Financial Instruments” with effect from 1 January 2018. The standard was endorsed by the EU in 2016, and Nustay A/S plans to adopt it on the effective date. IFRS 9 is part of IASB’s project to replace IAS 39, and the new standard will substantially change the classification and measurement of financial instruments and hedging requirements. Nustay A/S has assessed the impact of the standard and determined that it will not have any significant impact on the financial statements. Due to Nustay A/S not having any material receivables, and only limited credit risk on the receiables, the new rules are not expected to have any material impact.

IASB has issued IFRS 15 “Revenue from Contracts with Customers” with effect from 1 January 2018. The standard was endorsed by the EU in 2016, and Nustay A/S plans to adopt it on the effective date. Nustay A/S has performed an analysis of the impact. Based on the analysis, it is assessed that the standard will not have any significant impact on revenue recognition or measurement. However, implementation is expected to result in extended disclosures regarding types of revenue and related risks. For all of Nustay A/S’ sales there is no time difference, and is presented net of the booking, and therefore the new rules are not expected to have any material impact.

IASB has issued IFRS 16 “Leases” with effect from 1 January 2019. The standard was endorsed by the EU in 2017, and Nustay A/S plans to adopt it on the effective date. Nustay A/S has performed an analysis of the impact.

Notes

1. Accounting policies (continued)

Based on the analysis, it is assessed that the standard will not have any significant impact on the lease obligations or leased assets. Nustay A/S do not have any material operating leases, and therefore the new rules is not expected to have any material impact.

2. Significant accounting estimates and judgements

Revenue

We recognize revenue when it is earned and realizable based on the following criteria: persuasive evidence that an arrangement exists, services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

Under a agency model, we act as the agent in the transaction, passing reservations booked by the traveler to the relevant travel provider.

We record revenue on transactions when the traveler books the transaction, as we have no significant post-delivery obligations. We record a reserve for chargebacks and cancellations at the time of the transaction based on historical experience.

Our revenue is presented on a net basis. The companys revenue is presented on a net basis being handled revenue deducted hotel costs, cancellations and fees.

Development projects

The company has per 31 December 2017 recognized DKK 2,024 thousand regarding ongoing development projects and DKK 5,159 thousand regarding completed developments projects. The value of these depends on the company's ability to develop.

Management believes that the company will realize the implementation of its plans within a foreseeable future and management therefore finds valuation sound. If the company's introduction of its product is delayed or if sales based on the company's product deviate significantly from the plans, there may be uncertainty associated with the valuation.

Deferred tax

Based on the Company’s current long term planning, the company expects to be able to utilize the deferred tax assets within the coming years. If the actual performance deviate significantly from plans, there may be uncertainty associated with the valuations.

Notes

3. Proposed distribution of profit/(loss)

	2017 DKK'000	2016 DKK'000
Distribution of loss		
Retained earnings	**(4,187)**	**(3,518)**
Distribution of comprehensive income		
Retained earnings	**0**	**0**

4. Revenue

The revenue is generated through a Danish website to customers all over the world, mainly Denmark, 2017: DKK 1,086 thousand and 2016: DKK 118 thousand. The companys revenue is presented on a net basis being handled revenue deducted hotel costs, cancellations and fees.

The entity do not report geogeographical information.

5. Other external expenses

Other external expenses comprises of rental costs, advertising costs, consultancy costs an other administration costs.

6. Staff costs and remuneration

	2017 DKK'000	2016 DKK'000
Wages and salaries	1,188	1,413
Pension	0	0
Other social security costs	8	13
Other staff costs	521	365
	1,717	**1,791**
Average number of employees	**3**	**4**

Notes

6. Staff costs and remuneration (continued)

	Executive Board 2017 DKK'000	Board of Directors 2016 DKK'000
Wages and salaries	0	0
Pension	0	0
	0	**0**

The Excutive Board and Board of Directors recieves no wages and salaries or pension.

