

**Annual report**  
and  
**Consolidated financial statements**  
for  
**Vironova AB**  
556678-1463

Fiscal year  
2020

The Board of Directors and the CEO of Vironova AB submits the following annual report and consolidated financial statements for the financial year 2020.

## **Report of the Board of Directors**

### **Information about the business**

Vironova has developed its own award-winning technology for image analysis that can be used to identify and analyze virus particles in digital images taken with an electron microscope (EM). Our solution is used by the pharmaceutical industry for performing quality controls in the development and production of biological drugs, primarily viral vectors for gene therapy.

The business is divided into the business areas of analysis services in the field of electron microscopy, viral clearance studies, instruments and software. The development of solutions within electronics and software is offered through subsidiaries. The company is headquartered in Stockholm.

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### **Significant events during the financial year**

#### *Parent company Vironova AB*

The Covid19 pandemic has significantly affected the business carried out by Vironova in the short term as we could not install instruments all over the world due to travel bans. The demand for our services continues to increase and our strategy implemented for the purpose of expanding our service capacity is ongoing. There are some obstacles and delays in our international recruitments and establishments. These are attributed to the Covid 19 pandemic. Parts of the group have participated in a support program implemented by the state.

In cooperation with our partner Hitachi High-Tech, we've launched a new product, ViroTEM. The first installation and sales have taken place in Japan.

Vironova AB has received a GMP certification for its Electron Microscopy Lab. It is the world's first and only Electron Microscopy Lab with a GMP certification. It opens up a large market for our products and services in terms of quality control when it comes to the production of the biological drugs.

A new ERJP system has been implemented for being able to meet tomorrow's requirements in terms of consolidated financial statements and monthly reporting within the Group.

100% of the shares in BitSim AB were acquired on February 21, 2020.

During the year, the company received the capital as follows:

Subscription of 1,330,800 B-series shares with the support of warrants issued in 2018, whereby the company received MSEK 26.2.

Issuance of a total of 3,000,000 options issued through a resolution at the Annual General Meeting held for 2020, whereby the company received MSEK 23.1.

The rights issue of shares decided by the Board of Directors in November 2020, whereby the company received MSEK 25.

Conversion of convertibles issued in 2019, whereby loans of MSEK 73 have been converted to equity.

### **Subsidiaries**

#### *Intelligent Virus Imaging Inc.*

The wholly owned subsidiary of Vironova AB in the USA, Intelligent Virus Imaging Inc, has strengthened the patent protection during 2020.

#### *Vironova Biosafety AB*

Vironova Biosafety AB, a subsidiary of Vironova AB (publ), is a service company that provides a GLP certified virus laboratory following the protection classes 2 and 3 (BSLII and BSLIII). The main services offered by the company are virological safety studies for biotechnology companies in their development of new protein drugs. A GLP certification is performed by the company's laboratory every two years. Vironova Biosafety has received an extended GLP certificate following a complete inspection during the year.

In addition to the virus safety studies, Vironova Biosafety performs the virus studies that are not related to GLP, chromatography studies for research purposes, as well as consulting services such as preparation of virus safety reports and advice on virus safety. The company is headquartered in Stockholm.

#### *NOW Electronics AB*

The company carries out the consulting activities within the electronics and computer industry and delivers customer-specific products. The company has had a good degree of occupancy in the consulting business during the year.

Both founders of the company (established in 1985) retired at the end of the year. The company is headquartered in Stockholm.

#### *Vironova Instrument Solution AB*

The company owns, develops, manages pledges, conducts consultations within data processing, programming, manufacturing and service activities, preferably related to data and electronics, as well as engages in the trading, licensing of patents and patent rights and related activities. The company is headquartered in Stockholm.

#### *Schill Reglerteknik AB*

The operations carried out by the company consists of technical consultation along with the development and sale of advanced measurement systems.

#### *BitSim AB*

BitSim represent a design house that develops the advanced electronics for image systems and data collection, such as film, X-ray and IR cameras, seismic logic systems and different communication interfaces. BitSim distinguishes itself through its development expertise and significant expertise within ASIC/FPGA, advanced circuit boards, image processing and embedded systems. The company is headquartered in Stockholm.

### **Significant events after the end of the financial year**

For the purpose of extending the service sector, it has been decided to merge the service operations within Vironova into one unit, which means that Vironova Biosafety and EMS will be merged into one unit that will be renamed. The new unit will be called Vironova BioAnalytics AB and will consist of the services carried out by Biosafety and EMS (electron microscope services). The new unit will enter into force starting with May 1, 2021.

The merger of Bitsim AB and NOW Electronics AB will enter into force in 2021 and the name change to BitSim NOW AB has been registered.

The 666,667 class A shares have been subscribed for with the support of warrants issued in 2020. The amount of SEK 40,000,020 has been paid for the new shares by set-off.

### **Financing**

The Board of Directors is of the opinion that the liquidity is sufficient for the liquidity needs of the Group for 2021. Should this assessment be incorrect, the Board of Directors made an assessment and states that the required funds can be obtained from the existing and new shareholders.

### **Expected future development**

We see continued major opportunities for the Vironova Group in developing within the area of analysis services and virus security studies, out-licensing of software and sales of MiniTEM and ViroTEM systems.

### **Financing and liquidity risk**

Financing risk refers to the Group's various risks associated with access to and management of cash and cash equivalents, including currency risk and interest rate risk. The most important for the Vironova Group is liquidity risk, which is the risk of difficulties in fulfilling its commitments. Liquidity risk arises when assets and liabilities have different maturity periods. As the Group currently lacks current revenues in excess of the cost base, liquidity shortages may arise. In order to ensure the Group's survival, the company is therefore in need of additional external financing for its operating activities.

The management of the company works actively with refinancing and monitors the Group's liquidity reserve to ensure that the company has sufficient liquidity to meet the needs of day-to-day operations. In order to ensure that sufficient financing is available to achieve the Group's business plan, a new share issue has been initiated. At the time of submitting this annual report, the negotiations are underway with several investors regarding the terms of an investment in the company. The liquidity will be hedged for more than the next 12 months. Against this backdrop, the Board proposed that the AGM on June 30, 2021 authorized the Board of Directors to carry out an issue up to and including the maximum share capital in accordance with the Articles of Association, but taking account of issued convertibles and warrants. If a lack of liquidity should arise before the issue is completed, the Group has the opportunity to obtain a bridging loan from the current main shareholder.

