ANNUAL REPORT

SANOLIUM AB (PUBL) CAMBIO GROUP 2020

CAMBIO

CONTENTS

Sanolium AB. Company reg. no 559176-1423

ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
01/01/2020 – 31/12/2020

ADMINISTRATION REPORT

INFORMATION ON BUSINESS ACTIVITIES

Sanolium AB has owned the Cambio Group since 19 February 2019. Cambio is one of the largest providers of medical records systems in the Nordic region with users at hospitals, health centres and specialist units. The vision consists of comprehensive IT support for the entire health care system and the group's products being sold mainly under the Cosmic brand.

There are also related business segments in the group. Cambio Viva provides IT support for municipalities' documentation regarding work processes and work flows in care and health care and medical treatment. Cambio CDS provides computerised support for clinical decisions that combines patient-specific data with regulations based on medical evidence to capture risk factors and provide the best possible care for the patient.

The Cambio Group's business model is mainly based on the sale of licences, maintenance and product-related consultancy services.

Having issued a corporate bond in September 2019, the Sanolium AB Group is public.

OWNERSHIP STRUCTURE

Sanolium AB is 100% owned by Sanolium Holding AB, (company reg. no. 559183-3925). Sanolium Holding AB is owned by Sanolium Group Holding AB (company reg. no. 559187-2931) which in turn belongs to Investcorp, a global investment company with investments in companies with strong growth potential and positioning in their respective industries. Investcorp's participating interest is approximately 80% and the remaining approximately 20% is mainly owned by employees and stakeholders.

IMPORTANT EVENTS DURING THE FINANCIAL YEAR

Having won what is referred to as the Sussa procurement in December 2018, an extensive implementation project is in progress. During the second quarter, the group signed agreements with the remaining regions with an option to subscribe to the Sussa procurement, which means that the Cambio Group's software will be used in 17 of Sweden's 21 regions.

The group acquired the Swedish company MittVaccin Sverige AB (corporate ID no. 556883-3411) in September 2020. MittVaccin has developed a case book system and an app. The case book system can be integrated with other systems and registers both at small private vaccinators and large clinics and regions. The app is intended for private individuals as a digital vaccination card. The app allows the user to book appointments at nearby participating clinics, save his or her vaccination history and receive vaccination advice before travelling and information on diseases and vaccination for them. Discussions are in progress with the Cambio Group's customers on the solution that MittVaccin is able to offer and so far 7 of the 17 regions have signed agreements.

IMPACT ON THE SANOLIUM GROUP DUE TO COVID-19

The group's operating subsidiaries provide the business-critical systems that many doctors and nurses in Sweden work in on a daily basis to deal with the current situation and all other health care matters. One of the group's most important tasks in the current circumstances is to ensure that our products perform their functions without interruption.

It has been difficult to achieve close, direct contact with our customers, which makes it more difficult to sell new products and obtain delivery approval. We have also experienced a negative impact on our own operational efficiency AND productivity. This has affected the degree of completion and revenue recognition in some projects.

The effects of COVID-19 are difficult to take stock of and conditions are frequently changing on a continuous basis. Among other things, important customer meetings and workshops have been cancelled or postponed. Sanolium has taken action and potential effects relating to the current situation are described below. The situation is unpredictable and Sanolium is unable to quantify the impact of COVID-19 at this stage.

How Sanolium is dealing with day-to-day work

Sanolium is monitoring the course of events surrounding the spread of the virus and is complying with the authorities' restrictions and recommendations. That means that the impact on the company's employees depends on local regulations and recommendations in different countries. In principle, almost all employees are currently working from home. The company has offices in various countries and employees are used to collaborating between departments using conference systems and other technological aids.

How Covid-19 affects Sannolium

There are indications that the efficiency and productivity of personnel have so far been adversely affected to some extent. In some countries, the conditions for working from home are not ideal. This may be due to poorer broadband connections at home, a more challenging communication situation in general or more crowded and more disruptive home environments.

We have also seen clear effects on our customers, who are postponing meetings with us in order to deal with the current situation. This may have an adverse effect on our ability to sell new projects, obtain delivery approval and revenue recognition.

It is still too early to assess the full financial impact.

ANTICIPATED FUTURE PROGRESS

The sustainability report regarding the Sanolium AB Group's operations has been published at www.cambio.se under Investors.

PROPOSED APPROPRIATION OF PROFITS

Non-restricted equity in the group amounts to 1,102,788, of which the loss for the financial year amounts to -44,150.

Parent company

The following earnings are at the disposal of the Annual General Meeting.

Appropriated earnings	**- 43,682,756**
Profit for the financial year (SEK)	**- 27,805,058**
The Board of Directors proposes that the profits be distributed as follows	
Carried forward to new accounts (SEK)	**- 71,487,814**

CONSOLIDATED INCOME STATEMENT

TSEK	Note	01/01/2020 – 31/12/2020	19/10/2018 – 31/12/2019
Net sales	4	641,238	492,251
Work performed for own use and capitalised		35,224	19,106
Other operating income	5	51,084	31,155
Total		**727,546**	**542,512**
Other external expenses	6	- 182,084	- 145,618
Personnel costs	7	- 417,634	- 296,579
Depreciation and impairment of tangible assets, intangible assets and rights of use	-8	- 147,487	- 133,940
Operating profit		**- 19,659**	**- 33,625**
Financial income	9	2,101	8,788
Financial expenses	9	- 27,362	- 87,960
Total financial items		**- 25,261**	**- 79,172**
Pre-tax profit		**- 44,920**	**- 112,797**
Tax	10	770	7,092
Profit for the financial year		**- 44,150**	**- 105,705**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TSEK	01/01/2020 – 31/12/2020	19/10/2018 – 31/12/2019
Profit for the financial year	**- 44,150**	**- 105,705**
Items that may be reclassified to the income statement	-	-
Exchange rate differences in the translation of foreign operations	- 8,964	- 425
Total comprehensive income for the financial year	**- 53,114**	**- 106,130**

The profit/loss and total comprehensive income for the financial year are fully attributable to the parent company's shareholders.

