ETRAVELI ANNUAL REPORT 2014

etraveli

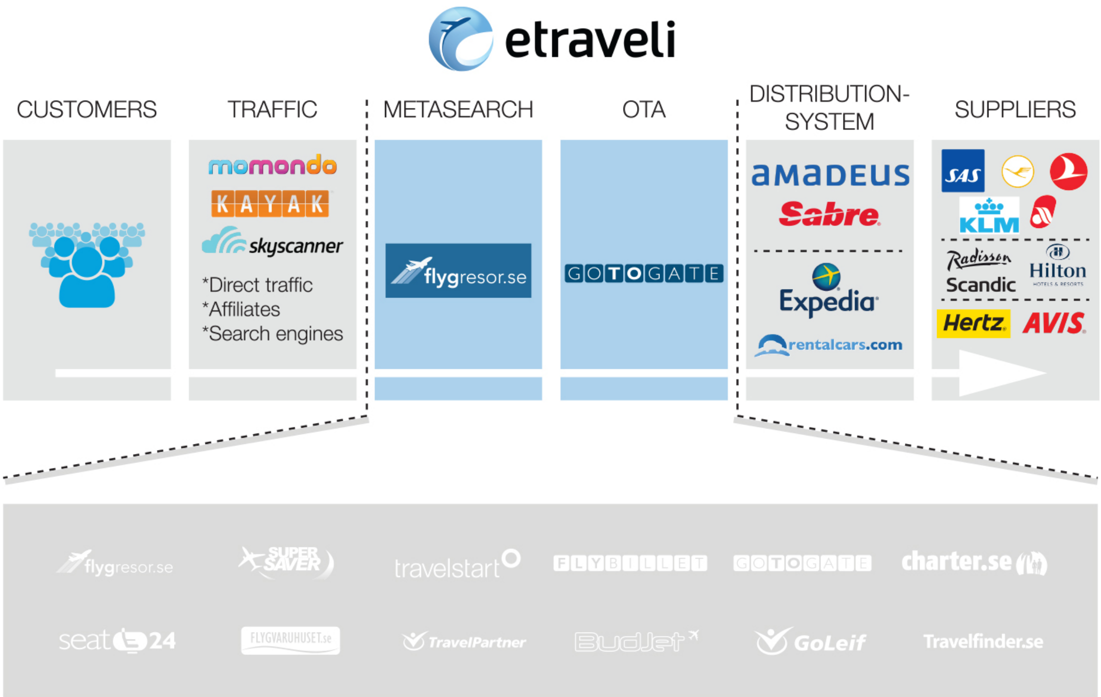
About Etraveli

Etraveli is the leading Online Travel Agent (OTA) in the Nordic region, offering a wide range of airline tickets, hotel accommodations and travel related services. The company operates in 25 countries through brands such as Supersaver/Supersavertravel, Gotogate and Travelstart as well as the metasearch service Flygresor.se in Sweden. Etraveli is one of the five largest aircentric OTAs in Europe and in 2014 intermediated about SEK 8.5 billion in air tickets and related services, with revenue of about SEK 640 million.

All figures for the full-year 2013 and previous years for the Group are pro forma. The pro forma assumptions can be found on page 11 in the annual report.

Business model

Etraveli is an aircentric OTA with a full-service offering and since January 2014 operates Sweden's leading price comparison website for air travel, flygresor.se, as well as charter.se.



Etraveli applies a scalable and profitable business model based on a proprietary IT platform, economies of scale, strong brands and economies of scale. The proprietary IT platform enables the company to consistently improve and quickly adapt to changing market conditions while launching its services in new markets.

Etraveli's expertise in online travel has been built up since its start in 2000 and is instrumental in staying competitive in terms of content, presentation, add-on services, pricing and sales.

Economies of scale are critical to efficient IT operations and marketing and to secure the best terms from airlines and other suppliers. By leveraging its large volumes and thanks to a proven ability to integrate acquisitions, Etraveli generates strong cash flow and good margins – a solid, cost-effective foundation for further expansion.

In travel agency operations, revenue is generated from the mark-up on airline tickets, hotel accommodations and car rentals as well as the sale of additional products such as insurance and cancellation protection. In addition, the company receives commissions or incentives from suppliers based on the number of bookings it delivers. In metasearch, revenue is generated from referral commissions per click or order from travel agencies and airlines.

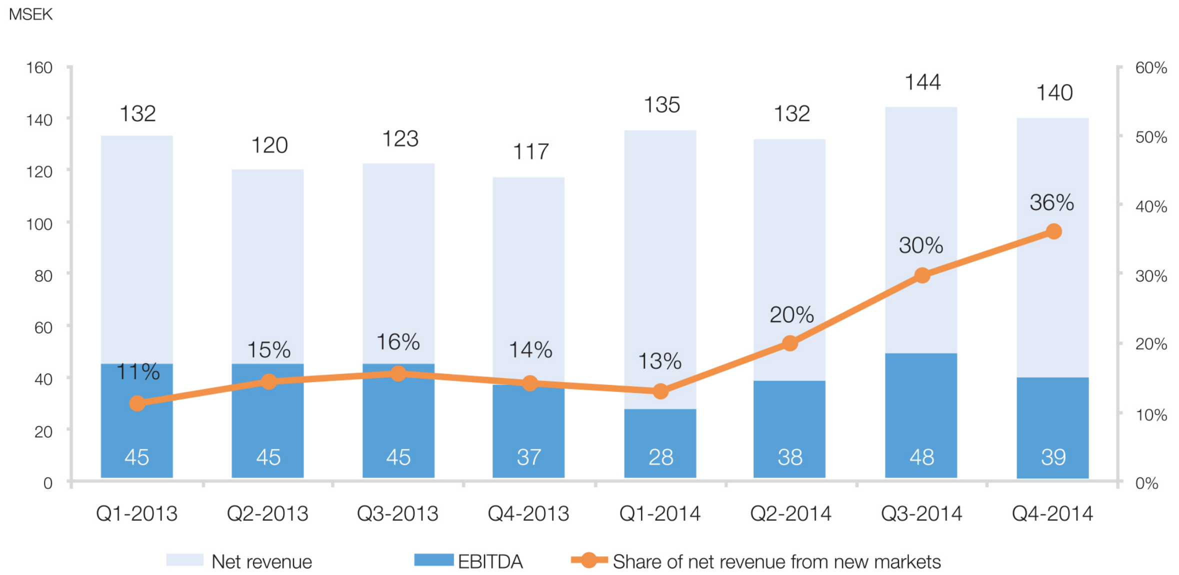
Market position and growth

Etraveli is the Nordic leader in air travel. With 2.6 million (2.4) customers and 1.6 million (1.5) trips sold in 2014, the company fills 50 Boeing 737 jets a day in the Nordic region alone.

2,6	**19%**	**1,6**
MILLION CUSTOMERS	ANNUAL GROWTH	MILLION SOLD TRIPS

The company has been a driving force in the consolidation of the Nordic market and in early 2014 acquired the metasearch service Flygresor.se. Thanks to its competitive offering and strong position in the Nordic region, the company has been able to expand in Europe, in 2014 to 18 new markets. With a presence in 25 European countries – including influential markets such as Germany, the UK, France, Spain and Italy – Etraveli is currently number five in Europe among aircentric OTAs.

Etraveli's gross sales[1] have increased from SEK 3.5 million to SEK 8.5 billion in the last six years, an average annual of 19%. The company plans to continue to grow by refining it existing offering and expanding geographically – organically and through further strategic acquisitions.



[1] The value of brokered services that customers pay to Etraveli. Sometimes referred to as invoicing on behalf of others or "Gross Sales."

The year at a glance

In 2014 Etraveli strengthened its organization and controls, while developing from a Nordic online travel agency into an international search and transaction company in online travel. The company greatly expanded in Europe and listed its bond on Nasdaq Stockholm during the year. After a weak start, it finished the year with a significantly stronger second half as its action plan and international expansion began having a bigger impact on sales and earnings.

FINANCIAL OVERVIEW

Growth with good profitability

- Revenue amounted to SEK 639.0 million (558.7), an increase of 14% year-on-year. Net revenue amounted to SEK 551.1 million (492.3), an increase of 12%.
- EBITDA decreased to SEK 154.1 million (172.3), corresponding to a margin of 28% (35).
- The net loss was SEK -19.5 million (-29.0).

BUSINESS DEVELOPMENT

Significant events during the financial year

- In January 2014 Etraveli acquired and consolidated Svenska Resenätverket AB, including the price comparison website Flygresor.se, further strengthening the Group's online offering.
- A new management team was formed and announced in February. Mathias Hedlund took over as the new CEO on March 1, while outgoing CEO Ralph Axelson during a period instead became Deputy CEO with a focus on strategic initiatives.
- On August 1, 2014 Etraveli's bond was listed on Nasdaq Stockholm.
- Etraveli's Board of Directors was strengthened during the year through the election of Ralph Axelson and Per Setterberg. Ralph Axelsson discontinued his operational role as Deputy CEO when entering the Board of Directors.
- Through the established brand Gotogate, Etraveli has expanded geographically and at year-end had operations in 25 European markets.

Significant events after the financial year

- The Board of Directors was further strengthened at an extraordinary general meeting on January 26, 2015 through the election of Sophia Bendz as a new member.

FINANCIAL OVERVIEW

Two-year summary, Group* (SEK million)	2014	2013*
Gross sales	8,491.9	7,263.2
Net revenue	551.1	492.3
- Nordics	414.5	423.7
- New Markets	136.6	68.8
EBITDA	154.1	172.3
Margin, %	28	35
Net debt	636.8	584.2
Cash and cash equivalents	154.3	148.9
– of which client funds	44.4	37.3

**) The Group was formed on September 23, 2013. For the assumptions used in the pro forma accounts for comparable periods, see page 11.*

CEO comment:

"We are well on our way to becoming a leader in a changing and increasingly global market"

Since March 2014 I have had the privilege of serving as CEO of Etraveli, the leading aircentric Online Travel Agent in the Nordic region, which experienced rapid growth in the rest of Europe during the year. The year was eventful in many respects, with great success for our business concept, but also a number of challenges.

Etraveli operates in a market in change, where metasearch air travel services have become the predominant way to buy travel. Our acquisition of the price comparison website Flygresor.se at the beginning of the year was therefore an important step in developing our offering and strengthening our position in the competitive Nordic market.

During the spring we launched an important internal effort to further improve productivity and efficiency. We identified a number of possible operational improvements in our travel agency operations, and thanks to rapid implementation of measures based on analytically driven decisions we managed during the second half-year to generate double-digit growth as well as an improved EBITDA, which helped us to compensate for a large part of the margin losses that affected the first quarter.

At the same time we stayed on the offensive. In May we began launching our services in no less than 18 new European countries – an expansion that exceeded expectations. Our strong position in the Nordic region, combined with the experience and expertise in the company, has undoubtedly been a key factor in our successful international expansion. During the fourth quarter the New Markets segment accounted for slightly over one third of our total revenue. The growth we saw during the second half-year gradually had a positive effect on our EBITDA – and clearly demonstrated the economies of scale in our business model.

As a whole, our growth rate in 2014 rose to 14%, compared to 12% in 2013. The increase in net revenue can be attributed to both the acquisition of Flygresor.se and our international expansion. Our EBITDA margin was reduced to 28%, compared to 32% in the previous year, but with higher profitability during the second half-year.

The first quarter of 2015 for Etraveli followed the same trend as the second half of 2014, and our agenda for 2015 is clear. We will continue on the same track with an increased focus on the international arena. Our strategic plan, which stretches through 2017, comprises a stronger offering, increased competitiveness as well as organic and acquisition-based growth.

"In May we launched our services in no less than 18 new countries in Europe – an expansion that exceeded expectations"

Etraveli's strategic focus is to:

Be best in class and represent e-commerce excellence

In increased competition with metasearch services as the dominant source of traffic, the key is being better than the competition at commercializing traffic. The company has therefore raised its ambitions and strengthened its expertise in this area to remain competitive in conversions, sales of add-on products and customer communication.

Expand operations to metasearch services

Through the acquisition of Svenska Resenätverket with the brand flygresor.se, Etraveli entered a growing part of the travel value chain. The acquisition has not only resulted in ownership of a growing subsidiary with a good profitability, but has also provided valuable know-how to develop the entire group.

Continue our geographical expansion

Through a strong position in the Nordic region, Etraveli has economies of scale and the expertise to successfully launch services in new markets. This was clearly evident in 2014 through the successful expansion to 18 new European countries, including key markets such as the UK, France, Spain, Italy and Switzerland.

Implement attractive acquisitions

Over the years Etraveli has successfully acquired and incorporated a number of online travel businesses, and the company intends to remain active whenever its structure and know-how can contribute to creating value. The acquisition of Flygresor.se in 2014 is a perfect example.

Increase productivity

In a market where the price of the service is of growing importance, economies of scale and efficient production are critical. In 2014 the company improved efficiencies in a number of internal processes. Even though this is a strength of Etraveli today, there is more to do as the company continues to grow.

Interest in travel is growing, and Etraveli will continue to meet demand for airline tickets as well as related services to make it easier for our customers to create unforgettable trips. We are well-positioned to continue to develop positively in a changing and increasingly global market. We have a strong business model and a strong team that can actualize our plans. The winner will be the company which, through innovative and simple services, can best help customers to find the right trip.

Mathias Hedlund, CEO

Annual report and consolidated financial statements for financial year 2014

THE ANNUAL REPORT COMPRISES **PAGE**

Administration Report

The Board of Directors and the CEO of Etraveli AB (publ) ("Etraveli"), Corp. ID. no. 556821-9694, herewith present the annual report and consolidated financial statements for the financial year 2014.

THE BUSINESS

Etraveli AB (Etraveli), including subsidiaries, is the leading Nordic online travel agent (OTA), booking and providing metasearch in travel-related services such as airline tickets, hotel accommodations, car rentals and travel insurance through an extensive network of partners and brands: Seat24, Supersaver/Supersavertravel, Gotogate, Flybillet, Flygvaruhuset, Travelstart, Travelpartner, Budjet and Travelfinder. In addition to its presence in Sweden, Norway, Denmark and Finland, Etraveli is active in a number of European countries. The Group generates revenue from the mark-up on airline tickets, hotel accommodations and car rentals as well as through the sale of additional products such as insurance and cancellation protection. Moreover, the company receives commissions or incentives from its suppliers based on the number of bookings it delivers. The Group also generates revenue related to payment transactions.

