ANNUAL REPORT

THE BRAGANZA GROUP 2019

BRAGANZA

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BRAGANZA AB

The board and the managing director of Braganza AB hereby submit the annual report and consolidated group accounts for the financial year 2019.

Braganza AB is a private investment company owned by Per G. Braathen and his children. Braganza has its office in Stockholm. The Group consists primarily of direct investments within the aviation industry and travel related industries, managed through active ownership. A minor part of the Group assets is classified as financial investments.

Braganza as a group has a long history (1938) and was an active owner of the Norwegian airline company Braathens (SAFE) for more than 50 years, before SAS acquired Braathens in 2001. The current activities of Braganza began with a demerger in 2002 when the equity base was some MSEK 600 equivalent. During the following years the Group has increased the equity base to approximately 1.3 billion SEK, focusing on industrial investments in the form of wholly- or majority owned subsidiaries, developed through active and long-term ownership. Having been a Norwegian based company since 1938, Braganza became a Swedish holding company through a cross border merger in 2013.

THE GROUP

By year-end 2019 the Group consists of the holding companies Braganza AB and Braganza II AB which in turn own the main operating holding companies BRA (Braathens Aviation AB), Dyreparken Utvikling AS, Ticket Leisure Travel AB and Escape Travel Group AS. All group companies are listed in note 24 to the Financial Statements.

FINANCIAL OVERVIEW OF THE MAIN OPERATING COMPANIES 2019 (2018):

		2019	2018
BRA	TURNOVER	2 553 MSEK	(2 743 MSEK)
	EBITDA	10 MSEK	(- 11 MSEK)
	FTE	762	(873)
TICKET	TURNOVER	6 157 MSEK	(6 500 MSEK)
	EBITDA	54 MSEK	(54 MSEK)
	FTE	334	(355)
DYREPARKEN	TURNOVER	494 MSEK	(468 MSEK)
	EBITDA	76 MSEK	(66 MSEK)
	FTE	312	(312)
ESCAPE TRAVEL GROUP	TURNOVER	714 MSEK	(664 MSEK)
	EBITDA	-3 MSEK	(18 MSEK)
	FTE	101	(85)

BRA (Braathens Aviation AB) is the holding company for the airline operations. BRA has its office in Stockholm and is today the second largest operator in the Swedish domestic market. Using Stockholm Bromma as a hub, passengers enjoy a broad domestic network, coordinated timetables allowing for efficient transfers and frequent flights.

A series of external events had a significant negative impact on the prospects for the airline at the start of 2019. Currency losses, increased fuel cost, higher fees and taxes and a significant drop in passenger numbers necessitated drastic measures to save the company. A new senior management was put in place in March.
In April a Group decision was made to implement a profit improvement programme, which meant disposing of the Group's jets in 2019 and 2020 and from 2020 leasing a smaller number of jets from an external party under what is known as a wet lease. As a result, 500 employees became redundant in 2019 and 2020.

The plan was part financed by an equity infusion of 100 million SEK, and a subsidiary of Braganza AB acquired the jet aircraft fleet with short term lease backs to the airline. BRA reported a consolidated net loss of -155 MSEK for 2019. The turnaround plan was almost completed in March 2020 when Covid-19 in practice lead to a full stop in domestic flying in Sweden during the course of three weeks. On April 6 2020, BRA and most of its subsidiaries were admitted into administration by the relevant courts in Stockholm.

Ticket includes Ticket Privatresor AB and Ticket Feriereiser AS. Ticket is the largest travel agency chain in Sweden and Norway focusing on the leisure market. The head office is in Stockholm. The company sells leisure travel services from leading tour operators, cruise companies, airlines and hotels. Sales are carried out through some 70 Ticket shops, by phone, and online through ticket.se and ticket.no. More than half the sales are now online, and this channel is growing. Ticket has an online presence in Denmark and Finland through ticket.dk and ticket.fi. In Germany, Austria, the Netherlands, France, Italia and Portugal Ticket sells online through airngo. Airngo is also present in Sweden, Norway, Denmark and Finland as an online only offer. In 2019 the turnover decreased by 5% compared to 2018 while earnings before tax increased by 4%.

Dyreparken Utvikling AS is the holding company for Dyreparken located in Kristiansand. Over many years, Dyreparken has maintained its position as the largest and most visited family attraction in Norway. With its combination of zoo and amusement park, water park, evening shows and themed accommodation, Dyreparken has become a full-scale destination with around one million visitors each year. With a strong focus on innovation and unique themes, based on Norway´s best known children stories, Dyreparken appeals to people of all ages. Dyreparken plays an important role for animal protection and conservancy worldwide, working closely with WAZA (World Association of Zoos and Aquariums) and EAZA (European Association of Zoos and Aquaria), to help save animals under threat of extinction. 2019 was a very good year for Dyreparken with more than a million guests and profitability above budget.

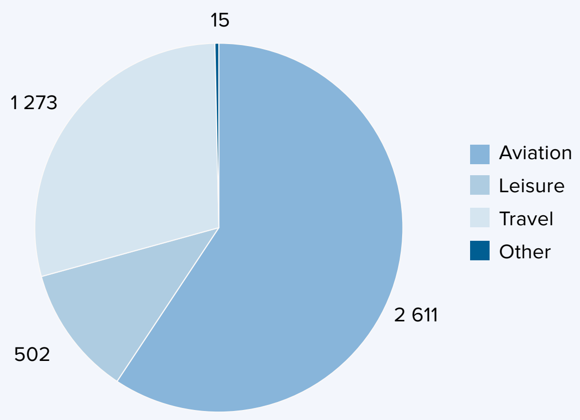
The tour operation in Braganza is organized through Escape Travel Group AS, which runs operations in Norway, Sweden, Denmark and Germany. Escape Travel is the fourth largest tour operator in the Norwegian market after Ving, TUI and Apollo. Carpe Diem, a brand under Escape Travel AS, is market leader in Norway in the niche for individual holidaymakers who want to travel as a group. Escape offers quality tours and cruises throughout the world based on scheduled flights. The company has a strong product range, both for group and individual holidays. In March 2019, Escape Travel AS acquired 100 % of Prima Travel, the market leading, hiking, walking and biking tour operator in Sweden. With the brands Escapeaway, Hideaways and Siglinde Fischer Escape Travel Group has a presence in dynamic packing in Denmark, Sweden, Norway and Germany.

In 2019 Escape did well in the river cruises and cruise segment, in round trips, in Sports and in Carpe Diem. In dynamic packaging the warm summer of 2018 had negative impact on 2019 summer sales to the Mediterranean. Sales picked up in the fall and for winter departure in the last quarter of the year.

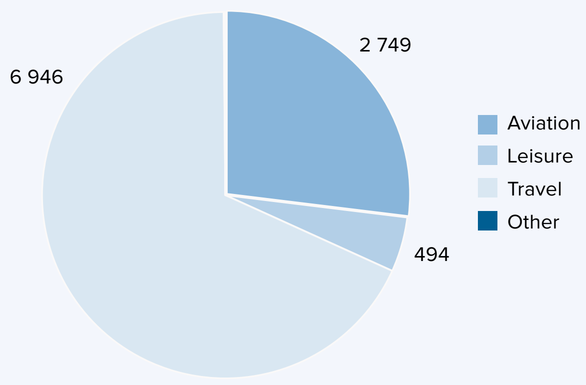
Escape enjoyed a strong winter, spring and fall operation in 2019, with satisfying financial results. In-Italia and Hideaways both had a more challenging year with their bulk of departure in the summer season which was adversely affected by the hot summer of 2018.

ALLOCATION OF REVENUE BY OPERATING SEGMENTS

NET REVENUES - OPERATING SEGMENTS



GROSS REVENUES - OPERATING SEGMENTS



GOING CONCERN

In accordance with the Swedish Accounting Act, the board of directors confirms that the financial statements have been prepared under the assumption of a going concern.

Further information about the Group is available on the company's website: www.braganza.com.

RISK FACTORS

Political unrest and natural disasters such as earthquakes, floods and ash clouds, are typical operational risk factors for the tourism industry. An economic downturn in Scandinavia would also pose a significant risk.

Primarily, financial risk in the Group relates to foreign currency and fuel prices, and particularly exposure to US dollar and EUR through BRA. Such risks are normally reduced through currency and fuel price forward contracts, securing approximately 50% of the next 12 months' estimated requirements of BRA debt related to finance leases of six ATR 72-600 aircraft is secured long term with support of the Italian and French export finance institutions. Loans are denominated in EUR, which historically correlates with SEK, and all EUR loans at year-end are at fixed interest rates.

The Group is also exposed to currency risk through Escape Travel. Major suppliers are typically payed in Euros, while income is mainly in NOK or SEK. This type of exposure is generally for less than six months. Escape Travel partially hedges such exposure in EUR or USD, not defined as ad-hoc/short term, through forward contracts.

Credit and liquidity risk is low, as the customer prepays most products sold by Group companies.

ACCOUNTS – 2019

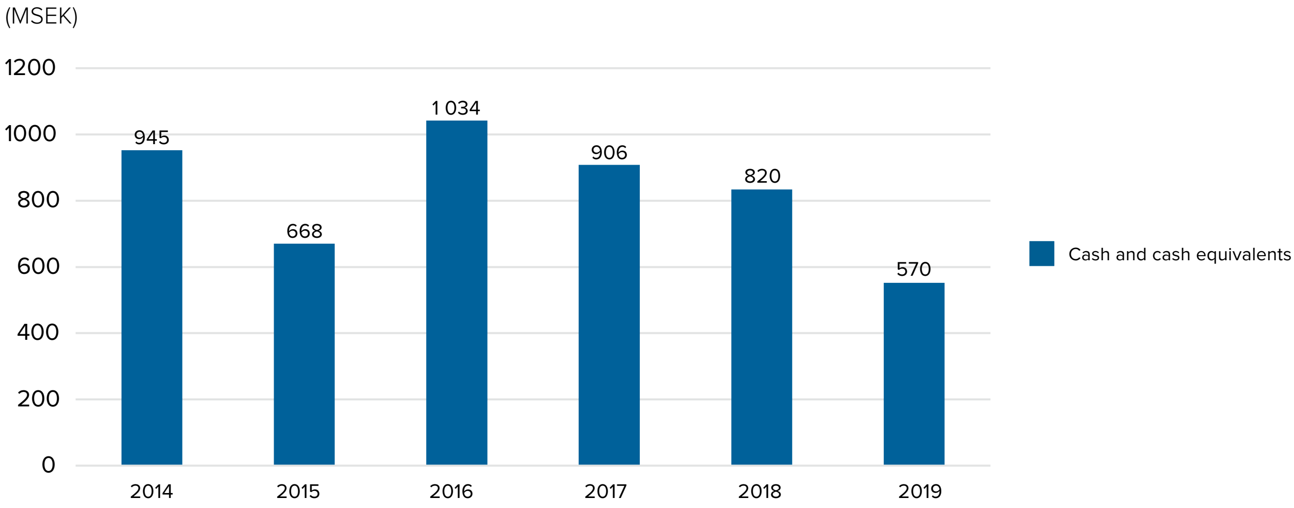
	2019 GROUP	2018 GROUP	2019 PARENT COMPANY	2018 PARENT COMPANY
Net revenue	4 401 MSEK	4 446 MSEK	12 MSEK	11 MSEK
EBITDA	44 MSEK	151 MSEK	-20 MSEK	-22 MSEK
Operating profit	-179 MSEK	-74 MSEK	-20 MSEK	-22 MSEK
Net financial	-127 MSEK	27 MSEK	-104 MSEK	29 MSEK
EBT / Profit/(loss)	EBT -306 MSEK	EBT -47 MSEK	Profit/(loss) -121 MSEK	Profit/(loss) 12 MSEK

The consolidated financial statement for 2019 shows a profit before depreciation and financial items (EBITDA) of MSEK 44, compared to MSEK 151 for 2018. The parent company's result before tax for 2019 was MSEK -121.