### **Research and development**

Vironova conducts research and development work in the fields of image analysis and instruments. Vironova works in the field of image analysis to develop new solutions for biological quality control by developing instruments and software to identify and characterize nano and micro-size particles.

### **Ownership**

<b>Name</b>	<b>Number of shares</b>	<b>Number of votes in %</b>
Holmsvanen AB	13,301,685	15.32
M Homman AB	6,256,330	56.18
Sollmedco AB	3,267,042	3.76

The company has a total of 398 shareholders. When submitting the Annual Report, the company's three largest shareholders together had 52.09 % of the capital and 76.26 % of the votes as at December 31, 2020.

The company is a subsidiary of M Homman AB, corporate identity number 556738-2758, where the consolidated financial statements are prepared.

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**Multi-year overview** (thousand SEK)

<b>Group</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net revenues	96,614	65,176	74,408	42,010	43,167
Profit after financial items	-103,808	-96,950	-60,606	-56,507	-46,912
Total assets	237,287	186,810	208,103	107,843	90,866
Number of employees	123	90	76	69	59
Equity ratio (%)	43.0	25.0	67.0	74.0	79.0
<b>Parent company</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net revenues	42,555	34,274	36,755	17,653	23,108
Profit after financial items	-94,627	-90,941	-55,621	-49,713	-43,115
Total assets	243,963	247,513	200,644	104,807	82,903
Number of employees	77	65	52	52	40
Equity ratio (%)	53.9	35.0	75.0	84.6	89.2

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## Changes in equity

Group	Share capital	Other contributed capital	Reserve fund	Other equity incl. result for the year	Total
Amount at the beginning of the year	2,085	441,783	19,804	-403,769	<b>59,903</b>
Ongoing new share issue	98	97,905			<b>98,003</b>
New issue	90	50,126			<b>50,216</b>
Capital acquisition costs				-2,678	<b>-2,678</b>
Transfers between restricted and free reserves			8,563	-8,563	<b>0</b>
Other profit/loss				4,854	<b>4,854</b>
Profit for the year				-108,832	<b>-108,832</b>
<b>Amount at year-end</b>	<b>2,273</b>	<b>589,814</b>	<b>28,367</b>	<b>-518,988</b>	<b>101,466</b>

Parent company	Share capital	Development expenditure fund	Premium reserve	Balanced result	Profit for the year	Total
Amount at the beginning of the year	2,085	19,804	441,783	-286,085	-90,941	<b>86,646</b>
Change fund for development costs		8,563		-8,563		<b>0</b>
New issue	90		50,126			<b>50,216</b>
Disposition according to decision of the Annual General Meeting:				-90,941	90,941	<b>0</b>
Capital procurement costs				-2,678		<b>-2,678</b>
Ongoing new share issue	98		97,905			<b>98,003</b>
Unregistered share capital						<b>0</b>
Profit for the year					-100,764	<b>-100,764</b>
<b>Amount at year-end</b>	<b>2,273</b>	<b>28,367</b>	<b>589,814</b>	<b>-388,267</b>	<b>-100,764</b>	<b>131,423</b>

## Proposal for profit allocation

The Board of Directors proposes that the available profits be made available (SEK):

accumulated losses	-388,266,959
share premium reserve	491,908,641
profit for the year	-100,763,716
	<b>2,877,966</b>

distributed in the following way

in a new account, the following amount is transferred

2,877,966

The performance and financial position of the Group and the parent company are shown in the following income statements, balance sheets and cash flow statements with notes

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<b>Income statement of the parent company TSEK</b>	<b>Note</b>	<b>01/01/2020 12/31/2020</b>	<b>01/01/2019 12/31/2019</b>
Net revenues	3.4	96,614	65,176
Change of stock items during production, finished goods and ongoing work on behalf of others		-10,429	0
Activated work for own account		12,978	13,257
Other operating income		9,983	2,048
		<b>109,146</b>	<b>80,481</b>
<b>Operating expenses</b>			
Commodities		-24,836	-17,805
Other external expenses	5, 6	-40,680	-48,865
Personnel costs	7	-110,832	-90,939
Depreciation and write-downs of intangible fixed assets		-25,673	-16,996
Other operating expenses		-3,437	-738
		<b>-205,458</b>	<b>-175,343</b>
<b>Operating profit</b>		<b>-96,312</b>	<b>-94,862</b>
<b>Income from financial items</b>			
Profit from participations in associated companies and jointly controlled companies		-9	-5
Other interest income and similar profit items		55	194
Interest expense and similar income items		-7,542	-2,283
		<b>-7,496</b>	<b>-2,094</b>
<b>Profit after financial items</b>		<b>-103,808</b>	<b>-96,956</b>
		<b>-103,808</b>	<b>-96,956</b>
<b>Profit before tax</b>			
Tax on profit for the year	8	-8	-35
Deferred tax	8	-5,016	888
<b>Profit for the year</b>		<b>-108,832</b>	<b>-96,103</b>
Attributed to the parent company's shareholders		-108,832	-96,103

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<b>Income statement</b>	<b>Note</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>Balance sheet</b>			
TSEK			
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Advances regarding the intangible fixed assets		12,546	0
Capitalized expenses for development work and similar work	9	16,810	23,951
Concessions, patents, licenses, trademarks and similar rights	10	14,196	12,842
Goodwill	11	61,154	44,733
		<b>104,706</b>	<b>81,526</b>
<i>Property, plant and equipment</i>			
Machinery and other technical facilities	12	28,635	24,524
Inventories, tools and installations	13	966	1,708
Ongoing new facilities and advance payments regarding Property, plant and equipment		0	12,000
		<b>29,601</b>	<b>38,232</b>
<i>Financial fixed assets</i>			
Deferred tax assets	14	6,485	12,273
Other long-term receivables	15	4,494	7,479
		<b>10,979</b>	<b>19,751</b>
<b>Total fixed assets</b>		<b>145,286</b>	<b>139,510</b>
<b>Current assets</b>			
<i>Inventories etc.</i>			
Finished goods and merchandise		17,159	26,742
Ongoing work in progress		2,533	6,445
Advance payments to suppliers		190	1,361
		<b>19,882</b>	<b>34,549</b>
<i>Short-term receivables</i>			
Accounts receivable		20,600	18,054
Current tax assets		1,696	0
Other receivables	16	22,272	10,869
Prepaid expenses and accrued income	17	7,468	2,280
		<b>52,036</b>	<b>31,203</b>
<i>Cash and bank balances</i>		20,083	38,039
<b>Total current assets</b>		<b>92,001</b>	<b>103,791</b>
<b>TOTAL ASSETS</b>		<b>237,287</b>	<b>243,300</b>