Incentive programmes

	Number of options	Vesting period Months	Exercise price per option DKK	Fair value per option at grant date DKK'000
Granted, February 2016	6,662	36	1	95
Granted, January 2017	200	24	1	119
Granted, February 2017	200	30	1	119
Granted, April 2017	500	30	1	140

Stock options

The development in outstanding stock options during the current and prior years:

	Number of options 2017	Number of options 2016	Avg. exer-cise price per option DKK 2017	Avg. exer-cise price per option DKK 2016
Outstanding January 1	6,662	0	95	95
Granted during the period	900	6,662	99	95
Forfeited during the period	0	0	0	0
Exercised during the period	0	0	0	0
Expired during the period	0	0	0	0
Outstanding December 31	**7,562**	**6,662**	**99**	**95**

Notes

	2017	2016
6. Staff costs and remuneration (continued)		
Weighted avarage ramaining contractual (months)	17	25
Number of options which can be excercised at the balance sheet date	0	0
Number of options fullt vested	0	0
Weigthed average share price (DKK) at the exercise date during the period	99	95

In the period from 2016 to 2017 a number of external consultants have been granted the right to purchase shares in Nustay A/S at a strike price at 1 DKK. The share options granted in 2016 are subject to completion of a number of events to occur, driven by external factors, and will be exercised during 2018. The share options granted in 2017 is subject to completion of a service period of 24 to 36 months, and can be exercised after publication of the annual financial statements of Nustay A/S in the years 2018 and 2019.

Valuation of Nustay A/S shares in connection with capital increases are applied for assessment of the fair value of the shares in Nustay A/S at grant date.

The amount expensed in the income statement as a result of the share option program DKK 238 thousand (2016: DKK 201 thousand)

	2017 DKK'000	2016 DKK'000
7. Depreciation and amortisation		
Depreciation		
Development projects completed	253	0
Other fixtures and fittings, tools and equipment	32	2
Total depreciation	**285**	**2**
8. Financial income		
Currency adjustments	(62)	(10)
Interest income from financial activities not measured at fair value in the income statement	**(62)**	**(10)**
9. Financial expenses		
Interest costs	1	1
Currency adjustments	13	30
Interest expenses from financial activities not measured at fair value in the income statement	**14**	**31**

Notes

	2017 DKK'000	2016 DKK'000
10. Tax		
Current tax	0	(559)
Change in deferred taxes	(541)	(73)
	(541)	**(632)**
Calculated tax, 22% (2016: 22%)	(1,040)	(958)
Tax-based value of non-deductible expenses	4	4
Tax loss not recognised	467	350
Correction previous year	28	(28)
	(541)	**(632)**
Effective tax rate	**11.4**	**14.5**

The significant change in effective tax rate, is due to tax loss not recognized.

11. Earnings per share

	2017 DKK'000	2016 DKK'000
Loss for the year attributable to the Company	**(4,187)**	**(3,518)**
Weighted average number of shares	**376,743**	**336,970**
Results per share	**(0.01)**	**(0.01)**
Diluted earnings per share	**(0.01)**	**(0.01)**

Earnings per share and diluted earnings per share are identical if the Entity has not issued any bonds, options or similar.

Notes

12. Development projects completed

	2017 DKK'000	2016 DKK'000
Cost at 1 January 2017	0	0
Transfer from development projects in progress	5,412	0
Cost at 31 December 2017	**5,412**	**0**
Depreciation at 1 January 2017	0	0
Depreciation	(253)	0
Depreciation at 31 December 2017	**(253)**	**0**
Carrying amount at 31 December 2017	**5,159**	**0**

13. Development projects in progress

	2017 DKK'000	2016 DKK'000
Cost at 1 January 2017	3,717	1,593
Additions	3,719	2,124
Transfer to development projects completed	(5,412)	0
Cost at 31 December 2017	**2,024**	**3,717**
Carrying amount at 31 December 2017	**2,024**	**3,717**

The development projects are focused on the core backbone of the Company's online platform including investment in 3rd party integrations.

