

Annual report
for
Svenska Resegruppen AB

556409-9025

Financial year

01/01/2022–31/12/2022

The Board of Directors and the CEO of Svenska Resegruppen AB hereby submit the annual report for the financial year 01/01/2022–31/12/2022.

The annual report has been prepared in thousands of Swedish kronor (SEKk).

Administration report

Information about the operations

Svenska Resegruppen is part of Etraveli Group which offers flight tickets, accommodation and other travel-related services through several brands, such as Supersaver, Gotogate, Mytrip and Flight Network and the metasearch service Flygresor.se in Sweden. Today, the Company mainly operates in the Nordics and in markets with substantial growth potential. The Company's registered office is in Uppsala.

Multi-year summary (SEKk)	2022	2021	2020	2019
Gross sales	5,787,556	1,934,669	1,026,587	16,714,584
Profit/loss after financial items	112,804	1,219	-26,512	110,836
Balance sheet total	699,611	658,027	1,703,602	1,773,070
Equity/assets ratio (%)	38	60	23	22
Return on equity (%)	34	0	-7	28
Return on total capital (%)	24	7	1	9
Number of employees	79	92	120	117

For definitions of key figures, see Accounting and valuation policies.

Ownership structure

Svenska Resegruppen AB (SRG) is owned by Etraveli Group AB (formerly Seat24 Travel AB). The consolidated financial statements are prepared by Flugo Group Holdings AB, 559113-9570. At 31 December 2022, Flugo Group Holdings AB was 37.8% owned by Nubo Holdings S.à.r.l. (37.8% at 31 December 2021) and 62.2% by others (62.2% at 31 December 2021). Nubo Holdings S.à.r.l. held 84.7% of the votes at 31 December 2022 (84.7% at 31 December 2021) and others 15.3% (15.3 % at 31 December 2021). Nubo Holdings S.à.r.l. has the controlling influence over Flugo Group Holdings AB. Nubo Holdings S.à.r.l. is owned in turn entirely by Nubo Holdings Jersey Limited, which in turn is owned by CVC Funds.

Sustainability report

The Etraveli group has published a sustainability report. It is available on the group's website, www.etraveligroup.com.

Significant events during the financial year

Covid-19 update

Overall trade in 2022 was negatively affected by covid-19 and related travel restrictions. However, despite that the Company saw a strong recovery with the continuing vaccine rollout and gradual lifting of travel restrictions. The Group had significantly more orders throughout the year compared to same period of 2019 and before the pandemic (+75% vs 2019). Profitability also improved month by month in 2022, and the EBITDA for 2022 came in slightly better for the Group compared to the 2019 results and pre-pandemic levels. Etraveli Group continue to have less profitable order mix with a higher share of domestic orders at the expense of the more profitable long-haul trips. The order mix improved during 2022 and is expected to normalise even further as more restrictions are lifted across the regions.

Etraveli Group has maintained a strong financial position with a surplus cash position that has enabled the Company to cope with a protracted period of slowdown in the business. The Group has not needed to raise any additional financing during the pandemic and, as at the end of the year, it maintained a strong cash position with positive cash flow during 2022 and without using any of the available cash from the existing revolving credit facility. Looking ahead into 2023, a scenario analysis has concluded that Etraveli Group has sufficient liquidity to withstand a prolonged pandemic without any need to raise additional financing.

In 2022 the Group continued to utilise its strong position and focused on delivering progress in core strategic initiatives, strengthening industry relations and improving overall strategic positioning. This has enabled the Group to gain market share and expand its geographical footprint in 2022, which has resulted in a significantly improved market position. With the Group's focus on leisure travel, it is well-positioned to continue to capitalise on the faster market recovery within this market segment.

Booking Holdings to acquire Etraveli Group

On November 23, 2021, Booking Holdings announced that it has entered into an agreement with funds managed by CVC Capital Partners to acquire Etraveli Group, for approximately EUR 1.63 billion. Completion of the acquisition is subject to certain closing conditions, including regulatory approval. We received regulatory approval from CMA in the UK on September 29th, 2022, and now only await regulatory approval from the European Commission (EC). On November 16th, 2022, the EC communicated that they decided to move the investigation into a second phase. Although we are disappointed by this decision, we retain a high degree of confidence that the transaction will ultimately be approved during 2023. At the time of acquisition, the shareholder and term loans will be paid back, due to this these loans together with the related loans allocated to the subsidiaries are classified as short term liabilities at December 31, 2022.

Extra dividend

During 2022, dividend has been paid in the amount of SEK 130,748,806, which was decided on an extraordinary shareholder meeting.