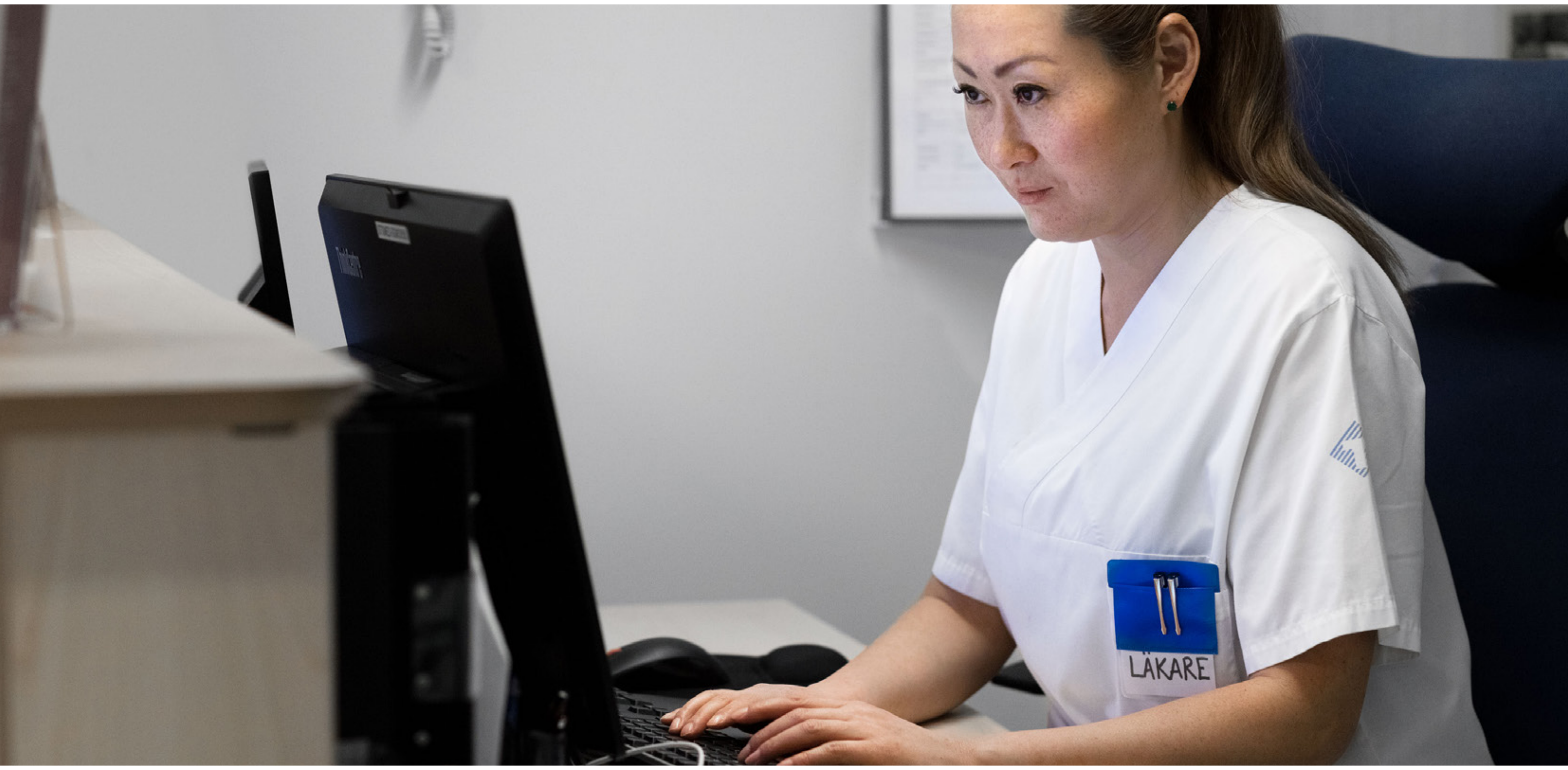
CONSOLIDATED BALANCE SHEET

TSEK	Note	31/12/2020	31/12/2019
ASSETS			
Fixed assets			
Intangible assets	11	2,048,961	2,094,724
Tangible assets	12	18,116	15,595
Financial assets	13, 14, 15	53,835	29,794
Total fixed assets		**2,120,912**	**2,140,113**
Current assets			
Accounts receivable	16	76,392	94,433
Revenues earned but not invoiced	17	55,710	66,030
Tax receivables		9,521	2,570
Other receivables		6,312	7,521
Prepaid expenses and accrued income	18	17,269	22,205
Cash and cash equivalents	19	398,471	337,148
Total current assets		**563,675**	**529,907**
TOTAL ASSETS		**2,684,587**	**2,670,020**
EQUITY AND LIABILITIES			
Equity			
Share capital	20	1,659	1,659
Other equity including profit for the financial year		1,099,470	1,152,584
Total equity attributable to the parent company's shareholders		**1,101,129**	**1,154,243**
Non-current liabilities			
Bond loans	21	497,574	496,921
Lease liabilities	13	33,017	9,376
Pension obligations		15,269	13,378
Deferred tax liabilities	22	338,096	348,104
Total non-current liabilities		**883,956**	**867,779**
Current liabilities			
Trade accounts payable		14,992	16,189
Advance payments from customers		32,466	60,799
Lease liabilities	13	18,042	17,306
Tax liabilities		-	2,848
Other liabilities	23	140,987	127,139
Accrued expenses and deferred income	24	493,015	423,717
Total current liabilities		**699,502**	**647,998**
TOTAL EQUITY AND LIABILITIES		**2,684,587**	**2,670,020**

The notes on pages 9 to 23 form an integral part of these consolidated financial statements.

CHANGES IN GROUP EQUITY

tsek	Share capital	Other capital	Reserves	Appropriated earnings (including profit/loss for the year)	Total equity
Profit for the financial year				- 105,705	- 105,705
Exchange rate differences in the translation of foreign operations			- 425		- 425
Total comprehensive income					**- 106,130**
Transactions with the company's shareholders					
New share issues	50				50
Non-cash issues	1,609	159,255			160,864
Shareholder contributions received		1,099,459			1,099,459
Closing equity 31/12/2019	**1,659**	**1,258,714**	**- 425**	**- 105,705**	**1,154,243**
Profit for the financial year				- 44,150	- 44,150
Exchange rate differences in the translation of foreign operations			- 8,964		- 8,964
Total comprehensive income					**- 53,114**
Closing equity 31/12/2020	**1,659**	**1,258,714**	**- 9,389**	**- 149,855**	**1,101,129**



CONSOLIDATED CASH FLOW STATEMENT

TSEK	Note	01/01/2020 – 31/12/2020	19/10/2018 – 31/12/2019
Cash flow from operating activities			
Operating profit		- 19,659	- 33,625
Adjustments for non-cash items			
Depreciation and impairments		147,487	133,940
Interest received		226	103
Interest paid		- 25,115	- 17,749
Tax paid		- 20,524	- 12,480
		82,415	**70,189**
Cash flow from changes in working capital			
Reduction/ increase in accounts receivable		18,917	**- 67,194**
Reduction/ increase in other current receivables		15,334	- 29,278
Reduction/ increase in trade creditors		- 2,125	10,809
Increase in other current liabilities		36,876	97,666
Changes in working capital		69,002	12,003
Cash flow from operating activities		**151,417**	**82,192**
Acquisition of subsidiaries (after a deduction for acquired cash and cash equivalents)		- 25,746	- 1,372,375