The development projects are depreciated over 7 years which are in line with industry benchmarks where core platforms normally are utilized between 7 and 10 years.

The first step of the platform went into operations in September 2017. The next step (project in progress) is expected in used operations mid 2018.

The depreciation is expensed in the line depreciation and amortization.

Notes

	2017 DKK'000	2016 DKK'000

14. Other fixtures and fittings, tools and equipment

	2017 DKK'000	2016 DKK'000
Cost at 1 January 2017	14	0
Additions	217	14
Cost at 31 December 2017	**231**	**14**
Depreciation at 1 January 2017	(2)	0
Depreciation	(27)	(2)
Depreciation at 31 December 2017	**(29)**	**(2)**
Carrying amount at 31 December 2017	**202**	**12**

15. Leasehold improvements

	2017 DKK'000	2016 DKK'000
Cost at 1 January 2017	0	0
Additions	75	0
Cost at 31 December 2017	**75**	**0**
Depreciation at 1 January 2017	0	0
Depreciation	(5)	0
Depreciation at 31 December 2017	**(5)**	**0**
Carrying amount at 31 December 2017	**70**	**0**

16. Deposits

	2017 DKK'000	2016 DKK'000
Cost at 1 January 2017	61	0
Additions	346	61
Cost at 31 December 2017	**407**	**61**

Deposits is deposits regarding rental buildings.

Notes

17. Deferred taxes

	31.12.2017 DKK'000	31.12.2016 DKK'000	01.01.2016 DKK'000
Deferred tax relates to the following account balances:			
Intangible assets	(1,580)	(818)	(374)
Property, plant and equipment	(9)	0	0
Loss carryforwards (including The Danish tax credit scheme)	2,252	1,377	675
	663	**559**	**301**
Net value is recognised in the balance sheet as:			
Deferred tax assets	663	559	301
Deferred tax liabilities	0	0	0
	663	**559**	**301**
Deferred tax asset at 1 January	559	301	0
The Danish tax credit scheme	(437)	(350)	0
Deferred tax movements of the year	541	608	301
Deferred tax asset at 31 December 2017	**663**	**559**	**301**

Based on current business plans the company expect to fully utilize the deferred tax asset within the next three years.

18. Trade receivables

Trade receivables	274	378	14
Impairment losses recognised	0	0	0
Trade receivables at 31 December 2017	**274**	**378**	**14**

The carrying amount of the trade receivables is assumed to approximate the fair value.

19. Other assets

Other receivables	902	128	41
Prepayments	1,959	2,035	1,500
Total other assets	**2,861**	**2,163**	**1,541**

The carrying amount of other assets is assumed to approximate the fair value.

Notes

20. Share capital

The share capital comprises DKK 376,743 divided into shares of DKK 1 each.

The shares have not been divided into classes.

	2017 DKK'000
Change in the number of shares:	
Balance at foundation	65
Capital increase 2016 and 2017	312
Share capital 31 December 2017	**377**

21. Other payables

	31.12.2017 DKK'000	31.12.2016 DKK'000	01.01.2016 DKK'000
Wages and salaries, personal income taxes, social security costs, etc payable	24	49	28
Holiday pay obligation	80	130	0
VAT and duties	0	0	0
Other costs payable	343	14	16
Total other payables	**447**	**193**	**44**

22. Collateral provided and contingent liabilities

There are no collateral provided and contingent liabilities in the Company.