At 31 December 2019, the Group had an equity base of MSEK 1 312. The parent company's equity was MSEK 1 110 as of 31 December 2019. The parent company has distributable reserves of MSEK 1 064. The Board confirms that the going concern assumption is valid and that the accounts have been prepared on a going concern basis.

Dyreparken Utvikling, Dyreparken Eiendom, Badelandet Eiendom and BRA are the only companies within the Group with interest bearing debt at year-end 2019. The Group's cash position at 31 December 2019 was MSEK 570. The parent company's cash position at 31 December 2019 was MSEK 242. The development in the Group's cash position over the last six years is shown below in MSEK.

CASH AND CASH EQUIVALENTS – GROUP



WORKING CONDITIONS AND ENVIRONMENT

The working environment is satisfactory. There have been no reported serious injuries or serious accidents in the Group in 2019. There have been no reported cases of discrimination. The Group had a total of 1 537 FTEs in 2019. Historically, companies in the Group have had a majority of female employees, and equality is sought in areas where this is deemed relevant. The parent company had three employees on a part time basis by year-end.

The Group has significant airline operations through BRA. The business contributes to greenhouse gas emissions. However, focus is on reducing emissions through efficient utilization of the fleet and the use of modern technology. Renewal of the aircraft fleet is an important step in the Group's environmental commitment. CO_2 quotas are required for 100 % of BRA's emissions.

OUTLOOK FOR 2020

In the coming years, the Group will continue to develop its industrial investments through active ownership and support. The business model of the airline is under evaluation in order to turn a lossmaking operation into a long-term profitable company. The significant companies within the group entered 2020 with strong balance sheets and businesses positioned for future growth. The expectation is that the intensive competitive environment will prevail for a majority of the businesses also in 2020.

The coronavirus pandemic has impacted all Braganza's travel related companies from March 2020. With travel bans and various restrictions imposed in all Nordic countries from mid-March travel came to a standstill and sales for 2020 decreased to very low levels. Tour operating booking numbers for 2021 is a sole positive sign in an otherwise grim situation.

EVENTS AFTER BALANCE SHEET DATE

In December 2019 Braganza guaranteed for a total of 34 million NOK in new equity and a subordinated loan in BRAbank. The subscrition was completed in March 2020, with MNOK 20,8 in the share issue and MNOK 13,8 in the subordinated loan.

In February 2020, Musti Group Holding Oy was listed on the stock exchange. Braganza sold 48% of its stocks in the IPO. This resulted in a gain of MSEK 29.5. The Vendor loan of MSEK 106 was repaid at the same time. The remaining shareholding was sold in April 2020 and this sale resulted in a further gain of MSEK 23. The sale of the shareholding and repayment of the vendor loan resulted in a total liquidity increase of approximately MSEK 220.

Since the outbreak of the coronavirus crisis, ticket sales for the airline BRA and the aviation industry at large have fallen at an unprecedented rate. On 19 March the airline announced that it was cutting flights to a minimum and that all staff were being partly and temporarily laid off.

On 1 April the company announced that all air traffic was being suspended until 31 May, as the demand for airline tickets had vanished. After careful consideration, the company's Board chose, with effect on 6 April 2020, to make an application to the District Court for restructuring proceedings, which was granted the same day. During the restructuring process operations are frozen completely, to enable them to be resumed with flights after the summer. During the restructuring BRA by law is not allowed to make any payments to meet liabilities stemming from the period before April 6 before a composition arrangement has been entered into. It is not possible at present to say when a composition arrangement can be entered into.

The contracts signed with WDL Aviation for the leasing of five Embraer 190 aircraft have been terminated because of the suspension of flights. The financial statements do not take account of any resultant payment of damages.

The Group's approximately 600 employees have been furloughed since mid-March because of the rapid decline in air traffic. In connection with the application and the District Court's granting of approval of the restructuring process, co-determination and redundancy negotiations were held with trade union organisations, leading to almost all staff being served with notices of termination. A restructuring team of around 20 people remains in the Group. The main purpose of the restructuring team is to preserve assets and prepare for a re-start.

Ticket and the tour operators in Escape Travel Group face severe market conditions and challenges refunding customers. Major cost cuts have been implemented in all units. Kristiansand Dyrepark has stayed open with strict measures to protect against infection. With 160 acres the park has space for strong summer traffic when domestic travel resumes. Our businesses have been helped by various Governments initiatives.

As of late April and early May 2020 Scandinavia and EU countries are easing their lockdowns and businesses gradually reopen. We expect a soft recovery starting in the final half of 2020 and into early 2021. By 2022 we plan for a more robust recovery in international travel.

PROPOSED APPROPRIATION OF 2019 PROFIT

The board of directors propose the following appropriation of the available profit	1 063 686 TSEK
To be carried forward	**1 063 686 TSEK**

Please refer to the income statements, balance sheets, cash flow statements and supplementary disclosures regarding the Group's and the parent company's profits and financial position in other respects.

BRAGANZA AB
CONSOLIDATED INCOME STATEMENT 1.1 – 31.12

Amounts in TSEK	Notes	2019	2018
Gross revenue		10 204 184	10 446 924
Net Revenue		4 336 935	4 422 923
Other operating income	3	64 215	23 022
Total revenue		**4 401 150**	**4 445 945**
Cost of goods sold		-597 458	-553 529
Employee benefits expense	4, 5	-1 265 197	-1 315 329
Other operating expenses	3, 4	-2 494 129	-2 425 891
Total operating expenses		**-4 356 784**	**-4 294 749**
EBITDA		**44 366**	**151 196**
Depreciation and amortisation expenses	6, 7	-224 273	-224 774
Income from divestment of operations	8	1 067	-123
Operating profit / (loss)		**-178 840**	**-73 701**
Income from investments in associates	9	-2 122	-7 030
Other interest income		17 220	16 762
Other financial income	8, 10	34 783	58 210
Impairment of financial assets	13	-135 562	-
Other interest expense		-20 212	-17 439
Other financial expenses	10	-20 909	-23 926
Net financial income / (loss)		**-126 802**	**26 577**
Profit / (loss) before income tax		**-305 642**	**-47 124**
Income tax expense	11	-46 664	-28 283
Net profit / (loss)		**-352 306**	**-75 407**
Attributable to:			
Braganza shareholders		-353 851	-78 163
Non-controlling interests		1 545	2 756

BRAGANZA AB
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER

Amounts in TSEK	Notes	2019	2018
Brands and other intangible assets		270 550	298 845
Goodwill		62 484	59 670
Total intangible assets	6	**333 034**	**358 515**
Properties and land		602 248	594 641
Aircraft, engines and similar		1 201 034	1 311 670
Construction in progress and pre-payments		5 527	-
Equipment		89 458	114 612
Total tangible assets	7, 12	**1 898 267**	**2 020 923**
Deferred tax asset	11	-	6 476
Investments in associates	9	9 052	11 157
Loans to associates		2 188	-
Net pension plan asset	5	1 901	719
Long term investments	13	179 984	187 209
Long term receivables	14	291 277	199 052
Total financial assets		**484 403**	**404 612**
Total non-current assets		**2 715 704**	**2 784 050**
Finished goods		49 946	58 592
Accounts receivable		92 878	106 451
Other receivables		178 807	186 157
Prepayments and accrued income	16	218 605	218 140
Total receivables		**490 291**	**510 748**
Cash and cash equivalents	17	569 698	820 341
Total current assets		**1 109 934**	**1 389 681**
Total assets		**3 825 639**	**4 173 731**

BRAGANZA AB
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER

Amounts in TSEK	Notes	2019	2018
Share capital	18	46 086	46 086
Additional paid in capital		-	-
Total restricted equity		**46 086**	**46 086**
Free reserves		1 584 694	1 648 280
Profit for the year		-353 851	-78 163
Total accumulated profits		**1 230 843**	**1 570 117**
Non-controlling interests		**34 816**	**26 026**
Total equity		**1 311 745**	**1 642 229**
Pension obligations	5	3 735	4 497
Deferred tax liability	11	43 598	23 000
Total provisions		**47 334**	**27 497**
Liabilities to financial institutions	19	968 082	972 013
Other long term liabilities	20	51 045	12 700
Total other non current liabilities		**1 019 127**	**984 713**
Liabilities to financial institutions	19	105 783	99 516
Accounts payable		249 185	372 330
Income tax payable	11	19 745	14 823
Public duties payable		98 466	79 030
Other short term liabilities		84 548	75 212
Accrued expenses and deferred income	20	889 707	878 380
Total current liabilities		**1 447 434**	**1 519 292**
Total Liabilities		**2 513 895**	**2 531 502**
Total equity and liabilities		**3 825 639**	**4 173 731**