Through the acquisition of Svenska Resenätverket AB in January 2014, including the metasearch service Flygresor.se, Etraveli has entered a new, fast-growing segment of the market.

Ownership

Etraveli AB (publ) is wholly owned by Etraveli Holding AB. The majority shareholder in Etraveli Holding AB is Segulah IV L.P., a private equity fund focused on medium-sized companies in the Nordic region – www.segulah.com.

BUSINESS DEVELOPMENT IN 2014

Significant events during the financial year

- In January 2014 Etraveli acquired and consolidated Svenska Resenätverket AB, including the metasearch service Flygresor.se, further strengthening the Group's online offering.
- A new management team was formed and announced in February. Mathias Hedlund took over as the new CEO on March 1, while outgoing CEO Ralph Axelson instead during a period became Deputy CEO with a focus on strategic initiatives.
- On August 1, 2014 Etraveli's bond was listed on Nasdaq Stockholm. See also Note 26, page 53.
- Etraveli's Board of Directors was strengthened during the year through the election of Ralph Axelson and Per Setterberg. Ralph Axelsson discontinued his operational role as Deputy CEO when entering the Board of Directors.
- Through the established brand Gotogate, Etraveli has expanded its geographical presence and at year-end has operations in 25 European markets.

Significant events after the financial year

- The Board of Directors of Etraveli was expanded at an extraordinary general meeting on January 26 through the addition of Sophia Bendz as a new member. For the last seven years Sophia Bendz has been Global Marketing Director at Spotify.

RESULTS AND FINANCIAL POSITION

Three-year summary, Group* (SEK million)	2014	2013	2013*	2012*
Gross sales	8,491.9	1,656.7	7,263.2	6,639.4
Revenue	639.0	145.4	558.7	
Net revenue**	551.1	130.2	492.3	441.3
EBITDA	154.1	45.2	172.3	165.4
Margin, % ***	28	35	35	37
Net debt ****	636.8	584.2	584.2	246.7
Cash and cash equivalents	154.3	148.9	148.9	184.0
of which client funds	-44.4	-37.3	-37.3	-59.6
Adjusted cash and cash equivalents	109.9	111.6	111.6	124.4

Three-year summary, Parent Company (million)	2014	2013	2012	2011
Revenue	12.2	1.8	0.0	0.0
Operating profit	269	0.0	0.0	0.0
Profit after financial items	-68.6	-35.7	0.0	0.0
Total assets	1,613	1,554.0	0.1	0.1

* The Group was formed on September 23, 2013 and the figures therefore cover only the period September 23 to December 31, 2013. Pro forma figures have been used in the three-year summary for comparisons with previous years, when the parent company was European Travel Interactive Group Holding AB. Pro forma figures for comparative years have been prepared in accordance with the Swedish Annual Accounts Act. Pro forma statements for 2013 are based on reported earnings for the previous group during the period January 1, 2013-September 22, 2013 and for the new group during the period September 23, 2013-December 31, 2013.

Historical pro forma adjustments for the period prior to September 22, 2013 have not been made for the new loan structure, corporate structure and calculation of surplus value allocations. This means that actual historical interest expenses are recognized, as is actual amortization of intangible assets. No historical pro forma adjustments have been made for the definitions of cash and cash equivalents and interest-bearing debt. The acquisition of Svenska Resenätverket AB in 2014 is not included in the pro forma figures.

** Net revenue (revenue – goods and services) comprises the company's commissions, margins and booking fees

*** EBITDA as a ratio of net revenue

**** Interest-bearing liabilities including accrued interest and liabilities IATA/BSP less cash and cash equivalents

OUTCOME FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

Revenue

Revenue amounted to SEK 639.0 million (145.4) and net revenue, i.e., after deducting direct purchases of goods and services, amounted to SEK 551.1 million (130.2). Net revenue is directly or indirectly related to the sale of airline tickets.

Earnings

EBITDA amounted to SEK 154.1 million (45.2), with an EBITDA margin of 28% (35). Net financial expenses amounted to SEK 104.2 million (61.0), of which SEK 45.8 million (34.9) was unrealized exchange rate losses attributable to long-term liabilities in EUR, while SEK 50.3 million (12.8) related to interest expenses on the bond loan. The net loss amounted to SEK -19.5 million (-30.5).

Financial position

The Group's total assets amounted to SEK 1,834.4 million (1,786.6) million, of which intangible non-current assets accounted for SEK 1,531.2 million (1,496.4), mainly in the form of goodwill attributable to the Parent Company's acquisition of European Travel Interactive Group Holding AB on September 23, 2013. The Group's equity amounted to SEK 818.4 million (807.1). Cash and cash equivalents amounted to SEK 154.3 million (148.9), of which client funds accounted for SEK 44.4 million (37.3). Interest-bearing debt, including accrued interest expenses, amounted to SEK 746.8 million (696.1). Net debt excluding client funds therefore amounted to SEK 636.8 million (584.2).

Outcome for 2014 compared to pro forma outcome for 2013

Revenue for the period amounted to SEK 639.0 million (558.7) and net revenue amounted to SEK 551.1 million (492.3), an increase of 12%. Organic growth, i.e., Flygresor.se (Svenska Resenätverket AB) pro forma 2013, totaled nearly 4% compared to the previous year, mainly due to growth in New Markets.

EBITDA for the period decreased to SEK 154.1 million (172.3), mainly due to the year's first six months as a result of an extraordinary marketing campaign, margin pressure in OTA operations in the Nordics and exchange rate differences, which were partly offset by positive contributions from the acquisition of Flygresor.se and New Markets. EBITDA strengthened during the third and fourth quarters.

Purchases of goods and services rose by SEK 21.5 million compared to the previous year. The increase is mainly due to higher sales and increased volumes from the New Markets segment, which has slightly higher underlying expenses, e.g., credit card payments, than the Nordics.

Other external expenses mainly consist of direct selling expenses to Google and meta services (price comparison channels) as well as indirect selling expenses for marketing. Direct selling expenses are variable and affected to a large degree by order volumes. In total, other external expenses increased by nearly SEK 61 million. The large part of the increase is attributable to higher direct selling expenses tied to increased sales and growing volumes from New Markets. Extraordinary marketing campaigns during the first quarter 2014 and higher underlying other operating expenses mainly during the first nine months of the year also explain the increase compared to the previous year.

Personnel expenses increased by SEK 21.6 million year-on-year due to organizational reinforcements in several departments as well as expenses attributable to Flygresor.se. During the twelve-month period SEK 12.6 million (0) was capitalized for internal development work, mainly involving the IT platform, and external purchases mainly attributable to New Markets.

Other operating expenses relate to net exchange rate losses of an operating nature and amounted to SEK 11.5 million (4.5). Of the losses, about 60% are attributable to the Russian market and the substantial depreciation of the currency. The rest is mainly due to losses tied to net exposures in external and internal receivables and liabilities of an operating nature in the Group's subsidiaries in currencies other than the local currency.

Net financial expenses amounted to SEK 104.0 million (123.5). The modified loan structure in connection with the refinancing in September 2013 has led to lower interest expenses. During the twelve-month period net financial expenses included SEK 45.8 million (32.2) in unrealized exchange rate losses attributable to long-term liabilities in EUR. The loss before tax amounted to SEK -24.2 million (-24.5).

Tax

Tax amounted to SEK 4.8 million (-4.5) for 2014. See also Note 12.

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 81.8 million (126.4). Total changes in working capital amounted to SEK -11.3 million (49.9). Cash flow from operating activities after the change in working capital amounted to SEK 70.6 million (76.5). The change compared to 2013 is due to lower underlying operating profit, taxes paid in 2014 for 2013, and less capital tied up in operations.

Cash flow from investing activities amounted to SEK -103.6 million (-2.4) and is largely attributable to the acquisition of Svenska Resenätverket AB (Flygresor.se). See Note 36, page 57.

Cash flow from financing activities amounted to SEK 27.8 million (-103.6). During the period the Group received a shareholders' contribution of SEK 27 million. 2013 was affected by payments of capitalized interest classified under financing activities and expenses attributable to the refinancing as well as about SEK 55 million in net amortization in connection with the refinancing.

The change in cash and cash equivalents for the twelve-month period amounted to SEK -5.3 million (-29.5). Cash and cash equivalents amounted to SEK 154.3 million (148.9) at the end of the period, of which client funds accounted for SEK 44.4 million (37.3).

PARENT COMPANY

The Parent Company owns and manages shares in subsidiaries and provides management services for other Group companies. Revenue amounted to SEK 12.2 million (1.8) and cash and cash equivalents amounted to SEK 7.1 million (44.7). During the year the Parent Company received a shareholders' contribution of SEK 27 million.

FOREIGN BRANCHES

In addition to a number of subsidiaries (Note 17), operations are conducted by a foreign branch in Denmark – Den Danske Rejsegruppe, a branch of Svenska Resegruppen AB – and a dormant branch in Finland belonging to Scanworld Travelpartner AB.

EMPLOYEES

On December 31, 2014 the Group had 165 (141) full-time employees. The increase of 24 is mainly due to customer support, sales and the acquisition of Svenska Resenätverket AB.

OCCUPATIONAL HEALTH AND SAFETY

Etraveli works systematically and in a structured manner with occupational health and safety issues based on policy documents that cover physical work environments as well as psychosocial aspects, gender equality and discrimination. The company's managers, together with the occupational health and safety committee, are responsible for monitoring issues in this area. Safety inspections have been conducted at all our offices and the health risks are small.

During the year we worked on establishing and implementing our three fundamental values: "Playing to win," "Sense of urgency to be excellent" and "Accountability and cooperation." Altogether, these values create a strong foundation for how we work.

The company also conducted a safety inspection at its office in Uppsala to identify improvements in terms of sound levels, lighting and ergonomics. The health risks at Etraveli are small.

INFORMATION ON RISKS

The company is affected by a number of risk factors wholly or partly beyond its control, but which can have a significant impact on the Group's results and financial position. Such risks include political risks, natural disasters, economic dependency and increased competition. Through its operations, the Group is exposed to various types of financial risks. Financial risks refer to fluctuations in the company's results and financial position due to changes in exchange rates, interest rates, refinancing and credit risks. See also Note 3 regarding financial risks. The company's management has fairly extensive experience managing the above-mentioned risks, since the industry was affected in the

2000's by a number of unforeseen events beyond the company's control. To date these events have only had a relatively short-term impact on the company's results and financial position.

Bond loan

Bond holders are entitled to redeem the bond loan in advance if certain ownership changes occur to predetermined nominal bond levels as detailed in the terms of the bond loan. See also Note 26.

OUTLOOK

The first quarter of 2015 has developed positively, well in line with the trend in the second half of 2014.

PROPOSED APPROPRIATION OF PROFIT

The Board of Directors proposes that the accumulated profit of SEK 23,871 thousand be carried forward. With respect to the company's results and financial position in other respects, please refer to the accompanying income statements, balance sheets and related disclosures.

At the disposal of the Annual General Meeting	
Retained loss	-895,450
Net profit for the year	24,766,717
Accumulated profit	23,871,267

Corporate governance report

This corporate governance report is prepared in accordance with the Annual Accounts Act and has been reviewed by Etraveli AB's auditors. The corporate governance report relates to the calendar year 2014 and is included as an integral part of the Administration Report. Etraveli is not governed by the Swedish Code of Corporate Governance, since only its debt securities are listed on a regulated market in Sweden. Through its organization and forms of work as described in this corporate governance report, the company is confident that the internal control over the financial reporting is appropriate given the company's operations.

Shareholders
Etraveli AB (publ) is wholly owned by Etraveli Holding AB. The majority shareholder in Etraveli Holding AB is Segulah IV L.P., a private equity fund focused on medium-sized companies in the Nordic region.

Articles of Association
The name of the company is eTraveli AB (publ). The Board of Directors maintains its registered address in the municipality of in Stockholm. The company is a holding company and the purpose of its operations is to own and manage securities. The Group's principal business is as a full-service, aircentric Online Travel Agency (OTA). Since January 2014 it is also active in metasearch services for air travel in Sweden.

The Articles of Association do not contain any restrictions on how many votes or classes of shares may vote at the Annual General Meeting. The Articles of Association do not contain any special provisions on the appointment and dismissal of Board members or amending the Articles of Association.

Annual General Meeting
The Annual General Meeting is the company's highest decision-making body. Shareholders at the Annual General Meeting have the opportunity to exercise the influence over the company that their shares/votes confer.

The Board of Directors
The role of the Board of Directors is to promote sound business development and control over the Group's operations. The Board's most important duty is to put in place a long-term strategy, governance, monitoring and control of the Group's operations in order to create value primarily for the shareholders but also other stakeholders. The Board's responsibilities also include maintaining satisfactory control of compliance with laws and other regulations applicable to the company's operations. The Board appoints the president, who is also the CEO.

According to the Articles of Association, the Board of Directors shall have 3 to 10 members who are elected by the Annual General Meeting until the conclusion of the next Annual General Meeting. There are no limitations on how long a member may sit on the Board. Etraveli AB's Board consists of seven members: Erik Strand (Chairman), Ralph Axelson, Percival Calissendorff, Marcus Jansson, Per Setterberg, Sophia Bendz and Jarl Söderman. Etraveli's Board met seven times in 2014.

The Board has adopted rules of procedure that stipulate how responsibilities are divided between the Board, committees and the CEO. The rules of procedure are adopted annually by the Board. The current rules of procedure, including instructions for the CEO, were adopted on March 18, 2015. Fees are paid to the Chairman of the Board and Board members in accordance with the resolution of the Annual General Meeting.