23. Changes in working capital

	2017 DKK'000	2016 DKK'000
Change in receivables	(598)	(991)
Change in trade payables, etc	1.375	353
	777	**(638)**

Notes

24. Related parties

Related parties with significant influence:

Name of Company	**Registered office**	**Basis of control**
La Dolce Vita Holding ApS	Randers, Denmark	Shareholder with + 5% of the votes
Seier Capital A/S	Copenhagen, Denmark	Shareholder with + 5% of the votes
SS Holding Kolding ApS	Kolding, Denmark	Shareholder with + 5% of the votes
DBL Holding AS	Oslo, Norway	Shareholder with + 5% of the votes
Magnus Kjøller Holding ApS	Aalborg, Denmark	Shareholder with + 5% of the votes
RB Investments Pte. Ltd.	Singapore, Singapore	Shareholder with + 5% of the votes

	Other related parties DKK'000	**Total DKK'000**
Transactions between related parties and Nustay ApS		
2017		
Sales of goods	**6**	**6**
Purchase of goods	**425**	**425**
Amounts owed by related parties	**0**	**0**
Amounts owed to related parties	**24**	**24**
2016		
Sales of goods	**0**	**0**
Purchase of goods	**420**	**420**
Amounts owed by related parties	**2**	**2**
Amounts owed to related parties	**0**	**0**

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Notes

25. Financial risks and financial instruments

	31.12.2017 DKK'000	31.12.2016 DKK'000	01.01.2016 DKK'000
Categories of financial instruments			
Deposits	407	61	0
Trade receivables	274	378	14
Other receivables	902	128	41
Cash	1,890	3,113	442
Loan and receivables	**3,473**	**3,680**	**497**
Trade payables	1,426	302	85
Other payables	447	193	44
Financial liabilities measured at amortised cost	**1,873**	**495**	**129**

Policy for management of financial risks

The company constantly analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The company is controlling these financial risks and its liquidity, including its capital gain and administration of its liquidity surplus. The financial policy is approved by management and operates with minimizing its risk profile. The company's financial policy is not to speculate in financial risks.

The company is currently not using any financials instruments to hedge the risk exposures, but where possible implementing natural hedges. If considered necessary, the company will implement financial instruments for hedging.

Liquidity risks

The due date for financial obligations are specified below and allocated across the relevant time intervals, which are used internally in the company. The specified amounts reflect the amounts due for payment incl fees etc.

Currency risks

The company's impact from currency fluctuations are insignificant as all major transactions are done in either DKK or EUR.

Credit risks

The company has no significant risk related to a single party as of 31 December 2017 or 31 December 2016.

The credit risk from customers is minimized by collecting payment simultaneously with the sale.
The maximal credit risk from receivables and cash is equal to the accounting value.

Notes

25. Financial risks and financial instruments (continued)

Non-derivative financial liabilities

	0 - 6 Month DKK'000	6 - 12 Month DKK'000	>12 Month DKK'000	Total Month DKK'000
2017				
Trade payables	1,425	0	0	1,425
Other payables	447	0	0	447
	1,872	**0**	**0**	**1,872**
2016				
Trade payables	302	0	0	302
Other payables	193	0	0	193
	495	**0**	**0**	**495**

Interest risks

As the company has no interest-bearing assets or liabilities and therefore there is no direct risk related to interest.

Optimisation of capital structure

Management evaluates on a current basis whether the Company's capital structure is aligned with the Company's and shareholders' interests. The primary objective is to secure a capital structure supporting long-term economic growth while maximising the yield to the Company's stakeholders. The overall strategy of the Company remains unchanged compared to previous years.

26. Adoption of the annual report for publication

At the meeting held on 7 June 2018, the Board of Directors adopted the annual report for publication. The annual report will be presented to the shareholders of Nustay A/S for adoption at the annual general meeting on 7 June 2018.

27. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report, except for the events mentioned below.

At 20 March 2018, Nustay A/S changed its legal form from a limited liability company to a listed company. This event does not have any impact on the financial statements.

Notes

	2017 DKK’000	2016 DKK’000
28. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**14**	**14**

29. Reconciliation when comparing the Danish Financial Statements Act with IFRS

The share based payment in accordance with IFRS 2, has not been recognised in accordance with the Danish Financial Statements Act, and therefore, this has been adjusted in the comparative figures. This has impacted the net result after tax negatively of DKK 238 thousand in 2017 (2016: DKK 210 thousand), and no impact on Equity.