BRAGANZA AB
CONSOLIDATED CASH FLOW STATEMENT 1.1 – 31.12

Amount in TSEK	Notes	2019	2018
Cash flow from operating activities			
Operating profit / (loss)		-178 840	-73 701
Interest received		7 545	5 660
Interest paid		-20 212	-17 439
Other financial income net		13 874	34 284
Income tax payable		-15 280	-4 694
Gain (-) / loss from disposal of non current assets		-8 924	-12 911
Gain (-) / loss from disposal of operations		-1 067	123
Depreciation and amortisation expenses	6, 7	214 790	224 775
Impairment of non current assets	6	9 483	-
Cash flow from operating activities		**21 369**	**156 097**
Cash flow from working capital			
Changes in finished goods		8 734	-4 817
Changes in accounts receivable		19 881	9 219
Changes in accounts payable		-129 399	-13 339
Difference between recognized pension cost and actual payments		-1 944	-
Changes in other accruals		40 494	68 729
Net cash flow from operating activities		**-40 865**	**215 889**
Cash flow from investing activities			
Proceeds from disposal of tangible non current assets		107 211	26 814
Proceeds from disposal of operations		-247	-123
Purchase of tangible and intangible non current assets	6, 7	-81 359	-142 334
Purchase of shares		-127 574	-95 854
Proceeds from disposal of intangible assets		-	468
Net proceeds from disposal of shares		-	11 699
Aquisition of subsidiary, net of cash aquired	22	-24 014	5 869
Change in long term receivables		-84 739	3 774
Net cash flow from investing activities		**-210 722**	**-189 686**
Cash flow from financing activities			
Net proceeds from recent borrowings/down payments		**23 376**	-46 141
Changes in bank overdraft		**6 266**	4 917
Equity proceeds / Repayment		**10 441**	-3 667
Dividends		**-15 471**	-16 958
Net cash flow from financing activities		**24 612**	**-61 849**
Net change in cash and cash equivalents		**-226 975**	**-35 646**
Effect of exchange rate differences on cash and cash equivalents		**-23 669**	**-49 717**
Cash and cash equivalents at 01.01	17	**820 341**	**905 705**
Cash and cash equivalents at 31.12	17	**569 698**	**820 341**

BRAGANZA AB
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER

	Share capital	Additional paid in capital	Retained earnings	Attributable to equity hol-ders of the parent	Non-controlling interests	Total equity
Equity at 1 January, 2018	**46 086**	**-**	**1 647 639**	**1 693 725**	**23 988**	**1 717 713**
Profit for the year		-	-78 163	-78 163	2 756	-75 407
Change in carrying amount for assets and liabilities						
Translation differences			20 063	20 063	485	20 548
Total change in carrying amount	**-**	**-**	**20 063**	**20 063**	**485**	**20 548**
Transactions with owners:						
Purchase from (-)/ Sales to (+) non-controlling interests			-6 422	-6 422	2 755	-3 667
Payment of dividends			-13 000	-13 000	-3 958	-16 958
Total transactions with owners	-	-	-19 422	-19 422	-1 203	-20 625
Equity at December 31, 2018	**46 086**	-	**1 570 117**	**1 616 203**	**26 026**	**1 642 229**
Equity at 1 January, 2019	**46 086**	**-**	**1 570 117**	**1 616 203**	**26 026**	**1 642 229**
Profit for the year		-	-353 851	-353 851	1 545	-352 306
Change in carrying amount for assets and liabilities						
Translation differences			22 890	22 890	854	23 744
Total change in carrying amount	**-**	**-**	**22 890**	**22 890**	**854**	**23 744**
Transactions with owners:						
Purchase from (-)/ Sales to (+) non-controlling interests			4 687	4 687	8 862	13 549
Payment of dividends			-13 000	-13 000	-2 471	-15 471
Total transactions with owners	-	-	-8 313	-8 313	6 391	-1 922
Equity at December 31, 2017	**46 086**	**-**	**1 230 842**	**1 276 928**	**34 816**	**1 311 745**

NOTE 1. ABOUT THE BRAGANZA GROUP

Braganza is a privately held investment company based in Stockholm. Braganza is owned by Per G. Braathen and his immediate family. For many years, Braganza owned the airline Braathens (SAFE). Investments in the airline industry, tourism, leisure and distribution of tourism products account for the majority of the investment portfolio. Braathens Aviation, Kristiansand Dyrepark, Ticket, and Escape Travel Group are the company's largest single investments. A greater proportion of the industrial business is located in Sweden.

Braganza's wholly owned aviation business in Sweden is organised through Braathens Aviation Group AB. The airline is trading under the brand BRA, short for Braathens Regional Airlines and consists of the previous brands Malmö Aviation and Sverigeflyg (including various sub-brands).

BRA is a regional airline that operates from Stockholm's city-airport, Bromma. The airline operates both jet aircraft and turbo-props. BRA transports some two million passengers annually and has been named Sweden's best domestic airline for several successive years.

Kristiansand Dyrepark (Zoo and Amusement Park) was established more than 50 years ago, and has evolved into the largest and foremost leisure park in Norway, including a water park and accomodation. Dyreparken is a full service holiday resort including the pirate themed accommodation Abra Havn, which have a capacity of accomodating 1000 guests.

Ticket is among the largest leisure travel agencies in the Nordic region, with some 70 stores. The company sells leisure travel from all leading tour operators, in addition to cruises, airline tickets and hotel accommodation. Ticket assists and advise the customer through easy access to a wide range of travel products.

Escape Travel Group is a tour operator focusing on the Nordic region, with Escape Travel as common brand. In Norway Escape Travel is the fourth largest tour operator.

NOTE 2 ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Swedish Accounting Act (1995:1554) and generally accepted accounting principles in Sweden by the Accounting Committee BFNAR 2012:1 ("K3").

PRESENTATION

The income statement is presented by nature. The group distinguishes between gross and net revenue in the income statement. Gross revenue in the travel segment represents the gross purchase value (paid by the ultimate customer) of travels arranged on behalf of customers. Net revenue represents the fee expected to be received from customers based on the arrangements made. There are no significant differences between gross and net revenue in other segments of the Group.

The cash-flow statement is based on the indirect method. Cash includes cash in hand and bank-deposits.

BASIS FOR CONSOLIDATION

The Group's consolidated financial statements comprise Braganza AB and companies in which Braganza AB has a controlling interest. A controlling interest is normally obtained when the Group owns more than 20-50% of the shares in the company and can exercise control over the company. Non-controlling interest are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statement. Identical accounting principles have been applied for both parent and subsidiaries.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

An associate is an entity in which the Group has a significant influence but does not exercise control of the management of its finances and operations, normally when the Group owns 20%-50% of the company. The consolidated financial statements include the Group's share of the profits/losses from associates, accounted for using the equity method, from the date when a significant influence is achieved and until the date when such influence ceases.

When the Group's share of a loss exceeds the Group's investment in an associate, the amount carried in the Group's balance sheet is reduced to zero and further losses are not recognized unless the Group has an obligation to cover any such loss.

FOREIGN CURRENCY TRANSLATION

Presentation of subsidiaries in foreign currency

The Group's reporting currency is SEK. This is also the parent company's functional currency. The balance sheet figures of subsidiaries with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period while the income statement figures are translated at the transaction exchange rate. The yearly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognized in equity. When investments in foreign subsidiaries are sold, the accumulated translation differences relating to the subsidiary are recognized in the income statement.

Translation of foreign currency transactions and balances

Transactions in foreign currency are translated at the rate applicable on the transaction date.

Presentation in the income statement

Profit and loss effects arising from translation of balance sheet items related to operating activities, such as accounts receivables and accounts payable, are presented as operating activities. Translation of balance sheet items related to the financing of the group, such as long term loan and bank accounts, are presented as finance cost/income. Gains and losses from financial instruments, including hedge accounting, are recognized in the income statement when due. Until the due date, these instruments are kept off balance sheet. Financial instruments used for hedging purposes, but not regarded as a hedge accounting relationship, are presented at fair value. All changes in fair value of financial instruments, except those kept off balance sheet, are recognized as financial cost/income in the income statement. The use of financial instruments is explained in more detail in the notes to the consolidated financial statements.

SEGMENT REPORTING

For management and reporting purposes, the Group has identified four reporting segments. These segments consist of Aviation, Travel, Leisure and Other and comprise the basis for the primary segment reporting. Segment figures are presented in accordance with Swedish GAAP. Please see separate note.

REVENUE RECOGNITION

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and most of the risk and return has been transferred. Revenues from the sale of services are recognized when the service has been provided and the group has obtained a right to receive the payment.

AVIATION

Passenger revenue
Passenger revenue is recognized as revenue when the transport has been carried out. The value of valid tickets sold but not used at the reporting date is reported as short-term liability in the balance sheet. This liability is reduced either when transportation is carried out or when the passenger requests a refund.

Other revenue
Other revenue comprises sales of ticket-related products and services, such as baggage fees and freight revenues. Some of these products and services are considered earned when the transport is carried out and accordingly recognized in the same manner as passenger revenue. Other products and services are immediately recognized upon a sale in the income statement.

Customer loyalty program
A customer loyalty program has been established. Within the program the passengers acquire bonus points based on their bought flights. Bonus points can be used as payments for future travels. A short term liability is recognized when a sale is made. The liability is based on all passengers and an average market price for tickets sold is derived. Last year's use of loyalty points is then used as the basis for calculating a liability related to the customer loyalty program.

TRAVEL

Income from distributed sale
Revenues from mediated sales are recognized in the income statement at the time the work attributable to the transaction has been performed. Revenues are recognized at the fair value of the consideration received or expected to be received, less any discounts. Ticket sales are partly distributed by the Group acting as a sales agent where the Group performs a reservation service for the customer, and partly sales in the Group's own name acting as an organizer of the actual journey being sold, also known as "package tours".

Revenues from services for group and conference business are recognized in the income statement when the outcome of the services provided can be measured reliably. This is normally the day of departure. If there is significant uncertainty regarding the payment, associated costs or the acceptance of the service provided no revenue is recognized. Revenues are recognized at the fair value of the consideration received or expected to be received, less any discounts.

HEDGE ACCOUNTING

The Group seeks to reduce the risk related to fluctuations in fuel prices and currency rates. The Group uses financial instruments such as foreign exchange forward contracts. Financial instruments used as a part of a hedge accounting are kept off balance sheet until the due date of the instrument. The due date of the instrument is set to match the secured transaction.

INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- temporary differences related to goodwill that are not tax deductible
- temporary differences related to investments in subsidiaries, associates or joint ventures that the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognized when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognized deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Current and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

BALANCE SHEET CLASSIFICATION

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are capitalized and depreciated linearly over the estimated useful life. Assets recognized in the balance sheet based on a financial lease agreement are depreciated over the expected leasing period. All significant assets are disaggregated to the extent necessary to ensure correct depreciation costs.

Depreciation is calculated using the straight-line method over the estimated useful life, as further specified in the notes to the consolidated financial statements.

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognized as a change in an estimate.

The cost of current maintenance, except for extensive aircraft maintenance described below, are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is impaired to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used.

Provisions are made for estimated costs of scheduled overhaul and maintenance of aircraft except for less extensive/ongoing maintenance performed at least each year which is expensed as incurred. The provision for overhaul and maintenance is based on cost estimates and historical data. The cost is allocated between the periods covered by the maintenance on a straight line basis. Differences between the provision and actual costs when the maintenance/overhaul is performed are recognized in the income statement. The provision is presented as “Other long term liabilities” in the balance sheet. No provision will be recognized for new aircraft and scheduled maintenance will be capitalized at the time for such maintenance and depreciated up until next scheduled maintenance.