Significant events after the balance sheet date

Covid-19 update and outlook

The Group has continued to deliver significantly more bookings in 2023 compared to pre-covid-19 levels, thanks to a strengthened market share and strong underlying market demand. Also the profitability came in at a higher level compared to 2019.

The Group maintains its robust financial position, with higher levels of available cash compared to pre-covid-19.

Information on risks

The Etraveli Group is affected by a number of risk factors wholly or partly beyond its control, but which can have a significant impact on Group results and financial position.

Such risks include socio-political risks, natural disasters, health risks (epidemics/pandemics), climate change, cyclicalities, IT-related risks and heightened competition. Through its operations, the Group is also exposed to various types of financial risks. Financial risks refer to fluctuations in the Company's earnings and financial position due to changes in exchange rates, interest rates, refinancing and credit risks.

In 2020 the Etraveli Group implemented a new Enterprise Risk Management framework and working method. It is an annual process to validate and go through the Group's risks to ensure that measures and focus are on the most relevant risks. Within this working method, the Group identifies a number of risks within four areas. In this work, around 75 risks were identified.

Risk areas:

Strategic – high-level goals in line with the Company's mission and vision

Operational – goals that relate to efficient resource utilisation

Financial reporting – also include the Company's need for reliable financial reporting

Compliance – goals that include the Company's need to comply with prevailing laws and ordinances

In 2022, the Etraveli Group revised the risks from 2021, taking into account recent knowledge and information from the industry. Through this process, five out of the most relevant risks have been categorized as high-risk and 21 as medium-risk.

Examples of identified risks,

High-risk: customer satisfaction, natural disasters and risks to human health (epidemics/pandemics), macroeconomics factors (such as increased prices in oil and fuel that impact the industry) and altered rules on the market, dependence on key partners/third parties.

Medium-risk: financial and legal exposure linked to international expansion, global shortage of hardware for our data centre, scaling of IT systems, etc.

These risks have been evaluated and are regularly followed up by management and presented to the Board of Directors on a continual basis. Since 2020, it has been an annual process to validate and go through the Group's risks to ensure that measures and focus are on the most relevant risks. For 2022, focus shifted to improving customer experience and ensuring scaling by investing in systems, processes and human resources.

Management's comment regarding the financial impact of covid-19

Etraveli Group has maintained a strong financial position with a surplus cash position that has enabled the Company to cope with a protracted period of slowdown in the business. The Group has not needed to raise any additional financing during the pandemic and, as at the end of the year, it maintained a strong cash position with positive cash flow during 2022 and without using any of the available cash from the existing revolving credit facility. Looking ahead into 2023, a scenario analysis has concluded that Etraveli Group has sufficient liquidity to withstand a prolonged pandemic without any need to raise additional financing.

Foreign branches

Operations are conducted in a foreign branch in Denmark, Den danske Rejsegruppe filial af Svenska Resegruppen AB, company registration number 25613902.

Proposed appropriation of profits

The Board of Directors proposes that the following available profits (in SEK), consisting of

retained earnings:	261,831,548
profit for the year:	4,470,584
	266,302,132

be distributed such that	
distributed to shareholders (20,000 SEK per share)	200,000,000
the following be carried forward:	66,302,132
	266,302,132

The Board of Directors is authorized to determine a date for the distribution of dividends.

Statement by the Board of Directors

Group contributions have, subject to the approval of the AGM, been paid in the amount of SEK 109,126,869, leading to a reduction in unrestricted equity on the balance sheet date by SEK 86,646,734, after taking into account the tax effect of SEK 22,480,135.

The proposed amounts to be transferred in the form of group contributions and dividend reduce the Company's equity/assets ratio. The equity/assets ratio is still satisfactory. Likewise, it is considered that liquidity in the Company can be maintained at a satisfactory level.

In the opinion of the Board of Directors, the proposed profit distributions, in the form of group contributions and dividend, pose no obstacle to the Company's ability to fulfil its obligations in the short and long term, or to its ability to carry out requisite investments. The proposed amounts to be transferred are thus justifiable with reference to the stipulations of the Swedish Companies Act, Chapter 17, § 3, paragraphs 2–3 (the precautionary rule).

The Company's earnings and position in other respects are described in the following income statement and balance sheet, and cash flow statement and notes.