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	Note	12/31/2020	12/31/2019
<b>Income statement</b>			
<b>Balance sheet</b>			
TSEK			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Equity attributed to the parent company's shareholders</b>			
Share capital		100,179	2,085
Other contributed capital		491,909	441,783
Other equity including profit for the year		-490,622	-383,963
<b>Equity attributed to the parent company's shareholders</b>		<b>101,466</b>	<b>59,905</b>
<b>Total equity</b>		<b>101,466</b>	<b>59,905</b>
<b>Provisions</b>			
Provisions for pensions and similar obligations		1,691	1,654
Provisions for deferred tax		2,951	3,739
Other provisions	18	1,209	845
		<b>5,851</b>	<b>6,237</b>
<b>Long-term liabilities</b>	19		
Bond loans		72,388	83,847
Liabilities to associated companies and jointly controlled companies		122	122
		<b>72,510</b>	<b>83,969</b>
<b>Current liabilities</b>			
Advance payments from customers		3,068	4,144
Accounts payable		15,821	19,203
Current tax liabilities		0	374
Other liabilities	20	23,637	56,057
Accrued expenses and prepaid income	21	14,934	13,412
		<b>57,460</b>	<b>93,189</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>237,287</b>	<b>243,300</b>

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<b>Income statement</b>	<b>Note</b>	<b>01/01/2020</b>	<b>01/01/2019</b>
<b>Cash flow</b>		<b>12/31/2020</b>	<b>12/31/2019</b>
TSEK			
<b>Current operations</b>			
Profit after financial items		-103,808	-107,950
Adjustment for items that are not included in the cash flow etc.	22	30,024	11,095
Tax paid		-1,306	280
<b>Cash flow from the current operations before changes in working capital</b>		<b>-75,089</b>	<b>-96,575</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories and work in progress		14,667	-19,665
Change in accounts receivable		-2,545	2,187
Change in current receivables		-25,902	8,685
Change in accounts payable		-3,382	4,662
Change in current liabilities		-31,973	21,511
<b>Cash flow from the current operations</b>		<b>-124,224</b>	<b>-79,194</b>
<b>Investing activities</b>			
Investments in intangible fixed assets		-4,057	-13,258
Investments in tangible fixed assets		-3,960	-19,008
Sale of tangible fixed assets		1,403	2315
Investments in financial fixed assets		-23,628	-29,384
<b>Cash flow from investing activities</b>		<b>-30,242</b>	<b>-59,335</b>
<b>Financing activities</b>			
New issue		147,969	23,958
Borrowings		-11,459	79,104
<b>Cash flow from financing activities</b>		<b>136,510</b>	<b>103,062</b>
<b>Cash flow for the year</b>		<b>-17,956</b>	<b>-35,467</b>
Cash and cash equivalents at the beginning of the year		38,039	73,505
<b>Cash and cash equivalents at the end of the year</b>		<b>20,083</b>	<b>38,039</b>

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<b>Profit and loss account of the parent company</b>	<b>Note</b>	<b>01/01/2020 12/31/2020</b>	<b>01/01/2019 12/31/2019</b>
<b>TSEK</b>			
Net revenues	3	42,555	34,274
Change of stock items during production, finished goods and ongoing work on behalf of others		-5,243	0
Activated work for own account		12,978	13,257
Other operating income		5,331	1,731
		<b>55,621</b>	<b>49,262</b>
<b>Operating expenses</b>			
Commodities		-5,517	-6,312
Other external expenses	5.6	-32,501	-39,746
Personnel costs	7	-71,048	-66,198
Depreciation and write-downs of tangible and intangible assets include fixed assets		-18,558	-14,172
Other operating expenses		-3,349	-689
		<b>-130,973</b>	<b>-127,117</b>
<b>Operating profit</b>	23	<b>-75,352</b>	<b>-77,855</b>
<b>Income from financial items</b>			
Income from participations in group companies		-11,808	-10,994
Other interest income and similar profit items		56	189
Interest expense and similar income items		-7,524	-2,281
		<b>-19,276</b>	<b>-13,086</b>
<b>Profit after financial items</b>		<b>-94,628</b>	<b>-90,941</b>
<b>Profit before tax</b>		<b>-94,628</b>	<b>-90,941</b>
Tax on profit for the year	8	-6,136	0
<b>Profit for the year</b>		<b>-100,764</b>	<b>-90,941</b>

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<b>Profit and loss account</b>	<b>Note</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>Balance sheet</b>			
<b>TSEK</b>			
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenses for development work and similar work	9	16,810	23,951
Concessions, patents, licenses, trademarks and similar rights	10	1,183	44
Advances regarding the intangible fixed assets		12,546	0
		<b>30,540</b>	<b>23,995</b>
<i>Property, plant and equipment</i>			
Machinery and other technical facilities	12	29,603	26,222
Inventories, tools and installations	13	712	1,271
Ongoing new facilities and advance payments regarding Property, plant and equipment		0	12,000
		<b>30,315</b>	<b>39,493</b>
<i>Financial fixed assets</i>			
Shares in group companies	24.25	104,733	80,733
Receivables from group companies	26	16,870	17,378
Deferred tax assets	14	6,136	12,273
Other long-term receivables	15	1,003	1,254
		<b>128,742</b>	<b>111,637</b>
<b>Total fixed assets</b>		<b>189,596</b>	<b>175,125</b>
<b>Current assets</b>			
<i>Inventories etc.</i>			
Finished goods and merchandise		13,082	24,330
Advance payments to suppliers		25	1,361
		<b>13,108</b>	<b>25,692</b>
<i>Short-term receivables</i>			
Accounts receivable		7611	7,905
Receivables from group companies		278	2,072
Receivables from associated companies and jointly controlled companies		52	20
Current tax assets		534	464
Other receivables	16	16219	6012
Prepaid expenses and accrued income	17	6,042	1,485
		<b>30,736</b>	<b>17,958</b>