Investments in tangible assets		- 9,905	- 7,945
Investments in financial fixed assets		- 307	- 85
Investments in intangible assets		-35,224	- 19,106
Cash flow from investments		**- 71,182**	**- 1,399,511**
New share issues		-	50
Shareholder contributions		-	1,099,659
Loans taken out/ repayment of loans		-	500,000
Payments relating to amortisation of lease liabilities		- 18,912	- 15,431
Cash flow from financing activities		**- 18,912**	**1,584,278**
Change in cash and cash equivalents		**61,323**	**337,148**
Cash and cash equivalents at the end of the financial year		**398,471**	**337,148**

The notes on pages 9 to 23 form an integral part of these consolidated financial statements.

NOTES, GROUP

NOTE 1. GENERAL INFORMATION

Sanolium AB (company registration number 559176-1423) is a limited company registered in Sweden with headquarters in Stockholm. The address of the head office is Drottninggatan 89, 113 60 Stockholm. Sanolium AB and its subsidiaries ("the group") are engaged in the development of information systems in the health care sector and other compatible activities.

All amounts in the information contained in the notes are in TSEK unless otherwise stated.

NOTE 2. SUMMARY OF IMPORTANT ACCOUNTING PRINCIPLES

The following are the important accounting principles applied in the preparation of these consolidated financial statements. The consolidated financial statements include Sanolium AB and its subsidiaries.

2.1 Basis for preparation of the statements

The consolidated financial statements were prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Regulations for Groups and International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

The consolidated financial statements were prepared using the cost method.

No interpretations by the IFRS or IFRIC that have been published but that have still not entered into force are expected to have any substantial impact on the group.

2.2 Consolidated financial statements

Subsidiaries are all companies in which the group has a dominant interest. The group controls a company when it is exposed to or has a right to variable returns from its holding in the company and is able to affect the returns through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the group. They are excluded from the consolidated financial statements from the date on which control ceases.

The acquisition method is used for recognition of the group's business combinations. The purchase sum for the acquisition of a subsidiary consists of the fair value of assets and liabilities transferred. The purchase sum also includes the fair value of all assets or liabilities resulting from an agreement on a conditional purchase sum. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Acquisition-related costs are recognised as an expense when they arise.

Internal group transactions, balance sheet items and unrealised gains and losses on transactions between group companies are eliminated. The accounting principles for subsidiaries have been changed where appropriate in order to ensure a consistent application of the group's principles.

Consolidated financial statements are also prepared by Sanolium Group Holding (559187-2931), which is the senior parent company in the Swedish group.