The Group capitalizes prepayments on purchase of aircraft. The prepayments are classified as tangible assets in the balance sheet. When the aircraft are delivered, prepayments are included in acquisition cost of the aircraft and reclassified as aircraft in the balance sheet.

LEASING

Finance leases

Finance leases are leases under which the Group assumes most of the risk and return associated with the ownership of the asset. At the inception of the lease, finance leases are recognized at the lower of their fair value and the present value of the minimum lease payments, minus accumulated depreciation and impairment losses. When calculating the lease’s present value, the implicit interest rate in the lease is used if it is possible to calculate this. If this cannot be calculated, the company’s marginal borrowing rate is used. Direct costs linked to establishing the lease are included in the asset’s cost price.

The depreciation period will normally follow the underlying contract. If it is not reasonably certain that the company will assume ownership when the term of the lease expires, the asset is depreciated over the term of the lease or the asset’s economic life, whichever is the shorter.

Operating leases

Leases for which most of the risk and return associated with the ownership of the asset have not been transferred to the Group are classified as operating leases. Lease payments are classified as operating costs and recognized in the income statement in a straight line during the contract period.

Deposits made at the inception of operating leases are carried at amortized cost. The difference between the nominal value of a deposit paid, carried at less than market interest and its fair value, is considered as additional rent, payable to the lessor and is expensed on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through a business combination are recognized at their fair value. Capitalized intangible assets are recognized at cost less any amortisation and impairment losses.

Intangible assets, which have a defined economic life, are amortised over their economic life and tested for impairment if there are any indications of reduced value. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate. Intangible assets without any defined economic life are not depreciated, but are instead tested for impairment at least once a year.

Development costs
Development costs related to IT/software are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized over its useful life.

Goodwill
The difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date is recognized as goodwill. For investment in associates, goodwill is included in the investment's carrying amount.

Goodwill is recognized at cost in the balance sheet, minus any accumulated impairment losses, and amortised. Goodwill is amortised over five years unless otherwise specified.

Assets and liabilities acquired in a business combination are carried at their fair value in the Group's balance sheet. The non-controlling interest is calculated on the basis of the minority's share of these assets and liabilities.

The allocation of costs in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered until the annual accounts are presented or prior to the expiry of a 12-month period.

If the fair value of the equity exceeds the acquisition cost in a business combination, the difference ("negative goodwill") is recognized as income immediately on the acquisition date.

At each reporting date, the group considers if there are indications of reduced value of the goodwill. Goodwill is evaluated as a part of a cash generating unit. A value is considered reduced if the recoverable amount of the assets of the cash generating unit is less than book value. The recoverable amounts of cash generating units are determined based on value-in-use calculations.

Patents and licences
Amounts paid for patents and licences are capitalized and amortised on a straight line basis over the expected useful life.

Software
Expenses related to the purchase of new software are capitalized as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated over the expected useful life. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economical benefits from the software.

Brands
Brands are either capitalized as part of an acquisition, or separate purchases of brands. Brands are not depreciated. The value of brands which are capitalized as part of an acquisition is determined by comparing renting cost for brands for similar businesses, using international databases as a basis. A discount for maintaining the brand is applied, and a DCF analysis gives the value of the brand, less any impairment losses. Purchased brands are capitalized at cost, less any impairment losses.

At each reporting date, the group considers if there are indications of reduced values of the brands. Brands are evaluated as a part of a cash generating unit. A value is considered reduced if the recoverable amount of the assets of the cash generating unit is less than book value. The recoverable amounts of cash generating units are determined based on value-in-use calculations.

SUBSIDIARIES AND INVESTMENT IN ASSOCIATES

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued at cost, less any impairment losses. Impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

INVENTORIES

Inventories are recognized at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is calculated by using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable and other current receivables are recognized in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

SHORT TERM INVESTMENTS

Short term investments (securities traded at an open market) are valued at market value. Dividends and other distributions are recognized as other financial income.

EMPLOYEE BENEFITS

Employee benefits in the form of salaries, bonuses, paid holiday, paid sick leave etc. and pensions are recognized as they are vested. Pensions and other post-employment benefits are classified as defined contribution or defined benefit plans.

Defined contribution plans

For defined contribution plans, the Group pays set contributions to a separate independent legal entity and does not have any obligation to pay further contributions. Expenses are charged against group earnings as the benefits are vested, which normally coincides with the time when premiums are paid.

Defined benefit plans

The Group's net obligation concerning defined benefit plans is calculated by estimating the future benefit the employees have earned through their employment in both current and previous periods; this benefit is discounted to a present value and the fair value of any assets under management is deducted. Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period.

GOVERNMENT GRANTS

Grant income is recognized when there is 1) entitlement to the grant, 2) virtual certainty that it will be received and 3) sufficient measurability of the amount. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate. Government grants relating to purchases of non-current assets are deducted from the cost of the respective asset. The amount of depreciation and amortization is based on the cost of purchase after deduction of such grants.

CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are recognized in the annual accounts if the probability that the cost will be incurred is more than 50 % and the liability can be estimated reliably. The liability is recognized based on the best estimate of the future settlement. If the probability is regarded less than 50 % information about the contingent liability is disclosed.

Contingent assets are not recognized in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

EVENTS AFTER THE REPORTING PERIOD

New information on the company's financial position at the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position at the end of the reporting period but which will affect the company's financial position in the future are disclosed if material.

IMPORTANT ESTIMATES AND ASSESSMENTS

Preparing the annual accounts and the financial statements requires the company management to make assessments and estimates and make assumptions that affect the application of the accounting policies and the amounts recognised for assets, liabilities, income and expenses. These assessments and estimates and the assumptions in connection with them are based on previous experience and other factors considered to be relevant. The estimates and assumptions are reviewed regularly. The actual outcome may nevertheless differ from these estimates and assessments. Changes to the estimates are recognised in the period in which the change is made, if the change has only affected that period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Intangible assets
The intangible asset relates to the different brands in the group and slots and routes which arose in connection with the acquisition of Braathens Regional Airways AB. Intangible assets, which have a defined economic life, are amortised over their economic life and tested for impairment if there are any indications of reduced value. The amortisation method and period are at least once a year. Intangible assets without any defined economic life are not depreciable, instead they are tested for impairment at least once a year.

Expected economic useful lives of property, plant and equipment
The Group carries out periodic reviews to ensure that the economic useful lives of property, plant and equipment are correct. The review is based on the current state of the assets, the period for which they are expected to continue to be economically beneficial to the Group, information on previous assets of the same kind and trends in the industry. Any changes in the economic useful life for property and equipment are recognised prospectively in profit or loss.

Impairment of assets
The Group reviews the book values of its assets in order to determine whether there is any indication of a need for impairment of these assets.

Provision for consumed heavier maintenance for aircraft under operating leases
The Group holds a number of aircraft under operating leases that have a continuous need for maintenance. Lighter maintenance is directly expensed, while reservation is made for the cost of heavier maintenance on an ongoing basis as a provision. Estimated costs of this future heavier maintenance contain large elements of estimation, both in relation to the actual cost of maintenance and when in time it needs to be performed. The provision made in 2019 is based on a best estimate of consumed heavier maintenance up to the end of the year and also represents the handback obligation estimated to be linked to the contracts with the lessor.

Deferred tax
The group recognizes deferred tax assets to the extent it is probable that taxable profit will be generated. Judgement by management is required to determine which deferred tax assets can be recognized, based on the expected timing, level of future taxable profits and future tax planning strategies.

Customer loyalty program
A customer loyalty program has been established. Bonus points can be used as payment for future ticket purchases etc. A current liability is recognized at the time of sale of tickets. The previous year's utilization of bonus points has been used to calculate the liability of the customer loyalty program and is in the balance sheet recognized at fair value.

PARENT COMPANY – ACCOUNTING PRINCIPLES

The differences between the group's and the parent company's accounting principles are explained below.

Subsidiaries
Interests in subsidiaries are recognized at cost. Dividends from subsidiaries are recognized as income when the right to receive dividend is deemed to be certain and can be calculated in a reliable manner.

Group contribution
Group contributions received and paid are recognized as appropriations in the income statement.

Taxes
Untaxed reserves, including deferred tax liability, are recognized in the parent company. In the consolidated financial statements, on the other hand, untaxed reserves are divided into deferred tax liability and shareholders' equity.

NOTE 3. OTHER OPERATING INCOME AND EXPENSES

(Amounts in SEK 1000)

Other operating income consists of:

	2019	2018
Gain on sale of fixed assets	8 924	1 757
Currency translation gain	22 656	-
Compensation insurance	-	-
Other (described below)	32 635	21 265
Total	**64 215**	**23 022**

Other income consists of market contribution and release of liability for tickets, bonus points, agent commision and other accruals.

Other operating expenses consists of:

	2019	2018
Aviation related costs	1 536 299	1 464 601
Cost of leases	195 916	184 913
Marketing costs	187 268	185 085
IT costs	168 349	104 306
External consultants, advisors etc.	78 090	27 204
Cost of travel	71 259	5 597
Other	256 948	454 187
Total	**2 494 129**	**2 425 891**

NOTE 4. SALARY AND PERSONNEL COSTS, NUMBER OF EMPLOYEES, LOANS TO EMPLOYEES AND AUDITOR'S FEE

(Amounts in SEK 1000)

	Total for all employees	
Salary and personnel costs:	**2019**	**2018**
Salaries	864 217	890 605
Payroll tax	244 591	260 044
Pension costs	104 639	98 176
Other benefits	53 216	68 012
Capitalized Wage expenses	(1 465)	(1 508)
Total	**1 265 197**	**1 315 329**

Average number of employees by gender and country

	2019	2019	2019	2018	2018	2018
	Female	Male	Total	Female	Male	Total
Sweden	579	465	**1 044**	676	488	**1 164**
Norway	321	142	**463**	321	141	**461**
Spain	3	3	**6**	3	3	**6**
Denmark	7	8	**15**	6	8	**15**
Other	6	2	**8**	0	0	**0**
Total	**916**	**620**	**1 537**	**1 006**	**640**	**1 646**
	60 %	40 %		61 %	39 %	

Management and board remuneration

	2019	**2018**
Salary and bonus	7 168	12 647
Other benefits	120	199
Total	**7 288**	**12 846**

There is no severance pay agreement.

