ANNUAL REPORT

THE BRAGANZA GROUP 2017

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 2017.

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 1,7 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 2017 the Group consists of the holding companies Braganza AB and Braganza II AB which in turn owns the main operating holding companies BRA (Braathens Aviation AB), Dyreparken Utvikling AS, Ticket Leisure Travel AB and Braathens Travel Group AS (Escape Travel). All Group companies are listed in note 24 to the Financial Statements.

BRAATHENS AVIATION	TURNOVER EBITDA FTE	2,699 MSEK 155 MSEK 842
TICKET	TURNOVER EBITDA FTE	6,932 MSEK 93 MSEK 353
DYREPARKEN	TURNOVER EBITDA FTE	445 MSEK 92 MSEK 309
BRAATHENS TRAVEL GROUP	TURNOVER EBITDA FTE	481 MSEK 13 MSEK 64

FINANCIAL OVERVIEW OF THE MAIN OPERATING COMPANIES

BRA (Braathens Aviation AB) is the holding company for the airline operations. After a loss making 2016, with launch of a new brand, introduction of a new IT system, and renewal of its turbo-prop fleet, 2017 has been a turn-around year. Operations have improved, resulting in 0,3 % growth in passenger numbers and 4,2 % increase in average revenue per passenger compared to last year. Fewer cancellations, a more reliable IT system, and over-all improved operations have contributed positively. Brand awareness of BRA is increasing in the Swedish market. 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.

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. Ticket has an online presence in Denmark and Finland through ticket.dk and ticket.fi. In Germany Ticket is selling online through airngo.de. Airngo is also present in Sweden, Norway, Denmark and Finland as an online only offer. Ticket plans to launch Airngo as an online offer in several European markets during 2018.

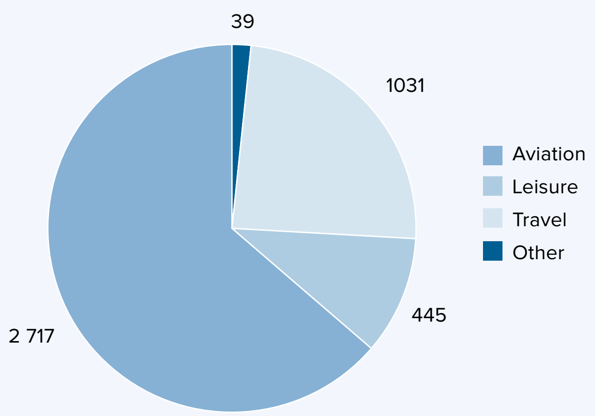
Dyreparken Utvikling AS is the holding company for Dyreparken located in Kristiansand. Dyreparken maintains its position as the largest and most visited family attraction in Norway, celebrating 50 years in 2016. With its combination of zoo and amusement park, water park, evening shows and themed accommodation, 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.

The tour operators in Braganza consists of two operating companies: Escape Travel AS in Norway and Escape Travel

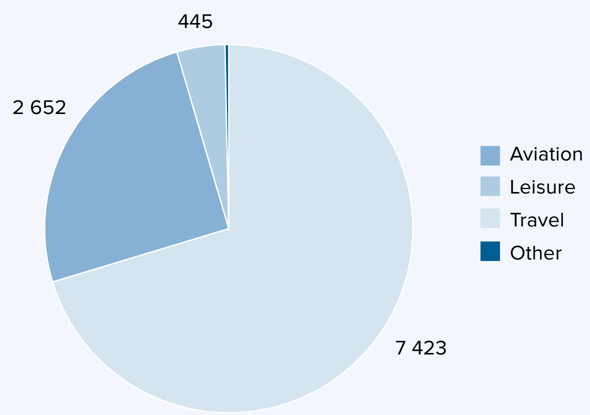
Sweden AB. Escape Travel is the fourth largest tour operator in the Norwegian market after Ving, TUI and Apollo. Carpe Diem, a brand under Escape Travel AS, is market leader in Norway in the niche for individual holiday makers who want to travel as part of a group. Escape offers quality tours and cruises throughout the world based on scheduled flights. The company has a strong product range both for group and individual holidays, backed by 60 travel experts at our locations in Norway and Sweden. Escape Travel A/S in Denmark held at year end a 38 percent stake in Danish Signatours Travel Holding A/S. Following a private issue of shares in May 2018, Braganza owns just above 50 % of Signatours Travel Holding A/S. Adding to the value of Signatours is an in-house property management and tour operating IT-system enabling scalable online growth. Signatours has its head office in Copenhagen and a regional office in Sicily which is responsible for IT development and contracting. In September 2017, Escape Travel AS acquired 100 % of Eurotravel Sport AB, a Gothenburg based company operating in the sport segment. Furthermore, Escape Travel AS acquired in January 2018 100 % of Cruise.no, a leading distributor of cruises in the Norwegian market.

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.

Financial risk in the Group is primarily related to foreign currency and fuel prices, and particularly exposure to USD and EUR through BRA, where income is mainly in SEK. This risk is managed through ongoing currency and fuel price hedging, securing approximately 50% of the next 12 months' estimated requirements of BRA. Hedging is done through forward contracts for jet fuel, while US dollar exposure is managed through forward contracts in dollars against the Swedish krona. 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 paid 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 risks are assessed as low, as most products sold by Group companies are prepaid by the customer.

BRA has covenants related to long term funding, and as of 31 December 2017 BRA is in compliance with all such covenants.

ACCOUNTS – 2017

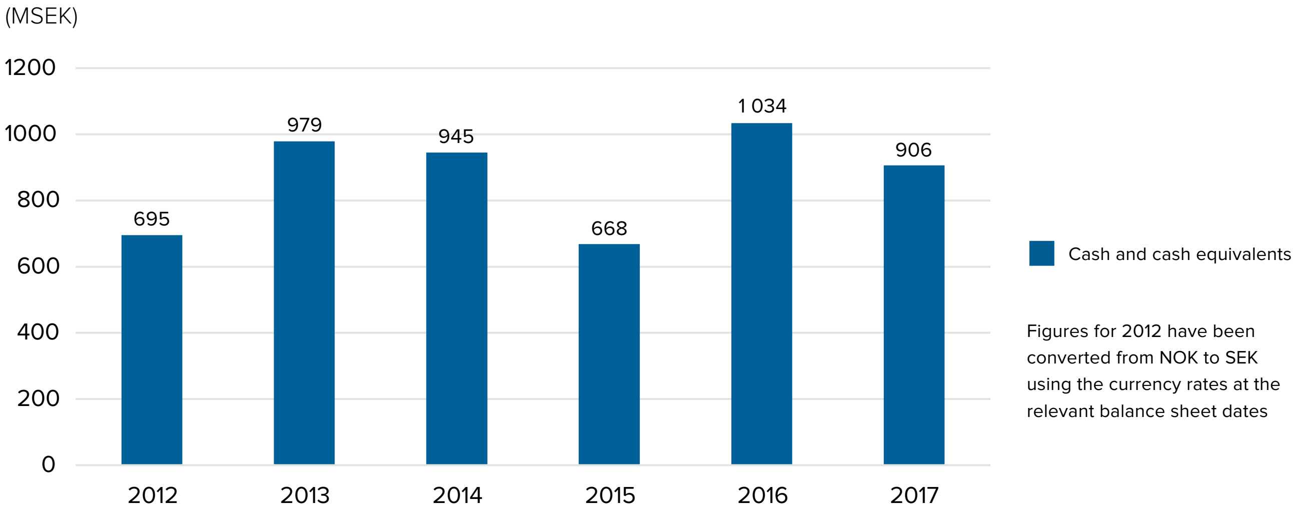
2017 GROUP	2016 GROUP	2017 PARENT COMPANY	2016 PARENT COMPANY
Net revenue 4 232 MSEK	Net revenue 3 996 MSEK	Net revenue 11 MSEK	Net revenue 12 MSEK
EBITDA 337 MSEK	EBITDA -29 MSEK	EBITDA -18 MSEK	EBITDA -20 MSEK
Operating profit 169 MSEK	Operating profit -155 MSEK	Operating profit -18 MSEK	Operating profit -20 MSEK
Net financial -26 MSEK	Net financial 125 MSEK	Net financial 67 MSEK	Net financial 134 MSEK
EBT 143 MSEK	EBT -29 MSEK	Profit/(loss) 58 MSEK	Profit/(loss) 101 MSEK