Committees
The Board in its entirety constitutes the Audit Committee. The duty of the Audit Committee, in collaboration with senior management, is to guarantee the quality of the financial reporting, continuously monitor and evaluate the work of the auditors, and prepare issues concerning auditors,

the company's accounting, external audits, financial information and internal control. The Board in its entirety also constitutes the Remuneration Committee. Remuneration to senior executives shall be market based and principally consists of a fixed portion and a pension. Decisions on salaries for all senior executives are made according to the grandfather principle.

INTERNAL CONTROL

According to the Swedish Companies Act, the Board is responsible for internal control. The CEO and Group management are charged with establishing reliable financial reporting for external publication in an effective way. According to the Annual Accounts Act, the Board provides a description of the most important elements in the company's system for internal control and risk management of the financial reporting.

Internal control refers here to controls designed to manage and minimize the risk of errors in the financial reporting. Internal control is usually described according to five main components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The foundation for the internal control over the financial reporting is comprised of the overarching control environment. This includes clearly defining and promulgating the organizational structure, decision-making channels and powers in the form of internal policies, instructions and guidelines. The control environment also includes laws and other external regulations. The key documents that provide a basis for an efficient control environment are:

- The Board's rules of procedure, which also govern the Audit Committee;
- Responsibilities and powers tied to authorization rights;
- Manuals, policies, routines and governing documents.

Documents related to the internal control are reviewed and updated regularly in the event of changes in laws, auditing standards or listing requirements, among other things.

Risk assessment and control activities

Risks of material reporting errors can arise in connection with bookkeeping and valuation of assets, liabilities, revenue and expenses or insufficient disclosure and documentation.

Balance sheet and income statement items based on judgments or generated by complex processes generally entail a higher risk of error than other items. Such items include goodwill and other intellectual property as well as assessments of volume-related commissions.

The Group's accounting unit regularly conducts risk analyses of the Group's balance sheet and income statement items. The purpose of the risk analysis is to ensure that the internal control is sufficient with respect to the Group's financial reporting.

The purpose of the control activities is to prevent, detect and correct errors and discrepancies in the financial reporting. The control activities are embedded in the Group's accounting and financial reporting processes and include authorization and signing routines, bank and account reconciliations, profit analyses, automatic controls embedded in IT systems, and controls in the underlying IT environment. The Group has several control processes for financial reporting.

Information and communication

The Group has several information and communication systems in place to facilitate accurate and thorough financial reporting. In terms of external communication, Etraveli follows guidelines designed to ensure the effective and accurate release of information. The company's guidelines follow Swedish law and Nasdaq Stockholm's rules for issuers of listed debt securities. Accounting manuals and other reporting instructions are continuously updated. Together with other policies applicable to internal control over financial reporting, these documents are available to all affected employees on the Group's intranet.

Monitoring

An important part of monitoring is monitoring operating activities. The income statement, balance sheet, cash flow statement are monitored continuously on several different levels within Etraveli in order to detect any discrepancies in the financial reporting. The income statement is also monitored at the segment level. Reporting is done on a monthly basis to the CEO, management and Board.

External audit

The Annual General Meeting 2014 elected PricewaterhouseCoopers AB (PwC) as auditor for the period until the Annual General Meeting 2015. The chief auditor is Leonard Daun. The Group's auditor reports his observations to at least one Board meeting per year. The audit is conducted in accordance with the International Standards of Auditing (ISA).

GROUP STATEMENT OF CONSOLIDATED INCOME

Amounts in SEK thousands	Note	Jan 1, 2014 – Dec 31, 2014	Financial year Sept 23, 2013 – Dec 31, 2013
Operating income			
Revenue	5, 6	638,986	145,393
Capitalized development work		12,616	0
Other income	10	0	18
Total		**651,602**	**145,411**
Operating expenses			
Purchases of goods and services		-87,894	-15,178
Other external expenses	8	-300,026	-62,656
Personnel expenses	9	-98,006	-22,446
Other operating expenses	10	-11,525	0
Depreciation/amortization and impairment of tangible and intangible non-current assets	14, 15	-74,486	-19,065
Total operating expenses		**-571,937**	**-119,345**
Operating profit		**79,665**	**26,066**
Financial income	11	273	117
Financial expenses	11, 13	-104,180	-61,115
Net financial items	11	**-103,907**	**-60,998**
Profit/loss after financial items		**-24,243**	**-34,932**
Income tax	12, 16	4,756	4,434
Net profit/loss		**-19,487**	**-30,498**
Other comprehensive income			
Items that can later be reversed to profit or loss			
Exchange rate differences		3,855	
Total comprehensive income for the period		**-15,632**	**-30,498**
Net profit/loss attributable to:			
Parent Company shareholders		-15,632	-30,498
Total comprehensive income attributable to:			
Parent Company's shareholders		-15,632	-30,498
Total comprehensive income		**-15,632**	**-30,498**

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

GROUP BALANCE SHEET

Amounts in SEK thousands	Note	Dec 31, 2014	Dec 31, 2013
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	14	1,013,365	972,994
IT platform	14	213,854	248,697
Customer database	14	60,630	94,686
Trademarks	14	225,413	179,983
Domains	14	6,077	0
Capitalized development work	14	11,881	0
Total intangible assets		**1,531,220**	**1,496,360**
Tangible non-current assets			
Equipment, tools, fixtures and fittings	15	2,559	2,120
Total tangible non-current assets		**2,559**	**2,120**
Financial non-current assets			
Other long-term receivables	18	3,043	3,046
Total financial non-current assets		**3,043**	**3,046**
Deferred tax assets	16	3,662	7,864
Total non-current assets		**1,540,484**	**1,509,390**
Current assets			
Accounts receivable	18, 20	26,762	20,730
Tax assets	16	105	118
Other receivables	21	14,524	24,820
Prepaid expenses and deferred income	23	98,283	82,588
Cash and cash equivalents	18, 24	154,287	148,944
Total current assets		**293,961**	**277,200**
TOTAL ASSETS		**1,834,445**	**1,786,590**

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

GROUP BALANCE SHEET, cont.

Amounts in SEK thousands	Note	Dec 31, 2014	Dec 31, 2013
EQUITY			
Equity attributable to Parent Company's shareholders			
Share capital	25	837,553	837,553
Other paid-in capital		27,000	0
Retained earnings including comprehensive income for the year		-46,130	-30,498
Total equity		**818,423**	**807,055**
LIABILITIES			
Long-term liabilities			
Bond loan	26	746,345	695,782
Derivatives	19	2,897	0
Other long-term liabilities	27	420	61
Deferred tax liabilities	16	120,921	123,730
Total long-term liabilities		**870,583**	**819,573**
Current liabilities			
Accounts payable		21,538	26,715
Current tax liabilities		1,586	10,664
Derivatives	19	136	1,967
Other liabilities	28	49,553	51,124
Accrued expenses and prepaid income	29	72,626	69,492
Total current liabilities		**145,439**	**159,962**
TOTAL EQUITY AND LIABILITIES		**1,834,445**	**1,786,590**

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands	Note	Attributable to Parent Company's shareholders Share capital	Retained loss	Reserves	Other paid-in capital	Total equity
Opening balance as of September 23, 2013	25	**100**	**0**			**100**
Net profit/loss			-30,498			-30,498
Total comprehensive income						**-30,398**
Transactions with shareholders						
Share issue with payment in kind		837,453				837,453
Total transactions with shareholders, recognized directly in equity		**837,453**				**837,453**
Closing balance as of December 31, 2013		**837,553**	**-30,498**			**807,055**
Opening balance as of January 1, 2014		**837,553**	**-30,498**			**807,055**
Net profit/loss			-19,487			-19,487
Exchange rate differences				3,855		3,855
Total comprehensive income			**-49,985**			**791,423**
Transactions with shareholders						
Shareholders' contribution					27,000	27,000
Total transactions with shareholders, recognized directly in equity					**27,000**	**27,000**
Closing balance as of December 31, 2014		**837,553**	**-49,985**	**3,855**	**27,000**	**818,423**

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

GROUP CASH FLOW STATEMENT

Amounts in SEK thousands	Note	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013
Cash flow from operating activities			
Profit before interest income and expenses		79,665	26,066
Depreciation/amortization		74,486	19,847
Other non-cash items	34	-1,095	2,014
Interest received		0	117
Interest paid		-52,024	-15,715
Income tax paid		-19,218	5,398
Cash flow from operating activities before changes in working capital		**81,814**	**37,727**
Cash flow from changes in working capital			
Increase/decrease in current receivables		13,917	-20,227
Decrease in current liabilities		-25,176	-18,348
Total changes in working capital		**-11,259**	**-38,575**
Cash flow from operating activities		**70,555**	**-848**
Cash flow from investing activities			
Investment in tangible non-current assets	15	-1,932	-2,116
Capitalized internal work		-12,616	0
Acquisition of subsidiary		-89,175	-227,536
Other		100	0
Cash flow from investing activities		**-103,622**	**-229,652**
Cash flow from financing activities			
Shareholders’ contribution received		27,000	0
Borrowings		0	668,118
Amortization of loans		0	-287,496
Other		817	-985
Cash flow from financing activities		**27,817**	**379,637**
Decrease/increase in cash and cash equivalents		**-5,250**	**149,137**
Cash and cash equivalents, opening balance	24	148,944	90
Exchange rate differences in cash and cash equivalents		10,593	-283
Cash and cash equivalents, closing balance	24	**154,287**	**148,944**

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

PARENT COMPANY INCOME STATEMENT

Amounts in SEK thousands	Note	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Operating income			
Revenue	6	12,176	1,782
Other income	10	281	60
Total operating income		**12,457**	**1,842**
Operating expenses			
Other external expenses		-4,637	-996
Personnel expenses	9	-7,551	-845
Total operating expenses		**-12,188**	**-1,842**
Operating profit		**269**	**0**
Financial income	11	35,075	9,150
Financial expenses	11	-103,926	-44,894
Profit/loss after financial items		**-68,582**	**-35,744**
Group contributions		101,213	0
Profit/loss before tax		**32,631**	**-35,744**
Profit/loss tax	12	-7,864	7,864
Net profit/loss		**24,767**	**-27,881**

The Parent Company has no items recognized as other comprehensive income, due to which total comprehensive income corresponds to net profit/loss.

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

PARENT COMPANY BALANCE SHEET

Amounts in SEK thousands	Note	Dec 31, 2014	Dec 31, 2013
ASSETS			
Non-current assets			
Financial non-current assets			
Shares in Group companies	17	1,254,053	1,227,053
Receivables from Group companies		275,195	261,564
Deferred tax assets	12,16	0	7,864
Total financial non-current assets		**1,529,248**	**1,496,481**
Total non-current assets		**1,529,248**	**1,496,481**
Current assets			
Current receivables			
Receivables from Group companies	22	76,520	12,781
Other receivables		362	0
Total current receivables		**76,882**	**12,781**
Cash and bank balances		7,101	44,709
Total current assets		**83,983**	**57,489**
TOTAL ASSETS		**1,613,230**	**1,553,970**

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

PARENT COMPANY BALANCE SHEET, cont.

Amounts in SEK thousands	Note	Dec 31, 2014	Dec 31, 2013
EQUITY AND LIABILITIES			
Equity	25		
Restricted equity			
Share capital		837,553	837,553
Total restricted equity		**837,553**	**837,553**
Unrestricted equity			
Retained profit or loss		-896	-15
Net profit/loss		24,767	-27,881
Total unrestricted equity		**23,871**	**-27,896**
Total equity		**861,424**	**809,657**
Long-term liabilities			
Bond loan	18	746,345	695,782
Other long-term liabilities		2,897	0
Total long-term liabilities		**749,242**	**695,782**
Current liabilities			
Accounts payable	18	617	71
Liabilities to Group companies	22	0	42,754
Other liabilities	28	693	403
Accrued expenses and prepaid income	29	1,254	5,303
Total current liabilities		**2,564**	**48,531**
TOTAL EQUITY AND LIABILITIES		**1,613,230**	**1,553,970**

MEMORANDUM ITEMS			
Pledged assets	30	1,529,248	1,488,617
Contingent liabilities	31	None	None

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands	Note	Restricted equity Share capital	Unrestricted equity Retained profit/loss	Total equity
Opening balance as of January 1, 2013	25	100	-15	85
Comprehensive income				
Comprehensive income for the year			-27,881	-27,881
Total comprehensive income		**0**	**-27,896**	**-27,796**
Transactions with shareholders				
Share issue with payment in kind		837,453	0	837,453
Closing balance as of December 31, 2013		**837,553**	**-27,895**	**809,657**
Comprehensive income				
Comprehensive income for the year			24,767	24,767
Total comprehensive income			**-3,128**	**834,424**
Transactions with shareholders				
Shareholders' contribution			27,000	27,000
Closing balance as of December 31, 2014		**837,553**	**23,871**	**861,424**

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements.

PARENT COMPANY CASH FLOW STATEMENT

Amounts in SEK thousands

	Note	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Cash flow from operating activities			
Operating profit before financial poster		269	0
Interest received		35,075	9,150
Interest paid		-51,851	-12,922
Income tax paid	16	25	-523
Cash flow from operating activities before changes in working capital		**-16,481**	**-4,294**
Cash flow from changes in working capital			
Increase in current receivables		-54,731	-12,781
Increase in current liabilities		45,967	44,740
Total changes in working capital		**-8,764**	**31,959**
Cash flow from operating activities		**-25,245**	**27,665**
Investing activities			
Investments in subsidiaries	17	-27,000	-389,600
Loans to Group companies		-11,742	-261,564
Cash flow from investing activities		**-38,742**	**-651,164**
Financing activities			
Borrowings		0	668,118
Shareholders' contribution		27,000	0
Other		-621	0
Cash flow from financing activities		**26,379**	**668,118**
Cash flow for the year		**-37,608**	**44,618**
Cash and cash equivalents, opening balance	24	44,709	90
Cash and cash equivalents, closing balance	24	7,101	44,709

The notes on pages 28-58 are an integral part of this annual report and consolidated financial statements

Notes

NOTE 1 GENERAL INFORMATION

Etraveli AB (publ) is a Swedish limited liability company with its registered address in Stockholm. The Group's main business activities are described in the Administration Report.

The Board of Directors approved these consolidated financial statements and this annual report for publication on April 30, 2015.

