

# **Annual Report**

**Vector Nordic AB (publ)**

**559006-0496**

**for the financial year of**

**2024**

**English translation not audited**

The Board of Vector Nordic AB (publ) submits herewith the annual report for the year of 2024.

## **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**

In 2024, the travel industry strengthened further, and private travel to long-haul destinations also took off. For Finland and Norway, the recovery of private travel came somewhat later, but during the financial year an increase in travel has been noted there as well. While private individuals welcomed the reduction in mortgage rates, the continued geopolitical uncertainty meant that many travellers were hesitant to travel. In addition, high fuel costs, a weak Swedish krona and high inflation have caused ticket prices for foreign travel to increase sharply, which in turn has caused households to hold on to their wallets. Business travel in Sweden increased significantly in 2024, both domestically and internationally, while many people choose to meet digitally.

The many bankruptcies in the travel industry during the pandemic have negatively affected the ability to take out reinsurance for the entire travel industry. In 2024, a major bankruptcy also occurred in Germany, which did not improve the situation. There is therefore a lack of appetite among the international reinsurers to provide guarantees for the travel industry, which has meant that the company has also been without reinsurance in 2024, which in turn has limited the ability to fully assist larger customers. At the end of the year, an insolvency case occurred in Estonia, which caused a major damage to the insurance company. Otherwise, the Company has not been affected by any bankruptcies in 2024.

Pao-Ling Röjdmarm has been employed as the new CEO after Jaana Alenius, who retired during the autumn. Pao-Ling took up her position as CEO on October 1, 2024.

### **Results and financial position**

Net sales, which consist of intermediary fees in the form of commission income, decreased in 2024. Despite an increased need for guarantees, the decrease can be explained by the fact that premium levels in 2024 were adjusted downwards for a large part of the Company's customers and that a few larger customers left the Company and chose other solutions. Thanks to favourable deposit rates, several of the company's customers have chosen to deposit funds directly with the Swedish Legal, Financial and Administrative Services Agency

or with their own bank. Furthermore, a European insurance broker has started to market itself in the Company's Nordic markets and attracted customers with lower premiums.

### 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-year summary (kSEK)

	2024	2023	2022	2021	2020
Net sales	7 225	8 022	10 258	2 976	626
Result after financial items	4 509	5 827	7 890	679	-2 342
Total assets	16 727	18 575	26 931	21 630	17 488
Number of employees	2.1	2.0	2.0	2.0	2.0
Solidity (%)	78	75	60	30	33

For definitions of key ratios, see Note 1

### Change in Net worth (SEK)

	Share capital	Retained earnings	Profit of the year	Total
Opening capital	600 250	4 909 386	4 621 402	10 131 038
Decisions of the General Assembly				
- Appropriation of the result		4 621 402	-4 621 402	
Decisions of Extraordinary General Assembly				
- Distribution of dividends		-4 501 875		-5 501 875
Net profit for the year			3 566 186	3 566 186
<b>Ending capital</b>	<b>600 250</b>	<b>5 028 913</b>	<b>3 566 186</b>	<b>9 195 349</b>

### Proposal how to appropriate the result

The board and the managing director propose that the available retained earnings (SEK):

Retained earnings	5 028 913
Profit for the year	3 566 186
	<b>8 595 099</b>

are appropriated as follows:

To the shareholders shall be distributed

5.90 SEK per share	3 541 475
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The remaining earnings shall be carried forward	5 053 624
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For other considerations regarding the company's results and financial position, please refer to the following Income statement, Balance sheet and accompanying note disclosure.

<b>Income Statement</b>	<b>Note</b>	<b>2024-01-01 -2024-12-31</b>	<b>2023-01-01 2023-12-31</b>
<b>Net sales</b>	2	<b>7 224 725</b>	<b>8 021 844</b>
<b>Operating expenses</b>			
External expenses	3	-1 050 444	-777 477
Staff costs	4	-2 054 541	-1 849 862
Depreciation	5	-15 372	-12 243
<b>Total operating expenses</b>		<b>-3 120 357</b>	<b>-2 639 582</b>
<b>Operating result</b>		<b>4 104 368</b>	<b>5 382 262</b>
<b>Financial items</b>			
Interest income and similar items		408 217	450 563
Interest expense and similar items		-4 011	-5 405
<b>Result after financial items</b>		<b>4 508 574</b>	<b>5 827 420</b>
<b>Result before tax</b>		<b>4 508 574</b>	<b>5 827 420</b>
Tax on the result of the year	6	-942 388	-1 206 018
<b>Result for the year</b>		<b>3 566 186</b>	<b>4 621 402</b>