Distribution of senior management	**2019**	**2018**
Women:		
Members of board	0	0
Other senior management incl. MD	0	1
Men:		
Members of board	3	3
Other senior management incl. MD	3	3
Total	**6**	**7**

Auditor

Specification of auditor's fees 2019 ex VAT

Group	**Statutory audit fee**	**Other assurance services**	**Tax advisory fee**	**Other non-audit services**	**Total 2019**
Deloitte	(3 759)	(343)	(457)	(181)	**(4 740)**
Other auditors	(275)	(191)	0	0	**(466)**
Total	**(4 034)**	**(534)**	**(457)**	**(181)**	**(5 206)**

Specification of auditor's fee 2018 ex VAT

Group	**Statutory audit fee**	**Other assurance services**	**Tax advisory fee**	**Other non-audit services**	**Total 2018**
Deloitte	(2 474)	(105)	(652)	(181)	**(3 412)**
Other auditors	(138)	(9)	0	(57)	**(204)**
Total	**(2 611)**	**(115)**	**(652)**	**(238)**	**(3 616)**

NOTE 5. PENSIONS

(Amounts in SEK 1000)

	2019	2018
Service cost	(2 655)	(1 969)
Interest cost	-	-
Return on pension plan assets	-	-
Social security tax	(375)	(269)
Net pension costs, defined pension plans	(3 030)	(2 239)
Pension cost defined contribution plans	**(101 609)**	**(95 937)**
Total net pension cost	**(104 639)**	**(98 176)**

	2019	2018
Accrued pension obligations at 31.12	14 188	14 254
Estimated effect of future salary increase	-	-
Estimated pension obligations at 31.12	14 188	14 254
Pension plan assets (at market value) at 31.12	9 501	7 092
Unrecognised effects of actuarial gains/ losses	(3 193)	(3 613)
Social security tax	-	-
Currency adjustments	340	228
Net benefit obligations	1 834	3 778
Hereof recognized as Other long term receivables	1 901	719
Hereof recognized as Pension obligations	3 735	4 497
Actuarial assumptions:		
Discount rate	2,3 %	2,6 %
Salary increase	2,25 %	2,75 %
Return on plan assets	3,80 %	4,30 %

The actuarial assumptions are based on assumptions of demographical factors normally used within the insurance industry. The main pension schemes in the group are defined contribution plans, or similar schemes, and such pension costs are current accounted for in the income statement.

NOTE 6. INTANGIBLE ASSETS

(Amounts in SEK 1000)

	Brands and other intangible assets	Goodwill	Total
1 January – 31 December 2019			
Balance as of 1 January 2019	298 845	59 670	**358 515**
Additions	19 101	-	**19 101**
Additions from purchase of companies	55	25 949	**26 004**
Disposals	-	-	**-**
Disposals from sale of companies	-	-	**-**
Amortisation	(49 528)	(21 109)	**(70 637)**
Impairment loss	-	(3 078)	**(3 078)**
Currency translation differences	2 077	1 052	**3 129**
Balance as of 31 december 2019	**270 550**	**62 484**	**333 034**
As of 31 December 2019			
Cost of acquisition	443 106	209 307	**652 413**
Accumulated amortisation and imparment losses	(172 556)	(146 823)	**(319 379)**
Balance as of 31 December 2019	**270 550**	**62 484**	**333 034**

	Brands and other intangible assets	Goodwill	Total
1 January - 31 December 2018			
Balance as of 1 January 2018	308 774	32 043	**340 817**
Additions	26 808	-	**26 808**
Additions from purchase of companies	3 335	41 285	**44 620**
Disposals	(2 787)	-	**(2 787)**
Disposals from sale of companies	-	-	**-**
Amortisation	(38 007)	(14 630)	**(52 637)**
Impairment loss	-	-	**-**
Currency translation differences	722	972	**1 695**
Balance as of 31 december 2018	**298 845**	**59 670**	**358 515**
As of 31 December 2018			
Cost of acquisition	418 052	182 747	**600 799**
Accumulated amortisation and imparment losses	(119 207)	(123 077)	**(242 284)**
Balance as of 31 December 2018	**298 845**	**59 670**	**358 515**

Depreciation of intangible assets:
Brands are tested for impairment on a yearly basis. Other intangible assets are depreciated according to their estimated economic useful life.

Goodwill for each acquisition	Carrying amount 31 December	Useful economic life
Dyreparken/Kaptein Sabeltann	11 254	20 years
Signatours	15 278	5 years
Cruise.no	15 001	5 years
Eurotravel Sports	5 024	5 years
Dyreparken Hotell AS	2 047	5 years
Prima Travel	13 880	5 years
Total	**62 484**	

NOTE 7. TANGIBLE ASSETS

	Properties and land	Aircraft, engines and similar[1]	Const-ruction in progress	Equipment	Total
1 January - 31 December 2019					
Balance as of 1 January 2017	594 641	1 311 670	-	114 612	**2 020 923**
Additions	49 630	5 286	5 527	1 815	**62 258**
Additions from purchase of companies	21 239	-	-	297	**21 536**
Disposals	(45 884)	(51 848)	-	(556)	**(98 288)**
Disposals from sale of companies	-	-	-	(140)	**(140)**
Amortisation	(31 560)	(87 424)	-	(25 168)	**(144 153)**
Impairment loss	(4 509)	-	-	(1 896)	**(6 405)**
Currency translation differences	18 690	23 351	-	495	**42 536**
Balance as of 31 December 20167	**602 247**	**1 201 034**	**5 527**	**89 458**	**1 898 267**
As of 31 December 2017					
Cost of acquisition	1 088 454	1 725 145	5 527	321 513	**3 140 639**
Accumulated amortisation and impairment losses	(486 206)	(524 111)	-	(232 055)	**(1 242 372)**
Balance as of 31 December 2019	**602 247**	**1 201 034**	**5 527**	**89 458**	**1 898 267**

	Properties and land	Aircraft, engines and similar[1]	Const-ruction in progress	Equipment	Total
1 January – 31 December 2018					
Balance as of 1 January 2018	583 625	1 334 009	-	114 498	**2 032 131**
Additions	38 439	33 975	-	43 112	**115 526**
Additions from purchase of companies	-	-	-	258	**258**
Disposals	(10 135)	(718)	-	(11 730)	**(22 584)**
Disposals from sale of companies	-	-	-	-	**-**
Amortisation	(32 406)	(106 793)	-	(32 938)	**(172 137)**
Impairment loss	-	-	-	-	**-**
Currency translation differences	15 118	51 196	-	1 413	**67 727**
Balance as of 31 december 2018	**594 641**	**1 311 670**	**-**	**114 612**	**2 020 922**
As of 31 December 2018					
Cost of acquisition	1 032 065	1 750 259	-	332 771	**3 115 096**
Accumulated amortisation and impairment losses	(437 424)	(438 590)	-	(218 160)	**(1 094 174)**
Balance as of 31 December 2018	**594 641**	**1 311 670**	**-**	**114 612**	**2 020 922**

[1] The balance sheet item include leasing assets held under finance leases with carrying amounts amounting to 1 022 936. See note 12 for more information.

Depreciation of intangible assets:

	Properties and land	Aircraft, engines and similar[1]	Const-ruction in progress	Equipment
Depreciation method	Straight line	Straight line	NA	Straight line
Expected useful economic life	25 - 50 years	5 - 20 years	NA	3-10 years

NOTE 8. SIGNIFICANT TRANSACTIONS AND EVENTS

(Amounts in SEK 1000)

In March 2019, Escape Travel Group AS purchased 100 % of Prima Travel AB. Prima Travel AB is a tour operator specializing in arranging hiking and bicycle trips. Prima is the market leader in it's niche in Sweden.

Closing of the transaction regarding purchase of the parking lot nearby Dyreparken took place 1 March 2019.

Braganza invested in 2017 in BRAbank ASA, a new consumer bank focusing on credit cards, consumer loans and check-out financing. In June 2019, BRAbank ASA and Monobank ASA merged, with Monobank as the acquiring unit, and the bank changed name to BRAbank. Braganza has invested MNOK 112 in new equity in BRAbank during 2019. As of 31.12.19, the BRAbank shares were written down by MSEK 135 in line with the stock price. In December 2019 Braganza guaranteed for a total of MNOK 34 in new equity and a subordinated loan. The issues were completed in March 2020.

A series of external events had a significant negative impact on the prospects for the airline, BRA, at the start of 2019. Currency losses, increased fuel cost, higher fees and a significant drop in passenger numbers necessitated drastic measures to save the company. A new senior management was put in place in March and by the end of April a comprehensive plan for a restructuring and downsizing was launched. The plan called for a complete cessation of jet operations over some time and approximately 500 employees were given notice of leave. The plan was part financed by an equity infusion of MSEK 100, and a subsidiary of Braganza AB acquired the jet aircraft fleet with short term lease backs to the airline. The turnaround plan was almost completed in March 2020 when Covid-19 in practice lead to a full stop in domestic flying in Sweden during the course of three weeks. On April 6 2020, BRA and most of its subsidiaries were admitted into formal administration by the relevant courts in Stockholm.

In December Bradana AS sold its Danish subsidiary, Bradana A/S. Before the sale was completed, the Danish company sold the agricultural property and a dividend of MNOK 31 was paid. The sale resulted in a loss of MNOK 14.

NOTE 9. INVESTMENTS IN ASSOCIATED COMPANIES

(Amounts in SEK 1000)

A specification of investments in associated companies follow below:

	2019	2018
Book value as of 1.1.	11 157	38 820
Reclassification [1]	-	(20 710)
Disposals	-	(468)
Profit/(loss)	(2 122)	(7 030)
Currency and other adjustments	17	545
Book value as of 31.12.	**9 052**	**11 157**

Specification of profit/(loss)

	2019	2018
Share of profit/(loss) from associates	(2 122)	(7 030)
Elimination of internal gains/losses	-	-
Net profit/(loss) from associates	**(2 122)**	**(7 030)**

	Location	Owner-ship 2)	Equity as of 31 12	Profit/(loss) 2019
Peer Gynt AS, org nr 965 407 375	Nord-Fron	50,0 %	10 630	(599)
Qondor AS	Trondheim	33,0 %	1 244	(2 107)

2) Ownership equalling the percentage of voting shares

	Acquisition cost	Acquisition date	Equity at acquisition date	Book value 2019	Book value 2018
Peer Gynt AS	5 270	2008	10 000	5 315	5 802
Eurotravel Sports Golf & Event AB [1]	100	Aug 2017	100	-	0
Qondor AS	8 041	Dec 2017	7 096	3 737	5 355
Sum				**9 052**	**11 157**

[1] Eurotravel Sports Golf & Event AB is fully consolidated as of 2019.