The consolidated financial statements for 2017 show a profit before depreciation and financial items (EBITDA) of MSEK 169, compared to MSEK -155 for 2016. The parent company's result before tax for 2017 was MSEK 58, including dividend received from group companies, which is eliminated in the group accounts.

At 31 December 2017, the Group had an equity base of MSEK 1,717. The parent company's equity was MSEK 1,244 as of 31 December 2017. The parent company has distributable reserves of MSEK 1,198. The Board confirms that the going concern assumption is valid and that the accounts have been prepared on a going concern basis.

Dyreparken and BRA are the only companies within the Group with interest bearing debt at year end 2017. The Group's cash position at 31 December 2017 was MSEK 906. The parent company's cash position at 31 December 2017 was MSEK 521. 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 considered good. There have been no reported serious injuries or serious accidents in the Group in 2017. There have been no reported cases of discrimination. The Group had a total of 1,584 FTEs in 2017. Historically the 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 five 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, it is focused 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.

OUTLOOK FOR 2018

In the coming years, the Group will continue to develop its investment activities, focusing on industrial investments and active ownership. The Group enters 2018 with a strong balance sheet and businesses that are well positioned for future growth. The intensive competitive environment in several of the businesses means that the general growth expectations for 2018 is relatively modest compared to 2017.

EVENTS AFTER BALANCE SHEET DATE

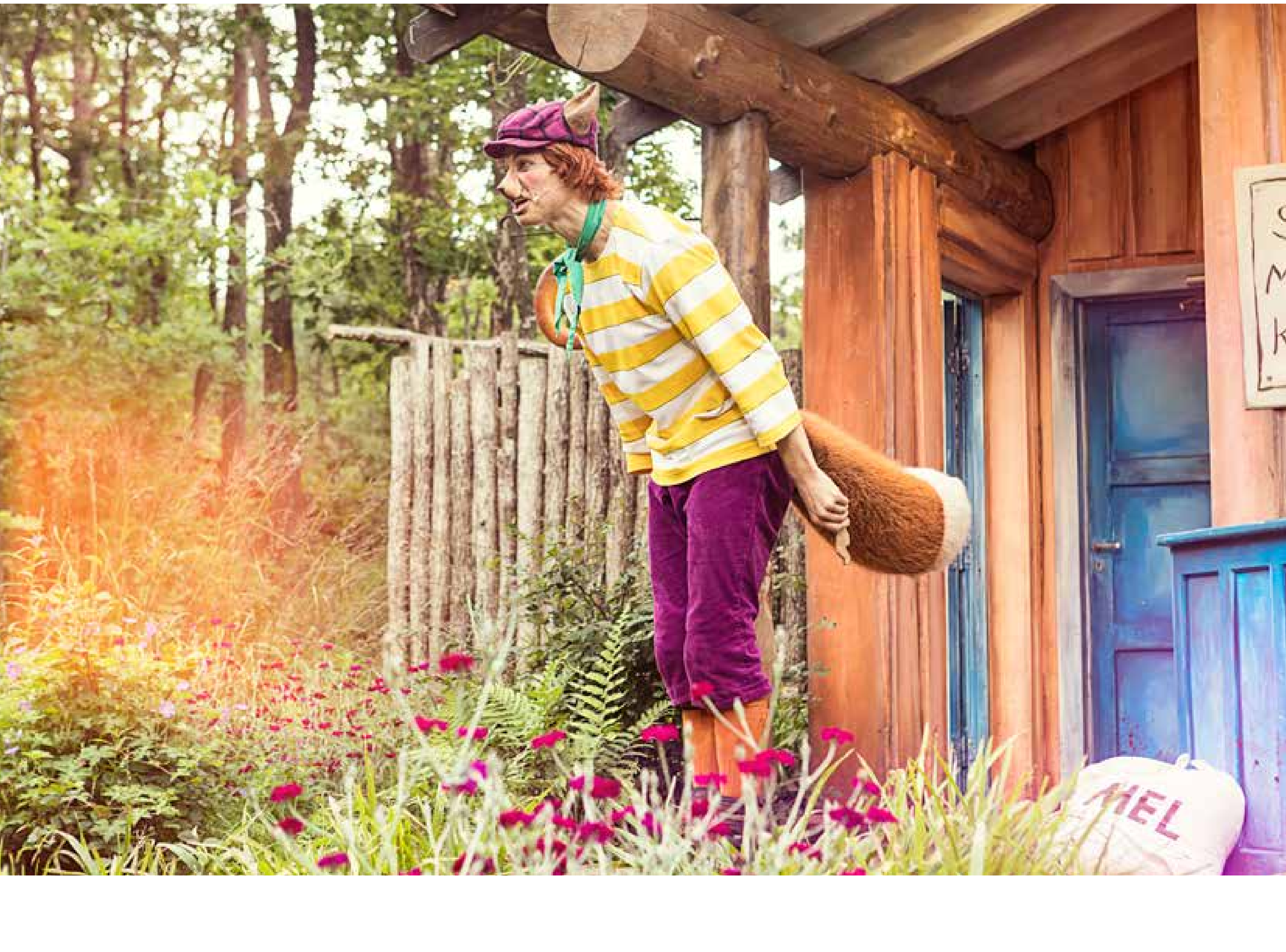
Escape Travel AS acquired 100 % of the shares in Cruise.no in January 2018. Prosjekt Novo AS (to be renamed BRAbank ASA) received in May 2018 its conditional approval from the Norwegian Ministry of Finance. Braganza AB holds a 20 % stake in the company after the public share issue.

PROPOSED APPROPRIATION OF 2017 PROFIT

The board of directors propose the following appropriation of the available profit	1 197 838 TSEK
Proposed dividend	13 000 TSEK
To be carried forward	**1 184 838 TSEK**

The board of directors proposes that the ordinary General Meeting in 2018 distribute a dividend of MSEK 13, which is deemed to be justifiable taking into account the nature and risk of the business as well as the equity and cash position.