30. Accounting policies

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated into the Entity’s functional currency, DKK, applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment and other non-monetary assets that have been purchased in foreign currencies, and are measured based on historical costs, are translated using historical rates.

Notes

30. Accounting policies (continued)
Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

We recognize revenue when it is earned and realizable based on the following criteria: persuasive evidence that an arrangement exists, services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

Under an agency model, we act as the agent in the transaction, passing reservations booked by the traveler to the relevant travel provider.

We record revenue on transactions when the traveler books the transaction, as we have no significant post-delivery obligations. We record a reserve for chargebacks and cancellations at the time of the transaction based on historical experience.

Our revenue is presented on a net basis. The companys revenue is presented on a net basis being handled revenue deducted hotel costs, cancellations and fees.

Other external expenses

Other external expenses include expenses for external consultants, marketing, administration, premises etc.

Staff costs

Staff costs comprise wages and salaries as well as social security costs, pension contributions, etc for entity staff recognised in the financial year in which the employees have performed the related work.

Incentive programmes

The Entity’s incentive plans include a stock option programme for 7,562 shares.

The stock option programme is accounted for as equity-settled share-based payments to employees and are measured at the fair value of the options at the grant date.

The fair value is expensed on a straight-line basis over the vesting period, based on the Entity’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Entity revises its estimate of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss so that the cumulative expense reflects the revised estimate.

Notes

30. Accounting policies (continued)

Financial income and expenses

These items comprise interest income and expenses, realised and unrealised capital gains and losses on foreign currency transactions as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the profit/loss for the year by the portion attributable to the profit for the year and recognised directly in other comprehensive income or equity by the portion attributable to entries recognised directly in other comprehensive income or equity.

Current tax payable and current tax receivable are recognised in the balance sheet, calculated as tax on taxable income for the year, adjusted for prepaid tax.

On calculation of current tax, the tax rates and rules applicable at the balance sheet date are applied.
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities using the balance sheet liability method.

Deferred tax is calculated on the basis of the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured using the tax rates and tax rules which – based on acts in force or acts actually in force at the balance sheet date – are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in profit or loss unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets to be set off against future positive taxable income. At each balance sheet date, it is considered whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

Balance sheet

Development projects

Development projects are projects that are clearly defined and identifiable, where the technical feasibility, adequate resources and a potential future market or application in the Entity can be demonstrated and where the intention is to use the project. Development projects are recognised as intangible assets if the cost can be measred reliably and there is sufficient assurance that future earnings, or the net selling price, will cover production, sales, administration, and development costs. Other development costs are recognised in the income statement as incurred.

Notes

30. Accounting policies (continued)

Development costs are measured at cost less accumulated depreciation and impairment losses. The cost includes wages, salaries, services, depreciation and other costs directly attributable to the Entity's development and which are necessary to complete the project, from the time when the development project first qualifies for recognition as an asset.

After completion of the development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is seven years.

Development projects are reviewed annually to determine whether there are indications of impairment. If such an indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying value, the development projects are impaired to this value. Development projects in progress are tested at least annually for impairment.

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the estimated useful lives of the assets, which is three to five years.

Depreciation methods, useful lives and residual values are reviewed annually.

Gains and losses from the sale of other fixtures and fittings, tools and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains or losses are recognised in the income statement as other operating income or expenses.

Receivables

Receivables include receivables from the sale of services and other receivables.

Receivables are measured at fair value on initial recognition and subsequently at amortised cost, usually equalling nominal value less write-downs for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Notes

30. Accounting policies (continued)

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting.

Financial liabilities

Financial liabilities are measured at amortised cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes as well as financial income, financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as proceeds from the sale of property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Entity’s share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares and dividends paid to the shareholder.

Cash and cash equivalents comprise cash.