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<i>Cash and bank balances</i>		10,523	28,737
<b>Total current assets</b>		<b>54,367</b>	<b>72,388</b>
<b>TOTAL ASSETS</b>		<b>243,963</b>	<b>247,513</b>
<b>Profit and loss account</b>	<b>Note</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>Balance sheet</b>			
<b>TSEK</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	27, 28		
<i>Restricted equity</i>			
Share capital		2,175	2,072
Unregistered share capital		98,004	12
Development expenditure fund		28,366	19,803
		<b>128,544</b>	<b>21,888</b>
<i>Unrestricted equity</i>			
Share premium reserve		491,909	441,783
Retained profit or loss		-388,267	-286,085
Profit for the year		-100,764	-90,941
		<b>2,878</b>	<b>64,757</b>
<b>Total equity</b>		<b>131,422</b>	<b>86,645</b>
<b>Provisions</b>			
Other provisions	18	231	77
<b>Total provisions</b>		<b>231</b>	<b>77</b>
<b>Long-term liabilities</b>	19		
Bond loans		38,280	54,000
Other liabilities		34,108	29,847
<b>Total long-term liabilities</b>		<b>72,388</b>	<b>83,847</b>
<b>Current liabilities</b>			
Accounts payable		9,872	15,506
Liabilities to group companies		1,764	0
Other liabilities	20	19,993	52,155
Accrued expenses and prepaid income	21	8,293	9,283
<b>Total short-term liabilities</b>		<b>39,922</b>	<b>76,944</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>243,963</b>	<b>247,513</b>

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<b>Cash Flow Statement of the parent company TSEK</b>	<b>Note</b>	<b>01/01/2020 12/31/2020</b>	<b>01/01/2019 12/31/2019</b>
<b>Current operations</b>			
Profit after financial items		-94,627	-90,941
<b>Adjustment for items that are not included in the cash flow etc.</b>	<b>22</b>	<b>15,637</b>	<b>-2,657</b>
Tax paid		155	-871
<b>Cash flow from the current operations before changes in working capital</b>		<b>-78,835</b>	<b>-94,469</b>
<b>Cash flow from change in operating capital</b>			
Change in inventories and work in progress		12,584	-25,604
Change in accounts receivable		294	1,007
Change in current receivables		-13,072	14,322
Change in accounts payable		-5,634	5,089
Change in current liabilities		-31,176	23,975
<b>Cash flow from the current operations</b>		<b>-115,839</b>	<b>-75,680</b>
<b>Investing activities</b>			
Investments in intangible fixed assets		-1,662	-13,257
Investments in tangible fixed assets		-15,871	-18,289
Sale of tangible fixed assets		2,398	4,630
Investments in financial fixed assets		-24,000	-37,832
<b>Cash flow from investing activities</b>		<b>-39,135</b>	<b>-64,748</b>
<b>Financing activities</b>			
New issue		148219	23,958
Borrowings		-11,459	79,104
<b>Cash flow from financing activities</b>		<b>136,760</b>	<b>103,062</b>
<b>Cash flow for the year</b>		<b>-18,214</b>	<b>-37,366</b>
Cash and cash equivalents at the beginning of the year		28,737	68,418
<b>Cash and cash equivalents at the end of the year</b>		<b>10,523</b>	<b>31,052</b>

## **Notes**

TSEK

### **Note 1 Accounting and valuation principles**

#### **General information**

The Annual Report and Consolidated Financial Statements have been prepared in accordance with the Swedish Annual

Accounts Act and General Recommendation BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

The accounting policies are unchanged from the previous year.

#### **Revenue recognition**

Revenue has been recognized at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will be received by the Company and the amount can be measured reliably

#### **Consolidated Financial Statements**

##### ***Consolidation method***

The consolidated financial statements have been prepared in accordance with the purchase accounting method. This means that the identifiable assets and liabilities acquired are reported at market value in accordance with an established purchase analysis. If the acquisition value exceeds the estimated market value of the expected net assets according to the purchase analysis, the difference is reported as goodwill.

##### ***Associated companies and jointly controlled companies***

Associated companies are companies where the company has a significant but not controlling influence. A significant influence is normally considered to exist when the company owns at least 20%, but no more than 50% of the votes in another company.

##### ***Transactions between Group companies***

The intra-group receivables, liabilities and transactions between group companies as well as unrealized gains are eliminated in their entirety. Unrealized losses are also eliminated unless the transaction meets an impairment requirement.

Changes in internal profits during the financial year have been eliminated in the consolidated income statement.

##### ***Goodwill***

Goodwill is the difference that arises if the acquisition value of the purchased unit is higher than the value of the purchased unit's net assets. At the time of purchase, goodwill arising is recognized as an asset in the balance sheet

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### **Fixed assets**

All intangible and tangible fixed assets are reported at purchase cost less accumulated depreciation according to the plan and any write-downs. Depreciation takes place on a straight-line basis over the expected useful life, taking into account the significant residual value.

Depreciation takes place on a straight-line basis over the expected useful life, taking into account the significant residual value.

### **Intangible assets**

Capitalized development expenditure	5 years
Concessions, patents, licenses	10-20 years
Trademarks	5 years
Goodwill	10 years

### **Property, plant and equipment**

Plant, machinery and equipment	3-10 years
Inventories, tools and installations	3-5 years

### **Leases**

As the financial risks and benefits associated with leased assets have been transferred to the lessee, the agreement is classified as financial leasing. On first recognition, a receivable is recognized in the balance sheet. Direct expenses arising in connection with the company entering into financial leasing agreements are distributed over the entire term of the lease. On subsequent recognition, financial income attributable to an agreement is recognized over the term of the lease so that an even return is achieved.

The company recognizes all leases, both financial and operational, as operating leases. Operating leases are recognized as an expense on a straight-line basis over the term of the lease.

Financial leases entail that rights and obligations are reported as assets and liabilities in the balance sheet. Assets and liabilities are valued at the lower of the asset's fair value and the present value of the minimum lease payments. Expenses directly attributable to a lease are added to the value of the asset. Lease payments are split between interest and amortization according to the effective interest method. Variable fees are recognized as an expense in the period in which they arise. Leased assets are depreciated on a straight-line basis over the term of the lease.

### **Inventories**

Inventories have been valued at the lower of cost and net realizable value on the balance sheet date (FIFO). Net realizable value refers to the estimated selling price of the goods less selling costs. The chosen valuation method means that obsolescence in inventories has been taken into account.