All amounts are stated in thousands of SEK (SEK 000s), unless otherwise stated. Figures in parentheses pertain to the preceding year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant accounting policies applied in the preparation of these consolidated financial statements are described below. These policies were applied consistently for all years presented, unless otherwise stated.

2.1 Basis for preparation of the financial statements

This report contains Etraveli AB's consolidated financial statements and the accounting policies selected to prepare these statements – the International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups, and the Swedish Annual Accounts Act.

The consolidated financial statements have been prepared in accordance with the cost method, except regarding financial assets and liabilities (derivatives) at fair value through profit or loss.

Etraveli AB's (the Parent Company's) financial statements have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts. In cases where the Parent Company applies different accounting policies than the Group, it is stated separately at the end of this note.

Preparing financial statements in accordance with IFRS requires the use of a number of important estimates for accounting purposes. Furthermore, management must make significant judgments when applying the Group's accounting policies; see Note 4.

2.1.1 Changes in accounting policies and disclosures

New standards, amendments and interpretations applied by the Group

The following standards are applied by the Group for the first time for the financial year beginning on January 1, 2014 and have a material impact on the Group's financial reports:

IFRS 10 Consolidated Financial Statements is based on existing policies since it identifies control as the decisive factor in determining whether a company should be included in the consolidated financial statements. The standard provides further guidance to assist in determining control when it is difficult to assess. The standard does not have a material impact on the Group's financial reports.

IFRS 12 Disclosure of Interests in Other Entities comprises disclosure requirements for all forms of holdings in other entities such as subsidiaries, joint arrangements, associates and unconsolidated structured entities.

Other standards, amendments and interpretations that enter into force for the financial year beginning on January 1, 2014 do not have a material impact on the Group's financial reports.

Standards, amendments and interpretations of existing standards that have not yet come into effect and have not been applied in advance by the Group

A number of standards and interpretations that have not yet come into effect and that are applicable to the Group had been published when the consolidated financial statements were prepared on December 31, 2014. A preliminary assessment of the effects of the standards that are deemed relevant to the Group is presented below:

IFRS 9 Financial instruments addresses the classification, measurement and recognition of financial liabilities and assets. IFRS 9 was published in November 2009 for financial assets and in October 2010 for financial liabilities, and replaces the parts of IAS 39 related to the classification and measurement of financial instruments. IFRS 9 states that financial assets are to be classified into two different categories: measured at fair value or measured at amortized cost. The classification is determined when the assets are initially recognized based on the company's business model and the characteristic properties of the contractual cash flows. There are no major changes compared to IAS 39 for financial liabilities. The most important change pertains to liabilities measured at fair value. For such liabilities, the portion of the change in fair value attributable to own credit risk is recognized in other comprehensive income instead of profit or loss, unless this causes an accounting mismatch. The Group has not yet evaluated the effects. The Group intends to evaluate the effects of the various remaining phases of IFRS 9 once they have been completed by the IASB.

IFRS 15 Revenue from Contracts with Customers specifies how revenue is recognized. The principles on which IFRS 15 is based provide users of financial reports more useful information on the company's revenue. The expanded disclosure obligation requires information to be provided on the nature, timing and uncertainty of revenue as well as cash flow attributable to the company's customer contracts. According to IFRS 15, revenue is recognized when the customer obtains control over the sold good or service and has the opportunity to use and receive benefits from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts as well as related SIC and IFRIC. IFRS 15 comes into effect on January 1, 2017. Advance application is permitted. The Group has not yet evaluated the effects of the introduction of the standard.

No other IFRS or IFRIC interpretations that have not yet come into effect are expected to have any material impact on the Group.

2.2 Consolidated financial statements

Subsidiaries

Subsidiaries are all companies in which the Group has a controlling influence. The Group controls a company when it is exposed to or is entitled to a variable return on its holding in the company and has the opportunity to affect the return through its influence on the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The purchase method is used to recognize the Group's business combinations. The purchase consideration for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities that result from an agreement covering contingent consideration. Acquisition-related costs are expensed as they arise. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the acquisition date.

The amount by which the purchase consideration exceeds the fair value of identifiable net assets acquired is recognized as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets in the event of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

Intra-Group transactions, balance-sheet items and unrealized gains and losses on transactions between Group companies are eliminated. Where necessary, the accounting policies for subsidiaries have been adjusted to guarantee consistent application of the Group's policies.

2.3 Translation of foreign currencies

Functional currency and presentation currency

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company primarily conducts its operations (functional currency). The consolidated financial statements use Swedish kronor (SEK), which is the Group's presentation currency.

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Exchange rate gains and losses resulting from payment of such transactions and from the translation of monetary assets and liabilities in foreign currency at the closing day rate are recognized in profit or loss.

Translation of foreign Group companies

Earnings and financial position for all Group companies with a functional currency other than the presentation currency are translated to the Group's presentation currency. Assets and liabilities for each of the balance sheets are translated from the functional currency of the foreign operation to the Group's presentation currency, SEK, at the exchange rate applicable on the balance sheet date. Income and expenses for each of the income statements are translated to SEK at the average exchange rate prevailing on the transaction date. Translation differences that arise in currency translations of foreign operations are recognized in other comprehensive income.

2.4 Intangible assets

Goodwill

Goodwill comprises the amount by which the cost exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets on the acquisition date. Goodwill arising in conjunction with acquisitions of subsidiaries is recognized as an intangible asset. Goodwill is always deemed to have an indefinite useful life and, accordingly, is tested annually to identify any impairment requirements rather than continuously amortized. Goodwill is distributed by cash-generating unit when testing for impairment. Distribution is made between the cash-generating units based on which of the Group's operating segments is expected to benefit from the business combination in which the goodwill item arose.

IT platform, customer database and domains
These assets have arisen in conjunction with business combinations and were measured at fair value on the acquisition date. Amortization is scheduled on a straight-line basis to distribute the cost of the IT platform, customer database and domains over their estimated useful lives of 7, 3 and 5 years, respectively.

Trademarks
Trademarks acquired on the basis of business combinations are measured at fair value on the acquisition date. All trademarks are recognized as an intangible asset with an indefinite useful life. Trademarks are tested for impairment annually or more often if events or changes in circumstances indicate potential impairment.

Capitalized development work
Development costs directly attributable to the development and testing of the company's website and platform as well as other back office systems controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to finish the software so that it can be used;
- There are opportunities to use the software,
- It can be shown how the software will potentially generate future economic benefits;
- Adequate technical, economic and other resources are available to finish development and to use or sell the software; and
- The expenditures attributable to the software during its development can be reliably estimated.

Amortization is calculated on a straight-line basis to distribute the cost over an estimated useful life of 5 years.

2.5 Tangible assets

Equipment, tools, fixtures and fittings
Equipment, tools, fixtures and fittings are recognized at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset.

Subsequent expenditure is added to the asset's carrying amount or recognized as a separate asset, depending on which is suitable, only when it is probable that future economic benefits associated with the asset will accrue to the Group and the cost of the asset can be reliably measured. The carrying amount of the replaced portion is derecognized from the balance sheet. All other forms of repairs and maintenance are expensed through profit or loss in the period in which they arise.

Each portion of a tangible asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. Depreciation takes place straight-line as follows:

Computers	3 years
Equipment	5 years

The residual value and useful life of the assets are assessed on each closing date and adjusted if necessary. The carrying amount of an asset is immediately impaired to its recoverable value if the carrying amount exceeds the estimated recoverable value.

Gains and losses on the divestment of a tangible asset are determined by comparing the sales proceeds and the carrying amount, and are recognized in other operating income and other operating expenses, respectively.

2.6 Impairment of non-financial assets

Assets with an indefinite useful life, such as goodwill, are not depreciated/amortized but are tested annually for impairment. Assets that are depreciated/amortized are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less selling expenses and value in use. When tested for impairment, assets are grouped at the lowest levels where separate identifiable cash flows exist (cash-generating units). Impairment testing of goodwill and trademarks take place at operating segment level.

2.7 Financial instruments – general

Financial instruments are found in many balance sheet items as described in 2.8-2.12.

2.7.1 Classification

The Group classifies its financial assets and liabilities into the following categories: financial assets or liabilities at fair value through profit or loss, loans receivable and accounts receivable, and other financial liabilities. Classification depends on the purpose for which the financial asset or liability was acquired.

Financial assets and liabilities at fair value through profit or loss
Financial assets and liabilities at fair value through profit or loss are financial instruments held for trading. Derivatives are classified as held

for trading unless they are identified as hedging instruments. The Group classifies derivatives (interest rate swaps and currency futures) in this category.

Loans receivable and accounts receivable
Loans receivable and accounts receivable are financial assets that are not derivatives, that have fixed or fixable payments and that are not listed on an active market. They are included in current assets except for items with maturity dates more than 12 months after the balance sheet date, which are classified as non-current assets. The Group's "loans receivable and accounts receivable" comprise other non-current receivables, accounts receivable, cash and cash equivalents, and those financial instruments recognized among other receivables.

Other financial liabilities
The Group's other non-current and current liabilities, accounts payable, client funds and the portion of other current liabilities pertaining to financial instruments are classified as other financial liabilities.

2.7.2 Recognition and measurement
Purchases and sales of financial assets are recognized on the trade date, i.e., the date on which the Group commits to purchasing or selling the asset. Financial instruments are initially measured at fair value plus transaction costs, which applies to all financial assets not measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially measured at fair value, while related transaction costs are recognized in profit or loss. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and benefits connected with the right of ownership. Financial liabilities are derecognized from the balance sheet when the contractual obligation has been met or otherwise extinguished.

Financial assets and liabilities at fair value through profit or loss are measured at fair value after the acquisition date. Loans receivable, accounts receivable and other financial liabilities are recognized after the acquisition date at amortized cost by applying the effective interest method.

Gains and losses arising as a result of changes in fair value pertaining to the category of financial assets and liabilities at fair value through profit or loss are recognized in the periods in which they arise and are included in net financial items since they derive from financing activities.

2.7.3 Offsetting of financial instruments
Financial assets and liabilities are offset and recognized net in the balance sheet only when a legal right exists to offset the carrying amounts and there is an intention to settle the amount net or simultaneously realize the asset and settle the liability.

2.7.4 Impairment of financial instruments
Assets recognized at amortized cost (loans receivable and accounts receivable)

On each closing date the Group assesses whether there is objective evidence that a financial asset or group of financial assets requires impairment. A financial asset or group of financial assets requires impairment and is impaired only if there is objective evidence of an impairment requirement because one or more events have occurred after the asset was initially recognized and this event has an impact that can be reliably estimated on estimated future cash flows for the financial asset or group of financial assets.

Impairment is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted to the original effective interest of the financial asset. The asset's carrying amount is impaired and this impairment loss is recognized in the consolidated income statement under "other external expenses" or under net financial items depending on the type of financial asset that is impaired. If the impairment requirement decreases in a subsequent period and the decrease can be objectively attributed to an event that occurred after the impairment loss was recognized, the previously recognized impairment loss is reversed in the consolidated income statement under "other external expenses" or under net financial items depending on the type of financial asset that is impaired.

2.8 Derivatives
Derivatives are financial instruments recognized in the balance sheet on the trade date and measured at fair value, both initially and when subsequently remeasured. The gain or loss arising in conjunction with remeasurement is recognized in profit or loss when the hedge accounting requirements are not fulfilled.

The fair value of a derivative is classified as a non-current asset or long-term liability when the remaining term of the hedged item is more than 12 months and as a current asset or current liability when the remaining term of the hedged item is less than 12 months.

2.9 Accounts receivable
Accounts receivable are financial instruments that comprise amounts that are to be paid by

customers for goods and services in operating activities. If payments are expected within a year or earlier, they are classified as current assets. Otherwise, they are recognized as non-current assets.

Accounts receivable are initially measured at fair value and subsequently at amortized cost by applying the effective interest method, less any provisions for impairment.

2.10 Cash and cash equivalents

Cash and cash equivalents are a financial instrument and include, in both the balance sheet and statement of cash flows, cash and bank balances. Cash and cash equivalents comprise bank balances and client funds. Client funds are cash and cash equivalents with a limited right of disposal and are also found on the liabilities side in the same amount. In SRF's opinion, payment received for IATA-brokered air tickets constitutes client funds, but travel agents are permitted to mix these funds with those from their own operations as long as the travel agent is solvent. The funds are recognized as cash and cash equivalents in the Group.

2.11 Accounts payable

Accounts payable are financial instruments and pertain to obligations to pay for goods and services that were acquired in the operating activities from suppliers. Accounts payable are classified as current liabilities if they fall due within one year. Otherwise, they are recognized as long-term liabilities.

Accounts payable are recognized at nominal amounts. The carrying amount of accounts payable is assumed to correspond to their fair value, since they are short-term in nature.

2.12 Borrowings

Borrowings comprise financial instruments and are initially measured at fair value, net, after transaction costs. Borrowings are subsequently recognized at amortized cost and any difference between the amount received (net after transaction costs) and the amount repaid is recognized in profit or loss over the borrowing period, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability at least 12 months after the closing date.

2.13 Current and deferred tax

The tax expense for the period includes current and deferred tax. The current tax expense is calculated on the basis of the tax rules that have been decided or essentially decided on the balance sheet date in the countries in which the Parent Company and its subsidiaries conduct operations and generate taxable revenue.

Deferred tax is recognized in accordance with the balance sheet method on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is calculated by applying the tax rates that have been decided or announced on the balance sheet date and are expected to apply when the deferred tax assets in question are realized or the deferred tax liabilities are settled.

Deferred tax assets are recognized on loss carryforwards insofar as it is probable that tax surpluses will be available in the future against which the loss carryforwards can be utilized.

Deferred tax assets and liabilities are offset when there is a legal right of offset for current tax assets and tax liabilities, the deferred tax assets and tax liabilities are attributable to tax charged by a single tax authority and pertain to either the same tax subject or various tax subjects and there is an intention to settle the balances on the basis of net payments.

2.14 Employee benefits

Pension obligations

The Group has only defined-contribution pension plans. A defined-contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all of the remuneration to the employees associated with their service in current and earlier periods.