Income statement

SEKk

Note

01/01/2022
–31/12/2022

01/01/2021
–31/12/2021

Operating income

Gross sales	3	5,787,556	1,934,669
	2, 3	427,331	169,791
Net sales			
Sales, group companies	3, 5	0	4,404
Other operating income	4	997	0
		428,329	174,195

Operating expenses

Ticketing and arrangement expenses		-49,635	-24,422
Other external expenses	5, 6	-226,124	-102,174
Personnel expenses	7	-43,080	-46,231
Depreciation/amortisation and impairment of property, plant and equipment, and intangible fixed assets	8, 26	-966	-923
Other operating expenses	27	0	-2,623
		-319,805	-176,373
Operating profit/loss		108,523	-2,177

Profit/loss from financial items

Other interest income and similar profit/loss items	9	54,060	48,152
Interest expense and similar profit/loss items	10	-49,779	-44,755
		4,281	3,396
Profit/loss after financial items		112,804	1,219

Appropriations	11	-108,217	545
Profit/loss before tax		4,587	1,764

Tax on profit/loss for the year	12	-116	-45
Profit/loss for the year		4,471	1,719

Balance sheet	Note	31/12/2022	31/12/2021
SEKk			
ASSETS			
Non-current assets			
<i>Intangible fixed assets</i>			
Trademarks	8	1,744	2,655
		1,744	2,655
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	26	153	102
		153	102
<i>Financial assets</i>			
Participations in group companies	13, 14	14,321	13,626
Receivables from group companies		26,032	27,424
Deferred tax assets		3	0
Other non-current receivables	25	1,050	1,050
		41,406	42,100
Total non-current assets		43,304	44,857
Current assets			
<i>Current receivables</i>			
Accounts receivable		2,372	1,293
Receivables from group companies		587,164	572,472
Current tax assets		514	965
Other receivables		2,513	3,026
Prepaid expenses and accrued income	15	63,745	35,414
		656,308	613,170
Total current assets		656,308	613,170
TOTAL ASSETS		699,611	658,027

Balance sheet	Note	31/12/2022	31/12/2021
SEKk			
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	16	1,000	1,000
Statutory reserve		200	200
		1,200	1,200
<i>Unrestricted equity</i>			
Retained profit or loss		261,832	388,807
Profit/loss for the year		4,471	1,719
	21	266,302	390,526
Total equity		267,502	391,726
Untaxed reserves	17	1,766	2,675
Current liabilities			
Accounts payable		2,389	3,457
Liabilities to group companies		368,706	216,231
Other liabilities		24,858	17,736
Accrued expenses and deferred income	18	34,390	26,202
Total current liabilities		430,344	263,626
TOTAL EQUITY AND LIABILITIES		699,611	658,027

Statement of changes in equity

SEKk

	Share capital	Statutory reserve	Retained earnings	Total equity
Opening equity 01/01/2021	1,000	200	388,406	389,606
Translation difference			401	401
Profit/loss for the year			1,719	1,719
Closing equity 31/12/2021	1,000	200	390,526	391,726
Translation difference			2,054	2,054
Profit/loss for the year			4,471	4,471
Dividend			-130,749	-130,749
Closing equity 31/12/2022	1,000	200	266,302	267,502

Cash flow statement

SEKk

Note

01/01/2022
–31/12/2022

01/01/2021
–31/12/2021

Operating activities

Operating profit/loss	108,523	-2,177
Adjustments for items not included in cash flow	967	923
Taxes paid	331	-36
Interest received	2,661	1,827
Interest paid	-49,779	-48,027
Cash flow from operating activities before changes in working capital	62,703	-47,491

Cash flow from change in working capital

Change in accounts receivable	-1,079	4,535
Change in current receivables	-122,775	121,916
Change in accounts payable	-1,068	2,955
Change in current liabilities	57,229	-82,380
Cash flow from operating activities	-4,989	-465

Investing activities

Acquisition of subsidiary	-696	-21
Sale of subsidiary	2	0
Acquisition of tangible assets	-107	-115
Dividend paid	-130,749	0
Cash flow from investing activities	-131,551	-136

Financing activities

Change in other loans	133,055	0
Cash flow from financing activities	133,055	0

Cash flow for the year

Cash and cash equivalents, opening balance	0	0
Exchange rate difference in cash and cash equivalents	3,485	601
Cash and cash equivalents, closing balance	0	0

Notes

Thousands of SEK (SEKk)

Note 1 Accounting and valuation policies

General disclosures

The annual report is prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual report and consolidated financial statements (K3).

Receivables and liabilities in foreign currency have been measured at the exchange rate on the balance sheet date. Exchange gains and losses on operating receivables and operating liabilities are recognised in operating profit/loss, while exchange gains and losses on financial receivables and liabilities are recognised as financial items.

Revenue recognition

Revenue is recognised on the booking date when the Company has completed its delivery.