### **Income taxes**

Total tax consists of current tax and deferred tax. Tax is recognized in the income statement, except when the underlying transaction is recognized directly under equity, in which case the associated tax effects are recognized under equity.

### **Current tax**

Current tax refers to income tax for the current financial year and the part of the previous financial year's income tax that has not yet been reported. Current tax is calculated based on the tax rate applicable on the balance sheet date.

### ***Deferred tax***

Deferred tax is income tax relating to future financial years as a result of previous events. Reporting takes place in accordance with the balance sheet method. Under this method, deferred tax liabilities and deferred tax assets are reported based on temporary differences arising between the book and tax values of assets and liabilities and other tax deductions or shortfalls.

Deferred tax assets are only reported net against deferred tax liabilities if they can be paid at a net amount. Deferred tax is calculated based on the current tax rate on the balance sheet date. Effects of changes in applicable tax rates are recognized in profit or loss in the period in which the change is statutory. Deferred tax assets are recognized as financial assets and deferred tax liabilities as provisions.

Deferred tax assets relating to loss carry-forwards or other future tax deductions are recognized to the extent that it is probable that the deductions can be offset against future taxable surpluses.

### **Provisions**

Obligations to third parties attributable to the financial year or previous financial year and which on the balance sheet date are either certain or likely to arise, but are uncertain as regards the amount or the date on which they are to be met, have been recognized as provisions.

### **Employee benefits**

Employee benefits refer to all forms of remuneration that the company provides to employees. Short-term benefits include salaries, paid holidays, paid leave, bonuses and post-employment benefits (pensions). Short-term remuneration is recognized as an expense and a liability when there is a legal or informal obligation to pay remuneration as a result of a previous event, and a reliable estimate of the amount can be made.

### ***Payments to employees after termination of employment***

The company only has defined contribution pension plans. Defined contribution plans are classified as plans where fixed contributions are paid and there are no obligations to pay anything further, in addition to these contributions.

Expenses for defined contribution plans are recognized as an expense during the period in which the employees perform the services that form the basis of the obligation.

### **Cash flow**

The cash flow statement is prepared in accordance with the indirect method. The reported cash flow only includes transactions that have resulted in incoming or outgoing payments.

In addition to cash, the company classifies available balances with banks and other credit institutions, as well as short-term liquid investments that are listed on a market place and have a maturity of less than three months from the date of acquisition, as cash and cash equivalents. Changes in restricted funds are recognized under investing activities.

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### **Definitions of key ratios**

Net revenues

Operating revenue, invoiced expenses, side income and revenue adjustments.

Profit after financial items

Profit after financial income and expenses, but before appropriations and taxes.

Total assets

The company's total assets.

Number of employees

Average number of employees during the financial year.

Equity ratio (%)

Adjusted equity (equity and untaxed reserves less deduction for deferred tax) as a percentage of total assets.

### **Estimates and assessments**

The preparation of financial statements and application of accounting policies are often based on management assessments, estimates and assumptions that are considered reasonable at the time the assessment is made. Estimates and assessments are based on historical experience and a number of other factors, which in the prevailing circumstances are considered reasonable. The results of these are used to assess the reported values of assets and liabilities, which are not otherwise clear from other sources. The actual outcome may deviate from these estimates and assessments. Estimates and assumptions are reviewed on a regular basis.

No significant sources of uncertainty in estimates and assumptions on the balance sheet date are deemed to constitute a significant risk of a major adjustment of the carrying amounts of assets and liabilities during the next financial year.

### **Note 2 Collaterals provided**

#### **Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>For liabilities to credit institutions:</b>		
Mortgages	16,500	15,000
Assets with reservation of ownership	1,331	1,331
Blocked bank account	726	726
	<b>18,557</b>	<b>17,557</b>

#### **Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>For liabilities to credit institutions:</b>		
Mortgages	15,000	15,000
	<b>15,000</b>	<b>15,000</b>

## **Distribution of net sales**

### **Group**

	<b>2020</b>	<b>2019</b>
<b>Net sales by geographical market</b>		
Sales within the EU	24,559	12,421
Sales outside the EU	21,928	18,605
Sales in Sweden	50,126	34,150
	<b>96,614</b>	<b>65,176</b>

### **Net sales by type of income**

Analyses	22,722	22,184
Image analysis system	2,206	11,018
Service assignments	64,999	30,134
Sales of goods	6,687	1,839
	<b>96,614</b>	<b>65,175</b>

### **Parent company**

	<b>2020</b>	<b>2019</b>
<b>Net sales by geographical market</b>	16,936	14,535
Sales within the EU		
Sales outside the EU	20,735	18,514
Sales in Sweden	4,884	1,225
	<b>42,555</b>	<b>34,274</b>

### **Net sales by type of income**

Analyses	21,365	19,572
Image analysis system	18,984	13,889
Service assignments	2,206	813
	<b>42,555</b>	<b>34,274</b>

### **Note 4 Leasing, lessor**

#### **Group**

Lease income for the year for leases amounted to TSEK 1,261.

Future leasing income for non-cancellable leases falls due for payment as follows:

	<b>2020</b>	<b>2019</b>
Within one year	1,888	2,735
After one year but within five years	629	4,659
	<b>2,517</b>	<b>7,394</b>

## **Note 5 Leases**

### **Group**

Lease expenses for the year relating to lease agreements amounted to TSEK 11,295.

The future leasing fees for 2019 have been supplemented with the company's lease agreement, which is due for payment as follows:

Future leasing income for non-cancellable leases falls due for payment as follows:

	<b>2020</b>	<b>2019</b>
Within one year	16,070	9,808
After one year but within five years	52,516	17,660
	<b>68,586</b>	<b>27,468</b>

### **Parent company**

Lease expenses for the year relating to rents and lease agreements amounted to TSEK 8,023.

The future leasing fees for 2019 have been supplemented with the company's lease agreement, which is due for payment as follows:

	<b>2020</b>	<b>2019</b>
Within one year	13,999	8,862
After one year but within five years	52,516	17,660
	<b>66,515</b>	<b>26,522</b>

## **Note 6 Auditor's fee**

### **Group**

Audit assignments refer to the examination of the Annual Report and accounting records and the administration of the Board of Directors and CEO, other tasks required of the company's auditor and advice or other assistance resulting from observations made during the audit or the performance of such other tasks.