NOTE 10. OTHER FINANCIAL INCOME AND EXPENSES

(Amounts in SEK 1000)

Other financial income

	2019	2018
Gain from sale of shares	-	11 699
Gain on foreign exchange	27 882	44 384
Other financial income	6 901	2 128
Total other finance income	**34 783**	**58 210**

Other financial expenses

	2019	2018
Loss /changes in value of equity investments	-	(164)
Loss on foreign exchange	(19 594)	(19 009)
Other financial expenses	(1 315)	(4 753)
Total other finance expenses	**(20 909)**	**(23 926)**

NOTE 11. TAXES

(Amounts in SEK 1000)

	2019	2018
Income tax expense		
Tax payable	19 745	14 823
Changes in deferred tax	26 864	13 433
Adjustments for prior years	56	27
Total income tax expense (+) / tax income (-)	**46 664**	**28 283**
Changes in deferred tax		
Changes recognized in profit and loss	26 864	13 433
Changes due to business combinations	414	(1 935)
Other	(98)	2 215
Currency adjustments	(105)	8
Total changes in deferred tax	**27 074**	**13 721**
Profit before tax	305 642	47 124
Tax rate 21,4% (22%)	**(65 407)**	**(10 367)**
Effect of unrecognized timing differences and tax loss	63 912	33 525
Revaluation of unrecognized timing differences and tax loss prior years	(436)	(1 391)
Adjustments for prior years	107	35
Permanent differences	45 838	11 008
Share of net profit from associates	-	15
Effect of change in tax rate	3 015	396
Effect of different tax rates	(376)	730
Other	12	(5 668)
Income tax expense (+) / tax income (-)	**46 664**	**28 283**
Temporary differences		
Deferred tax assets		
Pensions	-	-
Inventory	333	415
Intangible assets	8	-
Tangible assets	10 313	13 152
Accounts receivables and other receivables	33	45
Provisions and short term debt	1	1
Gains and losses	60	80
Tax loss carried forward	107 623	83 490
Other differances assets	2 313	1 717
Deferred tax assets	**120 684**	**98 900**
Deferred tax liabilities		
Intangible assets	6 144	27 931
Tangible assets	77 573	42 653
Gains and losses	5 297	3 088
Untaxed reserves	2 167	-
Other differences	237	570
Deferred tax liabilities	**91 418**	**74 242**
Net deferred tax assets (-liability)	29 265	24 658
Hereof not recognized in the balance sheet	72 863	41 182
Net deferred tax assets (-liability)	(43 598)	(16 524)
Hereof recognized as deferred tax asset	(0)	6 476
Hereof recognized as deferred tax liability	43 598	23 000

NOTE 12. LEASES

(Amounts in SEK 1000)

Finance leases

	2019	2018
Aircraft, engines, property, plant and similar	1 022 936	1 060 830
Balance as of 31 December	**1 022 936**	**1 060 830**

Minimum finance lease payments

	2019	2018
Next year	102 074	99 516
Between year 1 and 5	419 133	408 623
After year 5	202 866	304 711
Total minimum finance lease payments	**724 073**	**812 850**

Present value of minimum finance lease payments		
- Whereof short term debt	102 074	99 516
- Whereof long term debt	621 999	713 333

Operating leases

	Lease payments		Durability
	2019	2018	
Aircraft, engines, property, plant and similar	168 633	158 595	1-4 years
Equipment	-	2 985	1-3 years
Other	847	2 163	
Lease expenses	**169 479**	**163 742**	

Minimum Operating lease payments	2019	2018
Next year, operating leases	28 547	145 778
Between year 1 and 5, operating leases	36 805	369 693
After year 5, operating leases	-	196 546
Total minimum operating lease payments	**65 352**	**712 017**

NOTE 13. LONG TERM INVESTMENTS

(Amounts in SEK 1000)

Long term investments

Company	**Book value**	**Share**
Musti Group	61 250	5,0 %
BRA Bank ASA	41 733	17,2 %
Scandic Hotel Group	51 249	0,0 %
Topcamp AS	17 727	11,0 %
Other	8 025	
Total	**179 984**	

Individual valuation is made for each investment. All investments market value exceeds book value.

Changes during the year	2019	2018
Book value 1 January	187 209	74 911
Additions	127 574	95 854
Reclassification1)	-	16 146
Disposals from divestment of companies	(49)	-
Value adjustment	(135 562)	-
Currency translation differences	812	298
Book value as of 31 December	**179 984**	**187 209**

[1)] BRAbank ASA classified as a long term investment as of 2018.

NOTE 14. LONG TERM RECEIVABLES

(Amounts in SEK 1000)

Long term receivables consist of:

	2019	2018
Loan to Musti ja Mirri Group	108 749	99 074
Deposits	128 640	54 464
Pre-delivery payment	31 678	30 501
Other	22 210	15 012
Total	**291 278**	**199 051**

NOTE 15. TRANSACTIONS WITH RELATED PARTIES

Loan from shareholders are disclosed in note 20.

Three ATR 72-600 is on an operating lease from the Bramora group (Malta) to Braathens Aviation AB. Terms and conditions related to the leases are on market terms.

NOTE 16. PREPAYMENTS AND ACCRUED INCOME

(Amounts in SEK 1000)

Prepayments and accrued income consist of:

	2019	2018
Prepaid expenses	76 577	40 129
Accrued income	68 021	95 249
Tax receivable	17 915	17 871
Other short term receivables	56 092	64 891
Total	**218 605**	**218 140**

Hereof:		
Due within 1 year	218 605	218 140
Due above 1 year	-	-

NOTE 17. CASH AND CASH EQUIVALENTS

(Amounts in SEK 1000)

Cash and cash equivalents consists of:

	2019	2018
Bank deposits	454 694	522 735
Excess cash invested in Alfred Berg Kapitalforvaltning	115 004	297 606
Total	**569 698**	**820 341**
Whereof restricted	1 929	9 866

Specification of excess cash invested in Alfred Berg Kapitalforvaltning:

Company	Book value	Market value
Alfred Berg Likviditet Pluss	11 079	11 079
Alfred Berg Income	50	50
Alfred Berg Nordic investment Grade	75 053	75 053
Alfred Berg Nordisk Likviditet Pluss	28 822	28 822
Other	-	-
Total	**115 004**	**115 004**

NOTE 18. SHARE CAPITAL

(Amounts in SEK 1000)

Shareholders as of 31 December

	Number of shares	In percent
Per G. Braathen	238 876	52 %
Eline B. Braathen	73 998	16 %
Ida P. Braathen	73 998	16 %
Peer G. Braathen	73 998	16 %
Total	**460 870**	**100 %**

The shares have a face value of 100,-

NOTE 19. INTEREST BEARING DEBT

(Amounts in SEK 1000)

The Group´s interest bearing debt have the following characteristics:

	Short term		Long term	
	2019	**2018**	**2019**	**2018**
Interest bearing debt by type loan loanRentebærende gjeld per lånetype				
Loan from financial institutions	3 703	-	346 192	258 680
Finance leases, note 12	102 080	99 516	621 890	713 333
Total	**105 783**	**99 516**	**968 082**	**972 013**
Time to maturity				
Due between year 1 and 5			419 024	408 623
Due after year 5			549 058	563 391
Total			**968 082**	**972 013**
Secured debt				
Debt secured by collateral	84 631	-		
Type of security				
Aircraft, engines and similar	-	-		
Property and plant	535 884	496 763		
Other equipment	9 723	-		
Inventory	18 993	22 341		
Receivables	1 922	-		
Other	3 804	7 590		
Total book value of security	**570 326**	**526 694**		

There are no financial covenants related to the long term debt related to financial lease of ATR 72-600. However, there are “Trigger events” related to certain financial ratios.

NOTE 20. OTHER LONG TERM LIABILITIES AND ACCRUED EXPENSES AND DEFERRED INCOME

(Amounts in SEK 1000)

Other long term liabilities consist of:

	2019	2018
Loan from Shareholders	51 045	12 700
Deposits	-	-
Other	-	-
Total other long term liabilities	**51 045**	**12 700**
Time to maturity		
Due between year 1 and 5	51 045	12 700
Due after year 5	-	-
Total	**51 045**	**12 700**

Accrued expenses and deferred income consist of:

	2019	2018
Tickets sold not used	302 683	250 249
Salaries and other employee benefits	196 164	200 492
Other prepayments from customers	218 416	269 666
Other	172 444	157 972
Total accrued expenses and deferred income	**889 707**	**878 380**

NOTE 21. GUARANTEE LIABILITIES AND PLEDGED ASSETS

(Amounts in SEK 1000)

The pledged assets for the group consist of:

	2019	2018
Aircraft	1 022 936	1 060 830
Chattel mortgages	750 000	50 000
Deposits	126 827	54 464
Restricted cash	873	8 077
Property and plant	535 884	496 763
Inventory	18 993	22 341
Other	65 898	37 360
Total	**2 521 411**	**1 729 835**

Other pledged assets, see note 20.

In the ordinary course of business the Group has given the following guarantees:

	2019	2018
Travel insurance	201 046	181 363
Rental guarantees	8 050	5 659
Bank Guarantees	-	8 768
Total	**209 096**	**195 790**

Commonly used represenations and warranties applies with regards to the disposal of Arken Zoo Holding and Ticket Biz in 2015. No contractual claims have been made by the purchasers.

Braathens Aviation AB (publ) became in February 2016 a guarantor of the operating leases between Braathens Regional Airways (lessee) and subsidiaries of Bramora Ltd (lessor) regarding three ATR 72-600.

NOTE 22. ACQUISITIONS AND DISPOSALS OF BUSINESSES

(Amounts in SEK 1000)

Disposal of business

	Acquisitions		Divestments	
	2019	**2018**	**2019**	**2018**
Other intangible assests	20 485	44 620	-	-
Tangible assets	21 536	258	(100)	-
Financial assets	-	10 987	(35)	-
Current assets	15 096	85 222	(361)	-
Total assets	**57 117**	**141 087**	(496)	-
Non-current liabilities	11 415	-	-	-
Current liabilities	13 906	87 033	(134)	-
Total liabilities	**25 321**	**87 033**	(134)	-

The Group has aquired three business during 2019, Göteborgs Idrotts- Och Eventarena AB (1 January 2019), Prima Travel AB (1 January 2019) and Dyreparken Parkering AS (1 april 2019). The total net purchase price was MSEK 24.

The Danish company Bradana A/S was devisted by the end of 2019. After the sale of a building and repayment of equity, Bradana A/S was almost an empty company by the time of divestment.

NOTE 23. OPERATING SEGMENTS

(Amounts in SEK 1000)

The group has four reportable segments which are the strategic business units of the group.
All transactions between the segments are, according to the groups transfer pricing guidelines, based on the arm length principle.