For defined-contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a compulsory, contractual or voluntary basis. The Group has no further payment commitments once these contributions have been paid. The contributions are recognized as personnel expenses when they fall due for payment. Prepaid contributions are recognized as an asset insofar as cash repayments or reductions of future payments can benefit the Group.

Severance

Severance is paid when employment is terminated by the Group before the normal retirement age or when the employee accepts voluntary redundancy in exchange for such remuneration. The Group recognizes severance at the earliest of the following times: (a) when the Group is no longer able to withdraw the offer of remuneration, or (b) when the company recognizes expenses for restructuring that are within the scope of IAS 37 and that involve payment of severance pay. If the company has presented an offer to encourage voluntary redundancy, severance pay is calculated based on the number of employees who are expected to accept the offer. Benefits due more than 12 months after the closing date are discounted to present value.

2.15 Revenue recognition

Revenue recognition

Revenue is recognized on the booking date when the company has completed its delivery. A travel agency usually serves an agent/broker of travel services for travel organizers, tour operators and customers/passengers, but also as an operator under its own name. Information about gross sales generated by the company is important for making comparisons with other companies in the travel industry and assessing the operations. Gross sales refer to sales to customers, meaning that the customer pays for their trip. Gross sales to customers also form the basis of measuring and analyzing market shares. The ratio between gross profit and gross sales is also important for comparisons with other companies. The revenue recognized in the income statement is included as part of the company's total sales. Accordingly, the company's sales can be divided into the following components:

Sales as an agent

Etraveli serves as an agent for a travel organizer or tour operator when it issues and brokers tickets for air tickets and package holidays, vouchers and similar certificates for other travel-related services, such as accommodations, car rental, travel insurance, etc. Only the fee charged to the customer and any commission received is recognized as revenue.

Gross sales (Invoicing on behalf of another party)

As an agent, Etraveli invoices the customer for the brokered travel services and receives payment. In turn, Etraveli pays the tour operator the amount less any contractual commission. This portion of gross sales is recognized as invoicing on behalf of another party. Such invoicing is not included in revenue under gross sales in Note 6.

Revenue (Invoicing for services brokered on behalf of another party)

The fees Etraveli charges to customers for the actual booking service and any commission that the company receives from the travel organizers are recognized as revenue for services brokered on behalf of another party. In both cases the company assumes the full credit risk for the invoiced amounts, even if the carrier and/or organizer is fully responsible vis-à-vis the passenger for the actual transport and travel services.

Services and other revenue

The Group's revenue from the sale of services primarily comprises revenue directly or indirectly related to the sale of air tickets. Examples include booking fees from customers and/or commissions directly from airlines, volume commissions from airlines and payment from the company's GDSs. Revenue is also received from brokerage of hotels and car rentals, mainly on the basis of commissions from partners. Other indirectly related revenue from the sale of air tickets are insurance products, cancellation insurance and revenue attributable to payment transactions. The Group also receives revenue for advertisement sales on websites.

Revenue comprises the fair value of the amount that has been received, or will be received, for services sold in the Group's operating activities. Revenue from sales of services is recognized when the financial outcome of the service assignment can be reliably calculated and it is probable that the financial benefits related to the transaction will accrue to the company.

Bonuses paid under Etraveli's customer loyalty program are recognized as a separate component in the sales transaction to which they are allotted when they are significant. Customer bonuses are recognized as a reduction of revenue.

Revenue is measured at fair value. Revenue and expenses for services sold are recognized net, excluding value-added tax and discounts and after intra-Group sales.

2.16 Leasing

Etraveli is the lessee

The Group has lease agreements on photocopiers, coffee machines and office premises.

Leasing whereby a significant portion of the risks and benefits of ownership is retained by the lessor is classified as operating leasing. Payments made during the lease term are expensed in profit or loss on a straight-line basis over the lease term. All lease agreements have been classified as operating leases in the Group.

2.17 Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. This means that operating profit (EBIT) is adjusted for transactions that did not result in receipts or payments during the period and for any revenue and expenses attributable to cash flows from investing activities and financing activities.

2.18 Share capital

Common shares and preference shares are classified as equity.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reports presented to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the performance of the operating segments. For the Group, this function has been identified as the CEO.

2.20 Parent Company's accounting policies

The Parent Company applies RFR 2 Accounting for Legal Entities. The Parent Company's accounting policies differ from the Group's as stated below.

Presentation format

The income statement and balance sheet are consistent with the presentation formats stated in the Swedish Annual Accounts Act. However, the income statement is named "statement of other comprehensive income" and other comprehensive income is recognized separately. The statement of changes in equity also follows the Group's presentation formats, but contains the columns stated in the Annual Accounts Act.

This also entails differences in designations compared to the consolidated financial statements, primarily regarding financial income and expenses, and equity.

Shares in subsidiaries

Shares in subsidiaries are recognized at cost less any impairment. Cost includes acquisition-related costs and any contingent consideration.

When there is an indication that shares in a subsidiary have declined in value, the recoverable amount is calculated. If the recoverable amount is lower, an impairment loss is recognized. Impairment is recognized in the item "Profit from shares in Group companies."

Group contributions and shareholders' contributions

Paid shareholders' contributions are capitalized in shares insofar as impairment is required.

Group contributions paid and received are recognized as appropriations.

Lease agreements

All lease agreements, regardless of whether they are financial or operating, are classified as operating leases.

NOTE 3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk management

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

a) Currency risk

Currency risk is defined as the risk that unfavorable changes in exchange rates can adversely impact earnings. These risks are managed as determined by the Board and specified in the company's currency policy. Etraveli's currency risks mainly arise in EUR, DKK and NOK. Other significant exposures are in GBP and RUB.

(i) Transaction exposure in commercial flows

Transaction exposure is defined as the currency exposures that arise when revenue and expenses are in a currency other than the company's functional currency. According to the finance policy, transaction related exposures are normally hedged to 80% for 0-3 months, usually through currency derivatives. Etraveli intends as far as possible to utilize so-called natural hedging, i.e., by actively balancing assets and liabilities in currencies other than the company's functional currency.

The exchange rate loss attributable to transaction related exposures in the income statement amounted to SEK 11,525,000 in 2014. About 60% of the losses is attributable to the volatility in RUB in 2014. The remainder is mainly is due to losses tied to net exposures in external and internal receivables and liabilities of an operating nature in the Group's subsidiaries in a currency other than the company's reporting currency.

(ii) Translation exposure from consolidation of units outside Sweden

The Group's results are also impacted by currency effects that arise due to changes in the exchange rates between the local currencies of various foreign subsidiaries and branches and the Swedish krona. Translation effects also arise on the Group's net assets from consolidation of the balance sheets of foreign companies and branches. These exchange rate differences amounted to SEK 3,855,000 in 2014. This risk is not hedged.

(iii) Currency sensitivity in transaction and translation exposure

Etraveli is especially sensitive to currency fluctuations in EUR. Other material currency exposures are in DKK and NOK. To hedge the Group's Equity Value[1], a bond loan has therefore been issued in EUR, maturing in 2017. All other variables remaining constant and not factoring in currency hedges, 10% depreciation/appreciation of other currencies vs. SEK would affect the Group's operating by SEK +/- 11,500,000 and profit after financial items by SEK +/- 65,000,000.

b) Interest rate risk

Interest rate risk refers to the risk that changes in market interest rates will adversely impact earnings. The Group has interest-bearing financial assets and liabilities where changes linked to market interest rates impact earnings and cash flow from operating activities. The most important factor for interest rate risk is the remaining term over which the interest rate is fixed. The Group's interest rate risk primarily arises from long-term borrowing at variable interest rates. Borrowing at variable interest rates exposes the Group to interest rate risk from cash flows and bank balances at variable interest rates.

(i) Interest rate risk associated with borrowings

The Group has a bond loan[2] of EUR 80 million that carries a fixed interest rate of 6.5% + EURIBOR 3M. To reduce interest rate risk, EUR 40 million is hedged through an interest rate derivative with a fixed rate of 6.75% expiring on March 29, 2016. Liabilities to credit institutions at variable interest rates amounted to EUR 40 million or SEK 380,620,000 on December 31, 2014. A change in interest rates of +/- 1% would impact the Group's interest expenses by EUR 0.4 million or SEK 3,806,000.

c) Credit risk

Credit risk refers to the risk that the Group will not receive payment as agreed to and/or incur a loss due to the counterparty's inability to fulfill its commitments. If no independent credit assessment is available, a risk assessment is made of the customer's credit rating, taking into account their financial position, past experience and other factors.

Credit risk in receivables:

The risk that the Group's customers will not fulfill their commitments, i.e., that payment will not be received for receivables, represents a credit risk from generated gross sales. The credit risk for receivables from private individuals is marginal, since the majority of gross sales are paid directly online or by credit card. Receivables from other companies are mainly for volume commissions and/or marketing grants from airlines and volume-based compensation. Etraveli

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[1] Equity Value is defined as *(EBITDA*multiple) – net debt*

[2] see Note 26

continuously assesses, on a case by case basis, whether any of these receivables requires impairment. Provisions are continuously allocated for expected outcomes to reduce exposure to future volume commitments.

(ii) Counterparty risk
When air tickets are sold, the specific legal entity in the Group serves as an agent for the airline. The actual ticket is an agreement between the passenger and the airline. If the passenger has paid for the ticket by credit card and the airline is unable to deliver the service, the agent's acquiring bank can, under certain circumstances, claim the amount back from the agent. The agent then has to submit a counterclaim to the airline. The agent also has a financial responsibility to the passenger if the agent has sold a package-style holiday. Etraveli works continuously to assess and minimize the risk associated with the individual provider.

(ii) Credit risk cash and cash equivalents
Credit exposure arises in financial operations mainly in connection with cash and cash equivalents. The Group's cash and cash equivalents are primarily placed with first-class banks and monitored by Etraveli's finance department. The Group's cash and cash equivalents amounted to SEK 154,287,000 on December 31, 2014, of which client funds accounted for SEK 44,368,000.

d) Liquidity risk
Liquidity risk is the risk that the Group will not have sufficient cash and cash equivalents to pay its financial commitments. The aim of the Group's liquidity management is to ensure that sufficient cash and cash equivalents are on hand to fulfill its commercial commitments. Cash flow forecasts are continuously prepared by the Group's finance department and reported to management. Surplus liquidity in the Group's operating companies, i.e., the excess required to manage working capital requirements, is managed centrally within the Group.

The Group has a revolving credit facility totaling SEK 75,000,000, of which SEK 53,000,000 may be utilized to finance fluctuations in working capital or guarantee commitments. This portion was not utilized as per December 31, 2014. Etraveli's finance department is responsible for the Group's credit facility.

The table below analyzes the Group's non-derivative financial liabilities and net-settled derivative instruments that comprise financial liabilities, specified by remaining time until the contractual maturity as per the balance sheet date. Derivatives that comprise financial liabilities are included in the analysis if their contractual maturity dates are important in order to understand the timing of future cash flows. The amounts stated in the table are contractual, undiscounted cash flows.

Per December 31, 2014 (SEK in thousands)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bond loan	50,684	50,684	784,358	
Accounts payable	21,538			
Client funds	44,368			
Other current liabilities	1,828			

3.2 Management of capital risk
The Group's goal with regard to its capital structure is to safeguard the Group's ability to remain a going concern, so that it can continue to generate a return to shareholders and value for other stakeholders.

The Group's optimal indebtedness is not defined by a specific number. Instead, the aim is to maintain a reasonable level of net debt in relation to earnings primarily defined as EBITDA. The Group does not believe that the debt/equity ratio, i.e., net debt divided by equity, is the best indicator to define its debt policy and optimize the capital structure from a shareholder's perspective, since equity can be affected by a number of factors that do not necessarily impact long-term shareholder value. Examples include translation differences in equity, the selected form of financing and the impact of other factors that affect the Group's equity but not necessarily cash flow.

The Group's policy to optimize its capital structure does not contain any short-term, quantifiable targets. The Board and management regularly monitor the company's net debt, future cash flows and future plans, while at the same time ensuring that the Group meets the covenants of its loan agreements.

The main quantifiable limited restriction is found in the loan agreement tied to the Group's revolving credit facility and corporate bond. The main limitations in the agreements are linked to conditions for raising new loans. Examples include:
- Interest-bearing net debt in relation to EBITDA
- EBITDA in relation to financial payments (net)

No loan agreements specifically regulate the debt/equity ratio, measured as net debt in relation to equity and/or total capital.

3.3 Calculation of fair value

The carrying amount, after any impairment, of accounts receivable, other receivables, accounts payable, client funds and other liabilities is assumed to correspond to their fair values, since these items are short term by nature.

The table below shows financial instruments measured at fair value and financial assets and liabilities for which disclosures on fair value are required based on their classification in the fair value hierarchy. The various levels are defined as follows:

The levels are defined as follows:

- **Level 1** - Listed market price (unadjusted) in active markets for identical assets or liabilities
- **Level 2** - Inputs other than listed prices that are observable for the asset or liability included in Level 1, either directly (listed prices) or indirectly (derived from listed prices)
- **Level 3** - Unobservable market inputs for the asset or liability.

The following table shows the Group's financial assets and liabilities either measured at fair value (interest rate swaps) or for which disclosures are required about fair value (bond loan) as per December 31, 2014.

Group	Level 1	Level 2	Level 3	Total
Liabilities				
Bond loan		761,240	0	761,240
Interest rate swaps		2,897	0	2,897
Currency derivatives		136	0	136
Total liabilities		**764,273**	**0**	**764,273**

Parent Company	Level 1	Level 2	Level 3	Total
Liabilities				
Bond loan		761,240	0	761,240
Interest rate swaps		2,897		2,897
Total liabilities		**764,137**	**0**	**764,137**

The fair value of financial instruments traded in an active market is based on quoted market prices on the balance sheet date. A market is considered to be active if listed prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length. The listed price used for the Group's financial assets is the current buying rate. The Group has no financial instruments classified in Level 1.