2.3 Segment reporting

The group recognises only a single segment in accordance with the definition of operating segment in IFRS 8. The starting point for identifying operating segments on which separate information can be provided are the internal reports to and monitoring by the group management. The group management monitors operating profit/loss for the entire business as an operating segment.

2.4 Translation of foreign currencies

2.4.1 Functional currency and presentation currency

The various units in the group have the local currency as their functional currency since that has been defined as the currency used in the primary economic environment in which each unit is mainly active. The consolidated financial statements are in Swedish kronor (SEK), which is the parent company's functional currency and the group's presentation currency.

2.4.2 Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates in force on the transaction date. Exchange gains and losses resulting from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currencies at the exchange rate on the balance sheet date are reported in the operating profit/loss and in the statement of comprehensive income.

2.4.3 Translation of foreign group companies

The results and financial position of all group companies that have 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 business to the group's presentation currency at the balance sheet date. Revenues and expenses for each of the income statements are translated to Swedish kronor at the average rate applying at the moment of each transaction. Exchange differences arising on currency conversion of foreign businesses are recognised in other comprehensive income and are carried forward to reserves in equity.

2.5 Revenue recognition

According to IFRS 15, revenue must be recognised when the customer obtains control over the goods or services sold and is thus able to use the goods or services and obtain the benefit. The group's revenues consist of licensing revenues, maintenance, consulting revenues and other revenues.

2.5.1 Licensing revenues

The group recognises licensing revenues from the sale of standard licenses when written agreements have been signed by the customer and when delivery has taken place. The group also recognises revenues relating to strategic development projects within the revenue category of licensing revenues. These usually begin with a feasibility study and the revenue is recognised when that study has been completed. When the feasibility study has led to a development project, the revenue is recognised at the rate of performance of the assignment.

2.5.2 Maintenance

Revenue from maintenance contracts is invoiced annually in advance. The revenue is recognised on a straight-line basis over the contract period since the customer receives the benefits on an ongoing basis.

2.5.3 Consultancy revenue

Many of the group's service assignments are carried out on an open account and the consultancy revenues are recognised as the customer receives the benefit of the service.

2.5.4 Other revenues

Other revenues consist of selling-on costs such as consultancy fees, travel expenses and third-party products.

2.6 Current and deferred taxes

The tax expense for the period includes current and deferred tax.

The current tax cost is calculated on the basis of the tax rules adopted or adopted in practice on the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income. The management regularly evaluates the claims made in tax returns regarding situations in which applicable tax rules are subject to interpretation. The management makes provisions for amounts likely to be paid to the tax authorities, when considered appropriate.

Deferred tax is recognised for all temporary differences that arise between the value for tax purposes of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is calculated by applying tax rates (and laws) that have been adopted or notified at the balance sheet date and that are expected to apply when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised if it is likely that a future tax surplus will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same tax authority and relate to either the same taxpayer or different taxpayers, where there is an intention to settle the balances through net payments.

2.7 Leasing

The group's leases mainly relate to essential office premises and equipment, company cars and rental of a test environment.

The leases are recognised as right-of-use assets and a corresponding liability on the date on which the leased asset is available for use by the group. Each lease payment is distributed between repayment of the debt and financial expense. The financial expense must be distributed over the leasing period so that an amount corresponding to a fixed interest rate on the liability recognised during each period is attributed to each accounting period.

Right-of-use assets are made subject to depreciation on a straight-line basis over the useful life of the asset or the length of the lease, whichever is the shorter. The leases run for a fixed period of 1-5 years, though an option to extend or terminate the contract exists.
Assets and liabilities arising from leases are initially recognised at present value. The lease liabilities include the present value of fixed fees and variable fees that are associated with an index.
Lease payments are discounted at the marginal interest rate on loans.

The assets with a right of use are measured at historical cost and include the initial measurement of the lease liability and payments made at or before the time when the leased asset is made available to the lessee.

Lease fees attributable to short-term leases and leases for which the underlying asset is of low value are recognised as an expense on a straight-line basis over the lease period. Short-term leases are contracts with a lease period of 12 months or less. Leases for which the underlying asset is of low value relate essentially to office equipment.

Options to extend or terminate contracts are included in the group's leases relating to offices. The terms are used to maximise flexibility in the management of the contracts. Options to extend or terminate contracts are included in the asset and liability when it is reasonably certain that they will be taken up.

2.8 Intangible assets

2.8.1 Research and development

The group develops and offers health care information systems including related services. All expenses that are directly related to the development and testing of identifiable and unique products controlled by the group are recognised as intangible assets when the following criteria have been met:

- it is technically possible to complete the product or process so it can be used,
- the group's intention is to complete the product and use or sell it,
- the conditions for using or selling the product exist,

- the way in which the product is likely to generate future economic benefits can be demonstrated,
- adequate technical, financial and other resources to complete the development and to use or sell the product are available and
- the expenses associated with the product during its development can be reliably calculated.

Research expenditure is expensed when it is incurred. Development costs that were expensed in previous financial years are not recognised as an asset in subsequent financial years.
Retained development costs are recognised as intangible assets and are made subject to depreciation from the moment when the asset is ready for use. The useful life amounts to 5 years.