Allocation between segments in 2019	**Aviation**	**Travel**	**Leisure**	**Other**	**Total**
External gross revenue	2 748 640	6 946 049	494 227	15 268	10 204 184
Net revenue	2 555 465	1 272 754	494 227	14 489	4 336 935
Other operating income	55 589	148	7 841	637	64 215
Total external revenues	**2 611 054**	**1 272 902**	**502 068**	**15 126**	**4 401 150**
Internal revenues	-	-	931	63 237	64 168
Total revenues	**2 611 054**	**1 272 902**	**502 999**	**78 363**	**4 465 318**
Cost of goods sold	-	(616 221)	(55 991)	(6 782)	(678 994)
Employee benefits expense	(738 424)	(295 900)	(200 558)	(30 315)	(1 265 197)
Other operating expenses	(1 976 110)	(310 308)	(170 500)	(19 843)	(2 476 761)
EBITDA	**(103 480)**	**50 473**	**75 950**	**21 423**	**44 366**

Geografical areas	**Norway**	**Sweden**	**Other**	**Total**
Grossrevenue	2 293 217	7 804 428	106 539	10 204 184
Net revenue	728 183	3 502 526	106 226	4 336 935
Other operating income	16 769	46 988	458	64 215
Total external revenues	**744 952**	**3 549 514**	**106 684**	**4 401 150**
Internal revenues	40 036	5 129	-	45 165
Total revenues	**784 988**	**3 554 643**	**106 684**	**4 446 315**

Allocation between segments in 2018	**Aviation**	**Travel**	**Leisure**	**Other**	**Total**
External gross revenue	2 769 761	7 182 735	467 257	27 171	10 446 924
Net revenue	2 746 837	1 182 370	467 257	26 458	4 422 923
Other operating income	22 264	46	-	712	23 022
Total external revenues	**2 769 101**	**1 182 416**	**467 257**	**27 170**	**4 445 945**
Internal revenues	18 556	1 172	855	70 029	90 612
Total revenues	**2 787 657**	**1 183 588**	**468 112**	**97 199**	**4 536 556**
Cost of goods sold	-	(552 558)	(53 445)	(7 088)	(613 090)
Employee benefits expense	(798 064)	(300 656)	(185 074)	(31 535)	(1 315 329)
Other operating expenses	(1 988 859)	(258 974)	(163 829)	(45 280)	(2 456 942)
EBITDA	**734**	**71 401**	**65 764**	**13 297**	**151 196**

Geografical areas	**Norway**	**Sweden**	**Other**	**Total**
Gross revenue	2 376 966	7 980 566	89 392	10 446 924
Net revenue	731 191	3 603 055	88 677	4 422 923
Other operating income	49	22 264	709	23 022
Total external revenues	**731 240**	**3 625 319**	**89 386**	**4 445 945**
Internal revenues	79 091	11 485	36	90 612
Total revenues	**810 331**	**3 636 804**	**89 422**	**4 536 556**

NOTE 24. SUBSIDIARIES

Subsidiaries directly or indirectly controlled as of 31 December

Company	Acquisition/ incorporation date	Company no.	Location	Country	Share ownership 2019	Share ownership 2018
Braganza AS	2013	912 414 353	Oslo	Norway	100 %	100 %
Braathens Travel Group AB[1]	2010	556445-4170	Stockholm	Sweden	100 %	100 %
Ticket Leisure Travel AB[1]	2010	556428-9592	Stockholm	Sweden	96 %	96 %
Dyreparken Utvikling AS[1]	2001	990 903 700	Kristiansand	Norway	94 %	97 %
Kristiansand Hotell AS	2016	980 406 563	Kristiansand	Norway	100 %	100 %
Badeland Eiendom AS	2018	894 542 012	Kristiansand	Norway	100 %	100 %
Dyreparken Eiendom AS	2018	990 690 480	Kristiansand	Norway	100 %	100 %
Wayday Travel AS[1]	2007	991 353 305	Oslo	Norway	93 %	93 %
Braganza II AB	1999	556575-4438	Stockholm	Sweden	100 %	100 %
Braathens Group AB	2007	556727-6224	Stockholm	Sweden	100 %	100 %
Braathens Aviation AS	1989	955 309 847	Oslo	Norway	100 %	100 %
Formentera AS	1997	978 666 259	Oslo	Norway	100 %	100 %
Bramora AS	2005	988 030 635	Oslo	Norway	100 %	100 %
Breibukt Holding AS[1]	2006	989 332 619	Oslo	Norway	95 %	100 %
Braathens Aviation AB[1]	2007	556747-6592	Malmö	Sweden	100 %	100 %
Braathens IT AS	2002	884 729 432	Lysaker	Norway	100 %	100 %
LG Braathens Rederi AS	2004	887 434 972	Oslo	Norway	51 %	51 %
Braconda AS	2003	986 007 423	Oslo	Norway	100 %	100 %
Braathens Travel Group AS	2002	984 686 625	Oslo	Norway	100 %	100 %
Bralanta AS	2008	992 958 650	Oslo	Norway	100 %	100 %
Escape Travel Group AS[1]	2018	921 380 496	Oslo	Norway	95 %	95 %
Stay AS	2008	986 572 155	Oslo	Norway	100 %	100 %
Ticket Commercial Ltd	2012	7110286	London	United Kingdom	100 %	100 %
Braathens Domains Ltd	2012	7110139	London	United Kingdom	100 %	100 %
Braganza Group 2 AB	2013	556938-7524	Stockholm	Sweden	100 %	100 %
Bramora AB	2013	556938-7367	Stockholm	Sweden	100 %	100 %
Bralanta AB	2013	556938-7375	Stockholm	Sweden	100 %	100 %
Braconda AB	2013	556938-7516	Stockholm	Sweden	100 %	100 %
Ludv. G. Braathens Rederi AB	2013	556938-7508	Stockholm	Sweden	100 %	100 %
Bradana AS	2014	945 736 755	Oslo	Norway	100 %	100 %
BraDana Danmark A/S	2014	15706295	Rønde	Denmark	0 %	100 %
ATR 72 MSN 1341 AS	2017	919 407 360	Oslo	Norge	100 %	100 %

1) Including subsidiaries not listed in this note.

NOTE 25. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2019 no events have occured that would have affected the financial statements in a significant way.

Subsequent to year end no events have occurred that would have affected the financial statements in a significant way as of 31 December 2019.

In December 2019 Braganza guaranteed for a total of 34 million NOK in new equity and a subordinated loan in BRAbank. The subscription was completed in March 2020 with MNOK 20.8 in the share issue and MNOK 13 in the subordinated loan.

In February 2020, Musti Group Holding Oy was listed on the stock exchange. Braganza sold 48% of its stocks in the IPO. This resulted in a gain of MSEK 29.5. The Vendor loan of MSEK 106 was repaid at the same time. The remaining shareholding was sold in April 2020 and this sale resulted in a further gain of MSEK 23.

The sale of the shareholding and repayment of the vendor loan resulted in a total liquidity increase of approximately MSEK 220.

COVID-19

The coronavirus pandemic has impacted all Braganza's travel related companies from March 2020. With travel bans and various restrictions imposed in all Nordic countries from mid-March travel came to a stand still and sales for 2020 decreased to very low levels. Tour operating booking numbers for 2021 is a sole positive sign in an otherwise grim situation.

Braathens Aviation AB and several subsidiaries were in April granted creditor protection by relevant courts due to financial difficulties. The online travel agent Ticket and the tour operators in Escape Travel Group face severe markets and challenges of refunding customers. Major cost cuts have been implemented in all units. Kristiansand Dyrepark has stayed open with strict measures to protect against infection. With 160 acres the park has space for strong summer traffic when domestic travel resumes. Our businesses have been helped by various Governments initiatives.

As of late April and early May 2020 Scandinavia and EU countries are easing their lockdowns and businesses gradually reopen. We expect a soft recovery starting in the final half of 2020 and into early 2021. By 2022 we plan for a more robust recovery in international travel.

BRAGANZA AB – PARENT COMPANY

The board and managing director of Braganza AB hereby submit the annual report for the financial year 1 January 2019 - 31 December 2019.

ADMINISTRATION REPORT

Accounting principles

The Annual Report is prepared in accordance with BFNAR 2012: 1 Annual Report ("K3").

Proposal for the appropriation of profits

The following profits are available for appropriation at the annual general meeting:

Profit brought forward	1 184 259 280
Profit for the year	-120 573 532
Sum	**1 063 685 676**

The board and managing director proposes that:

To be carried forward	1 063 685 676
Sum	**1 063 685 676**

Please refer to the following income statement, balance sheet, cash flow statement and additional information regarding the company's profits and financial position in general. All amounts are in thousand Swedish kronor unless otherwise indicated.

BRAGANZA AB – PARENT COMPANY

(Amount in TSEK)

INCOME STATEMENT	**Note**	**2019**	**2018**
Net sales		11 746	10 734
Other income		324	-
Revenue		**12 070**	**10 734**
Other external costs	1	-28 542	-29 163
Personnel costs	2	-3 345	-3 428
Operating expenses		**-31 887**	**-32 591**
Operating profit		**-19 817**	**-21 857**
Result from financial investments			
Result from participations in group companies	3	16 679	-150
Result from long-term securities	4	3 407	-2 570
Other interest income and similar items	5	41 569	48 658
Interest expense and similar items	6	-21 672	-17 231
Write-downs of financial fixed assets and short-term investments		-144 446	-
Financial items		**-104 465**	**28 708**
Profit/ after financial items		**-124 282**	**6 851**
Change in tax allocation reserve		-	-
Received group contribution		3 708	5 570
Tax on profit for the year	7	-	-
NET PROFIT FOR THE YEAR		**-120 574**	**12 421**

BALANCE SHEET

(Amount in TSEK)

ASSETS	Note	2019	2018
Fixed assets			
Intangible assets			
Intellectual property rights, brands and other intangible assets	9	3 438	3 438
Total intangible assets		**3 438**	**3 438**
Financial assets			
Shares in group companies	3	907 751	920 475
Receivables from group companies		332 091	251 550
Shares in associated companies	8	5 270	5 270
Other long-term securities	4	153 231	161 205
Other long-term receivables		109 593	91 207
Total financial assets		**1 507 936**	**1 429 707**
Total fixed assets		**1 511 374**	**1 433 145**
Current assets			
Current receivables			
Receivables from group companies		64 470	38 584
Other receivables		-	53
Total current receivables		**64 470**	**38 637**
Cash and bank balances		**241 599**	**447 183**
Total current assets		**306 069**	**485 820**
TOTAL ASSETS		**1 817 443**	**1 918 964**

BALANCE SHEET

(Amount in TSEK)