	<b>2020</b>	<b>2019</b>
<b>Mazars AB</b>		
Audit assignment	750	441
Tax consultancy	50	20
Other services	211	96
	<b>1,011</b>	<b>557</b>

### **Parent company**

Audit assignments refer to the examination of the Annual Report and accounting records and the administration of the Board of Directors and CEO, other tasks required of the company's auditor and advice or other assistance resulting from observations made during the audit or the performance of such other tasks.

	<b>2020</b>	<b>2019</b>
<b>Mazars AB</b>		
Audit assignment	495	342
Tax consultancy	50	5
Other services	196	96
	<b>742</b>	<b>443</b>

## **Note 7 Employees and personnel costs**

### **Group**

	<b>2020</b>	<b>2019</b>
<b>Average number of employees</b>		
Women	41	35
Men	82	55
	<b>123</b>	<b>90</b>
<b>Salaries and other remunerations</b>		
Board of Directors and the CEO	4,650	2,975
Bonuses and similar remuneration to the Board of Directors and CEO		0
Other employees	72,076	57,132
	<b>76,726</b>	<b>60,107</b>
<b>Social costs</b>		
Pension costs for the Board of Directors and CEO	998	423
Pension costs for other employees	9,196	7,850
Other social security contributions under the law and agreements	22,640	18,427
	<b>32,834</b>	<b>26,700</b>
<b>Total salaries, remuneration, social security expenses and pension costs</b>	<b>109,560</b>	<b>86,807</b>

The period of notice for the CEO is 3 months

### **Parent company**

	<b>2020</b>	<b>2019</b>
<b>Average number of employees</b>		
Women	36	31
Men	41	34
<b>Salaries and other remunerations</b>	<b>77</b>	<b>65</b>
Board of Directors and the CEO	1,560	1,560
Other employees	48,122	42,919
<b>Social costs</b>	<b>49,682</b>	<b>44,479</b>
Pension costs for the Board of Directors and CEO	427	210
Pension costs for other employees	5,231	5,349
Other social security contributions under the law and agreements	14,611	13,617
	<b>20,269</b>	<b>19,176</b>
<b>Total salaries, remuneration, social security expenses and pension costs</b>	<b>69,951</b>	<b>63,656</b>
<b>Gender distribution among senior executives</b>		
Proportion of women on the Board of Directors	0%	0%
Proportion of men on the Board of Directors	100%	100%

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**Note 8 Current and deferred tax Group**

	<b>2020</b>	<b>2019</b>
<b>Tax on profit for the year</b>	-8	-35
Current tax		
Change in deferred tax relating to temporary differences	-5,016	888
<b>Total reported tax</b>	<b>-5,024</b>	<b>853</b>

**Reconciliation of effective tax**

	<b>12/31/2020</b>		<b>12/31/2019</b>	
	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>
Reported profit/loss before tax		-103,808		-102,764
Tax according to current tax rate	21.40	22,215	21.40	21,991
Non-deductible expenses		-2,289		162
Non-taxable income				0
Adjustment for taxes in the previous year				2
Loss carry-forwards the tax value of which is no longer reported as assets		0		-20,123
During the year, utilization of previous years' Loss carry-forwards the tax value of which is no longer reported as an asset		-21,849		
Non-deductible impairment losses		-2,527		2,353
Other deductible expenses		-573		-3,619
Dissolution of tax allocation reserves				0
Inter-company profit in inventory		0		87
<b>Recognized effective tax</b>		<b>-5,024</b>		<b>853</b>

**Parent company**

	<b>2020</b>	<b>2019</b>
<b>Tax on profit for the year</b>		
Current tax	0	0
Adjustment for previous years	0	0
Change in deferred tax relating to temporary differences	6,136	0
<b>Total reported tax</b>	<b>6,136</b>	<b>0</b>

**Reconciliation of effective tax**

	<b>12/31/2020</b>		<b>12/31/2019</b>	
	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>
Reported profit/loss before tax		-94,627		-90,941
Tax according to current tax rate	21.40	20,250	21.40	19,461
Non-deductible expenses		-607		132
Loss carry-forwards the tax value of which is no longer reported as assets		-10,407		-18,327
Non-deductible impairment losses		-2,527		2,353
Other non-deductible expenses		-573		-3,619
<b>Recognized effective tax</b>		<b>6,136</b>		<b>0</b>

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**Note 9 Capitalized expenditure for development and similar work**

**Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	36,507	23,250
Purchases	432	13,257
<b>Closing accumulated acquisition values</b>	<b>36,939</b>	<b>36,507</b>
Opening depreciation	-12,161	-7,165
Annual depreciation	-7,573	-4,996
<b>Closing accumulated depreciation</b>	<b>-19,734</b>	<b>-12,161</b>
Opening impairment losses	-395	-395
<b>Closing accumulated impairment losses</b>	<b>-395</b>	<b>-395</b>
<b>Closing carrying amount</b>	<b>16,810</b>	<b>23,951</b>

**Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	35,429	22,172
Purchases	432	13,257
<b>Closing accumulated acquisition values</b>	<b>35,860</b>	<b>35,429</b>
Opening depreciation	-11,478	-6,482
Annual depreciation	-7,573	-4,996
<b>Closing accumulated depreciation</b>	<b>-19,050</b>	<b>-11,478</b>
<b>Closing carrying amount</b>	<b>16,810</b>	<b>23,951</b>

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## **Note 10 Concessions, patents, licenses, trademarks and similar rights**

### **Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	22,954	22,953
Purchases	524	0
Reclassifications	1,230	
<b>Closing accumulated acquisition values</b>	<b>24,708</b>	<b>22,953</b>
Opening depreciation	-10,039	-7,857
Annual depreciation	-401	-2,182
<b>Closing accumulated depreciation</b>	<b>-10,440</b>	<b>-10,039</b>
Opening impairment losses	-72	-72
<b>Closing accumulated impairment losses</b>	<b>-72</b>	<b>-72</b>
<b>Closing carrying amount</b>	<b>14,196</b>	<b>12,842</b>

### **Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	616	616
About classifications	1,230	
<b>Closing accumulated acquisition values</b>	<b>1,846</b>	<b>616</b>
Opening depreciation	-572	-543
Annual depreciation	-91	-29
<b>Closing accumulated depreciation</b>	<b>-663</b>	<b>-572</b>
<b>Closing carrying amount</b>	<b>1,183</b>	<b>44</b>