2.8.2 Goodwill

Goodwill arises upon acquisition of a subsidiary. It refers to the amount by which the purchase sum, any non-controlling interest in the acquired company and the fair value at the date of acquisition of previous equity interests in the acquired company exceed the fair value of identifiable acquired net assets. In order to test impairment requirements, the goodwill that was acquired is allocated to cash-generating units that are expected to benefit from synergies from the acquisition. Each unit to which the goodwill has been allocated corresponds to the lowest level in the group at which the goodwill in question is monitored in internal controls.

Goodwill is tested for depreciation annually or more frequently if events or changes in conditions indicate a possible reduction in value. The carrying amount of the cash-generating unit to which goodwill is attributed (the group as a whole) is compared to the recoverable amount, which is the value in use or the fair value minus selling costs, whichever is the higher. Any impairment is recognised immediately as an expense and is not reversed.

The types of assets identified by the group in connection with acquisitions in the financial year are customer relationships, trade marks and technology.

2.9 Tangible assets

Tangible assets include equipment and are recognised at historical cost minus depreciation. Historical cost includes expenses directly attributable to the acquisition of the asset.

Subsequent expenditure is added to the carrying amount of the asset or is recognised as a separate asset, as appropriate, only when it is likely that the future economic benefits associated with the asset will be credited to the group and the asset's historical cost can be reliably measured. The carrying amount for the replaced part is removed from the balance sheet. All other forms of repair and maintenance are recognised as expenses in the period in which they are incurred.

Depreciation on assets in order to allocate their historical cost down to the estimated residual value over the estimated useful life is carried out on a straight-line basis as follows:

Buildings	50 years
Ground installations	20 years
Plant and equipment	5 years
Computers	3 years

The assets' residual values and useful lives are tested at the end of each reporting period and are adjusted if necessary. An asset's carrying amount is immediately impaired to its recoverable amount if the carrying amount exceeds its estimated recoverable amount. Profits and losses on sales are determined by a comparison between the sales revenue and the carrying amount and are recognised net in other operating revenues/other operating expenses in the statement of comprehensive income.

2.10 Financial instruments

The group's financial assets and liabilities consist of the following items: accounts receivable, revenues earned but not invoiced, other receivables, accrued revenues, cash and cash equivalents, bond loans, lease liabilities, accounts payable, other liabilities and accrued expenses.

2.10.1 Initial recognition

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual terms of the instrument. Purchase and sale of financial assets and liabilities is recognised on the business day, i.e. the date on which the group undertakes to purchase or sell the asset. At initial recognition, financial instruments are recognised at fair value plus transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities such as fees and commissions.

2.10.2 Financial assets — classification and valuation

The group classifies and values its financial assets in the category of amortised. The classification of investments in debt instruments depends on the group's business model for managing financial assets and the contractual terms for the assets' cash flows.

2.10.2.1 Financial assets valued at amortised cost

Assets held for the purpose of collecting contractual cash flows and where those cash flows consist of only principal and interest are valued at amortised cost. The carrying amount of these assets is adjusted according to any expected loan losses. The group's financial assets valued at amortised cost consist of the items of accounts receivable, revenues earned but not invoiced, other receivables, accrued revenues and cash and cash equivalents.

2.10.3 Financial liabilities — classification and valuation

After initial recognition, the group's financial liabilities are valued at amortised cost applying the effective interest method. Financial liabilities consist of bond loans, lease liabilities, trade payables, other short-term liabilities and accrued costs.

2.11 Trade receivables

Accounts receivable are amounts attributable to customers relating to sold services provided as part of ongoing business activities. Accounts receivable are classified as current assets. Accounts receivable are initially recognised at the transaction price. The group holds the accounts receivable for the purpose of collecting contractual cash flows. Thus, at subsequent accounting dates, accounts receivable are valued at amortised cost applying the effective interest method.

2.12 Cash and cash equivalents

Cash and cash equivalents include, both in the balance sheet and in the statement of cash flows, bank balances and equity funds that can be quickly converted to cash.

2.13 Borrowings

The group's borrowings consist of bond loans. Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently recognised at amortised cost and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in the statement of comprehensive income distributed over the period of the borrowing, applying the effective interest method.

2.14 Trade accounts payable

Trade accounts payable are financial instruments and relate to obligations to pay for goods and services acquired from suppliers in the ordinary course of business. Trade accounts payable are classified as current liabilities if they fall due within one year.

2.15 Payments to employees

2.15.1 Short-term payments to employees
Liabilities for salaries and payments, including non-monetary benefits and paid absences, which are expected to be settled within 12 months from the end of the financial year are recognised as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The liability is recognised as an obligation regarding payments to employees in the consolidated balance sheet.

2.15.2 Pension obligations
The group mainly has defined-contribution pension plans. A defined-contribution pension plan is a pension plan under which the company pays fixed contributions to a separate legal entity. The group has no legal or constructive obligation to pay further fees if this legal entity has insufficient assets to make all payments to employees associated with the employees' service during the current or previous periods. The contributions are recognised as personnel expenses in the statement of comprehensive income when they fall due. There is also a pension obligation within the group in the form of endowment insurance. Premiums paid are recognised partly as a financial fixed asset and partly as a provision.

2.16 Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions involving incoming or outgoing payments.

NOTE 3. FINANCIAL RISK MANAGEMENT AND SIGNIFICANT ESTIMATES AND ASSESSMENTS

3.1 Financial risk factors

The group's operations expose it to a number of financial risks such as market risks (currency risk and interest risk), credit risk and liquidity risk. The group endeavours to minimise potential adverse effects on the group's financial results.
The aim of the group’s finance operations is to

- ensure that the group is able to meet its payment obligations,
- manage financial risks,
- ensure access to necessary finance and
- optimise the group's net financial income.

