

Annual Report

Vector Nordic AB (publ)

559006-0496

for the financial year of

2021

English translation not audited

The Board of Vector Nordic AB (publ) submits herewith the annual report for the year of 2021.

Management Report

Information on the operations

The company was founded in 2015 by Svenska Resebyråföreningens Service AB with the intention to provide travel agencies and tour operators with financial securities for the statutory travel guarantees as well as guarantees to IATA and SilverRail. The company has signed a co-operation agreement with Gar-Bo Försäkring AB with Gar-Bo acting as the insurer and Vector as the tied insurance broker.

The insurance broker services started in January 2017. The activities of the company are directed to customers in all Nordic countries as well as in Estonia.

The Company's registered office is in Stockholm.

Significant events during the year

The Corona pandemic, which spread around the world in the spring of 2020 with a sharp reduction in travel as a result, has continued throughout 2021 and thus mainly affected the travel and tourism industry. Indirectly, the Company's operations have been affected by the level of the travel guarantees that customer companies must lodge. About thirty of the Company's customers have been declared bankrupt. Most bankruptcies occurred already in 2020, which explains the low net sales that year, see Note 2. To a certain extent, the loss of customers who have gone bankrupt and the generally reduced guaranteed amounts have been offset by higher premium rates and even more the fact that other issuers of travel guarantees have left the market.

The Company has not received any government grants following the pandemic.

Results and financial position

Despite the negative effects of the pandemic, net sales consisting of commission income continued to increase during the year through the influx of new customers and generally higher premium rates. The total mediated gross premiums have increased in 2021 by 29 %, which can primarily be explained by a larger number of new customers.

Ownership structure

The shares of the company are dispersed among some seventy players in the Nordic travel industry. Major shareholders are Svenska Resebyråföreningens Service AB (18.3 %), Gar-Bo Försäkring AB (11.7%), two private individuals and two travel agents with 8.3 % each. Other shareholders are the Finnish and Estonian travel agents' associations and more than sixty travel agents and tour operators or individuals linked to these companies in Sweden, Denmark, Estonia and Finland.

Multi-annual summary

(kSEK)

	2020	2019	2018	2017	
Net sales	2 976	626	1 696	2 413	850
Result after financial items	679	-2 342	-1 438	36	-901
Total assets	21 630	17 488	15 097	14 443	10 161
Number of employees	2.0	2.0	1.9	1.8	1.3
Solidity (%)	30	33	64	75	93

For definitions of key ratios, see Note 1

Change in Net worth (SEK)

	Share capital	Retained earnings	Profit/Loss of the year	Total
Opening capital	600 250	6 017 112	-1 897 030	4 720 332
Decisions of the General Assembly				
- Appropriation of the result		-1 897 030	1 897 030	0
Net profit/loss for the year			534 445	534 445
Ending capital	600 250	4 120 082	534 445	5 254 777

Proposal how to appropriate the result

The Board of Directors propose that the result is appropriated as follows (SEK):

Retained earnings	4 120 082
Loss for the year	534 445
	4 654 527
shall be carried forward	4 654 527

For other considerations regarding the company's results and financial position, please refer to the following Income statement, Balance sheet and accompanying note disclosure.

Income Statement	Note	2021-01-01 -2021-12-31	2020-01-01 2020-12-31
Net sales	2	2 976 255	626 484
Operating expenses			
External expenses	3	-702 432	-953 191
Staff costs	4	-1 592 521	-2 023 634
Total operating expenses		-2 294 953	-2 976 825
Operating result		681 302	-2 350 341
Financial items			
Interest income and similar items		3 016	9 443
Interest expense and similar items		-5 435	-993
Result after financial items		678 883	-2 341 891
Result before tax		678 883	-2 341 891
Tax on the result of the year	5	-144 438	444 861
Result for the year		534 445	-1 897 030