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	2017	2016
Gross revenue		10 557 617	9 293 858
Net Revenue		4 159 835	3 958 199
Other operating income	3	72 021	38 174
Total revenue		**4 231 856**	**3 996 373**
Cost of goods sold		-472 909	-456 550
Employee benefits expense	4, 5	-1 241 096	-1 221 736
Other operating expenses	3, 4	-2 180 984	-2 346 973
Total operating expenses		**-3 894 989**	**-4 025 259**
EBITDA		**336 867**	**-28 886**
Depreciation and amortisation expenses	6, 7	-199 796	-159 206
Income from divestment of operations	8	31 475	33 445
Operating profit / (loss)		**168 546**	**-154 647**
Income from investments in associates	9	-464	1 224
Other interest income		13 480	13 264
Other financial income	10	41 518	165 692
Impairment of financial assets	13	-19 253	-
Other interest expense		-21 542	-19 527
Other financial expenses	10	-39 381	-35 186
Net financial income / (loss)		**-25 642**	**125 467**
Profit / (loss) before income tax		**142 904**	**-29 180**
Income tax expense	11	-35 065	38 276
Net profit / (loss)		**107 839**	**9 096**
Attributable to:			
Braganza shareholders		103 490	1 831
Non-controlling interests		4 349	7 265

BRAGANZA AB
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER

Amounts in TSEK	Notes	2017	2016
Brands and other intangible assets		308 774	332 387
Goodwill		32 043	32 071
Total intangible assets	6	**340 817**	**364 458**
Properties and land		583 625	617 675
Aircraft, engines and similar		1 334 009	1 186 923
Equipment		114 498	99 886
Total tangible assets	7, 12	**2 032 133**	**1 904 484**
Deferred tax asset	11	23 901	71 787
Investments in associates	9	38 820	7 993
Long term investments	13	74 912	81 751
Long term receivables	14	186 649	168 008
Total financial assets		**324 282**	**329 540**
Total non-current assets		**2 697 232**	**2 598 481**
Finished goods		53 774	57 734
Accounts receivable		109 514	95 779
Other receivables		224 696	207 954
Prepayments and accrued income	16	192 199	192 630
Total receivables		**526 409**	**496 364**
Cash and cash equivalents	17	905 705	1 034 022
Total current assets		**1 485 888**	**1 588 120**
Total assets		**4 183 119**	**4 186 601**

BRAGANZA AB
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER

Amounts in TSEK	Notes	2017	2016
Share capital	18	46 086	46 086
Additional paid in capital		-	3 771
Total restricted equity		**46 086**	**49 857**
Free reserves		1 544 149	1 596 058
Profit for the year		103 490	1 831
Total accumulated profits		**1 647 639**	**1 597 889**
Non-controlling interests		**23 988**	**26 450**
Total equity		**1 717 713**	**1 674 196**
Pension obligations	5	4 497	4 786
Deferred tax liability	11	29 565	47 642
Total provisions		**34 062**	**52 428**
Liabilities to financial institutions	19	1 031 947	1 040 860
Other long term liabilities	20	1 935	15 658
Total other non-current liabilities		**1 033 882**	**1 056 517**
Liabilities to financial institutions	19	94 599	133 847
Accounts payable		380 990	344 477
Income tax payable	11	3 529	662
Public duties payable		61 315	45 559
Other short term liabilities		42 455	58 515
Accrued expenses and deferred income	20	814 572	820 399
Total current liabilities		**1 397 461**	**1 403 460**
Total Liabilities		**2 465 405**	**2 512 405**
Total equity and liabilities		**4 183 119**	**4 186 601**

BRAGANZA AB
CONSOLIDATED CASH FLOW STATEMENT 1.1 – 31.12

Amount in TSEK	Notes	2017	2016
Cash flow from operating activities			
Operating profit / (loss)		168 546	-154 647
Interest received		13 480	13 264
Interest paid		-21 542	-19 527
Other financial income net		2 137	130 505
Income tax payable		-1 022	-1 063
Gain (-) / loss from disposal of non-current assets		-42 690	-91 788
Gain (-) / loss from disposal of operations		-31 475	-33 443
Depreciation and amortisation expenses	6, 7	197 192	151 874
Impairment of non-current assets	6	2 441	7 339
Changes in finished goods		3 960	-9 963
Changes in accounts receivable		-11 049	7 979
Changes in accounts payable		35 561	90 865
Difference between recognized pension cost and actual payments		-289	977
Changes in other accruals		-25 831	359 588
Net cash flow from operating activities		**289 418**	**451 960**
Cash flow from investing activities			
Proceeds from disposal of tangible non-current assets		45 008	843
Proceeds from disposal of operations		-	24 816
Purchase of tangible non-current assets	7	-302 032	-156 858
Purchase of intangible assets	6	-17 632	-66 052
Purchase of shares		-44 264	-
Proceeds from disposal of intangible assets		10 806	613
Net proceeds from disposal of shares		16 594	239 402
Acquisition of subsidiary, net of cash acquired		-9 297	-
Change in long term receivables		-18 640	-44 260
Net cash flow from investing activities		**-319 457**	**-1 495**
Cash flow from financing activities			
Net proceeds from recent borrowings/down payments		-53 307	-89 429
Changes in bank overdraft		-8 577	23 368
Equity proceeds		-3 213	3 410
Dividends		-41 754	-31 471
Net cash flow from financing activities		**-106 850**	**-94 122**
Net change in cash and cash equivalents		**-136 890**	**356 343**
Effect of exchange rate differences on cash and cash equivalents		**8 573**	**9 786**
Cash and cash equivalents at 01.01	17	**1 034 022**	**667 893**
Cash and cash equivalents at 31.12	17	**905 705**	**1 034 022**

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

	Share capital	Additional paid in capital	Retained earnings	Attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity at 1 January, 2016	**46 086**	**3 771**	**1 584 790**	**1 634 647**	**11 711**	**1 646 358**
Profit for the year			1 831	1 831	7 265	9 096
Change in carrying amount for assets and liabilities						
Translation differences			45 575	45 575	1 228	46 803
Total change in carrying amount	**-**	**-**	**45 575**	**45 575**	**1 228**	**46 803**
Transactions with owners:						
Purchase from (-)/ Sales to (+) non-controlling interests			-4 479	-4 479	7 889	3 410
Payment of dividends			-29 828	-29 828	-1 643	-31 471
Total transactions with owners	-	-	-34 307	-34 307	6 246	-28 061
Equity at December 31, 2016	**46 086**	**3 771**	**1 597 889**	**1 647 746**	**26 450**	**1 674 196**
Equity at 1 January, 2017	**46 086**	**3 771**	**1 597 889**	**1 647 746**	**26 450**	**1 674 196**
Profit for the year		-3 771	107 261	103 490	4 349	107 839
Change in carrying amount for assets and liabilities						
Translation differences			-17 941	-17 941	-1 414	-19 355
Total change in carrying amount	**-**	**-**	**-17 941**	**-17 941**	**-1 414**	**-19 355**
Transactions with owners:						
Purchase from (-)/ Sales to (+) non-controlling interests			727	727	-3 940	-3 213
Payment of dividends			-40 297	-40 297	-1 457	-41 754
Total transactions with owners	-	-	-39 570	-39 570	-5 397	-44 967
Equity at December 31, 2017	**46 086**	**-**	**1 647 639**	**1 693 725**	**23 988**	**1 717 713**

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 Braathens Travel Group (Escape Travel) 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 rebranded to 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.