## **Note 11 Goodwill**

### **Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	55,653	17,504
Purchases	23,630	38,149
<b>Closing accumulated acquisition values</b>	<b>79,283</b>	<b>55,653</b>
Opening depreciation	-7,620	-6,420
Annual depreciation	-7,209	-1,200
<b>Closing accumulated depreciation</b>	<b>-14,829</b>	<b>-7,620</b>
Opening impairment losses	-3,300	-3,300
<b>Closing accumulated impairment losses</b>	<b>-3,300</b>	<b>-3,300</b>
<b>Closing carrying amount</b>	<b>61,154</b>	<b>44,733</b>

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**Note 12 Machinery and other technical facilities**

**Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	39,428	35,122
Purchases	1,804	6,530
Sales/disposal	-4,523	-2,224
Reclassifications	14,166	
<b>Closing accumulated acquisition values</b>	<b>50,875</b>	<b>39,428</b>
Opening depreciation	-14,904	-7,797
Sales/disposal	2,125	883
Reclassifications	994	
Annual depreciation	-10,456	-7,990
<b>Closing accumulated depreciation</b>	<b>-22,241</b>	<b>-14,904</b>
<b>Closing carrying amount</b>	<b>28,634</b>	<b>24,524</b>

**Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	41,754	38,087
Purchases	1,705	5,890
Sales/disposals	-4,523	-2,224
Reclassifications	14,166	
<b>Closing accumulated acquisition values</b>	<b>53,101</b>	<b>41,753</b>
Opening depreciation	-15,532	-7,706
Sales/disposal	2,125	883
Annual depreciation	-10,092	-8,709
<b>Closing accumulated depreciation</b>	<b>-23,498</b>	<b>-15,532</b>
<b>Closing carrying amount</b>	<b>29,603</b>	<b>26,222</b>

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### Note 13 Equipment, tools, fixtures and fittings

	12/31/2020	12/31/2019
Opening acquisition value	7,543	8,289
Purchases	45	428
Sales/disposal	-2,229	-1,174
Acquisitions	405	
<b>Closing accumulated acquisition values</b>	<b>5,764</b>	<b>7,543</b>
Opening depreciation	-5,835	-5,783
Sales/Disposal	2,229	1,154
Annual depreciation	-787	-1,206
Acquisitions	-405	
<b>Closing accumulated depreciation</b>	<b>-4,798</b>	<b>-5,835</b>
<b>Closing carrying amount</b>	<b>966</b>	<b>1,708</b>

### Parent company

	12/31/2020	12/31/2019
Opening acquisition value	4,745	4,437
Purchases	0	399
Sales/Disposal	-1,203	-91
<b>Closing accumulated acquisition values</b>	<b>3,542</b>	<b>4,745</b>
Opening depreciation	-3,474	-2,589
Sales/disposal	1,203	72
Annual depreciation	-559	-957
<b>Closing accumulated depreciation</b>	<b>-2,830</b>	<b>-3,474</b>
<b>Closing carrying amount</b>	<b>712</b>	<b>1,271</b>

### Note 14 Deferred tax on temporary differences

#### Group

#### Deferred tax on temporary differences

#### 12/31/2020

Temporary differences	Deferred tax assets	Net
Tax carry-forwards	6,484	6,484
	<b>6,484</b>	<b>6,484</b>

#### 12/31/2019

Temporary differences	Deferred tax assets	Net
Tax carry-forwards	12,273	12,273
	<b>12,273</b>	<b>12,273</b>

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## Change in deferred tax

	Amount at the beginning of the year	Amount at year-end
Tax carry-forwards	12,273	6,484
	<b>12,273</b>	<b>6,484</b>

## Parent company

**12/31/2020**

Temporary differences	Deferred tax assets	Net
Tax carry-forwards	6,136	6,136
	<b>6,136</b>	<b>6,136</b>

**12/31/2019**

Temporary differences	Deferred tax assets	Net
Tax carry-forwards	12,273	12,273
	<b>12,273</b>	<b>12,273</b>

The parent company's tax carry-forwards for 2020 amounted to MSEK 418 (348).

## Note 15 Other long-term receivables

### Group

-	12/31/2020	12/31/2019
Opening acquisition value	10,349	8,686
Additional receivables		1,663
Outgoing receivables	-250	
<b>Closing accumulated acquisition values</b>	<b>10,099</b>	<b>10,349</b>
Opening impairment losses	-2,870	
Amortization, current receivables	-2,735	-2,870
<b>Closing accumulated impairment losses</b>	<b>-5,605</b>	<b>-2,870</b>
<b>Closing carrying amount</b>	<b>4,494</b>	<b>7,479</b>

### Parent company

	12/31/2020	12/31/2019
Opening acquisition value	1,254	922
Additional receivables		332
Outgoing receivables	-250	
<b>Closing accumulated acquisition values</b>	<b>1,003</b>	<b>1254</b>
<b>Closing carrying amount</b>	<b>1,003</b>	<b>1,254</b>

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**Note 16 Other receivables**

**Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
tax assets	4,124	7213
Other receivables	15,648	154
Other items	0	1,002
Receivables from finance leases	2,500	2,500
	<b>22,272</b>	<b>10,869</b>

**Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Tax receivables	2,223	5,866
Other receivables	13,995	146
	<b>16,219</b>	<b>6,012</b>

**Note 17 Prepaid expenses and accrued income**

**Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Prepaid rental expenses	3,112	1,541
Other prepaid expenses/accrued income	4,356	739
	<b>7,468</b>	<b>2,280</b>

**Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Prepaid rental expenses	2,620	1,254
Other prepaid expenses/accrued income	3,421	232
	<b>6,042</b>	<b>1,486</b>

**Other provisions Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Guarantee liabilities	1,209	845
	<b>1209</b>	<b>845</b>

**Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Guarantee liabilities	231	77
	<b>231</b>	<b>77</b>

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## **Note 19 Long-term liabilities**

### **Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Convertible loans	38,280	54,000
Loans associated with option rights	34,108	29,847
	<b>72,388</b>	<b>83,847</b>

### **Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Convertible loans	38,280	54,000
Loans associated with option rights	34,108	29,847
	<b>72,388</b>	<b>83,847</b>

## **Note 20 Other liabilities**

### **Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Loans from credit institutions	11,112	50,000
Other	2,810	6,057
Personnel-related liabilities	9715	
	<b>23,637</b>	<b>56,057</b>

### **Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Loans from credit institutions	11,112	50,000
Other	717	2,155
Personnel-related liabilities	8,164	
	<b>19,993</b>	<b>52,155</b>