The Board of Directors is ultimately responsible for the exposure, management and monitoring of the group's risks. The frameworks for financial risk management are established by the Board of Directors and are revised annually. The Board of Directors has delegated responsibility for day-to-day risk management to the CEO, who has in turn delegated it to the CFO. The Board of Directors is able to decide on temporary deviations from the established frameworks.

3.2 Market risk

3.2.1 Currency risk
The group operates in Sweden and internationally and is exposed to currency risks arising from various currency exposures. Currency risk arises from future transactions, in particular payment outflows, and assets and liabilities recognised in a currency other than the company's functional currency, known as transaction exposure. The group's exposure to currency risk consists primarily of the fact that transactions between subsidiaries take place in other currencies.
Currency risk at Sanolium arises mainly from cross-border trade. Significant balance sheet items in foreign currency are found in accounts receivable and accounts payable. According to its finance policy, the group is able to reduce its transaction exposure through the use of derivative instruments in the form of forward contracts, swaps and currency options.

3.2.2 Interest rate risk
In September 2019, the group issued a corporate bond at an interest rate of Stibor 3M +

4.25%. In order to reduce the exposure of the variable interest rate component, the group signed an agreement on an interest rate ceiling in April 2020. As a result, the variable interest rate on half the bond value is limited to 0.188%. This interest rate derivative runs until 23/03/2026. The fair value at 31/12/2020 amounted to 120 TSEK.

3.3 Significant estimates and assessments

The group carries out estimates and assumptions about the future. The estimates for accounting purposes resulting from these will, by definition, rarely correspond to the real results. The main features of the estimates and assumptions that mean a significant risk of substantial adjustments to the carrying amounts for assets and liabilities during the next financial year are considered below.

3.3.1 Goodwill

Each year, the group examines whether there is any need for impairment for goodwill in accordance with the accounting principle described in note 2.8.2 The recovery value for cash-generating units has been established through calculation of value in use, which requires certain assumptions. The calculations are based on cash flow forecasts established by the management for the next five years. Cash flows after the five-year period are extrapolated with a growth rate that is assessed as reasonable on the basis of industry-specific companies.

3.3.2 Leasing

When determining the length of leases, all available information is taken into consideration to assess whether or not there is a financial incentive to exercise options to extend them. The lease term is reconsidered if the conditions have changed since the last position was adopted.

3.3.3 Capitalisation of development work

The group carries out development work on IT support for healthcare, Cosmic, and estimates that 35.2 MSEK meets the requirements for capitalisation for the financial year.

NOTE 4. NET SALES

Segment information

The group only recognises one operating segment according to the definition of operating segment in accounting principles.

Evaluation of the business is based partly on revenue types and partly on geographical area. This is shown in the tables below.

The group's largest customers consist of a number of Swedish regions.

	Group	
	2020	**19/10/2018 – 31/12/2019**
License revenues	98,755	75,812
Maintenance revenues	421,947	338,066
Consultancy revenues	120,536	78,373
Total	**641,238**	**492,251**
Moment for revenue recognition		
At a moment	219,291	154,185
Over time	421,947	338,066
Total	**641,238**	**492,251**
Net sales by region		
Sweden	523,736	**424,927**
Denmark	95,690	**53,566**
United Kingdom	21,812	**13,758**
Total	**641,238**	**492,251**

NOTE 5. OTHER OPERATING REVENUES

	Group	
	2020	19/10/2018 – 31/12/2019
Selling on, current costs	13,868	7,078
Resale, third-party products	36,809	24,039
Other income	407	38
Total	**51,084**	**31,155**

NOTE 6. PAYMENTS TO AUDITORS

The following payments were made to auditors for audits and other statutory reviews. Payment has also been made for other advice on tax matters, ongoing accounting matters and in connection with acquisitions.

	Group	
	2020	19/10/2018 – 31/12/2019
Audit assignment		
Pricewaterhouse-Coopers	685	870
Other accounting firms	99	101
Other advice		
Pricewaterhouse-Coopers	3,355	368
Total	**4,139**	**1,339**

NOTE 7. EMPLOYEES, SALARIES AND FEES

Average number of employees

2020	Total	of which women
Sweden	409	188
Denmark	24	10
UK	18	8
Sri Lanka	324	127
Total	**775**	**333**
19/10/2018 – 31/12/2019		
Sweden	294	137
Denmark	17	9
UK	18	7
Sri Lanka	331	133
Total	**660**	**286**

Proportion of women in senior management posts

		of which women	
2020			
Board of Directors	4	0	
Other senior executives	3	6	
Total	**7**	**6**	**46%**
19/10/2018 – 31/12/2019			
Board of Directors	4	0	
Other senior executives	3	6	
Total	**7**	**6**	**46%**

Salaries, other payments and social insurance costs

(specified salary details during the comparison year refer to the period 20/02/2019 – 31/12/2019, i.e. from when the group was formed)

	2020	19/10/2018 – 31/12/2019
Board of Directors and senior executives		
Salaries, payments	15,755	11,715
Social insurance costs	4,466	3,176
Pension costs	2,243	1,362
Total	**22,464**	**16,253**
Employees		
Salaries, payments	277,939	191,526
Social insurance costs	72,065	50,742
Pension costs	31,940	23,175
Total	**381,944**	**265,443**
Total	**404,408**	**281,696**