Braathens 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.

USE OF ESTIMATES

Management has used estimates and assumptions that have affected assets, liabilities, income, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Sweden. The most critical judgments and sources of potential uncertainty related to the preparation of the consolidated financial statements are detailed below.

Operational leases include certain clauses regarding return conditions on aircraft, and compensations to the lessor depending on where the aircraft is in its maintenance cycle at the time of redelivery. Such costs will be estimated at the end of the leasing period. Currently, no provisions have been made as no reliable estimates can be made at an early stage of the lease contract.

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.

At each reporting date, the group considers if there are indications of reduced values of tangible and intangible assets. A value is considered reduced when the recoverable amount is less than book value. The recoverable amounts of cash generating units are determined based on value-in-use calculations. These calculations require use of estimates.

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.

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 or used for purchases with partners in the program. A short term liability is recognized when a sale is made. Last year's use of loyalty points is then used as the basis for calculating a liability related to the customer loyalty program, which is accounted for at market value.

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 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.

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.

Assets considered as finance lease are accounted for in the balance sheet at the lower of their fair value and the present value of the minimum lease payments. Debt related to the finance lease is accounted as long term debt to credit institutions, where next twelve months payments are accounted as short term debt. Lease payments are split between amortizations and interest, where interests are distributed over the duration of the lease contract and each period is charged with an amount equal to a fixed interest related to the remaining debt. Interest are accounted as an expense if not directly linked to asset under construction. Lease costs related to operational leases are expensed linearly over the lease contract.

Aircraft are regularly on heavy maintenance. Maintenance with short intervals are expensed as they are incurred, whilst maintenance which is not considered to be short intervals are activated in the balance sheet and depreciated until next scheduled maintenance.

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 economic 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 exceeds 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.

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:

	2017	2016
Gain on sale of fixed assets	28 768	-
Currency translation gain on operational receivables and payables	-	25 860
Compensation insurance	19 279	-
Other (described below)	23 974	12 314
Total	**72 021**	**38 174**

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

Other operating expenses consists of:

	2017	2016
Aviation related costs	1 428 159	1 520 271
Cost of leases	162 127	198 156
Marketing costs	187 383	158 943
IT costs	92 395	96 290
External consultants, advisors etc.	23 160	37 947
Cost of travel	3 683	5 356
Hotel accommodation	18 576	18 575
Other	265 500	311 434
Total	**2 180 984**	**2 346 973**

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:	**2017**	**2016**
Salaries	847 072	823 409
Payroll tax	244 569	244 040
Pension costs	94 960	89 795
Other benefits	55 835	64 647
Capitalized wage expenses	(1 340)	(154)
Total	**1 241 096**	**1 221 736**

Average number of employees by gender and country

	2017	**2017**	**2017**	**2016**	**2016**	**2016**
	Female	Male	Total	Female	Male	Total
Sweden	674	465	**1 139**	670	461	**1 131**
Norway	312	126	**438**	322	149	**471**
Spain	3	3	**6**	4	2	**6**
Denmark	-	1	**1**	-	1	**1**
Total	**989**	**595**	**1 584**	**996**	**613**	**1 609**
	62 %	38 %		62 %	38%	

Management and board remuneration

	2017	**2016**
Salary and bonus	11 212	13 963
Other benefits	184	180
Total	**11 396**	**14 143**

There is no severance pay agreement.

Distribution of senior management	**2017**	**2016**
Women:		
Members of board	-	-
Other senior management incl. MD	1	1
Men:		
Members of board	6	7
Other senior management incl. MD	4	4
Total	**11**	**12**

Auditor

Specification of auditor's fees 2017 ex VAT

Group	**Statutory audit fee**	**Other assurance services**	**Tax advisory fee**	**Other non-audit services**	**Total 2017**
Deloitte	2 685	277	119	401	**3 481**
Other auditors	-	-	-	-	**-**
Total	**2 685**	**277**	**119**	**401**	**3 481**

Specification of auditor's fee 2016 ex VAT

Group	**Statutory audit fee**	**Other assurance services**	**Tax advisory fee**	**Other non-audit services**	**Total 2016**
Deloitte	2 992	490	239	170	**3 889**
Other auditors	-	-	-	227	**227**
Total	**2 992**	**490**	**239**	**396**	**4 116**

NOTE 5. PENSIONS

(Amounts in SEK 1000)

	2017	2016
Service cost	2 100	1 634
Interest cost	-	-
Return on pension plan assets	-	-
Social security tax	280	138
Net pension costs, defined pension plans	2 380	1 771
Pension cost defined contribution plans	**92 579**	**88 024**
Total net pension cost	**94 960**	**89 795**

	2017	2016
Accrued pension obligations at 31.12	13 772	11 741
Estimated effect of future salary increase	-	-
Estimated pension obligations at 31.12	13 772	11 741
Pension plan assets at market value) at 31.12	6 156	5 723
Unrecognised effects of actuarial gains/ losses	(3 189)	(2 483)
Social security tax	-	-
Currency adjustments	(466)	715
Net benefit obligations	3 960	4 250
Hereof recognized as Other long term receivables	537	535
Hereof recognized as Pension obligations	4 497	4 786
Actuarial assumptions:		
Discount rate	2,4 - 3%	2,7 %
Salary increase	2,50 %	2,50 %
Return on plan assets	4,10 %	3,30 %
Average turnover	0 %	0 %

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 2017			
Balance as of 1 January 2017	332 387	32 071	**364 459**
Additions	17 632	-	**17 632**
Additions from purchase of companies	45	9 724	**9 770**
Disposals	(5 000)	-	**(5 000)**
Disposals from sale of companies	-	-	**-**
Amortisation	(32 905)	(9 010)	**(41 915)**
Impairment loss	(2 557)	-	**(2 557)**
Currency translation differences	(830)	(743)	**(1 573)**
Balance as of 31 December 2017	**308 774**	**32 043**	**340 817**
As of 31 December 2017			
Cost of acquisition	393 878	139 766	**533 644**
Accumulated amortisation and impairment losses	(85 104)	(107 723)	**(192 827)**
Balance as of 31 December 2017	**308 774**	**32 043**	**340 817**

	Brands and other intangible assets	Goodwill	Total
1 January – 31 December 2016			
Balance as of 1 January 2016	297 207	47 164	**344 371**
Additions	66 052	-	**66 052**
Additions from purchase of companies	-	-	**-**
Disposals	(613)	-	**(613)**
Disposals from sale of companies	-	-	**-**
Amortisation	(22 369)	(18 556)	**(40 926)**
Impairment loss	(7 339)	-	**(7 339)**
Currency translation differences	(551)	3 463	**2 912**
Balance as of 31 December 2016	**332 387**	**32 071**	**364 458**
As of 31 December 2016			
Cost of acquisition	432 211	322 467	**754 678**
Accumulated amortisation and impairment losses	(99 824)	(290 396)	**(390 220)**
Balance as of 31 December 2016	**332 387**	**32 071**	**364 458**

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	13 312	20 years
Eurotravel Sports	8 914	5 years
Dyreparken Hotell AS	7 078	5 years
Sabra Tours	1 373	5 years
Two Travel AS	1 365	5 years
Total	**32 043**	

Goodwill for Kaptein Sabeltann is related to the concept for a limited number of years