A travel agency usually serves as agent/broker of travel services for travel organisers, tour operators and customers/passengers, but also as an operator under its own name. Information about gross sales generated by the Company is important for making comparisons with other companies in the travel industry and assessing the operations. Gross sales refer to sales to customers, meaning that the customer pays for their trip. Gross sales to customers also form the basis of measuring and analysing market shares. The ratio between gross profit and gross sales is also important for comparisons with other companies. The revenue recognised in profit or loss is included as part of the Company's total sales. Accordingly, the Company's sales can be divided into the following components:

Sales as an agent

The travel agent serves as an agent for a travel organiser and tour operator when it issues and brokers tickets for air travel and other travel-related services, such as hotels, car rental, travel insurance, etc.

Gross sales (Invoicing on behalf of another party)

As an agent, the Company invoices the customer for the brokered travel services and receives payment. In turn, the Company pays the tour operator the amount less any contractual commission. This portion of gross sales is recognised as Invoicing on behalf of another party under Note 3. It is not included in net sales, but entered in the balance sheet.

Net sales (Invoicing for services brokered on behalf of another party)

The fees the Company charges to customers for the actual booking service and any commission that the Company receives from the travel organisers are recognised as Invoicing for services brokered on behalf of another party under Note 3. In both cases the travel agent assumes the full credit risk for the invoiced amounts, even if the carrier and/or organiser is fully responsible in relation to the passenger for the actual transport and travel services.

Cash and cash equivalents obtained for customers and cooperation partners

When Svenska Resegruppen AB keeps the contractual rights to receive cash flows from a financial asset (the original asset), but assumes a contractual obligation to pay these cash flows to another party (final recipient), the transaction is treated as a transfer of a financial asset when all three of the following conditions, according to international accounting rules, are fulfilled:

1. When Etraveli does not have any obligation to pay the amount to a final recipient unless Etraveli receives an equivalent amount from the original assets, and
2. when Etraveli does not have any right under the transfer agreement to sell or pledge the original asset, and
3. when Etraveli has an obligation to forward each cash flow it receives on behalf of final recipients without undue delay.

All three conditions are fulfilled when Svenska Resegruppen AB receives funds from a customer which are to be forwarded to airlines, and receives funds from airlines to be forwarded to customers (refunds). At December 31, 2022, these cash and cash equivalents (where applicable, intercompany receivable if these bank funds are in another group company) amounted to SEK 266,711k, SEK 102,146k of which constitutes a liability to airlines and SEK 164,564k of which constitutes a liability to customers (at December 31, 2021, these cash and cash equivalents amounted to SEK 185,546k, SEK 23,188k of which constitutes a liability to airlines and SEK 162,358k of which constitutes a liability to customers.

Non-current assets

Intangible fixed assets are recognised at cost less accumulated amortisation/depreciation according to plan and any impairment.

Depreciation/amortisation is on a straight-line basis over the expected useful life, with account taken of significant residual value. The following periods are applied to depreciation or amortisation:

Trademarks	5 and 10 years
Equipment, tools, fixtures and fittings	5 years

Financial instruments

Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment. 'Cost' includes the purchase consideration paid for the shares, as well as acquisition expenses. Any capital contributions are added to 'cost' as they arise. Dividend from subsidiaries is recognised as revenue.

Accounts receivable/current receivables

Accounts receivable and current receivables are recognised as current assets in the amount they are expected to bring, less individually assessed doubtful receivables.

Cash and cash equivalents

The Company forms part of a group account system in which Etraveli Group AB (formerly Seat24 Travel AB) is counterparty of the bank. Balances/utilised credit are recognised as a receivable from/liability to the Company. At the balance sheet date on 31/12/2022, the receivable was SEK 590,870k (SEK 613,698k at 31/12/2021).

Foreign currencies

Monetary asset and liability items are measured in foreign currency at the spot rate on the closing day. Transactions in foreign currency are calculated at the spot rate on the transaction date.

Loans payable and accounts payable

Loans payable and accounts payable are initially recognised at cost, less transaction costs. If the recognised amount differs from the amount to be repaid when due, the difference is distributed as interest expense over the tenor of the loan using the effective interest rate of the instrument. In so doing, on the due date the recognised amount matches the amount to be repaid.

Leases

The Company reports all leases, both finance and operating leases, as operating leases. Operating leases are reported as an expense on a straight-line basis over the term of the lease.

Income taxes

Total tax comprises current tax and deferred tax. Taxes are recognised in the income statement, except when the underlying transaction is recognised directly in equity, in which case related tax effects are recognised in equity.