Remuneration and other benefits to the Board of Directors

	2020	19/10/2018 – 31/12/2019
Salary, benefits		
Gille, Jan Peter	2,723	2,788
Noujoumi, Arash	1,014	1,014
Rüdén, Karl Fredrik (from June 2019)	1,624	731
Total	**5,361**	**4,533**
Pensions		
Gille, Jan Peter	394	336
Noujoumi, Arash	124	103
Rüdén, Karl Fredrik (from June 2019)	245	104
Total	**763**	**543**

No fee has been paid to the fourth member of the Board of Directors, Karl Sebastian Inger. He works for Investcorp Securities Ltd, which is a majority shareholder of the group and to which a management fee of 2,000 TSEK has been paid for 2020 (2,000 TSEK).

Other benefits means company car, care insurance and food and meal benefits.

Remuneration to the CEO and other senior executives consists of basic salary, variable remuneration, other benefits and pensions. "Other senior executives" means the 12 persons who make up the group management along with the CEO.

The distribution between basic salary and variable remuneration must be proportionate to the executive's responsibilities and powers. Variable remuneration is capped at four fixed monthly salaries for the CEO and other senior executives. Variable remuneration is based on the outcome in relation to individually set targets.

Pensions

Normal retirement age is 65. Pension terms must be according to market conditions and must be based on defined-contribution pension solutions. Pension cost means the cost that has affected the profit/loss for the financial year.

The pensionable age for the CEO is 65 and the pension premium must amount to 25% of fixed monthly salary.

Severance payment

A notice period of 12 months applies in the event of termination of the CEO’s employment by the company, whereas a notice period of 6 months applies in the event of termination of the employment by the CEO.

A mutual notice period of 3–6 months applies for the other senior executives.

The CEO and other executives are not entitled to any severance payment in addition to salary during the notice period.

NOTE 8. DEPRECIATION AND IMPAIRMENT

	Group	
	2020	19/10/2018 – 31/12/2019
Buildings, land improvements	74	62
Equipment	6,824	6,607
Rights of use	17,336	15,029
Capitalised development costs	12,430	18,040
Excess value acquisitions	110,823	94,202
Total	**147,487**	**133,940**

NOTE 9. FINANCIAL ITEMS

	Group	
	2020	19/10/2018 – 31/12/2019
Interest income	227	50
Exchange rate fluctuations	1,874	8,738
Financial income	**2,101**	**8,788**
Interest expenses	- 25,115	- 18,025
Exchange rate fluctuations	-	- 9,764
Acquisition costs, subsidiaries	101	- 59,012
Other financial expenses	- 2,348	- 1,159
Financial expenses	**- 27,362**	**- 87,960**

NOTE 10. TAX

	Group	
	2020	19/10/2018 – 31/12/2019
Distribution of current and deferred tax		
Current tax	- 18,081	- 9,308
Deferred tax	18,851	16,400
Total	**770**	**7,092**
Current tax		
Current tax on profit for the financial year	- 18,084	- 9,007
Adjustment for previous years	3	- 301
Total	**- 18,081**	**- 9,308**
Deferred tax		
Settlement of deferred tax on excess values from acquisitions	22,179	18,931
Other deferred tax	- 3,328	- 2,531
Total	**18,851**	**16,400**

NOTE 11. INTANGIBLE FIXED ASSETS

Group	Capitalised development expenditure	Customer contracts/ accrued revenues	Trademarks	Technology	Goodwill	Total
Business combinations	8,141	610,674	87,745	934,459	436,351	2,147,370
Acquisitions for the financial year	19,106			40,719		59,825
Scrapped	- 1,236					- 1,236
Depreciation for the financial year	- 16,805	- 37,124		- 57,078		- 111,007
Exchange rate fluctuations	- 229					- 229
Closing balance 31/12/2019 Opening balance 01/01/2020	**78,978**	**573,550**	**87,745**	**918,100**	**436,351**	**2,094,724**
Business combinations	3,686	6,295	435	293	31,202	41,912
Acquisitions for the financial year	37,161					37,161
Depreciation for the financial year	- 12,430	- 43,431		- 67,392		- 123,253
Reclassification						
Exchange Rate Fluctuations				- 1,583		- 1,583
Closing balance 31/12/2020	**107,395**	**536,414**	**88,180**	**849,419**	**467,553**	**2,048,961**

Impairment testing for trademarks and goodwill with non-determinable life spans
The management assesses the performance of the business based on the group's overall results. That means that, according to the management's assessment, there is only one cash-generating unit/one operating segment. Goodwill and trademarks are thus supervised by management at group level.

The recoverable amount for goodwill and trademarks with non-determinable useful lives has been determined based on calculations of value in use. These calculations are based on estimated future cash flows

Pre-tax for a five-year period based on financial forecasts approved by the company management.

The cash flows beyond the five-year period are extrapolated using an estimated growth rate according to the information below*. The growth rate does not exceed the long-term growth rate for the market in which the group operates.

No impairment requirement for goodwill and trademarks has been identified for the financial year.