NOTE 7. TANGIBLE ASSETS

	Properties and land	Aircraft, engines and similar[1]	Pre-payments	Equipment	Total
1 January – 31 December 2017					
Balance as of 1 January 2017	617 675	1 186 923	-	99 882	**1 904 480**
Additions	29 494	229 978	-	42 560	**302 032**
Additions from purchase of companies	-	-	-	1 915	**1 915**
Disposals	(3 587)	(19 672)	-	(403)	**(23 662)**
Disposals from sale of companies	-	-	-	-	**-**
Amortisation	(33 712)	(93 774)	-	(27 837)	**(155 324)**
Impairment loss	-	-	-	-	**-**
Currency translation differences	(26 244)	30 554	-	(1 618)	**2 692**
Balance as of 31 December 20167	**583 625**	**1 334 009**	**-**	**114 498**	**2 032 133**
As of 31 December 2017					
Cost of acquisition	980 654	1 700 254	-	299 072	**2 979 980**
Accumulated amortisation and impairment losses	(397 029)	(366 245)	-	(184 574)	**(947 848)**
Balance as of 31 December 2017	**583 625**	**1 334 009**	**-**	**114 498**	**2 032 133**

	Properties and land	Aircraft, engines and similar[1]	Pre-payments	Equipment	Total
1 January – 31 December 2016					
Balance as of 1 January 2016	439 184	134 950	214 091	91 435	**879 661**
Additions	24 893	1 111 171	(214 091)	30 937	**952 910**
Additions from purchase of companies	143 429	-	-	-	**143 429**
Disposals	(1 113)	-	-	-	**(1 113)**
Disposals from sale of companies	-	-	-	-	**-**
Amortisation	(29 880)	(54 645)	-	(26 417)	**(110 942)**
Impairment loss	-	-	-	-	**-**
Currency translation differences	41 162	(4 553)	-	3 930	**40 540**
Balance as of 31 December 2016	**617 675**	**1 186 923**	**-**	**99 886**	**1 904 485**
As of 31 December 2016					
Cost of acquisition	1 001 077	1 497 370	-	270 622	**2 769 069**
Accumulated amortisation and impairment losses	(383 402)	(310 447)	-	(170 735)	**(864 584)**
Balance as of 31 December 2016	**617 675**	**1 186 923**	**-**	**99 886**	**1 904 485**

[1] The balance sheet item includes leasing assets held under finance leases with carrying amounts amounting to 1 067 758. See note 12 for more information.

Depreciation of intangible assets:

	Properties and land	Aircraft, engines and similar[1]	Pre-payments	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)

December 2017, Braathens Aviation AB took delivery of one brand new ATR 72-600 on operating lease. The aircraft owner is ATR 72 MSN 1341 AS, a wholly owned subsidiary of Braganza AB. Braathens Aviation AS sold one Cessna Citation aircraft in 2017 and purchased one Embraer Phenom 300 aircraft.

Braganza received in 2017 an earn-out of approximately 31 MSEK related to its previous holding in Zoo Support AB (Arken Zoo). Furthermore, Braganza received repayment from escrow related to its previous holding in Jetscape. Both the earn-out and repayment from escrow is accounted for as financial income in the 2017 accounts.

Braganza invested in 2017 in Prosjekt Novo AS (to be renamed BRAbank ASA), which has received a conditional bank licens from Finanstilsynet regarding a new consumer bank focusing on credit card, consumer loan and check-out financing.

NOTE 9. INVESTMENTS IN ASSOCIATED COMPANIES

(Amounts in SEK 1000)

A specification of investments in associated companies follow below:

	2017	2016
Book value as of 1.1.	7 993	1 753
Additions from purchase of companies	(249)	-
Additions	30 910	4 776
Profit/(loss)	(464)	1 224
Currency and other adjustments	629	239
Book value as of 31.12.	**38 820**	**7 993**

Specification of profit/(loss)

	2017	2016
Share of profit/(loss) from associates	(464)	1 224
Elimination of internal gains/losses	-	-
Net profit/(loss) from associates	**(464)**	**1 224**

	Location	Owner-ship 1)	Equity as of 31.12.	Profit/(loss) 2017
Peer Gynt AS, org nr 965 407 375	Nord-Fron	50,0 %	10 880	3 397
Prosjekt Novo AS	Oslo	48,0 %	7 946	(9 527)
Signatours A/S	Copenhagen	37,1 %	10 561	(4 575)
Qondor AS	Trondheim	35,0 %	7 096	(1 626)
Eurotravel Sports Golf & Event AB	Gothenburg	50,0 %	124	10

1) Ownership equalling the percentage of voting shares

	Acquisition cost	Acquisition date	Equity at acquisition date	Book value 2017	Book value 2016
Peer Gynt AS	5 270	2008	10 000	5 439	3 995
Prosjekt Novo AS	16 146	Dec 2017	7 946	16 146	
Signatours AS	9 687	Jun 2016	2 392	9 116	3 998
Eurotravel Sports Golf & Event AB	100	Aug 2017	100	69	
Qondor AS	8 041	Dec 2017	7 096	8 050	
Sum				**38 820**	**7 993**

NOTE 10. OTHER FINANCIAL INCOME AND EXPENSES

(Amounts in SEK 1000)

Other financial income

	2017	**2016**
Gain from sale of shares	15 538	92 058
Gain on foreign exchange	20 369	71 352
Other financial income	5 612	2 282
Total other finance income	**41 518**	**165 692**

Other financial expenses

	2017	**2016**
Loss /changes in value of equity investments	-	-
Loss on foreign exchange	(37 991)	(32 462)
Other financial expenses	(1 390)	(2 723)
Total other finance expenses	**(39 381)**	**(35 186)**

NOTE 11. TAXES

(Amounts in SEK 1000)

	2017	2016
Income tax expense		
Tax payable	3 529	662
Changes in deferred tax	31 540	(38 782)
Adjustments for prior years	(3)	(157)
Total income tax expense (+) / tax income (-)	**35 065**	**(38 276)**
Changes in deferred tax		
Changes recognized in profit and loss	31 540	(38 782)
Changes due to business combinations	(118)	7 879
Other	1 612	(3 620)
Currency adjustments	(493)	(621)
Total changes in deferred tax	**32 540**	**(35 144)**
Profit before tax	142 904	(29 180)
Tax rate 22%	**31 439**	**(6 420)**
Effect of unrecognized timing differences and tax loss	5 740	2 334
Revaluation of unrecognized timing differences and tax loss prior years	869	(12 500)
Adjustments for prior years	-	(123)
Permanent differences	(5 004)	(23 957)
Share of net profit from associates	-	499
Effect of change in tax rate	(1 447)	(170)
Effect of different tax rates	862	1 613
Other	2 607	449
Income tax expense (+) / tax income (-)	**35 065**	**(38 276)**
Temporary differences		
Deferred tax assets		
Pensions	-	-
Inventory	317	305
Intangible assets	-	-
Tangible assets	8 149	9 669
Accounts receivables and other receivables	511	204
Provisions and short term debt	5	6
Gains and losses	102	134
Tax loss carried forward	53 180	63 857
Other differences assets	1 710	-
Deferred tax assets	**63 975**	**74 174**
Deferred tax liabilities		
Intangible assets	16 446	21 389
Tangible assets	41 155	25 189
Accounts receivables	284	-
Gains and losses	3 873	802
Untaxed reserves	-	1 063
Other differences	193	161
Deferred tax liabilities	**61 951**	**48 605**
Net deferred tax assets (-liability)	2 025	25 569
Hereof not recognized in the balance sheet	7 688	1 423
Net deferred tax assets (-liability)	(5 664)	24 146
Hereof recognized as deferred tax asset	23 901	71 787
Hereof recognized as deferred tax liability	29 565	47 642

