Deloitte

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-No. 33963556
Weidekampsgade 6
Postboks 1600
0900 København C

Phone 36 10 20 30
Fax 36 10 20 40
www.deloitte.dk

FlightCentre A/S
Central Business Registration No 27755445

Annual report 01.05.2014-31.12.2014

The Annual General Meeting adopted the annual report on 28.05.2015

Chairman of the General Meeting

Name: Bjarne Eklund

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Entity details

Entity

FlightCentre A/S
Brøndby Stadion 20
DK-2605 Brøndby

Central Business Registration No: 27755445
Registered in: Brøndby
Financial year: 01.05.2014 - 31.12.2014

Phone: +4543262840
Internet: www.fcmtravel.dk
E-mail: fcm@fcmtravel.dk

Board of Directors

Bjarne Barry Eklund, Chairman
Rik Jan Viezee
Ole Hammer Mortensen

Executive Board

Rik Jan Viezee, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of FlightCentre A/S for the financial year 01.05.2014 - 31.12.2014.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2014 and of the results of its operations for the financial year 01.05.2014 - 31.12.2014.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Brøndby, 28.05.2015

Executive Board

Rik Jan Viezee
CEO

Board of Directors

Bjarne Barry Eklund
Chairman

Rik Jan Viezee

Ole Hammer Mortensen

Independent auditor's reports

To the owners of FlightCentre A/S

Report on the financial statements

We have audited the financial statements of FlightCentre A/S for the financial year 01.05.2014 - 31.12.2014, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2014 and of the results of its operations for the financial year 01.05.2014 - 31.12.2014 in accordance with the Danish Financial Statements Act.

Emphasis of matter affecting the financial statements

Without qualifying our auditor's report, we refer to the management commentary and the notes in which important information on the development of the Entity's activities and financial position has been provided, including Management's comments on the negative equity, as well as the uncertainty related to the continued capitalisation of calculated VAT receivable and the deferred tax asset recognised in the balance sheet.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 28.05.2015

Deloitte
Statsautoriseret Revisionspartnerselskab

Ove Nielsen
State Authorised Public Accountant

Management commentary

Primary activities

The Company's objective is travel agency operations, consultancy services and other related business.

Development in activities and finances

The Company has changed the financial year to calendar year. This means that this financial year is only 8 months. The period includes two holiday seasons and has weaker activity than the normal twelve months. During the year, there was a change of management and a number of new activities were launched. The activities include launching a new online engine, portals and extension of the sport platform. The target market segments have received the activities very well and the Company expects increased activities over the coming years. The result is, against this background, satisfactory. In line with last year, we have seen a small increase in the average ticket price. Investment in sales continues, and the Company is experiencing an inflow of new customers while at the same time retaining existing customers.

The Company has experienced the expected financial positive development through the agreement with Ticketbiz in Sweden. FCm Travel Solutions have a very positive development in attracting larger global customers with a positive consequence to our company. The Company therefore expects a continuing positive financial impact on the result in the future.

Loss for the financial year 01.05.2014-31.12.2014 amounts to DKK 85,060 compared to a profit of DKK 12 thousand last year. For 2015, Management expects an acceptable profit which supports the continued capitalisation of the deferred tax asset.

At 31 December 2014, equity is negative by DKK 1,942 thousand. However, including the subordinated loans of DKK 4,614 thousand, equity and subordinated loans total DKK 2,672 thousand. Management confirms that the present credit facilities will be maintained. The subordinated loans do not have to be repaid until the Company's earnings allow the Company to do so.

Uncertainty relating to recognition and measurement

An amount of DKK 986 thousand regarding calculated refundable VAT has been recognised as part of other receivables due to the fact that revenue from the travel agency activity is liable to VAT, and accordingly VAT paid should be refunded. Management finds that there is no doubt about the amount, but points out that a high risk is related hereto and it is based on the outcome of a court decision. Furthermore, uncertainty exists related to the tax assets capitalised as the value depends on future income.

Further to this, it is assessed that there is no material uncertainty related to recognition and measurement of the Company's balance sheet items or other. The Company's liquidity and future is secured through negotiations and discussions with creditors and cooperators.

Management commentary

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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

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 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.

Income statement

Gross profit or loss

For competitive reasons, the Company has chosen to consolidate the financial statement items revenue, cost of sales and other external expenses under gross profit.

Revenue

Revenue is recognised in the income statement when invoiced. Revenue is recognised net of VAT, duties and sales discounts.

Accounting policies

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc. for the Entity's staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies.