Current tax

Current tax refers to income tax for the current financial year, and the portion of income tax of the prior financial year that has not yet been recognised. Current tax is calculated based on the tax rate applying on the balance sheet date.

Deferred tax

Deferred tax is income tax relating to future financial years ensuing from prior events. It is recognised in accordance with the balance-sheet method. According to this method, deferred tax liabilities and deferred tax assets are recognised on temporary differences arising between book values, and values for tax purposes, for assets and liabilities and for other tax-related deductions or deficits.

Deferred tax assets are netted against deferred tax liabilities only if they can be paid in a net amount. Deferred tax is calculated based on the tax rate applying on the balance sheet date. Effects of changes in applicable tax rates are recognised in profit/loss in the period in which the change became statutory. A deferred tax asset is recognised as a financial asset and a deferred tax liability as a provision.

Deferred tax assets relating to loss carryforwards or other future tax deductions are recognised insofar that it is probable that the deductions can offset future tax surpluses.

Because of the link between accounting and taxation, the deferred tax liability attributable to untaxed reserves is not accounted for separately.

Group structure

The Company is a parent company. However, with reference to the exemption rules in Chapter 7, section 2 of the Annual Accounts Act, it does not prepare consolidated financial statements of its own. The superior parent company Flugo Group Holdings AB, corporate identity number 559113-9570 with its registered office in Stockholm, prepares the consolidated financial statements.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. The reported cash flow only includes transactions that have involved incoming or outgoing payments.

The Company classifies cash and cash equivalents as, besides cash funds, available balances at banks and other credit institutions, as well as short-term liquid investments that are listed on a trading venue and have a maturity shorter than three months from the time of acquisition. Restricted funds are classified as cash and cash equivalents. Changes in restricted funds are recognised in operating activities.

Definitions of key ratios

Equity/assets ratio

Adjusted equity as a percentage of the balance sheet total.

Return on equity

Profit/loss after financial items as a percentage of average adjusted equity.

Return on total capital

Operating profit/loss with the addition of interest income, as a percentage of the average balance sheet total.

Estimations and judgements

The preparation of year-end accounts and the application of accounting policies are often based on management's judgements, estimations and assumptions, which are assumed to be reasonable at the time they were made. Estimations and judgements are based on past experience and a number of other factors, which are considered reasonable in the prevailing circumstances. The results of these are used to assess the carrying amounts of assets and liabilities, which are not otherwise clear on the basis of other sources. The actual outcome may diverge from these estimations and judgements. Estimations and judgements are regularly reviewed.

The estimations and assumptions that entail a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are outlined below.

Assessments of receivables

The Group's receivables include receivables from airlines for volume commissions and/or marketing grants. These receivables are primarily based on assessments of booked air tickets and the date of future departures. Management performs continuous judgements of sales and credit risk at airlines, and judges on a case-by-case basis whether any of these receivables require impairment.

Covid-19 update and outlook

The Group has continued to deliver significantly more bookings in 2023 compared to pre-covid-19 levels, thanks to a strengthened market share and strong underlying market demand. Also the profitability came in at a higher level compared to 2019.

The Group maintains its robust financial position, with higher levels of available cash compared to pre-covid-19.

Note 2 Breakdown of net sales by various geographic markets

	01/01/2022	01/01/2021
	–31/12/2022	–31/12/2021
Sweden	219,039	103,467
Denmark	138,930	42,921
Rest of the Nordics	69,363	23,404
	427,331	169,791

Note 3 Net sales and gross sales

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Net sales (Invoicing for services brokered on behalf of another party)	427,331	169,791
Sales, group companies	0	4,404
Invoicing on behalf of another party	5,360,225	1,760,474
	5,787,556	1,934,669

Note 4 Distribution of other operating income

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Exchange rate gains	997	0
	997	0

Note 5 Purchases and sales between group companies

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Share of sales that refers to group companies	0	4,404
Share of purchases that refers to group companies	42,219	24,253

The Parent Company of the group of companies in which Svenska Resegruppen AB is a subsidiary, and for which consolidated financial statements are prepared, is Flugo Group Holdings AB, 559113-9570, with its registered office in Stockholm. For purchasing and sales between group companies, the same pricing principles are applied as in transactions with external parties.

Note 6 Remuneration to auditors

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
PWC		
Audit assignment	649	502
Audit activities other than audit assignment	34	73
	683	575

‘Audit assignment’ refers to the auditor’s work for the statutory audit and ‘audit activities’ refers to various kinds of quality assurance services. Other services are such that are not included in the audit assignment, audit activities or tax consultancy.