The fair value of financial instruments not traded in an active market (e.g., OTC derivatives) is determined using valuation techniques. Market information is used for this as far as possible when available, whereas company-specific information is used as little as possible. If all significant inputs required for the fair value measurement of an instrument are observable, the instrument is allocated to Level 2. The Group's financial instruments in Level 2 comprise bond loans, interest rate swaps and currency derivatives. The value of the bond loan is assumed not to have changed; see also Note 26.

If one or more significant inputs are not based on observable market information, the instrument in question is classified in Level 3. The Group has no financial instruments classified in Level 3.

NOTE 4 IMPORTANT ESTIMATES AND ASSESSMENTS

Estimates and assessments are continuously evaluated and are based on historic experience and other factors, including expectations of future events that are deemed to be reasonable under prevailing circumstances.

Important estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result correspond, by definition, to the actual outcome. The estimates and assumptions that entail a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are outlined below.

Impairment testing of goodwill and trademarks with indefinite useful lives
Each year the Group tests goodwill and trademarks with indefinite useful lives for impairment requirement, in accordance with the accounting policy described in Note 2.6. The recoverable amount for cash-generating units has been determined by calculating their value in use. Certain estimates must be made in these calculations.

Impairment testing is performed for each cash-generating unit for goodwill and for each asset for trademarks.

The year's impairment testing did not result in any impairment; see also Note 14.

Valuation of loss carryforwards
Each year the Group tests whether it is appropriate to capitalize deferred tax assets from tax loss carryforwards for the year. Deferred tax assets are only recognized for loss carryforwards which are likely to be utilized against future tax surpluses and against taxable temporary differences. The value of all tax loss carryforwards has been reported as a receivable.

Assessments of receivables
The Group's receivables include receivables from airlines for volume commissions and/or marketing grants. These receivables are primarily based on assessments of booked air tickets and the date of future departures. Management continuously assesses, on a case by case basis, whether any of these receivables requires impairment.

NOTE 5 SEGMENT INFORMATION

The CEO is the Group's chief operating decision maker. Company management has established the operating segments based on the information addressed by the CEO and used as a basis for allocating resources and evaluating results.

The CEO assesses the operation based on geography as follows: the Nordic segment (Sweden, Norway, Denmark and Finland) and the New Markets segment (Germany, the Netherlands, Belgium, Bulgaria, the UK, Italy, Austria, Switzerland, the Czech Republic, Spain, France, Hungary, Greece, Ireland, Poland, Portugal, Romania, Slovakia, Turkey and Russia).

Revenue and net revenue by segment are distributed by source: Air and Non Air. The principal revenue sources in Air are booking fees for brokered air tickets, credit card revenue, volume commissions from certain airlines and GDSs (Global Distribution Systems). Revenue sources in Non Air include hotel commissions, rental car commissions, cancellation protection, rebooking fees, various forms of service revenue and revenue from the subsidiary Svenska Resenätverket AB (Flygresor.se)

The distribution of results by segment takes place up to and including revenue less selling expenses. Assets and liabilities are not divided by segment.

Group-wide information
The Group's registered office is in Sweden. Sales between segments are made on market terms. Revenue from external parties reported to the CEO is valued in the same manner as in the income statement.

Total non-current assets, non-financial instruments and deferred tax assets localized in Sweden amounted to SEK 1,533,779,000 and the total of such non-current assets localized in other countries amounted to SEK 0.

Revenue from all services is divided as follows:

	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Sept 23, 2013 – Dec 31, 2013
	Revenue by segment	**Net revenue by segment (margin)**	**Revenue by segment**	**Net revenue by segment (margin)**
Analysis of revenue by source:				
− Air	406,640	345,545	107,593	95,238
− Non Air	232,347	205,546	37,800	34,978
Total	**638,986**	**551,091**	**145,393**	**130,216**

Revenue
Revenue from transactions with other operating segments was as follows:

	Jan 1, 2014 – Dec 31, 2014		Sept 23, 2013 – Dec 31, 2013	
	Revenue by segment	**Net revenue by segment (margin)**	**Revenue by segment**	**Net revenue by segment (margin)**
Nordic	467,142	414,550	123,278	111,772
New Markets	171,845	136,542	22,115	18,443
Total	**638,986**	**551,091**	**145,393**	**130,216**
Capitalization of internal work		12,616		0
Personnel expenses		-98,006		-22,446
Depreciation of tangible assets		-1,727		-243
Amortization of intangible assets		-72,759		-18,823
Other		-311,550		-62,638
Profit before financial items and tax		**79,664**		**26,066**
Net financial items		-103,907		-60,998
Loss before tax		**-24,244**		**-34,932**

NOTE 6 REVENUE DISTRIBUTION

	Group		Parent Company	
	Jan 1, 2014– Dec 31, 2014	**Sept 23, 2013 –Dec 31, 2013**	**Jan 1, 2014 – Dec 31, 2014**	**Jan 1, 2013 – Dec 31, 2013**
Revenue (Invoicing for services brokered on behalf of another party)	638,986	145,393	0	0
Other invoicing	0	0	12,176	1,782
Gross sales (Invoicing on behalf of another party)	7,852,914	1,511,307	0	0
Total gross sales*	**8,491,900**	**1,656,700**	**12,176**	**1,782**

*) *Value of brokered services customers pay to Etraveli. Sometimes referred to as "Invoicing on behalf of another party" or "Gross sales."*

Revenue is distributed by type of revenue as follows:

Group	**Jan 1, 2014 – Dec 31, 2014**	**Sept 23, 2013 – Dec 31, 2013**
Sales of services	638,986	145,393
Group total	**638,986**	**145,393**

Parent Company	**Jan 1, 2014 – Dec 31, 2014**	**Jan 1, 2013 – Dec 31, 2013**
Sales of services	12,176	1,782
Parent Company total	**12,176**	**1,782**

NOTE 7 PARENT COMPANY SALES TO GROUP COMPANIES

During the year the Parent Company invoiced its subsidiaries SEK 12,176,000 for Group-wide services.

NOTE 8 REMUNERATION TO AUDITORS

Audit assignments pertain to the review of the annual report and accounts, the administration by the Board of Directors and CEO, other work assigned to the company's auditors, and advice or other assistance required due to observations made during the review or implementation of such other assignments. All other activities comprise other assignments.

Group	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013
PwC		
Audit assignment	2,129	363
Audit activities other than audit assignment	533	21
Tax consultancy	788	378
Other services	1,656	110
Total	**5,106**	**872**
Group total	**5,106**	**872**

Parent Company	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
PwC		
Audit assignment	792	186
Audit activities other than audit assignment	303	75
Tax consultancy	243	11
Other services	1,042	341
Total	**2,383**	**613**

NOTE 9 EMPLOYEE BENEFITS

Group	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013
Salaries and other remuneration	66,896	14,184
Social security contributions	18,870	4,315
Pension costs - defined-contribution pension plans	7,235	1,551
Group total	**93,001**	**20,051**

Salaries and other remuneration and social security contributions	Jan 1, 2014 – Dec 31, 2014		Sept 23, 2013 – Dec 31, 2013	
	Salaries and other remuneratio n (of which bonus)	Social security contributions (of which pension costs)	Salaries and other remuneration (of which bonus)	Social security contributions (of which pension costs
Board members, CEO and other senior executives	12,112 (0)	5,692 (2,046)	1,809 (0)	780 (285)
Other employees	54,784 (0)	20,413 (5,189)	12,375 (0)	5,086 (1,266)
Group total	**66,896 (0)**	**26,105 (7,235)**	**14,184**	**5,867 (1,551)**

Fees are paid to the Chairman and other members of the Board in accordance with the resolution of the Annual General Meeting.
Remuneration to the CEO and other senior executives primarily comprises a base salary. Other senior executives refer to the nine individuals who comprise Group management together with the CEO.

Employment conditions for the CEO
The CEO received a fixed base salary. There is no bonus agreement. His term of notice is six (6)

months. If terminated by the company, the CEO would receive severance corresponding to six months' salary.

Pensions
The CEO receives a pension allocation corresponding to 30% of his fixed base salary.

Gender distribution in the Group (incl. subsidiaries) for Board members and other senior executives

	Dec 31, 2014 Number on balance sheet date	Dec 31, 2013 Number on balance sheet date
Board members	6	6
- Of whom women	0	1
CEO and other senior executives	10	7
- Of whom women	2	1
Group total	**16**	**13**
- Of whom women	**2**	**2**

Parent Company	**Jan 1, 2014 – Dec 31, 2014**	**Jan 1, 2013 – Dec 31, 2013**
Salaries and other remuneration	5,587	544
Social security contributions	1,755	196
Share options allotted to Board members and employees	0	0
Pension costs - defined-contribution pension plans	1,032	105
Parent Company total	**8,374**	**845**

Salaries and other remuneration and social security contributions

	Jan 1, 2014 – Dec 31, 2014		Jan 1, 2013 – Dec 31, 2013	
	Salaries and other remuneration (of which bonus)	Social security contributions (of which pension costs)	Salaries and other remuneration (of which bonus)	Social security contributions (of which pension costs)
Board members, CEO and other senior executives	5,587(0)	2,787(1,032)	544 (0)	301 (105)
Other employees	0 (0)	0 (0)	0 (0)	0 (0)
Parent Company total	**5,587(0)**	**2,787 (1,032)**	**544 (0)**	**301 (105)**

Average number of employees, geographic distribution by country	**Dec 31, 2014**		**Dec 31, 2013**	
	Average number of employees	**Of which women**	**Average number of employees**	**Of which women**
Sweden	3	0	0.5	0
Parent Company total	**3**	**0**	**0.5**	**0**
Subsidiaries				
Sweden	130	86	114	92
Finland	30	27	24	22
Denmark	2	1	2	1
Total subsidiaries	**162**	**114**	**140**	**115**
Group total	**165**	**114**	**141**	**115**

Gender distribution for Board of Directors and other senior executives in the Parent Company

	Dec 31, 2014		Dec 31, 2013	
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
Board members	6	6	6	5
CEO and other senior executives	2	2	2	2
Parent Company total	**8**	**8**	**8**	**7**

NOTE 10 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	Group		Parent Company	
Other operating income	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Exchange rate gains	0	18	281	60
Total other operating income	**0**	**18**	**281**	**60**

	Group		Parent Company	
Other operating expenses	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Exchange rate losses	-11,525	0	0	0
Other	0	0	0	0
Total other operating expenses	**-11,525**	**0**	**0**	**0**

NOTE 11 FINANCIAL INCOME AND EXPENSES/INTEREST INCOME AND EXPENSES

	Group		Parent Company	
Financial income/Interest income	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Interest income on bank balances	273	117	0	0
Interest income on intra-Group receivables	0	0	35,075	9,150
Total financial income/interest income	**273**	**117**	**35,075**	**9,150**

	Group		Parent Company	
Financial expenses/Interest expenses	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Interest expenses on bond loan	-50,329	-12,829	-50,329	-12,829
Exchange rate losses on loans	-45,800	-34,851	-43,911	-30,850
Change in fair value of derivatives - interest-rate swaps	-2,786	-1,968	-4,299	0
Other financial expenses	-5,265	-11,467	-5,387	-1,215
Total financial expenses/interest expenses	**-104,180**	**-61,115**	**-103,926**	**-44,894**
Total net financial items	**-103,907**	**-60,698**	**-68,851**	**-35,744**

NOTE 12 INCOME TAX/TAX ON NET RESULT FOR THE YEAR

	Group		Parent Company	
	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Current tax:				
Current tax on net result for the year	-5,584	4,434	0	0
Adjustments pertaining to prior years				
Total current tax	**-5,584**	**4,434**	**0**	**0**
Deferred tax (see Note 16)	0	115,866	0	0
Occurrence and reversal of temporary differences	10,340	0	-7,864	7,864
Effect of change in Swedish tax rate	0	0	0	
Total deferred tax	**4,756**	**115,867**	**-7,864**	**0**

Income tax

Income tax on earnings differs from the theoretic amount that would have arisen from the use of weighted average tax rates for the earnings in the consolidated companies as follows:

	Group		Parent Company	
	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Profit/loss before tax	-24,243	-34,932	32,631	-35,744
Income tax calculated according to national tax rates on gross earnings in each country	-5,333	-7,685	7,179	-7,864
Tax effects of:				
- Tax-exempt income	-509	-33	0	0
- Non-deductible expenses	1,039	3,239	685	0
- Foreign tax rates	48	45	0	0
Adjustments pertaining to prior years	0	0	0	0
Tax expense	**-4,756**	**-4,434**	**7,864**	**-7,864**

The weighted average tax rate for the Group is 22% and for the Parent Company is 22%.

NOTE 13 EXCHANGE RATE DIFFERENCES

Exchange rate differences were recognized in profit or loss as follows:

	Group		Parent Company	
	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Exchange rate differences in accounts receivable and accounts payable	-11 525	18	281	60
Exchange rate differences in net financial items	-46 050	-34,851	-43,911	-30,910
Total exchange rate differences in profit or loss	**-57 575**	**-34,833**	**-43,630**	**-30,850**

NOTE 14 INTANGIBLE ASSETS

Group	Goodwill	IT platform	Customer database	Trade-marks	Domains	Capitalized development expenses	Total
Per January 1, 2013							
Opening carrying amount	0	0	0	0	0	0	0
Purchases through acquisition of subsidiaries	972,994	257,717	103,200	179,983	0	0	1,513,894
Accumulated amortization and impairment	0	-9,020	-8,514	0	0	0	-17,531
Closing carrying amount	**972,994**	**248,697**	**94,686**	**179,983**	**0**	**0**	**1,496,360**
Financial year 2014							
Opening carrying amount	972,994	248,697	94,686	179,983	0	0	1,496,360
Purchases through acquisition of subsidiaries	40,371	1,439		45,430	7,763		95,003
Purchases/improvements						12,616	12,616
Amortization	0	-36,282	-34,056	0	-1,686	-735	-72,759
Closing carrying amount	**1,013,365**	**213,854**	**60,630**	**225,413**	**6,077**	**11,881**	**1,531,220**
Per December 31, 2014							
Cost	972,994	257,717	103,200	179,983	0	0	1,513,894
Purchases through acquisition of subsidiaries	40,371	1,439		45,430	7,763		95,003
Purchases/improvements						12,616	12,616
Accumulated amortization and impairment	0	-45,302	-42,570	0	-1,686	-735	-90,293
Closing carrying amount	**1,013,365**	**213,854**	**60,630**	**225,413**	**6,077**	**11,881**	**1,531,220**

Impairment testing of goodwill and trademarks

Management assesses operating performance based on geographic market. They have identified the Nordic region and other markets as the principal geographic areas. Goodwill and trademarks are monitored by management on an operating segment level. The following is a summary of goodwill distributed by operating segment: Recognized goodwill refers to goodwill from the acquisition of shares in European Travel Interactive Group Holding AB in 2013 and the acquisition of Svenska Resenätverket AB in January 2014. Goodwill and trademarks are tested for impairment according to IAS 36. Etraveli does so at least once a year or more often if there is an indication of impairment. The carrying amounts were tested as of December 31, 2014, and the recoverable amounts were found to exceed the carrying amounts. As a result, impairment of goodwill and trademarks was not necessary.