<b>Balance Sheet</b>	<b>Note</b>	<b>2024-12-31</b>	<b>2023-12-31</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
Equipment	5	35 871	28 570
<b>Financial assets</b>			
Long-term receivables		35 834	31 160
<b>Total fixed financial assets</b>		<b>71 705</b>	<b>59 730</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable		98 603	10 937
Prepaid expenses		90 013	192 934
<b>Total current receivables</b>		<b>188 616</b>	<b>203 871</b>
<b>Cash and bank</b>			
Bank		11 566 614	13 311 462
Pledged accounts	7	4 900 000	5 000 000
<b>Total cash and bank</b>		<b>16 466 614</b>	<b>18 311 462</b>
<b>Total current assets</b>		<b>16 655 230</b>	<b>18 513 333</b>
<b>TOTAL ASSETS</b>		<b>16 726 935</b>	<b>18 575 063</b>

<b>Balance Sheet</b>	<b>Note</b>	<b>2024-12-31</b>	<b>2023-12-31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Restricted equity</b>			
Share capital (600 250 shares)		600 250	600 250
<b>Non-restricted capital</b>			
Retained earnings		5 028 913	4 909 386
Result for the year		3 566 186	4 621 402
<b>Total non-restricted capital</b>		<b>8 595 099</b>	<b>9 530 788</b>
<b>Total shareholders' equity</b>		<b>9 195 349</b>	<b>10 131 038</b>
<b>Short-term liabilities</b>			
Accounts payable		95 487	35 467
Tax liabilities	6	942 388	1 207 038
Other liabilities	7	6 145 913	7 071 710
Accrued expenses and deferred income		347 798	129 810
<b>Total short-term liabilities</b>		<b>7 531 586</b>	<b>8 444 025</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16 726 935</b>	<b>18 575 063</b>

<b>Cash Flow Analysis</b>	<b>Note</b>	<b>2024-01-01 -2024-12-31</b>	<b>2023-01-01 2023-12-31</b>
<b>Operating activities</b>			
Result after financial items		4 508 574	5 827 420
<i>Adjustments for items not included in cash flow</i>			
Depreciation		15 372	12 243
Interest		- 8 331	-
Paid tax		-1 207 038	-450 489
<b>Cash flow from operating activities before change in working capital</b>		<b>3 308 577</b>	<b>5 389 174</b>
<b>Cash flow from change in working capital</b>			
Decrease (+) in operating receivables		23 586	745 672
Decrease (-) in operating liabilities		-547 789	-5 491 386
<b>Cash flow from operating activities</b>		<b>2 784 374</b>	<b>643 460</b>
<b>Investment activities</b>			
Increase in long-term receivables		-4 674	-2 780
Purchase of equipment		-22 673	-
<b>Financial activities</b>			
Dividends paid to the shareholders		-4 501 875	-6 002 500
<b>Cash flow for the year</b>		<b>-1 744 848</b>	<b>-5 361 820</b>
Cash at the beginning of the year		13 311 462	18 673 282
<b>Cash at the end of the year</b>	<b>7</b>	<b>11 566 614</b>	<b>13 211 462</b>

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 March 14<sup>th</sup>, 2025. The company's financial statements are to be adopted by the Annual General Meeting on **xxxxx 2025**.

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

Total tax is made up of current tax and deferred tax. Taxes are accounted for in the income statement except where the underlying transaction is accounted for directly in the equity, and the associated tax benefits are accounted for in the equity.

### Current tax

Current tax refers to income tax for the current financial year as well as the part of income tax for previous financial years that has not yet been accounted for. Current tax is calculated based on the tax rate applicable on the balance sheet date.

### Deferred tax

Deferred taxation is income taxation relating to future financial years as a result of past



events. Accounting is carried out in accordance with the BSI Method. Under this method, deferred tax liabilities and deferred tax assets are accounted for based on temporary differences arising from the carrying amounts of assets and liabilities and other tax deductions or deficits.