Note 7 Employees and personnel expenses

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Average number of employees		
Women	71	79
Men	8	13
	79	92
Salaries and other remuneration		
Other employees	30,390	34,501
	30,390	34,501
Social security contributions		
Pension costs for other employees	1,736	1,959
Other statutory and contractual social security contributions	9,684	11,081
	11,421	13,040
Total salaries, remuneration, social security contributions and pension costs	41,811	47,541

The average number of employees is based on hours present paid by the Company related to normal working hours.

Gender breakdown among senior executives

Percentage of men on the Board of Directors	100%	100%
Percentage of men, other senior executives	100%	100%

Note 8 Trademarks

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Opening cost	21,045	21,045
Closing accumulated cost	21,045	21,045
Opening amortisation	-18,391	-17,481
Amortisation for the year	-910	-910
Closing accumulated amortisation	-19,301	-18,391
Closing carrying amount	1,744	2,654

Amortisation according to plan is calculated on a useful life of 5 or 10 years.

Note 9 Other interest income and similar profit/loss items

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Interest income	54,017	46,325
Other interest income	1	1,794
Exchange rate differences	42	32
	54,060	48,152

Note 10 Interest expense and similar profit/loss items

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Internal interest expense	-49,544	-44,521
Other interest expenses	0	0
Other financial expenses	-235	-234
	-49,779	-44,755

Note 11 Appropriations

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Excess depreciation	910	889
Group contribution paid	-109,127	-344
	-108,217	545

Note 12 Current and deferred tax

	01/01/2022 –31/12/2022	01/01/2021 –31/12/2021
Tax on profit/loss for the year		
Deferred tax	3	0
Adjustments pertaining to prior years	-120	-45
Total recognised tax	-116	-45

Reconciliation of effective tax

	01/01/2022 –31/12/2022		01/01/2021 –31/12/2021	
	Per cent	Amount	Per cent	Amount
Recognised profit/loss before tax		4,587		1,764
Tax at current tax rate	20.60	-945	20.60	-363
Non-deductible expenses	20.60	-16	20.60	-10
Tax-exempt income	20.60	950	20.60	373
During the years utilization of previous year's loss deduction whose tax value was not reported as an asset	20.60	11	20.60	0
Effective tax recognised	0.00	0	0.00	0

Note 13 Participations in group companies

	31/12/2022	31/12/2021
Opening cost	13,626	13,605
Purchases	696	21
Sales/discards	-2	0
Closing accumulated cost	14,321	13,626
 Closing carrying amount	 14,321	 13,626

Note 14 Specification of participations in group companies

Name	Share of equity	No. of Participations	Book value 31/12/2022
Marco Polo Travel AS	100%	100	4,730
OY SRG Finland Ab	100%	1,000	75
Supersaver Travel B.V.	100%	180	8,223
Gotogate Inc	100%	100	0
Gotogate Pty Ltd	100%	100	0
E-Travel Israel (E.T.I.) Ltd	100%	10,000	96
E-Travel Holdings Ltd	100%	46,000	482
Flight Network UK Ltd	100%	1,000	10
Gotogate (Singapore) PTE. LTD.	100%	100,000	696
Gotogate Agencia De Viagens LTDA	5%	5,000	8
Gotogate SA	5%	5,000	0
Gotogate Mexico S de R.I. De C.V	5%	1	2
Etraveli India Private Limited	5%	50	0
			14,321

Name	Share of equity	No. of Participations	Book value 31/12/2021
Marco Polo Travel AS	100%	100	4 730
OY SRG Finland Ab	100%	1,000	75
Supersaver Travel B.V.	100%	180	8 223
Gotogate Inc	100%	100	0
Gotogate Pty Ltd	100%	100	0
E-Travel Israel (E.T.I.) Ltd	100%	10,000	96
E-Travel Holdings Ltd	100%	46,000	482
Flight Network UK Ltd	100%	1,000	10
Gotogate Agencia De Viagens LTDA	100%	25	8
Gotogate SA	5%	5,000	0
Gotogate Mexico S de R.I. De C.V	5%	1	2
Etraveli India Private Limited	5%	50	0
Gotogate RU LLC	5%	15,500	2
			13 626