NOTE 12. LEASES

(Amounts in SEK 1000)

Finance leases

	2017	2016
Aircraft, engines, property, plant and similar	1 067 758	1 086 509
Balance as of 31 December	**1 067 758**	**1 086 509**

Minimum finance lease payments

	2017	2016
Next year	94 405	100 360
Between year 1 and 5	387 627	401 197
After year 5	391 555	488 945
Total minimum finance lease payments	**873 587**	**990 502**

Present value of minimum finance lease payments		
- Whereof short term debt	94 405	100 360
- Whereof long term debt	779 182	890 142

Operating leases

	Lease payments		Durability
	2017	2016	
Aircraft, engines, property, plant and similar	154 157	198 157	1-4 years
Equipment	2 673	2 160	1-3 years
Other	2 935	3 726	
Lease expenses	**159 765**	**204 043**	

Operating leases	2017	2016
Next year, operating leases	143 882	148 603
Between year 1 and 5, operating leases	355 137	349 163
After year 5, operating leases	254 941	257 126
Total minimum operating lease payments	**753 960**	**754 892**

NOTE 13. LONG TERM INVESTMENTS

(Amounts in SEK 1000)

Long term investments

Company	**Book value**	**Share**
Musti ja Mirri Group	66 284	5,0 %
Domain Ventures Partners	-	10 %
Hallingdal Feriepark AS	7 007	4 %
Other	1 621	-
Total	**74 912**	

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

Changes during the year	2017	2016
Book value 1 January	81 751	223 695
Additions	13 354	5 270
Disposals	(1 056)	(147 345)
Impairment loss	(19 136)	-
Currency translation differences	(1)	131
Book value as of 31 December	**74 912**	**81 751**

NOTE 14. LONG TERM RECEIVABLES

(Amounts in SEK 1000)

Long term receivables consist of:

	2017	2016
Loan to Musti ja Mirri Group	87 972	79 514
Loan to Bramora LTD	-	28 214
Deposits	53 964	49 972
Pre-delivery payment	27 989	-
Other	16 724	10 308
Total	**186 649**	**168 009**

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 to Braathens Aviation. 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:

	2017	2016
Prepaid expenses	64 411	62 084
Accrued income	88 416	90 453
Other short term receivables	39 372	40 093
Total	**192 199**	**192 630**

Hereof:		
Due within 1 year	192 199	192 131
Due above 1 year	-	500

NOTE 17. CASH AND CASH EQUIVALENTS

(Amounts in SEK 1000)

Cash and cash equivalents consists of:

	2017	2016
Bank deposits	676 065	1 034 022
Excess cash invested in Alfred Berg	229 640	-
Total	**905 705**	**1 034 022**
Whereof restricted	29 689	20 080

Specification of excess cash invested in Alfred Berg:

Company	**Book value**	**Market value**
Alfred Berg Pengemarked	54 008	54 008
Alfred Berg Income	83 348	83 348
Alfred Berg Nordic investment Grade	92 284	92 284
Total	**229 640**	**229 640**

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 SEK 100

NOTE 19. INTEREST BEARING DEBT

(Amounts in SEK 1000)

The Group's interest bearing debt has the following characteristics:

	Short term		Long term	
	2017	**2016**	**2017**	**2016**
Interest bearing debt by type loan				
Loan from financial institutions	194	43 103	252 765	192 355
Finance leases, note 12	94 405	90 744	779 182	848 505
Total	**94 599**	**133 847**	**1 031 947**	**1 040 860**
Time to maturity				
Due between year 1 and 5			387 627	568 271
Due after year 5			644 320	472 589
Total			**1 031 947**	**1 040 860**

Type of security		
Aircraft, engines and similar	-	-
Property and plant	419 369	433 543
Inventory	21 693	23 231
Total book value of security	**441 062**	**456 774**

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. The jet-fleet renewal program is assumed financed by export development banks, and long term capital lease debt is expected to further increase in the coming years. A new and revised delivery schedule is under discussion with Bombardier and the first CSeries is expected to be delivered 2020.

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

(Amounts in SEK 1000)

Other long term liabilities consist of:

	2017	2016
Loans from Shareholders	1 479	14 540
Other	456	1 118
Total other long term liabilities	**1 935**	**15 658**
Time to maturity		
Due between year 1 and 5	1 935	12 871
Due after year 5	-	2 787
Total	**1 935**	**15 658**

Accrued expenses and deferred income consist of:

	2017	2016
Tickets sold not used	267 446	264 580
Salaries and other employee benefits	201 188	206 391
Other prepayments from customers	245 994	234 988
Other	99 944	114 440
Total accrued expenses and deferred income	**814 572**	**820 399**

NOTE 21. GUARANTEE LIABILITIES AND PLEDGED ASSETS

(Amounts in SEK 1000)

The pledged assets for the group consist of:

	2017	2016
Aircraft	1 067 758	1 086 509
Chattel mortgages	50 700	50 700
Deposits	105 425	65 054
Restricted cash	28 221	20 080
Property and plant	419 369	433 543
Inventory	21 693	23 231
Other	9 294	10 209
Total	**1 702 460**	**1 689 327**

Other pledged assets, see note 20.

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

	2017	2016
Travel insurance	150 869	155 089
Rental guarantees	6 610	7 224
Bank Guarantees	9 566	9 395
Total	**167 045**	**171 708**

Commonly used representations 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 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

No significant disposals during 2017.

	Acquisitions		Divestments	
	2017	**2016**	**2017**	**2016**
Other intangible assets	9 770	-	-	-
Tangible assets	1 666	143 429	-	-
Current assets	7 422	1 440	-	-
Total assets	**18 857**	**144 869**	-	-
Non-current liabilities	118	38 154	-	-
Current liabilities	7 979	23 290	-	-
Total liabilities	**8 097**	**61 444**	-	-

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 armslength principle.