Deferred tax assets shall be net of deferred tax liabilities only if they can be paid with a net amount. Deferred tax is calculated based on the tax rate applicable on the balance sheet date. The effects of changes in the applicable tax rates are recorded in the period before the change was legislated. Deferred tax assets are accounted for as financial assets and deferred tax liabilities as provisions.

Deferred tax assets relating to deficit reductions or other future tax deductions are accounted for to the extent that the deductions are likely to be offset against future tax surpluses.

### **Tangible fixed assets**

Tangible fixed assets are reported at acquisition value less accumulated depreciation according to plan.

The following depreciation period is applied: Equipment is depreciated annually by 30 % of the residual value.

### **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.

The invoicing of gross premiums during the year amounted to SEK 42.8 million (previous year SEK 52.8 million).

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

	<b>2024</b>	<b>2023</b>
Remuneration to the board of directors (incl. social charges)	216 533	199 211
Auditing services	45 000	45 000

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.

## **Note 4 Employees and personnel costs**

	<b>2024</b>	<b>2023</b>
<b>Average number of employees</b>		
Women	2.1	2.0
<b>Salaries and other remunerations</b>		
Management director	891 797	766 969
Other employees	490 880	468 675
	<b>1 382 677</b>	<b>1 235 644</b>
<b>Social charges</b>		
Retirement costs for management director	121 188	83 308
Retirement costs for other employees	23 664	21 513
Other social charges according to law and agreements	474 957	409 471
	<b>619 809</b>	<b>514 292</b>
<b>Total salaries, remunerations, social charges and retirement costs</b>	<b>2 002 486</b>	<b>1 749 936</b>

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. Notice period for the managing director is six months reciprocally.

## Note 5 Equipment

	2024	2023
<b>Acquisition costs</b>		
At the beginning of the year	58 304	58 304
Acquisitions	22 673	-
<b>Accumulated depreciation</b>		
At the beginning of the year	-29 734	-17 491
Depreciation during the year	-15 372	-12 243
<b>Net value at the end of the year</b>	<b>35 871</b>	<b>28 570</b>

## Note 6 Current and deferred tax

	2024	2023
<b>Tax on the result of the year</b>		
Current tax	-942 388	-1 206 018
Change of deferred tax due to temporary differences	-	-
<b>Total tax shown</b>	<b>-942 388</b>	<b>-1 206 018</b>

<b>Reconciliation of effective tax</b>	<b>%</b>	<b>%</b>
Result before tax	4 508 574	5 827 420
Tax according to current tax rate	20.6	-928 765
Non-deductible expense	-13 623	-5 570
<b>Effective tax shown</b>	<b>942 388</b>	<b>1 206 018</b>

## Note 7 Cash and cash equivalents/Other liabilities

	2024-12-31	2023-12-31
The items include customer funds at the company's pledged accounts	4 900 000	5 000 000

## Note 8 Contingent liabilities and other commitments

Provisions	None	None
Contingent liabilities	None	None
Contingent assets	None	None

## Note 9 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 except for distribution of dividends.

## **Note 10 Essential events after the balance sheet day and outlook**

As a result of the extensive bankruptcies in the travel industry during the pandemic years 2020-2022, reinsurance companies have become very restrictive in signing new travel guarantee insurance policies. This has limited the company's opportunities to mediate travel guarantees exceeding SEK 30 million, which in turn has implied that some of the company's large customers have been forced to turn to other actors to obtain financial collateral for the required travel guarantees. The proposal for a new travel guarantees law that was put forward in 2023 will, if adopted by the Swedish Parliament, mean that the tour operators must pay a major share of the travel guarantees into a fund. As a result, the proportion that must be covered by collateral in the form of bank guarantees and insurance companies will radically decrease, which will also affect the Company's operations in the long term.

Stockholm, 14 March 2025

Tomas G Olsson  
Chairman of the board

Anna Lind

Heli Mäki Fränti

Peter Stegarås

Jonas Thyberg

Didrik von Seth

Pao-Ling Röjdmark  
Managing director

## **The Auditor's report**

was submitted on \_\_\_\_ March 2025

Helena Dale  
Certified public accountant