	Org.nr	Säte
Marco Polo Travel AS	985 711 259	Oslo, NO
OY SRG Finland Ab	1925 453-7	Helsingfors, FI
Supersaver Travel B.V.	30 184 817	Amsterdam, NL
Gotogate Inc	81-4722527	Miami, US
Gotogate Pty Ltd	38616342717	Sydney, AU
E-Travel Israel (E.T.I.) Ltd	51-583355-6	Tel-Aviv, IL
E-Travel Holdings Ltd	HE313102	Nicosia, CY
Flight Network UK Ltd	10329158	London, GB
Gotogate (Singapore) PTE. LTD.	202205216E	Singapore, SG
Gotogate Agencia De Viagens LTDA	35.235.555.7	São Paulo, BR
Gotogate SA	1951027	Buenos Aires, AR
Gotogate Mexico S de R.I. De C.V	FME-2021031776	Ciudad de México, MX
Etraveli India Private Limited	U63030PN2021PTC202876	Pune, IN

Note 15 Prepaid expenses and accrued income

	31/12/2022	31/12/2021
Accrued income	61,642	33,589
Prepaid pension	93	166
Accrued fee income and accrued receivable	2,010	1,659
	63,745	35,414

Note 16 Number of shares and quotient value

Name	No. of shares	Quotient value
A-shares	10,000	100
	10,000	

Note 17 Untaxed reserves

	31/12/2022	31/12/2021
Accumulated excess depreciation	1,766	2,675
	1,766	2,675

Note 18 Accrued expenses and deferred income

	31/12/2022	31/12/2021
Accrued holiday pay liability including social security contributions	2,532	2,832
Accrued social security contributions, other	407	966
Marketing expenses	12,389	2,665
Other accrued expenses	19,062	19,739
	34,390	26,202

Note 19 Pledged assets

	31/12/2022	31/12/2021
For own provisions and liabilities		
Receivables from group companies	1,069,565	984,307
Floating charges	8,000	8,000
Shares in subsidiaries	4,804	4,804
	1,082,369	997,112

Note 20 Contingent liabilities

	31/12/2022	31/12/2021
Travel guarantees for own account	3,800	3,800
Bank guarantees	1,050	1,376
	4,850	5,176

Note 21 Appropriation of profit or loss

	31/12/2022
Proposed appropriation of profits	
The Board of Directors proposes that the following available profits consisting of	
retained earnings	261,832
loss for the year	4,471
	266,302
be distributed such that	
distributed to shareholders (20,000 SEK per share)	200,000
the following be carried forward:	66,302
	266,302

Note 22 Related-party transactions

Transactions with group companies take place on market terms and no other related-party transactions occur.

Note 23 Significant events after the balance sheet date

Covid-19 update and outlook

The Group has continued to deliver significantly more bookings in 2023 compared to pre-covid-19 levels, thanks to a strengthened market share and strong underlying market demand. Also the profitability came in at a higher level compared to 2019.

The Group maintains its robust financial position, with higher levels of available cash compared to pre-covid-19.

Note 24 Financial risks

Through its operations, the Company is exposed to financial risks. The most important financial risks are currency, interest rate, credit and liquidity risk. These risks are managed and controlled in accordance with a finance and currency policy adopted by the Board. Risk management is administered by the Company's finance department.

Liquidity risks

Liquidity risk is the risk that the Company will not have sufficient cash and cash equivalents to pay its financial liabilities. The Company forms part of a group that has the objective, in terms of liquidity management, to ensure that sufficient cash and cash equivalents are on hand to fulfil its commercial commitments. Cash flow forecasts are continually prepared and reported to management. Control and monitoring thereof are carried out by the Group's finance department. Surplus liquidity in the Group's operating companies, i.e. the excess required to manage working capital requirements, is managed centrally within the Group. The Company has cash and cash equivalents of SEK -237,023k (-185,566k) which have been reported against Receivables from group companies where the group cash account receivable is reported.

Market risks

Market risk is the risk of the fair value of, or future cash flows from, a financial instrument fluctuating due to changes in market prices. The market risks that primarily affect the Company consist of foreign exchange risks, interest rate risks and supplier risks. The aim of the Company is to reduce the impact of short-term fluctuations on the Company's earnings. In the longer term, however, lasting changes in exchange rates and interest rates will have an impact on the consolidated earnings.

Interest rate risks

Interest rate risk is the risk of the value of financial instruments varying due to changes in market rates. Interest rate risk can lead to a change in fair values and changes in cash flows. A significant factor that affects interest rate risk is the fixed interest term. Management of the Company's interest rate exposure is centralised, meaning that the central finance function is responsible for identifying and managing this exposure. The Company's interest rate exposure risk is relatively limited as borrowings and lending match.