Recoverable amounts have been determined by segment by calculating the value in use of the cash-generating unit. The value in use of goodwill attributable to European Travel Interactive Group Holding AB and Svenska Resenätverket AB has been calculated based on discounted cash flows. Cash flows for the first three years, after 2014, are based on the strategic plan established by management. Cash flows beyond the strategic two-year period are extrapolated with the help of the following assumptions:

• Estimated operating profit based on previous years' results and expectations of future market development.
• A growth rate of at least 3.5-5% to extrapolate cash flows beyond the strategic period but within the forecast period and perpetual growth of 2%. Long-term growth is considered to be in line with comparable companies in the industry. Growth is expected to be slightly higher in New Markets than the Nordic segment.
• The discount rate after tax corresponds to 12.6% (15.3%) for the Nordic segment. If the discount rate increased by 1%, all else being equal, the Nordic segment would have faced impairment losses of SEK 100 million. For the New Markets segment, the discount rate corresponds to 18.7% (16.3%). If the discount rate increased by 1%, all else being equal, it would not have necessitated any impairment for the New Markets segment. This produces a total average discount rate of 13.9% (15.5%), based on the Group's average cost of capital and taking into account business-specific risks.

NOTE 15 TANGIBLE ASSETS

Group	Equipment, tools, fixtures and fittings	Total
Per January 1, 2013		
Opening carrying amount	0	0
Purchases through acquisition of subsidiaries	1,720	1,720
Purchases	2,116	2,116
Sales and disposals	-387	-387
Reclassifications	-1,086	-1,086
Depreciation	-243	-243
Closing carrying amount	**2,120**	**2,120**
Financial year 2014		
Opening carrying amount	2,120	**2,120**
Purchases through acquisition of subsidiaries	234	**234**
Purchases	1,932	**1,932**
Sales and disposals	0	**0**
Depreciation	-1,727	**-1,727**
Closing carrying amount	**2,559**	**2,559**
Per December 31, 2014		
Cost	3,836	**3,836**
Purchases through acquisition of subsidiaries	234	**234**
Purchases	1,932	**1,932**
Reclassifications	-1,086	**-1,086**
Sales and disposals	-387	**-387**
Accumulated depreciation	-1,970	**-1,970**
Closing carrying amount	**2,559**	**2,559**

NOTE 16 DEFERRED TAX

	Group		Parent Company	
	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013	Jan 1, 2014 – Dec 31, 2014	Jan 1, 2013 – Dec 31, 2013
Deferred tax expense pertaining to temporary differences	-10,749	-5,433	-7,864	0
Deferred tax assets pertaining to temporary differences	21,089	11,722	0	7,864
Total deferred tax through profit or loss	**10,340**	**6,279**	**-7,864**	**7,864**

Deferred tax assets and liabilities are specified as follows:

	Group	
Deferred tax assets	**Dec 31, 2014**	**Dec 31, 2013**
Deferred tax assets to be utilized after more than 12 months	0	0
Deferred tax assets to be utilized within 12 months	3,662	7,864
Total deferred tax assets	**3,662**	**7,864**
Deferred tax liabilities		
Deferred tax liabilities to be utilized after more than 12 months	-105,171	-108,300
Deferred tax liabilities to be utilized within 12 months.	-15,750	-15,430
Total deferred tax liabilities	**-120,921**	**-123,730**
Deferred tax liabilities/receivables (net)	**-117,259**	**-115,866**

Changes in deferred tax assets and liabilities during the year that were recognized in profit or loss without taking into account offsetting that took place within the same fiscal jurisdiction are stated below:

Deferred tax liabilities	Untaxed reserves	Acquired/capitalized intangible assets	Total
Per January 1, 2014	9,010	114,720	123,730
Increase through acquisitions	518	11,435	11,953
Recognized through profit or loss	-110	-14,652	-14,762
Per December 31, 2014	**-9,418**	**111,503**	**120,921**

Deferred tax assets	Loss carryforwards	Other	Total
Per January 1, 2014	7,864	0	7,864
Recognized in profit or loss	-4,202	0	-4,202
Per December 31, 2014	**3,662**	**0**	**3,662**

Deferred tax assets are recognized for tax loss carryforwards to the extent it is probable they can be utilized on the basis of future taxable profits. Loss carryforwards do not fall due at any given point in time.

NOTE 17 SHARES IN GROUP COMPANIES

Parent Company	Dec 31, 2014	Dec 31, 2013
Opening cost	1,227,053	0
Acquisitions for the year	0	1,227,053
Shareholders' contribution	27,000	0
Closing carrying amount	**1,254,053**	**1,227,053**

The Parent Company holds participations in the following subsidiaries:

Name	Corp. ID no.	Registered office	Share of equity	Number of shares	Carrying amount Dec 31, 2014	Dec 31, 2013
European Travel Interactive Group Holding AB	556759-6233	Stockholm, SE	100%	1,296,629	1,254,053	1,227,053
Total					**1,254,053**	**1,227,053**

The Group had the following subsidiaries as per December 31, 2014:

Group

Name	Country of registration and operation	Operations	% of common shares directly owned by Parent Company	% of common shares owned by Group
European Travel Interactive Group Holding AB	Sweden	Holding company in sub-group	100%	
Seat24 Travel AB	Sweden	Administration		100%
Scanworld Travelpartner AB	Sweden	Travel agency		100%
Svenska Resegruppen AB	Sweden	Travel agency		100%
- Marco Polo Travel AS	Norway	Travel agency		100%
- Svenska Resenätverket AB	Sweden	Travel agency		100%
- OY SRG Finland AB	Finland	Travel agency		100%
- SuperSaver Travel B.V	Netherlands	Travel agency		100%
- Svenska Resenätverket AB	Sweden	Travel agency		100%

All subsidiaries are consolidated in the Group. The share of votes in the subsidiaries owned directly by the Parent Company does not differ from the percentage of common shares owned.

In 2014 four Group companies were merged: SRG online AB and Travelstart AB were merged into Svenska Resegruppen AB. European Travel Interactive AB and European Travel Interactive Holding AB were merged into European Travel Interactive Group Holding AB.

NOTE 18 FINANCIAL INSTRUMENTS BY CATEGORY

Assets in balance sheet

Group	Assets at fair value through profit or loss	Loans receivable and accounts receivable	Total
December 31, 2014			
Other long-term receivables	0	3,043	**3,043**
Accounts receivable	0	26,762	**26,762**
Other receivables	0	0	**0**
Derivatives	0	0	**0**
Cash and cash equivalents	0	154,287	**154,287**
Total	**0**	**184,092**	**184,092**

Liabilities in balance sheet

Group	Liabilities at fair value through profit or loss	Other financial liabilities	Total
December 31, 2014			
Bond loan	0	746,345	**746,345**
Accounts payable	0	21,538	**21,538**
Derivatives	3,033	0	**3,033**
Client funds	0	44,368	**44,368**
Other current liabilities	0	0	**0**
Total	**3,033**	**812,251**	**815,284**

Assets in balance sheet

Group	Assets at fair value through profit or loss	Loans receivable and accounts receivable	Total
December 31, 2013			
Other long-term receivables	0	3,046	**3,046**
Accounts receivable	0	20,730	**20,730**
Other receivables	0	0	**0**
Derivatives	0	0	**0**
Cash and cash equivalents	0	148,944	**148,944**
Total	**0**	**172,720**	**172,720**

Liabilities in balance sheet

Group	Liabilities at fair value through profit or loss	Other financial liabilities	Total
December 31, 2013			
Bond loan	0	695,782	**695,782**
Accounts payable	0	26,715	**26,715**
Derivatives	1,967	0	**1,967**
Client funds	0	37,659	**37,659**
Other current liabilities	0	0	**0**
Total	**1,967**	**760,156**	**762,123**

Assets in balance sheet

Parent Company	Assets at fair value through profit or loss	Loans receivable and accounts receivable	Total
December 31, 2014			
Receivables from Group companies	0	275,195	**275,195**
Cash and bank balances	0	7,101	**7,101**
Total	**0**	**282,296**	**282,296**

Liabilities in balance sheet

Parent Company	Liabilities at fair value through profit or loss	Other financial liabilities	Total
December 31, 2014			
Bond loan	0	746,345	**746,345**
Accounts payable	0	617	**617**
Liabilities to Group companies	0	0	**0**
Derivatives	2,897	0	**2,897**
Other current liabilities	0	0	**0**
Total	**2,897**	**746,962**	**749,859**

Assets in balance sheet

Parent Company	Assets at fair value through profit or loss	Loans receivable and accounts receivable	Total
December 31, 2013			
Receivables from Group companies	0	261,564	261,564
Cash and bank balances	0	44,709	44,709
Total	**0**	**306,273**	**306,273**

Liabilities in balance sheet

Parent Company	Liabilities at fair value through profit or loss	Other financial liabilities	Total
December 31, 2013			
Bond loan	0	695,782	**695,782**
Accounts payable	0	71	**71**
Liabilities to Group companies	0	42,754	**42,754**
Derivatives	1,967	0	**1,967**
Other current liabilities	0	0	**0**
Total	**1,967**	**738,607**	**740,574**

NOTE 19 DERIVATIVES

	Dec 31, 2014		Dec 31, 2013	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps				
Nordea 1332248/1810581	0	2,897	0	0
Long-term portion	**0**	**2,897**	**0**	**0**
Currency derivatives	0	136	0	0
Nordea 963815	0	0	0	976
Nordea 963812	0	0	0	991
Current portion	**0**	**136**	**0**	**1,967**
Total	**0**	**3,033**	**0**	**1,967**

Derivatives are classified as current assets or current liabilities, since the term of the derivative instruments is less than 12 months.

Interest rate swaps
The nominal amount of outstanding interest rate swap agreements was EUR 40,000,000 on December 31, 2014. Gains and losses on interest rate swaps are recognized in net financial items (Note 11).

NOTE 20 ACCOUNTS RECEIVABLE

Group	**Dec 31, 2014**	**Dec 31, 2013**
Accounts receivable	28,999	22,806
Les: reserve for doubtful receivables	-2,237	-2,076
Accounts receivable – net	**26,762**	**20,730**

On December 31, 2014 fully satisfactory accounts receivable amounted to SEK 26,762,000.

On December 31, 2014 accounts receivable amounting to SEK 7,707,000 had fallen due for payment, but no impairment requirement was deemed to exist.

An age analysis of these accounts receivable is provided below:

	Dec 31, 2014	**Dec 31, 2013**
1-30 days	7,038	11,483
31-60 days	328	165
> 61 days	2,579	2,398
Total past due accounts receivable	**9,944**	**14,046**

Changes in the reserve for doubtful receivables were as follows:

	Dec 31, 2014	**Dec 31, 2013**
Per January 1	**-2,076**	**0**
Reserve for doubtful receivables	-196	-2,078
Receivables written off during the year that are not recoverable	0	-8
Reversed unutilized amount	35	10
Per December 31	**-2,237**	**-2,076**

Provisions to and reversals of reserves for doubtful receivables are included in the item “other external expenses” in the income statement. No collateral or other guarantees for the outstanding accounts receivable on the balance sheet date exist.

NOTE 21 OTHER RECEIVABLES

Group	Dec 31, 2014	Dec 31, 2013
Tax assets	2,689	1,502
VAT receivables	5,994	16,374
Receivables, commissions	4,694	6,457
Receivables from airlines	414	269
Other receivables	734	218
Group total	**14,524**	**24,820**

NOTE 22 LIABILITIES TO AND RECEIVABLES FROM GROUP COMPANIES

Parent Company	Dec 31, 2014	Dec 31, 2013
Current liabilities:		
European Travel Interactive AB	0	39,508
European Travel Interactive Group Holding AB	0	1,313
European Travel Interactive Holding AB	0	1,933
Parent Company total	**0**	**42,754**

Parent Company	Dec 31, 2014	Dec 31, 2013
Long-term receivables:		
European Travel Interactive Holding AB	0	261,564
European Travel Interactive Group Holding AB	261,437	0
Current receivables:		
Svenska Resegruppen AB	61,037	10,000
Seat 24 Travel AB	29,240	2,227
European Travel Interactive Holding AB	0	553
Parent Company total	**357,715**	**274,344**

NOTE 23 PREPAID EXPENSES AND DEFERRED INCOME

Group	Dec 31, 201	Dec 31, 2013
Prepaid rent	1,887	1,455
Accrued income	81,345	61,004
Other items	15,051	20,128
Group total	**98,283**	**82,588**

NOTE 24 CASH AND CASH EQUIVALENTS/CASH AND BANK BALANCES

Group	Dec 31, 2014	Dec 31, 2013
Bank balances	154,287	148,944
Group total	**154,287**	**148,944**

Parent Company	Dec 31, 2014	Dec 31, 2013
Bank balances	7,101	44,709
Parent Company total	**7,101**	**44,709**

NOTE 25 SHARE CAPITAL AND OTHER PAID-IN CAPITAL

	Number of shares (000s)	Share capital	Other paid-in capital	Total
Per January 1, 2014	837,553	837,553	0	837,553
Per December 31, 2014	**837,553**	**837,553**	**27,000**	**864,553**

Share capital comprises 1,296,629 Class A shares and 836,256,136 Class B shares.
The shares carry one vote per share.
All shares issued by the Parent Company are fully paid.