Balance Sheet	Note	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Financial assets			
Deferred tax	5	1 180 866	1 325 304
Total fixed financial assets		1 180 866	1 325 304
Current assets			
Current receivables			
Accounts receivable		602 182	918 537
Prepaid expenses		66 964	166 429
Total current receivables		669 146	1 084 966
Cash and bank			
Bank		13 074 068	9 200 609
Pledged accounts	6	6 705 480	5 877 632
Total cash and bank		19 779 548	15 078 241
Total current assets		20 448 694	16 163 207
TOTAL ASSETS		21 629 560	17 488 511

Balance Sheet	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital (600 250 shares)		600 250	600 250
Non-restricted capital			
Retained earnings		4 120 082	6 017 112
Result for the year		534 445	-1 897 030
Total shareholders' equity		5 254 777	4 720 332
Short-term liabilities			
Accounts payable		60 594	206 511
Other liabilities	6	11 181 380	9 216 838
Accrued expenses and deferred income		5 132 809	3 344 830
Total short-term liabilities		16 374 783	12 768 179
TOTAL EQUITY AND LIABILITIES		21 629 560	17 488 551

Cash Flow Analysis	Note	2021-01-01 -2021-12-31	2020-01-01 2020-12-31
Operating activities			
Result after financial items		678 883	-2 341 891
Cash flow from operating activities before change in working capital		678 883	-2 341 891
Cash flow from change in working capital			
Decrease (+)/Increase (-) in operating receivables		415 820	96 600
Increase in operating liabilities		2 778 756	3 641 228
Cash flow from operating activities		3 873 459	1 395 937
Cash flow for the year		3 873 459	1 395 937
Cash at the beginning of the year		9 200 609	7 804 672
Cash at the end of the year	6	13 074 068	9 200 609

Regarded as cash is the company's own cash at bank
except cash held as pledged assets.

Note 1 Accounting principles

General accounting policies

The Annual Report has been prepared in accordance with the Annual Accounts Act and The Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual report and Group accounting (K3).

The annual report has been approved for issuing by the Board of Directors on January 25th, 2022. The company's financial statements are to be adopted by the Annual General Meeting on 25th of March 2022.

The accounting principles are unchanged since last year.

Functional and reporting currency

Items included in Vector's financial reports are valued in the currency used in the economic environments in which the company is mainly expected to operate (functional currency). The Annual Report is presented in Swedish kronor (SEK), which is the company's functional and reporting currency.

Revenues

Revenues are reported at the fair value of what has been received or will be received in exchange for services carried out in the company's ongoing operations. Revenues are recognized when the amount can be satisfactorily measured and when it is likely that they will accrue to the economic benefit of the company in the future.

Leases

Leasing contract includes renting of premises and office equipment. In general, all leasing agreements are classified as operational leases since the risks and economic benefits normally associated with ownership remains with the leaser. The costs for leasing and rental agreements are accrued on a straight-line basis over the leasing period. The premises lease runs for one year at a time.

The company has not had any leasing expenses during the year and has no leasing contracts on the balance sheet date.

Income taxes

Income tax regarding this years' result includes tax to be paid or to be received for the current year, adjustments of taxes from previous years, and changes in deferred taxes. All tax liabilities and assets are reported at its nominal value in accordance with current tax regulation and tax rates. The tax effects of items in the income statement are thus accounted for.

Deferred tax is calculated in accordance with the liability method for all temporary differences between reported and fiscal values on assets and liabilities. Deferred tax assets regarding deductions for deficits or other future fiscal deductions are reported to the extent it is likely that they can be deducted from a surplus in future taxation.

Deferred taxes are reported as financial assets in the balance sheet.

Cash Flow Analysis

The cash flow analysis is prepared according to the indirect method. The reported cash flow only covers transactions that have resulted in payments or disbursements.

Definition of key ratios

Net sales

Operating revenues, invoiced costs, side revenues and revenue corrections.

Result after financial items

Result after financial income and expenses but before appropriations and taxes.

Total assets

The company's total assets.

Number of employees

Average number of employees during the financial year.

Equity ratio - Solidity (%)

Adjusted equity (shareholders' equity and untaxed reserves less deferred tax) as a percentage of total assets (less pledged assets).