## **Note 21 Accrued expenses and prepaid income**

### **Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Personnel costs	11,051	7,826
Other accrued expenses/prepaid income	3,884	5,589
	<b>14,935</b>	<b>13,415</b>

### **Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Personnel costs	6,221	4,479
Other accrued expenses/prepaid income	2,072	4,804
	<b>8,293</b>	<b>9,283</b>

*This report has been translated into English just for reference. In the event of any inconsistency between the English and Swedish version, the Swedish version shall prevail.*

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**Note 22 Adjustment for items not included in cash flow**

**Group**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Depreciation and write-downs	33,091	27,990
Capital acquisition	-2,678	-16913
Other	0	18
Provisions	-389	0
	<b>30,024</b>	<b>11,095</b>

**Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Depreciation and write-downs	18,315	14,172
Capital acquisition	-2,678	-16913
Other	0	84
	<b>15,637</b>	<b>-2,657</b>

**Note 23 Purchases and sales between group companies**

**Parent company**

	<b>2020</b>	<b>2019</b>
Percentage of total purchases for the year from other companies in the Group	11.00%	7.26 %
Percentage of total sales for the year to other companies in the Group	3.60 %	5.77 %

**Note 24 Shares in group companies**

**Parent company**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Opening acquisition value	114,396	64,396
Purchases	24,000	50,000
Reclassifications	10,994	
Capital contributions	11,808	
<b>Closing accumulated acquisition values</b>	<b>161,198</b>	<b>114,396</b>
Opening impairment losses	-33,663	-33,663
About classifications	-10,994	
Impairment for the year	-11,808	
<b>Closing accumulated impairment losses</b>	<b>-56,465</b>	<b>-33,663</b>
<b>Closing carrying amount</b>	<b>104,733</b>	<b>80,733</b>

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## Note 25 Participations in Group companies

### Parent company

Name	Equity share	Voting rights share	Number shares	Registered value
Vironova Biosafety AB	100	100	100,000	6,614
NOW Electronics AB	100	100	1,000	13,000
Vironova Instruments Solution AB	100	100	200,000	10,750
Intelligent Virus Imaging Inc	100	100	100	369
Schill Reglerteknik AB	100	100	3,000	50,000
Bitsim AB	100	100	530,268	24,000
				<b>104,733</b>

	Corporate ID no.:	Headquarters
Vironova Biosafety AB	556800-2959	Stockholm
NOW Electronics AB	556310-7233	Kista
Vironova Instruments Solution AB	556752-2882	Stockholm
Intelligent Virus Imaging Inc		SouthernPines, USA
Schill Reglerteknik AB	556278-1731	Stockholm
Bitsim AB	556586-5531	Stockholm

## Note 26 Receivables from Group companies

### Parent company

	12/31/2020	12/31/2019
Opening acquisition value	17,378	17,378
Additional receivables	4913	0
Outgoing receivables	-5,421	0
<b>Closing accumulated acquisition values</b>	<b>16,870</b>	<b>17,378</b>
<b>Closing carrying amount</b>	<b>16,870</b>	<b>17,378</b>

## Note 27 Number of shares

### Parent company

Name	Number sharer	Quota value
Number of A shares	4,779,310	0.05
Number of B shares	40,686,926	0.05
	45,466,236	

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**Note 28 Disposition of profit or loss**

**Parent company**

**12/31/2020**

**Proposal for profit allocation**

The Board of Directors proposes that the available profits be made available  
(Swedish kronor):

accumulated losses	-388,266,959
share premium reserve	491,908,641
profit for the year	-100,763,716
	<b>2,877,966</b>

distributed in the following way 2,877,966

In a new account, the following amount is transferred

## AUDITOR'S REPORT

To the Annual General Meeting of Vironova AB (publ)  
Corporate ID no.: 556678-1463

### Report on the annual report and consolidated financial statements

#### Opinions

We have conducted an audit of the annual report and consolidated financial statements for Vironova AB (publ) for the year 2020.

In our opinion, the annual report and consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and they fairly present in all material respects the financial picture of the parent company and group's financial position as of Thursday, December 31, 2020 and its financial performance and cash flows for the year according to the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend the Annual General Meeting to adopt the income statements and balance sheets of the Parent Company and the Group.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities section*. We are independent in relation to the Parent Company and the Group according to good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibilities according to these requirements.

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

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated financial statements and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as their opinion is necessary for preparing the annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO are responsible for assessing the ability of the company and the group to continue the operations. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. However, the assumption of continued operation will not be applied provided the Board of Directors intends to liquidate the company, cease the operations or has no realistic alternative for any of this.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable security is a high degree of security, but does not represent a guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always discover a material inaccuracy. Misstatements can arise due to fraud or error and are considered to be material if, individually or in the aggregate form, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual report and consolidated accounts..

As part of an audit that complies with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the annual accounts and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual report and the consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on ability of the company and the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion about the annual report and the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company or the group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual report, including the disclosures, and whether the annual accounts and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we obtain sufficient and appropriate evidence on the financial information for the units or business activities within the group to prepare a statement regarding the consolidated financial statements. We are responsible for the management, supervision and execution of the group audit. We are solely responsible for our statements.

We must inform the Board of Directors of, among other things, the planned scope and direction and the timing of the audit. We must also inform of significant audit findings, including any significant deficiencies identified in the internal control.

## Report on other legal and regulatory requirements

### *Opinions*

In addition to our audit of the annual accounts and the consolidated financial statements, we have carried out an audit of the administration of the Board of Directors and the CEO of Vironova AB (publ) for the year 2020 and of the proposed appropriations regarding the profit or loss of the company.

We recommend to the general 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.

### *Basis for Opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. These standards describe our responsibility in more detail in the section *Auditor's responsibility*. We are independent in relation to the Parent Company and the Group according to good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibilities according to these requirements.

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

### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. Should a dividend be proposed, this includes an assessment of whether the dividend is justifiable with regard to the requirements that the company's and the group's business type, scope and risks place on the size of the parent company and the group's equity, consolidation needs, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the financial situation of the company and group and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and take the measures that are assessed as being necessary to fulfill the company's accounting in accordance with the applicable law and handle the management of assets in a reassuring manner.

### *Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to

assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or has been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Swedish Companies Act.

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

Stockholm on June 16, 2021

Mazars AB