EQUITY AND LIABILITIES	Note	2019	2018
Equity			
Restricted equity			
Share capital		46 087	46 087
Total restricted equity		**46 087**	**46 087**
Non-restricted equity			
Profit brought forward		1 184 259	1 184 838
Profit for the year		-120 574	12 421
Total non-restricted equity		**1 063 686**	**1 197 259**
Total equity		**1 109 773**	**1 243 346**
Liabilities			
Long-term liabilities			
Liabilities to group companies		169 366	241 372
Other long-term liabilities		51 045	12 700
Total long-term liabilities		**220 411**	**254 072**
Current liabilities			
Accounts payable – trade		166	524
Liabilities to group companies		483 720	420 216
Other short-term debt		525	344
Accrued expenses and deferred income		2 848	462
Income tax liability	7	-	-
Total current liabilities		**487 259**	**421 546**
TOTAL EQUITY AND LIABILITIES		**1 817 443**	**1 918 964**

CHANGE IN EQUITY

(Amounts in SEK 1000)

	Restricted equity	Non-restricted equity		
	Share capital	**Retained earnings**	**Profit for the period**	**Total equity**
Equity at January 1, 2018	**46 086**	**1 139 651**	**58 187**	**1 243 925**
Profit brought forward		58 187	-58 187	-
Net profit for the year			**12 421**	**12 421**
Dividend		-13 000		-13 000
Equity at December 31, 2018	**46 087**	**1 184 838**	**12 421**	**1 243 346**

	Share capital	Retained earnings	Profit for the period	Total equity
Equity at January 1, 2019	**46 087**	**1 184 838**	**12 421**	**1 243 346**
Profit brought forward		12 421	-12 421	-
Net profit for the year			**-120 574**	**-120 574**
Dividend		-13 000		-13 000
Equity at December 31, 2019	**46 087**	**1 184 259**	**-120 574**	**1 109 773**

CASH FLOW STATEMENT 1.1 – 31.12

(Amount in TSEK)

	2019	2018
Cash flows from operating activities		
Profit/loss after financial items	-124 282	6 851
Adjustment for non-cash items		
Write-downs shares in subsidaries	144 447	-
Capital gains	-16 752	150
Unrealized change in value	1 568	3 657
Income tax paid	-	-
Cash flow from operating activities before changes in working capital	**109**	**10 658**
Changes in working capital		
Changes in current receivables	-25 833	- 35 172
Changes in current liabilities	65 713	75 180
Cash flows from operating activities	**44 861**	**50 666**
Cash flows from investing activities		
Paid shareholder contribution	-	- 5 248
Acquisition of intangible assets	-	- 3 438
Acquisition of shares in associated companies	-	-
Disposal of shares in associated companies	-	33
Acquisition of shares in subsidiaries	-	-
Disposal of shares in subsidiaries	20 576	-183
Acquisition of other long-term securities	-127 574	- 83 809
Cash flow after investing activities	**-106 998**	**-92 462**
Cash flows from financing activities		
Group contribution received / paid	3 709	5 570
Paid dividend	-13 000	- 13 000
Changes in non-current receivables	-98 927	26 226
Changes in non-current liabilities	-33 611	46 990
Cash flow from financing activities	**-141 879**	**-28 194**
Cash flow of the year	**-204 016**	**-73 647**
Cash & cash equivalents at beginning of period	**447 183**	**520 830**
Change in value in cash & cash equivalents	**-1 568**	**-3 657**
CASH & CASH EQUIVALENTS AT END OF YEAR	**241 599**	**447 183**

NOTES

(Amount in TSEK)

NOTE 1. DISCLOSURE OF AUDIT FEE AND COST REIMBURSEMENTS

	2019	2018
Deloitte AB		
Statutory audit fee	423	270
Other assurance services	-	-
Tax advisory fee	-	-
Other non-audit services	-	-
Total	**423**	**270**

NOTE 2. PERSONNELL

Average number of employees, distribution between men and woman	2019	2018
Women	-	-
Men	1	1
Total	**1**	**1**

Distribution senior management	2019	2018
Women:		
- The board of directors	-	-
- Senior management and managing director	-	-
Men:		
- The board of directors	6	6
- Senior management and managing director	3	3
Total	**9**	**9**

Salaries and remunerations	2019	2018
The board and managing director	1 280	1 267
Other employees	1 473	2 489
Total salaries and remunerations	**2 753**	**3 755**
Social security charges according to law and union contract	592	749
Pension costs	-	-
Total salaries, remunerations, social security charges and pension costs	**3 345**	**4 504**

NOTE 3. SHARES IN GROUP COMPANIES

	2019	2018
Acquisition value brought forward	920 475	915 410
Write-down Waday Travel AS	-4 800	-
Write-down Bradana AS	-4 100	-
Disposal shares Breibukt Holding AS	-833	-
Disposal shares Dyreparken Utvikling AS	-2 991	-
Shareholder contributions Breibukt Holding AS	-	5 248
Disposal shares Wayday Travel AS	-	-183
Other		
Residual value carried forward	**907 751**	**920 475**

Directly controlled	Corporate identity number	Location	Number of shares	Share ownership	Book value
Braganza AS	912414353	Oslo	101 410	100 %	15 183
Braathens Aviation AS	955308847	Oslo	1 400 000	100 %	98 627
Wayday Travel AS	991353305	Oslo	9 300	93 %	859
Braganza II AB	556575-4438	Stockholm	2 000	100 %	357 626
Bramora AS	988030635	Oslo	10 000	100 %	28 191
Breibukt Holding AS	989332619	Oslo	937 800	95 %	15 836
Braathens Travel Group AB	556445-4170	Stockholm	33 518 360	100 %	208 978
Dyreparken Utvikling AS	990903700	Kristiansand	960 000	93 %	92 708
Formentera AS	978668259	Oslo	10 000	100 %	57 002
Bradana AS	945736755	Oslo	5 000	100 %	32 742
Sum					**907 751**

Result from participations in group companies	2019	2018
Capital gains	6 885	-
Dividend	9 794	-150
Total	**16 679**	**-150**

NOTE 4. OTHER LONG-TERM SECURITIES

	2019	2018
Book value brought forward	161 205	77 396
Acquisitions	127 574	83 809
Total	288 779	161 205
Write-down brought forward	-	-
Write-downs	-135 548	-
Total	**153 231**	**161 205**

Result from other long-term securities	2019	2018
Capital gains	1 809	-
Dividend	1 597	1 088
Sum	**3 407**	**1 088**

NOTE 5. OTHER INTEREST INCOME AND SIMILAR ITEMS

	2019	2018
Interest income	13 566	14 104
Interest income, subsidiaries	9 239	9 212
Unrealized change in value	1 568	-3 657
Exchange differences	17 196	25 342
Total	**41 589**	**48 658**

NOTE 6. INTEREST EXPENSE AND SIMILAR ITEMS

	2019	2018
Interest expenses	-1 760	-359
Interest expenses, subsidiaries	-9 554	-10 695
Exchange differences	-10 359	-6 177
Total	**- 21 672**	**- 17 231**

NOTE 7. TAX

	2019	2018
Current tax	-	-
Total	**-**	**-**
Components of tax on profit for the year:		
Profit before tax	-120 574	12 421
Tax rate 21,4% (22%)	25 803	-2 733
Tax effect of:		
Non-deductible expenses	- 30 912	- 1 190
Non-taxable income	3 660	352
Deficit for which deferred tax has not been accounted for	668	3571
Net interest income from other group companies	2116	-
Total	**-**	**-**

NOTE 8. SHARES IN ASSOCIATED COMPANIES

	2019	2018
Book value brought forward	5 270	5 270
Acquisition of shares in Peer Gynt AS	-	-
Total	**5 270**	**5 270**

Company	Corporate identity number	Location	Number of shares	Share ownership %	Book value
Peer Gynt AS	965 407 375	Nord-Fron	5 000 000	50 %	5 270
Total					**5 270**

NOTE 9. INTANGIBLE ASSETS

	2019
Acquisition value brought forward	-
Investment of the year	3 438
Accumulated acquisition value carried forward	**3 438**
Depreciation value brought forward	-
Depreciations	-
Accumulated depreciation carried forward	**-**
Total	**3 438**

NOTE 10. PROPOSAL FOR THE APPROPRIATIONS OF PROFITS

The following profits are available for appropriation at the annual general meeting:

Profit brought foward	1 184 259
Profit for the year	-120 574
Sum	**1 063 685**

The board and managing director proposes that

To be carried forward	1 063 685
Sum	**1 063 685**

NOTE 11. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2019	2018
Pledged assets	None	None
Contingent liabilities	None	None

NOTE 12. SUBSEQUENT EVENTS

Subsequent to year end no events have occurred that would have affected the financial statements in a significant way as of 31 December 2019.

In December 2019 Braganza guaranteed for a total of 34 million NOK in new equity and a subordinated loan in BRAbank. The subscription was completed in March 2020 with MNOK 20.8 in the share issue and MNOK 13 in the subordinated loan.

In February 2020, Musti Group Holding Oy was listed on the stock exchange. Braganza sold 48% of its stocks in the IPO. This resulted in a gain of MSEK 29.5. The Vendor loan of MSEK 106 was repaid at the same time. The remaining shareholding was sold in April 2020 and this sale resulted in a further gain of MSEK 23.

The sale of the shareholding and repayment of the vendor loan resulted in a total liquidity increase of approximately MSEK 220.

COVID-19

The coronavirus pandemic has impacted all Braganza's travel related companies from March 2020. With travel bans and various restrictions imposed in all Nordic countries from mid-March travel came to a stand still and sales for 2020 decreased to very low levels. Tour operating booking numbers for 2021 is a sole positive sign in an otherwise grim situation.

Braathens Aviation AB and several subsidiaries were in April granted creditor protection by relevant courts due to financial difficulties. The online travel agent Ticket and the tour operators in Escape Travel Group face severe markets and challenges of refunding customers. Major cost cuts have been implemented in all units. Kristiansand Dyrepark has stayed open with strict measures to protect against infection. With 160 acres the park has space for strong summer traffic when domestic travel resumes. Our businesses have been helped by various Governments initiatives.

As of late April and early May 2020 Scandinavia and EU countries are easing their lockdowns and businesses gradually reopen. We expect a soft recovery starting in the final half of 2020 and into early 2021. By 2022 we plan for a more robust recovery in international travel.

Stockholm 2020

Per G. Braathen
Managing Director

Björn Fröling

Gunnar Grosvold

Geir Stormorken

Stephan Lange Jervell

Vagn O. Sørensen

Our audit report was submitted on 2020

Deloitte AB

Richard Peters
Authorized public accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Braganza AB corporate identity number 556930-1541

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Braganza AB for the financial year 2019-01-01 - 2019-12-31.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2019 and their 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 and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

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 of the parent company and the group 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 consolidated 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 and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group'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 and consolidated 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 and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group´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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Braganza AB for the financial year 2019-01-01 - 2019-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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 the parent company and the group 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 and the group's type of operations, size and risks place on the size of the parent company's and the group'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 and the group´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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Malmö / 2020

Deloitte AB

Signature on Swedish original

Richard Peters
Authorized Public Accountant

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