Estimates and assumptions

The preparation of the annual report in compliance with the K3 regulations requires the management to make estimates and assumptions that affect accounting principles and reported amounts of assets and liabilities as well as revenues and expenses. Actual outcome may vary from these estimates. An overview of estimates and underlying assumptions is performed on a regular basis. Changes in the principles used in estimates/assumptions are reported in the actual or future periods depending on which period they are related to.

The company's variable, not yet reported, revenues from mediated insurance are dependent on actual damages reported to Gar-Bo.

Risk exposure and risk management

During the financial year, due to the very special situation, the finances and prospects of the customer companies have been analyzed particularly carefully. In this context, special emphasis has been placed on obtaining information on remaining customer advances.

Note 2 Net sales

The commission income that the Company receives from the insurer, Gar-Bo, after deductions for part of claims costs incurred during the year due to travel guarantees having had to be utilized is reported as net sales. During each three-year period, the Company risks having to pay for damages up to a maximum of SEK 5 million. As this maximum amount was already achieved during the first year of the current three-year period (2020-2022), the results during 2021 - 2022 will not be charged with any additional claims costs.

The invoicing of gross premiums during the year amounted to SEK 24.3 million (previous year SEK 18.9 million).

Note 3 Fees and remuneration to auditors and directors of the board

Audit assignment means review of the annual report and accounts and the administration of the Board and the managing director, other duties that it is incumbent upon the company's auditor to perform, and advice or other assistance caused by observations in such an audit or the performance of such other duties.

	2021	2020
Auditing services	42 500	39 000
Remuneration to the board of directors (incl. social charges)	201 372	164 850

Note 4 Employees and personnel costs

	2021	2020
Average number of employees		
Women	2.0	2.0
Salaries and other remunerations		
Management director	681 025	951 116
Other employees	418 705	491 564
	1 099 730	1 442 680
Social charges		
Retirement costs for management director	78 168	100 250
Retirement costs for other employees	18 477	15 653
Other social charges according to law and agreements	363 145	415 702
	459 790	531 605
Total salaries, remunerations, social charges and retirement costs	1 559 520	1 974 285

No key personnel receive variable remuneration in form of bonuses based on the profitability of the company.

No pension obligations are in place for board members or employees.

No severance pay agreements, except for ordinary pay during the notice period, are in place for anyone in the management.

Note 5 Current and deferred tax

		2021		2020
Tax on the result of the year				
Current tax		0		0
Change of deferred tax due to temporary differences		-144 438		444 861
Total tax shown		-144 438		444 861
Reconciliation of effective tax				
	%		%	
Result before tax		678 883		-2 341 891
Tax according to current tax rate	20.6	-139 849	20.6	501 165
Non-deductible expense		-4 589		-4 831
Outcome of changed income tax rate	0.8	0		-51 473
Effective tax shown		144 438		444 861

Note 6 Cash and cash equivalents/Other liabilities

	2021-12-31	2020-12-31
The items include customer funds at the company's pledged accounts	6 705 480	5 877 632

Note 7 Contingent liabilities and other commitments

Provisions	None	None
Contingent liabilities	None	None
Contingent assets	None	None

Note 8 Transactions with related parties

Remunerations to the board of directors are disclosed in Note 3. In addition, two board members have received remuneration for consulting work on market terms. There have been no transactions with any other shareholders during the year.

Note 9 Essential events after the balance sheet day and outlook

The growth opportunities are still considered good, not least because of an insurance guarantor having left the Nordic market. The negative impact that the Corona epidemic has had on the scope of travel guarantees and thus the Company's revenues is expected to decrease towards the middle of 2022, when travel is expected to pick up speed again. Sharply increased premium rates in the insurance market in general have also led to and are expected to contribute to the premium income being able to be maintained at least on the same level.

Stockholm, 25 January 2022

Tomas G Olsson
Chairman of the board

Erik Landén

Heli Mäki Fränti

Peter Stegarås

Jonas Thyberg

Didrik von Seth

Jaana Alenius
Managing director

The Auditor's report

was submitted 11th of February 2022

Leif Lüscher
Certified public accountant