Income taxes

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

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

Accounting policies

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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 following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

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

Cash
Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income statement for 01.05.2014-31.12.2014

	Notes	01.05.2014-31.12.2014 DKK	2013/14 DKK'000
Gross profit		**1.937.275**	**2.938**
Staff costs	3	(1.681.870)	(2.583)
Depreciation, amortisation and impairment losses	4	(44.828)	(49)
Operating profit/loss		**210.577**	**306**
Other financial expenses	5	(176.278)	(278)
Profit/loss from ordinary activities before tax		**34.299**	**28**
Tax on profit/loss from ordinary activities	6	(119.359)	(16)
Profit/loss for the year		**(85.060)**	**12**
Proposed distribution of profit/loss			
Retained earnings		(85.060)	12
		(85.060)	12

Balance sheet at 31.12.2014

	Notes	01.05.2014-31.12.2014 DKK	2013/14 DKK'000
Acquired intangible assets		261.963	0
Intangible assets	7	**261.963**	**0**
Other fixtures and fittings, tools and equipment		26.958	47
Leasehold improvements		0	0
Property, plant and equipment	8	**26.958**	**47**
Other receivables		61.790	0
Deferred tax		691.215	794
Fixed asset investments		**753.005**	**794**
Fixed assets		**1.041.926**	**841**
Trade receivables		1.349.536	1.360
Other short-term receivables		1.654.727	966
Prepayments		435.116	534
Receivables		**3.439.379**	**2.860**
Cash		**305.185**	**468**
Current assets		**3.744.564**	**3.328**
Assets		**4.786.490**	**4.169**

Balance sheet at 31.12.2014

	Notes	01.05.2014-31.12.2014 DKK	2013/14 DKK'000
Contributed capital	9	875.000	875
Retained earnings		(2.816.659)	(2.732)
Equity		**(1.941.659)**	**(1.857)**
Subordinate loan capital	10	4.613.537	4.569
Non-current liabilities other than provisions		**4.613.537**	**4.569**
Bank loans		224.729	0
Trade payables		527.965	186
Payables to shareholders and management		772.592	681
Other payables		589.326	590
Current liabilities other than provisions		**2.114.612**	**1.457**
Liabilities other than provisions		**6.728.149**	**6.026**
Equity and liabilities		**4.786.490**	**4.169**

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Statement of changes in equity for 01.05.2014-31.12.2014

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	875.000	(2.731.599)	(1.856.599)
Profit/loss for the year	0	(85.060)	(85.060)
Equity end of year	**875.000**	**(2.816.659)**	**(1.941.659)**

Notes

1. Going concern

At 31 December 2014, equity is negative by DKK 1,942 thousand. However, including the subordinated loans of DKK 4,614 thousand, equity and subordinated loans total DKK 2,672 thousand. Management confirms that the present credit facilities will be maintained. The subordinated loans do not have to be repaid until the Company's earnings allow the Company to do so.

2. Uncertainty relating to recognition and measurement

An amount of DKK 986 thousand regarding calculated refundable VAT has been recognised as part of other receivables due to the fact that the revenue from the travel agency activity is liable to VAT, and accordingly VAT paid should be refunded. Management finds that there is no uncertainty about the amount, but points out that a high risk is related hereto and it is based on the outcome of a court decision. Furthermore, uncertainty exists related to the tax assets capitalised as the value depends on future income.

	01.05.2014-31.12.2014 DKK	2013/14 DKK'000
3. Staff costs		
Wages and salaries	1.476.888	2.227
Pension costs	177.392	303
Other social security costs	27.590	53
	1.681.870	**2.583**

	01.05.2014-31.12.2014 DKK	2013/14 DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	24.768	0
Depreciation of property, plant and equipment	20.060	49
	44.828	**49**

	01.05.2014-31.12.2014 DKK	2013/14 DKK'000
5. Other financial expenses		
Financial expenses from group enterprises	139.761	70
Other financial expenses	36.517	208
	176.278	**278**

Notes

	01.05.2014-31.12.2014 DKK	2013/14 DKK'000
6. Tax on ordinary profit/loss for the year		
Change in deferred tax for the year	8.943	16
Adjustment relating to previous years	16.160	0
Effect of changed tax rates	94.256	0
	119.359	**16**

Deferred tax asset is primarily incumbent on operating equipment and tax loss carry forwards.

	Acquired intangible assets DKK
7. Intangible assets	
Additions	286.731
Cost end of year	**286.731**
Amortisation for the year	(24.768)
Amortisation and impairment losses end of year	**(24.768)**
Carrying amount end of year	**261.963**

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
8. Property, plant and equipment		
Cost beginning of year	580.131	35.940
Cost end of year	**580.131**	**35.940**
Depreciation and impairment losses beginning of the year	(533.113)	(35.940)
Depreciation for the year	(20.060)	0
Depreciation and impairment losses end of the year	**(553.173)**	**(35.940)**
Carrying amount end of year	**26.958**	**0**

Notes

9. Contributed capital

	Number	Par value DKK	Nominal value DKK
Share capital	875	1.000,00	875.000
	875		**875.000**

	01.05.2014-31.12.2014 DKK	2013/14 DKK	2012/13 DKK	2011/12 DKK	2010/11 DKK
Changes in contributed capital					
Contributed capital beginning of year	875.000	875.000	500.000	500.000	500.000
Increase of capital	0	0	375.000	0	0
Contributed capital end of year	**875.000**	**875.000**	**875.000**	**500.000**	**500.000**

10. Subordinate loan capital

The subordinate loan capital of DKK 4,614 thousand has been granted by the shareholders. The loans carrying 1.5% interest will be repaid when the Company's earnings allow the Company to do so. The loans are subordinated to other creditors in the Company.

11. Assets charged and collateral

An amount of DKK 302,000 presented as cash is placed on security accounts.

12. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Juakali B.V., Heerenstraat 12A, 1015CA Amsterdam, the Netherlands

Ole Mortensen, Præstevejen 10A, DK-3230 Græsted, Denmark