NOTE 26 BOND LOAN

The EUR 80 million corporate bond (SEK equivalent 746,345,000, including prepaid transaction costs of SEK 14,895,000) falls due for payment on the repayment date of September 27, 2017. The value of the bond loan, as assessed, has not changed. The bond bears interest at a floating rate of EURIBOR (3 months) M) plus a margin of 6.5%. The variable interest rate is determined two banking days prior to the first date of the interest rate period. The coupon rate under the bond loan is paid quarterly in arrears on March 27, June 27, September 27 and December 27. The bond loan is governed by Swedish law, and the bonds were issued in Euroclear Sweden AB's account-based system for securities, which means that no physical bonds were issued. The bond loan is secured by mortgaging certain intra-Group receivables and shares in certain large subsidiaries, as described in more detail in the conditions of the bond. The issuer has the right to redeem in advance all or parts of the bond loan at predetermined levels of the bonds' nominal amount. The issuer also has the right to redeem the bond in advance up to an amount of EUR 28 million if the issuer's shares are listed on a regulated market. In addition, the bond holders have the right to redeem the bond in advance if certain ownership changes occur to predetermined levels of the bonds' nominal amount, as described in more detail in the conditions of the bond. The bond holders are represented on various issues by Swedish Trustee AB, which also holds the collateral issued by the issuer on behalf of the bond holders. The bond is listed on NASDAQ Stockholm.

NOTE 27 OTHER LONG-TERM LIABILITIES

Group	Dec 31, 2014	Dec 31, 2013
Deposits from customers	420	61
Group total	**420**	**61**

NOTE 28 OTHER CURRENT LIABILITIES

Group	Dec 31, 2014	Dec 31, 2013
Gift vouchers	121	220
Liabilities to customers	132	117
VAT liability	3,357	11,928
Employee withholding taxes	1,575	1,200
Client funds*	44,368	37,659
Group total	**49,553**	**51,124**

Parent Company	Dec 31, 2014	Dec 31, 2013
VAT liability	527	327
Tax liability	25	0
Employee withholding taxes	141	76
Parent Company total	**693**	**403**

* In SRF's opinion, payment received for IATA-brokered air tickets comprise client funds, but a travel agent is permitted to mix together these funds with that of its own operations, as long as the travel agent is solvent. The funds are recognized as cash and cash equivalents in the Group.

NOTE 29 ACCRUED EXPENSES AND PREPAID INCOME

Group	Dec 31, 2014	Dec 31, 2013
Accrued hotel and ticket expenses	35,035	30,693
Personnel-related expenses	8,827	7,841
Accrued interest expenses	422	291
Selling expenses	17,423	11,927
Deferred income	5,020	7,389
Other items	5,899	11,351
Group total	**72,626**	**69,492**

Parent Company	Dec 31, 2014	Dec 31, 2013
Personnel-related expenses	599	468
Accrued interest expenses	422	540
Other items	232	4,295
Parent Company total	**1,254**	**5,303**

NOTE 30 PLEDGED ASSETS

Group	Dec 31, 201	Dec 31, 2013
Restricted bank balances	3,043	3,046
Shares in subsidiaries	1,211,051	1,224,451
Group total	**1,214,095**	**1,227,497**

Parent Company	Dec 31, 2014	Dec 31, 2013
Shares in subsidiaries	1,254,053	1,227,053
Receivables from Group companies	275,195	261,564
Parent Company total	**1,529,248**	**1,488,617**

NOTE 31 CONTINGENT LIABILITIES

Group	Dec 31, 2014	Dec 31, 2013
Bank guarantee (IATA), SHB	9,249	6,278
Bank guarantees (Travel Bonds)	62,103	60,863
Other bank guarantees	48,010	45,121
General guarantees	714	671
Group total	**120,076**	**112,933**

NOTE 32 LEASES

Operating leasing
The Group has lease agreements for photocopiers, coffee machines and office premises.

Future minimum lease fees under irrevocable operating leases valid on the closing date fall due for payment as follows:

Group	Dec 31, 2014	Dec 31, 2013
Within one year	6,467	5,496
After one year but within five years	6,422	10,403
After five years	0	0
Group total	**12,890**	**15,899**

Expenses for operating leases in the Group amounted to SEK 1,544,000 during the financial year.

Expenses for operating leases in the Parent Company amounted to SEK 0 during the financial year.

NOTE 33 POST-EMPLOYMENT REMUNERATION

The Group has only defined-contribution pension plans.

All of the Group's pension plans are recognized as defined-contribution plans, since the Group did not have access to information to enable it to recognize these plans as defined-benefit plans.

The following amounts were recognized in profit or loss:

Group	2014	2013
Recognized in profit or loss:		
Expenses for defined-contribution plans	7,235	1,551
Total through profit or loss	**7,235**	**1,551**

NOTE 34 OTHER NON-CASH ITEMS

Group	Dec 31, 2014	Dec 31, 2013
Gain/loss on disposal of tangible non-current assets	0	-387
Change in deferred tax	518	
Other	577	-1,627
Group total	**1,095**	**-2,014**

NOTE 35 RELATED-PARTY TRANSACTIONS

Segulah IV L.P. owns 74% of the shares in the Parent Company, Etraveli Holding AB, and is deemed to have a significant influence over the Group. No single shareholder directly or indirectly owns more than 25% of the votes and capital in Segulah IV L.P.

Regarding the remaining 26% of the shares, no single shareholder directly or indirectly owns more than 11% of the shares and is deemed to have a significant influence over the Group.

Other related parties are all subsidiaries of the Group and the senior executives of the Group, i.e., the Board and management and their family members.

No sales of significant value were made to related parties during the financial year, except for sales between the Parent Company and its subsidiaries.

The following transactions took place between related parties:

a) Purchases of services

	Jan 1, 2014 – Dec 31, 2014	Sept 23, 2013 – Dec 31, 2013
Purchases of services:		
Senior executives (consulting services)	850	167
Other related parties to Segulah IV L.P. (consulting services)	529	5,534
Total	**1,378**	**5,701**

Goods and services are purchased from and sold to subsidiaries on normal commercial terms. Services are purchased on normal commercial terms on a business basis.

(b) Remuneration of senior executives

Senior executives received the following remuneration:

	Jan 1, 2014- Dec 31, 2014	Sept 23, 2013- Dec 31, 2013
Salaries and other short-term remuneration	11,141	5,802
Severance pay	0	0
Post-employment remuneration	0	0
Other long-term remuneration	0	0
Share-based remuneration	0	0
Total	**11,141**	**5,802**

(c) Acquisition of shares in European Travel Interactive Group Holding AB

The Group was formed through an internal share transfer whereby the company in the previous year acquired all the shares in European Travel Interactive Group Holding AB with complete owner continuity. The sellers included related parties in the form of principal owners, Board members and management. Transactions took place at fair value.

Guidelines

Fees are paid to the Chairman and other members of the Board in accordance with the resolution of the Annual General Meeting.

The Annual General Meeting decided on the following remuneration guidelines for management.

Remuneration of the CEO and other senior executives primarily comprises a base salary.

Other senior executives refer to the six individuals who comprise Group management together with the CEO.

Employment conditions for the CEO

The CEO received a fixed base salary. There is no bonus agreement. His term of notice is six (6) months. If terminated by the company, the

CEO would receive severance corresponding to six months' salary.

Pensions

The CEO receives a pension allocation corresponding to 30% of his fixed base salary.

Remuneration of other senior executives

Of the Parent Company's salaries and remuneration, SEK 2,810,000 pertains to the CEO.

Of the salaries and remuneration in the subsidiary, SEK 0 pertains to the CEO and SEK 0 to the Board.

Remuneration and other benefits 2014

	Base salary/ Board fee	Variable remuneration	Other benefits	Pension costs	Total
Chairman					
Erik Strand	450	0	0	0	**450**
Board members					
Percival Calissendorf	125	0	0	0	**125**
Mathias Hedlund	21	0	0	0	**21**
Eivor Andersson	63	0	0	0	**63**
Jarl Söderman	125	0	0	0	**125**
Marcus Jansson	125	0	0	0	**125**
Ralph Axelson	31	0	0	0	**31**
Per Setterberg	31	0	0	0	**31**
CEO					
Ralph Axelson	176	0	0	37	**213**
Mathias Hedlund	2,634	0	0	526	**3,160**
Other senior executives (9 individuals)	6,952	1,379	0	1,483	**9,814**
Total	**10,733**	**1,379**	**0**	**2,046**	**14,158**

Remuneration and other benefits 2013

	Base salary/ Board fee	Variable remuneration	Other benefits	Pension costs	Total
Chairman					
Erik Strand	61	0	0	0	**61**
Board members:					
Percy Calissendorf	34	0	0	0	**34**
Mathias Hedlund	34	0	0	0	**34**
Eivor Andersson	34	0	0	0	**34**
Jarl Söderman	34	0	0	0	**34**
Marcus Jansson	34	0	0	0	**34**
CEO					
Ralph Axelson	287	0	0	60	**347**
Other senior executives (6 individuals)	1,290	0	0	225	**1,515**
Total	**1,809**	**0**	**0**	**285**	**2,093**

NOTE 36 BUSINESS COMBINATIONS

On January 10, 2014 the Group acquired 100% of the share capital in Svenska Resenätverket AB for SEK 90,483,000 and obtained control of Svenska Resenätverket AB.

The goodwill of SEK 40,370,000 that arose through the acquisition is attributable to the company's market position, supplier relations, future technology and customer relations.

No portion of recognized goodwill is expected to be income tax deductible. The table below summarizes the purchase consideration paid for Svenska Resenätverket AB and the fair value of acquired assets and assumed liabilities and non-controlling interests recognized on the acquisition date.

Purchase consideration, January 10, 2014	
Cash and cash equivalents	90,483
Total purchase consideration	90,483

Recognized amount of identifiable acquired assets and assumed liabilities	
Cash and cash equivalents	2,817
Tangible non-current assets	234
Trademarks (included in intangible assets)	45,430
It platform (included in intangible assets)	1,439
Domains (included in intangible assets)	7,763
Available-for-sale financial assets	100
Accounts receivable and other receivables	9,576
Accounts payable and other liabilities	-5,291
Deferred tax liabilities	-11,955
Total identifiable net assets	**50,113**
Goodwill	40,370
	90,483

Acquisition costs of SEK 1,509,000 are recognized under other expenses in the income statement. The fair value of accounts receivable and other receivables is SEK 9,576,000 and includes accounts receivable at a fair value of SEK 6,850,000. The contractual gross amount for past due accounts receivable is SEK 42,000, of which SEK 0 can probably be recovered.
On September 23, 2013 Etraveli acquired European Travel Incentive Group Holding AB and its group. The transaction entailed a combination of entities under common control or a "common control transaction." IFRS 3 Business Combinations excludes common control transactions.

Management has chosen to apply IFRS 3 Business Combinations to the acquisition of European Travel Incentive Group Holding.
The goodwill of SEK 972,994,000 that arose through the acquisition is attributable to the company's market position, supplier relations, future technology and customer relations.

No portion of recognized goodwill is expected to be income tax deductible. The table below summarizes the purchase consideration paid for European Travel Interactive Group Holding AB and the fair value of acquired assets and assumed liabilities and non-controlling interests recognized on the acquisition date.

Purchase consideration, September 23, 2013	
Share issue with payment in kind	837,053
Cash and cash equivalents	390,000
Total purchase consideration	1,227,053

Recognized amount of identifiable acquired assets and assumed liabilities	
Cash and cash equivalents	162,464
Tangible non-current assets	1,927
Trademarks (included in intangible assets)	179,983
IT platform (included in intangible assets)	257,717
Customer database (included in intangible assets)	103,200
Accounts receivable and other receivables	106,984
Accounts payable and other liabilities	-439,218
Deferred tax liabilities	-118,998
Total identifiable net assets	**254,059**
Goodwill	972,994
	1,227,053

Acquisition-related costs of SEK 0 are included in administrative expenses in the consolidated income statement for the 2013 financial year.

The fair value of accounts receivable and other receivables is SEK 106,984,000 and includes accounts receivable at a fair value of SEK 15,243,000. The contractual gross amount for past due accounts receivable is SEK 12,657,000, of which SEK 0 can probably be recovered.

Net revenue * from European Travel Interactive Group Holding AB included in the consolidated income statement from September 23, 2013 amounts to SEK 130,200,000. European Travel Interactive Group Holding AB also contributed earnings before interest, tax, depreciation and amortization (EBITDA) of SEK 45,200,000 for the same period.

If European Travel Interactive Group Holding AB had been consolidated from January 1, 2013, the consolidated income statement would have shown net revenue of SEK 492,300,000 and EBITDA of SEK 172,300,000.

*) Net revenue (revenue – supplies)

NOTE 37 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of Etraveli was expanded at an extraordinary general meeting on January 26 through the addition of Sophia Bendz as a new member. For the last seven years Sophia Bendz has been Global Marketing Director at Spotify.

The Parent Company and consolidated income statements and balance sheets will be presented to the Annual General Meeting for adoption on April 29, 2015.

The Board and CEO assure that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's financial position and results. The annual report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's financial position and results. The Administration Report for the Group and the Parent Company provides a fair overview of the Group's and the Parent Company's operations, financial position and results, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, April 13, 2015

Erik Strand Chairman	Mathias Hedlund CEO
Ralph Axelson Board member	Sophia Bendz Board member
Percival Calissendorff Board member	Marcus Jansson Board member
Per Setterberg Board member	Jarl Söderman Board member

Our audit report was submitted on April 13, 2015

PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

Auditor’s report

To the annual meeting of the shareholders of Etraveli AB, corporate identity number 556821-9694

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Etraveli AB for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 9–58.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director 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.

Auditor’s responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company’s preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company’s profit or loss and the administration of the Board of Directors and the Managing Director of Etraveli AB for the year 2014.

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, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor’s responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company’s profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

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.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

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

Uppsala 13 april 2015

PricewaterhouseCoopers AB

Leonard Daun.

Authorized Public Accountant