Allocation between segments in 2017	**Aviation**	**Travel**	**Leisure**	**Other**	**Total**
External gross revenue	2 651 732	7 422 975	444 692	38 218	10 557 617
Net revenue	2 651 732	1 025 193	444 692	38 218	4 159 835
Other operating income	64 834	6 363	-	824	72 021
Total external revenues	**2 716 565**	**1 031 556**	**44 692**	**39 042**	**4 231 857**
Internal revenues	240	2 795	-	32 119	35 154
Total revenues	**2 716 805**	**1 034 352**	**444 692**	**71 161**	**4 267 011**
Cost of goods sold	-	(401 691)	(52 750)	(18 468)	(472 909)
Employee benefits expense	(746 379)	(278 481)	(173 119)	(43 118)	(1 241 096)
Other operating expenses	(1 799 210)	(247 055)	(126 790)	(43 083)	(2 216 138)
EBITDA	**171 217**	**107 125**	**92 033**	**(33 508)**	**336 867**

Geografical areas	**Norway**	**Sweden**	**Other**	**Total**
Gross revenue	2 755 771	7 800 671	1 174	10 557 617
Net revenue	1 054 735	3 103 925	1 174	4 159 835
Other operating income	20 995	50 288	739	72 021
Total external revenues	**1 075 729**	**3 154 213**	**1 913**	**4 231 857**
Internal revenues	20 977	11 402	2 775	35 154
Total revenues	**1 096 707**	**3 165 615**	**4 688**	**4 267 011**

Allocation between segments in 2016	**Aviation**	**Travel**	**Leisure**	**Other**	**Total**
External gross revenue	2 573 590	6 234 666	437 921	47 681	9 293 858
Net revenue	2 537 570	935 052	437 921	47 657	3 958 199
Other operating income	36 039	618	-	1 517	38 174
Total external revenues	**2 573 609**	**935 670**	**437 921**	**49 174**	**3 996 373**
Internal revenues	-	-	-	955	955
Total revenues	**2 573 609**	**935 670**	**437 921**	**50 129**	**3 997 328**
Cost of goods sold	-	(390 133)	(51 715)	(15 728)	(457 576)
Employee benefits expense	(750 996)	(268 070)	(168 082)	(34 588)	(1 221 736)
Other operating expenses	(1 977 696)	(197 339)	(130 830)	(41 109)	(2 346 973)
EBITDA	**(155 083)**	**80 128**	**87 294**	**(41 297)**	**(28 957)**

Geografical areas	**Norway**	**Sweden**	**Other**	**Total**
Gross revenue	2 393 754	6 898 767	1 337	9 293 858
Net revenue	1 031 585	2 925 278	1 336	3 958 199
Other operating income	347	36 908	920	38 174
Total external revenues	**1 031 931**	**2 962 185**	**2 256**	**3 996 373**
Internal revenues	1 026	-	-	1 026
Total revenues	**1 032 957**	**2 962 185**	**2 256**	**3 997 399**

NOTE 24. SUBSIDIARIES

Subsidiaries directly or indirectly controlled as of 31 December

Company	Acquisition/ incorporation date	Company no.	Location	Country	Share ownership 2017	Share ownership 2016
Braganza AS	2013	912 414 353	Oslo	Norway	100 %	100 %
Braathens Travel Group AB	2010	556445-4170	Stockholm	Sweden	100 %	100 %
Ticket Leisure Travel AB	2010	556428-9592	Stockholm	Sweden	96 %	98 %
Dyreparken Utvikling AS	2001	990 903 700	Kristiansand	Norway	97 %	95 %
Kristiansand Hotell AS	2016	980 406 563	Kristiansand	Norway	100 %	100 %
Wayday Travel AS	2007	991 353 305	Oslo	Norway	96 %	96 %
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	2006	989 332 619	Oslo	Norway	100 %	100 %
Braathens Aviation AB	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 %	95 %
Bralanta AS	2008	992 958 650	Oslo	Norway	100 %	91 %
Escape Travel AS	2004	987 239 557	Oslo	Norway	95 %	100 %
Stay AS	2008	986 572 155	Oslo	Norway	100 %	94 %
JK Safaris Scandinavia AB	2011	556706 7821	Stockholm	Sweden	100 %	100 %
Escape Travel A/S	2011	15742100-33	Copenhagen	Denmark	95 %	100 %
Ticket Commercial Ltd	2012	7110286	London	UK	100 %	100 %
Braathens Domains Ltd	2012	7110139	London	UK	100 %	100 %
Escape Travel Sweden AB	2012	556739 8382	Göteborg	Sweden	75 %	75 %
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	100 %	100 %
ATR 72 MSN 1341 AS	2017	919 407 360	Oslo	Norge	100 %	0 %
Braathens IT Solutions AB	2007	556747-6477	Stockholm	Sweden	100 %	100 %

NOTE 25. EVENTS AFTER THE REPORTING PERIOD

After 31 December 2017 no events have occurred that would have affected the financial statements in a significant way.

Escape Travel AS, a wholly owned indirect subsidiary of Braganza AB, entered into in January 2018 a purchase agreement related to all shares in Cruise.no, the leading distributor of cruise in the Norwegian market.

BRAGANZA AB – PARENT COMPANY

(Amount in TSEK)

INCOME STATEMENT	**Note**	**2017**	**2016**
Net sales		11 162	12 082
Revenue		**11 162**	**12 082**
Other external costs	1	-24 855	-27 934
Personnel costs	2	-4 767	-3 834
Operating expenses		**-29 622**	**-31 768**
Operating profit		**-18 460**	**-19 686**
Result from financial investments			
Result from participations in group companies	6	42 610	100 586
Result from long-term securities		37 219	413
Other interest income and similar items	3	30 039	64 522
Interest expense and similar items	4	-42 783	-31 917
Financial items		**67 085**	**133 604**
Profit/ after financial items		**48 625**	**113 918**
Change in tax allocation reserve	9	2 374	-
Received group contribution		7 188	-
Submitted group contribution		-	-12 713
Tax on profit for the year	5	-	-
NET PROFIT FOR THE YEAR		**58 187**	**101 205**

BALANCE SHEET

(Amount in TSEK)

ASSETS	Note	2017	2016
Fixed assets			
Financial assets			
Shares in group companies	6	915 410	804 869
Receivables from group companies		288 052	256 191
Shares in associated companies	7	21 416	-
Other long-term securities	8	61 250	51 264
Other long-term receivables		80 931	73 147
Total financial assets		**1 367 059**	**1 185 471**
Total fixed assets		**1 367 059**	**1 185 471**
Current assets			
Current receivables			
Receivables from group companies		3 465	5 458
Other receivables		-	54 269
Total current receivables		**3 465**	**59 727**
Other short-term investments		**-**	**-**
Cash and bank balances		**520 830**	**540 471**
Total current assets		**524 295**	**600 198**
TOTAL ASSETS		**1 891 353**	**1 785 668**

BALANCE SHEET

(Amount in TSEK)

EQUITY AND LIABILITIES	Note	2017	2016
Equity			
Restricted equity			
Share capital		46 086	46 086
Total restricted equity		**46 086**	**46 086**
Non-restricted equity			
Profit brought forward		1 139 651	1 078 446
Profit for the year		58 187	101 205
Total non-restricted equity		**1 197 838**	**1 179 651**
Total equity		**1 243 925**	**1 225 737**
Untaxed reserves	9	**-**	**2 374**
Liabilities			
Long-term liabilities			
Liabilities to group companies		299 583	244 221
Other long-term liabilities		1 479	11 759
Total long-term liabilities		**301 062**	**255 980**
Current liabilities			
Accounts payable – trade		406	430
Liabilities to group companies		343 931	299 955
Other short-term debt		420	435
Accrued expenses and deferred income		1 609	757
Total current liabilities		**346 366**	**301 577**
TOTAL EQUITY AND LIABILITIES		**1 891 353**	**1 785 668**

CHANGE IN EQUITY

(Amounts in SEK 1000)

	Share capital	Retained earnings	Profit for the period	Total equity
Equity at January 1, 2016	**46 086**	**970 291**	**138 155**	**1 154 532**
Profit brought forward		138 155	- 138 155	**-**
Dividend		-30 000		**-30 000**
Net profit for the year			101 205	**101 205**
Equity at December 31, 2016	**46 086**	**1 078 446**	**101 205**	**1 225 737**