Foreign exchange risks

The risk that the fair values and cash flows regarding financial instruments can fluctuate when the value of foreign currencies change is called foreign exchange risk. The Company is exposed to different types of foreign exchange risk. The main currency exposure in the Company is found in currency fluctuations when translating the assets and liabilities of the Danish branch into the Parent Company's functional currency, known as translation exposure. There is also currency exposure in the Company regarding payment flows in the form of client and supplier payments in foreign currencies, known as transaction exposure. The transaction exposure is relatively low.

Supplier risks

'Supplier risks' refer to risks of adverse changes in the level and calculation basis of remuneration for brokered services. In order to reduce this risk, the Company works continually with reinforcing its market position and customer relations. In some cases, the Company also reaches agreements with suppliers regarding volume commitments for generated sales.

Credit risks

'Credit risks' refer to the risk that the Company will not receive payment as agreed and/or will incur a loss due to the counterparty's inability to honour its obligations.

Credit risks in receivables:

The risk that the Company's customers will not honour their obligations, i.e., that payment will not be received for receivables, poses a credit risk to generated sales. Accounts receivable from private individuals/companies essentially do not arise as the majority of sales are paid for directly through online banks or credit cards. The majority of receivables are intra-group and are not considered to pose any material credit risk.

Inability of the counterparty to deliver services

In the sale of air tickets, the Company serves as an agent for the airlines. The actual ticket is an agreement between the passenger and the airline. If the passenger has paid for the ticket by credit card to the agent, and the airline is unable to deliver the service, the agent's acquiring bank can, under certain circumstances, claim the amount back from the agent. The agent then has to lodge a counterclaim against the airline. The agent also has a financial responsibility towards the passenger if the agent has sold a package-style holiday. Provisions for these risks are made continually.

Note 25 Other non-current receivables

	31/12/2022	31/12/2021
Opening accumulated cost	1,050	1,050
Additional receivables	1	0
Closing accumulated cost	1,050	1,050
Closing carrying amount	1,050	1,050

Not 26 Equipment, tools, fixtures and fittings

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Opening cost	115	0
Purchases	107	115
Closing accumulated cost	222	115
Opening depreciation	-13	0
Depreciation for the year	-56	-13
Closing accumulated depreciation	-69	-13
Closing carrying amount	153	102

Not 27 Other operating expenses

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Exchange losses	0	2,623
	0	2,623

The income statement and balance sheet will be presented to the Annual General Meeting for adoption.

Uppsala, on the date specified by our electronic signature



Mathias Hedlund
CEO



Johan Elwin
Board member



Henrik Wetterdal
Board member

Our audit report has been submitted on the date specified by our electronic signature

PricewaterhouseCoopers AB

Leonard Daun

Leonard Daun
Authorised Public Accountant

Verification

Transaction 09222115557495327612

Document

SEP Svenska Resegruppen AB Annual Report 2022

ENG.pdf

Main document

23 pages

Initiated on 2023-06-22 13:47:42 CEST (+0200) by

Contracts Etraveli Group (CEG)

Finalised on 2023-06-22 15:46:50 CEST (+0200)

Initiator

Contracts Etraveli Group (CEG)

Etraveli Group

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Signing parties

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A handwritten signature in black ink, appearing to be 'JE' with a flourish.

The name returned by Swedish BankID was "JOHAN ELWIN"

Signed 2023-06-22 15:15:15 CEST (+0200)

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+46706663758

A handwritten signature in black ink, appearing to be 'MH' with a flourish.

The name returned by Swedish BankID was "MATHIAS HEDLUND"

Signed 2023-06-22 14:06:47 CEST (+0200)

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Verification

Transaction 09222115557495327612

A handwritten signature in black ink, appearing to read 'Henrik Wetterdal'.

The name returned by Swedish BankID was "HENRIK WETTERDAL"
Signed 2023-06-22 13:50:35 CEST (+0200)

A handwritten signature in black ink, appearing to read 'Leonard Daun'.

The name returned by Swedish BankID was "LEONARD DAUN"
Signed 2023-06-22 15:46:50 CEST (+0200)

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Auditor's report

To the general meeting of the shareholders of Svenska Resegruppen AB, corporate identity number 556409-9025

Report on the annual accounts

Opinions

We have audited the annual accounts of Svenska Resegruppen AB, for the year 2022.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Svenska Resegruppen AB as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for Svenska Resegruppen AB.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent Svenska Resegruppen AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

A further description of our responsibility for the audit of the annual accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Svenska Resegruppen AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Svenska Resegruppen AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:



- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Uppsala on the day shown by our electronic signature
PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID

2023-06-22 13:45:57 UTC

Namn returnerat från Svenskt BankID: LEONARD DAUN

Datum

Leonard Daun

Partner

Leveranskanal: E-post