	Share capital	Retained earnings	Profit for the period	Total equity
Equity at January 1, 2017	**46 086**	**1 078 446**	**101 205**	**1 225 737**
Profit brought forward		101 205	- 101 205	**0**
Dividend		-40 000		**-40 000**
Net profit for the year			58 187	**58 187**
Equity at December 31, 2017	**46 086**	**1 139 651**	**58 187**	**1 243 925**

CASH FLOW STATEMENT 1.1 – 31.12

(Amount in TSEK)

	2017	2016
Cash flows from operating activities		
Profit/loss after financial items	48 625	113 918
Adjustment for non-cash items		
Capital gain/loss assignable to the investing activities	7 904	8 000
Capital gains	486	-
Income tax paid	-	-138
Cash flows from operating activities before changes in working capital	**57 015**	**121 780**
Changes in working capital		
Changes in current receivables	56 262	307 756
Changes in current liabilities	44 789	231 210
Cash flows from operating activities	**158 066**	**660 746**
Cash flows from investing activities		
Acquisition of shares in associated companies	-21 416	-
Acquisition of shares in subsidiaries	-41 964	-48
Acquisition of other long-term securities	-9 985	-
Cash flow after investing activities	**-73 365**	**-48**
Cash flows from financing activities		
Group contribution received / paid	7 188	-12 713
Paid dividend	-40 000	-30 000
Changes in non-current receivables	-116 612	-119 366
Changes in non-current liabilities	45 082	-101 601
Cash flow from financing activities	**-104 342**	**-263 680**
Cash flow of the year	***-19 641***	***397 018***
Cash & cash equivalents at beginning of period	**540 471**	**143 453**
CASH & CASH EQUIVALENTS AT END OF YEAR	**520 830**	**540 471**

NOTES

(Amount in TSEK)

NOTE 1. DISCLOSURE OF AUDIT FEE AND COST REIMBURSEMENTS

	2017	2016
Deloitte AB		
Statutory audit fee	265	260
Other assurance services	-	-
Tax advisory fee	-	-
Other non-audit services		
Total	**265**	**260**

NOTE 2. PERSONNELL

Average number of employees, distribution between men and woman	2017	2016
Women	-	-
Men	1	1
Total	**1**	**1**

Distribution senior management	2017	2016
Women:		
- The board of directors	-	-
- Senior management and managing director	1	1
Men:		
- The board of directors	6	7
- Senior management and managing director	4	4
Total	**11**	**12**

Salaries and remunerations	2017	2016
The board and managing director	2 655	1 384
Other employees	1 393	1 665
Total salaries and remunerations	**4 048**	**3 049**
Social security charges according to law and union contract	695	771
Pension costs	-	-
Total salaries, remunerations, social security charges and pension costs	**4 743**	**3 820**

NOTE 3. OTHER INTEREST INCOME AND SIMILAR ITEMS

	2017	2016
Interest income	10 127	8 077
Dividends	5 525	4 973
Capital gains from sales	38	237
Exchange differences	14 349	51 235
Total	**30 039**	**64 522**

NOTE 4. INTEREST EXPENSE AND SIMILAR ITEMS

	2017	2016
Interest expense	(416)	(1 407)
Interest expense, subsidiaries	(10 706)	(12 550)
Exchange differences	(31 661)	(17 960)
Total	**(42 783)**	**(31 917)**

NOTE 5. TAX

	2017	2016
Components of tax on profit for the year :		
Current tax	-	-
Total	**-**	**-**
Profit before tax	58 187	101 205
Tax rate 22 %	(12 801)	(22 265)
Tax effect of:		
Non-deductible expenses	(1 848)	(1 767)
Non-taxable income	19 417	24 032
Deficit for which deferred tax has not been accounted for	(4 768)	-
Total	**-**	**-**

NOTE 6. SHARES IN GROUP COMPANIES

	2017	2016
Acquisition value brought forward	804 869	812 820
Investments in Dyreparken Utvikling AS	5 906	48
Disposals	-	-
Impairment of shares in Bradana AS	(7 904)	(8 000)
Increase of share capital through conversion of receivables, Bradana AS	76 967	-
New share issue Formentera AS	36 058	-
Other	(486)	-
Residual value carried forward	**915 410**	**804 869**

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	9 600	96 %	5 841
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	100 %	11 422
Braathens Travel Group AB	556445-4170	Stockholm	33 518 360	100 %	208 978
Dyreparken Utvikling AS	990903700	Kristiansand	960 000	96 %	95 698
Formentera AS	978668259	Oslo	10 000	100 %	57 002
Bradana AS	945736755	Oslo	5 000	100 %	36 842
Sum					**915 410**

Result from participations in group companies	2017	2016
Impairment of shares in Bradana AS	(7 904)	(8 000)
Gain from sale of shares	(486)	-
Dividend	51 000	108 586
Total	**42 610**	**100 586**

NOTE 7. SHARES IN ASSOCIATED COMPANIES

	2017	2016
Book value brought forward	-	-
Acquisition of shares in Peer Gynt AS	5 270	-
Acquisition of shares in Prosjekt Novo AS	16 146	-
Total	**21 416**	**-**

Company	Corporate identity number	Location	Number of shares	Share ownership %	Book value
Peer Gynt AS	965 407 375	Oslo	5 000 000	50 %	5 270
Prosjekt Novo AS	917 651 817	Oslo	93 197	48 %	16 146
Total					**21 216**

NOTE 8. OTHER LONG-TERM SECURITIES

	2017	2016
Book value brought forward	51 264	51 264
Acquisitions	9 986	-
Total	**61 250**	**51 264**

Result from other long-term securities	2017	2016
Capital gains	31 960	413
Unrealized change in value	5 259	-
Sum	**37 219**	**413**

NOTE 9. UNTAXED RESERVES

	2017	2016
Tax allocation reserve 2013	-	2 374
Total	**-**	**2 374**

NOTE 10. PROPOSAL FOR THE APPROPRIATIONS OF PROFITS

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

Profit brought foward	1 139 650 921
Profit for the year	58 187 274
Sum	**1 197 838 195**

The board and managing director proposes that

Proposed dividend	(13 000 000)
To be carried forward	1 184 838 195
Sum	**1 197 838 195**

The board of directors proposes that the ordinary General Meeting in 2018 distribute a dividend of MSEK 13, which is deemed to be justifiable taking into account the nature and risk of the business as well as the equtiy and cash position.

NOTE 11. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2017	2016
Pledged assets	None	None
Contingent liabilities	None	None

NOTE 12. SUBSEQUENT EVENTS

Nothing to report.

Stockholm 2018

Per G. Braathen
Managing Director

Nils Björn Allan Fröling

Gunnar Grosvold

Geir Stormorken

Stephan Lange Jervell

Vagn O. Sørensen

Our audit report was submitted on 2018

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 2017-01-01 - 2017-12-31.

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 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for 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 Responsibilitie*s 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 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 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 the company 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 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 2017-01-01 - 2017-12-31 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 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 / 2018

Deloitte AB

Signature on Swedish original

Richard Peters
Authorized Public Accountant

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