- *Annual growth rate above the five-year forecast based on historical outcome and the management's assessment of market developments is estimated at between 6% and 24%, whereas the EBITDA margin is estimated at between 20% and 30%.
- *Discount rate 15% (pre-tax discount rate used for present value calculation of estimated future cash flows)
- *Long-term growth rate 2% (estimated average growth rate used to extrapolate cash flows beyond the forecast period)

NOTE 12. TANGIBLE ASSETS

	Group	
	31/12/2020	**31/12/2019**
Opening acquisition cost	22,959	-
Acquisitions	9,905	22,959
Scrapped	- 1,416	-
Closing acquisition value	**31,448**	**22,959**
Opening depreciation	- 7,364	-
Depreciation	- 6,824	- 6,669
Scrapped	1,395	- 695
Exchange rate fluctuations	- 539	-
Closing accumulated depreciation	**- 13,332**	**- 7,364**
Closing balance	**18,116**	**15,595**

NOTE 13. LEASES

	Group	
	31/12/2020	**31/12/2019**
Assets with right of use		
Offices	47,902	24,936
Company cars	2,044	365
Test environment	660	865
Total	**50,606**	**24,936**
Lease liabilities		
Non-current	33,017	9,376
Current	18,042	17,306
Total	**51,059**	**26,682**

The following amounts relating to leases are recognised in the income statement

	Group	
	2020	**19/10/2018 – 31/12/2019**
Depreciation of rights of use		
Offices	15,766	13,941
Company cars	704	341
Test environment	**865**	**747**
Total	**17,336**	**15,029**
Interest expenses	**1,306**	**846**

No significant variable lease payments not included in the lease liability have been identified.

NOTE 14. PARTICIPATIONS IN GROUP COMPANIES

		31/12/2020
Name	**Country**	
Cambio Holding AB	Sweden	100%
Cambio Healthcare Systems AB	Sweden	100%
Cambio Welfare Systems AB	Sweden	100%
CDS AB	Sweden	100%
MittVaccin Sverige AB	Sweden	100%
Cambio Healthcare Systems A/S	Denmark	100%
Cambio Healthcare Systems Ltd	United Kingdom	100%
Cambio Software Engineering (Private) Ltd	Sri Lanka	100%

NOTE 15. BUSINESS COMBINATIONS

On 2 September 2020, the group acquired 100% of the share capital in MittVaccin Sverige AB. Information on purchase sums, acquired net assets and allocated surpluses is set out below. The table summarises the purchase sum paid and the fair value of assets acquired and liabilities assumed on the acquisition date.

Purchase sum	
Cash and cash equivalents	26,808
Equity instruments	9,250
Total purchase sum paid	**36,058**
Acquired net assets	
Cash and cash equivalents	457
Accounts receivable	875
Intangible assets	3,686
Other current assets	107
Trade accounts payable and other liabilities	- 5,891
Acquired identifiable net assets	**- 764**
Surpluses (including deferred tax)	
Customer contracts	6,296
Trademarks	436
Technology	293
Goodwill	31,202
Total	**38,226**

Revenues and profit/loss in acquired business

Revenue from MittVaccin Sverige AB, which is included in the statement of comprehensive income since the acquisition, amounts to 1,395 TSEK. The pre-tax loss amounts to – 920 for the same period.

NOTE 16. ACCOUNTS RECEIVABLE

	Group	
	31/12/2020	**31/12/2019**
Trade receivables	76,993	94,739
Minus provision for bad debts	- 601	- 306
Trade receivables, net	**76,392**	**94,433**
Distribution in currencies		
SEK	40,041	57,035
DKK	34,853	35,984
GBP	1,498	1,414
Total	**76,392**	**94,433**

The fair value of the accounts receivable corresponds to their carrying amount since the discount effect is not significant.

NOTE 17. REVENUES EARNED BUT NOT INVOICED

	Group	
	31/12/2020	**31/12/2019**
Earned licensing revenues	50,386	40,465
Earned consultancy revenues	5,324	25,565
Total	**55,710**	**66,030**

NOTE 18. PREPAID EXPENSES AND ACCRUED INCOME

	Group	
	31/12/2020	**31/12/2019**
Prepaid rents	4,338	4,056
Accrued maintenance income	168	2,873
Other items	12,763	15,276
Total	**17,269**	**22,205**

NOTE 19. CASH AND CASH EQUIVALENTS

	Group	
	31/12/2020	31/12/2019
Bank balances	396,571	335,361
Equity funds	1,900*	1,900*
Total	**398,471**	**337,261**

*The market value at 31/12/2020 was 2,495 TSEK (2,547 TSEK).

NOTE 20. COMPOSITION OF THE SHARE CAPITAL

Parent company	Number of shares	Share capital
Ordinary shares	165,863,715	1,658,637

At 31/12/2020, the share capital consists of 165,863,715 shares with a quota value of SEK 0.01 The number is the same as at 31/12/2019.

All shares confer (1) vote per share.

All shares issued by the parent company are fully paid up.

NOTE 21. BOND LOANS

	Group	
	31/12/2020	31/12/2019
Bond loans	500,000	500,000
Set-up cost	- 2,426	- 3,079
Total	**497,574**	**496,921**

In September 2019, the group issued a senior secured bond for a total amount of 500 MSEK. The bond has a variable coupon rate of Stibor 3M plus 4.25% and a maturity of five years, maturing in September 2024. The loan terms contain specific conditions for the group's net liabilities. The group is below those conditions by some margin.

The group has also taken out a credit facility of 100 MSEK that has not yet been utilised.

NOTE 22. DEFERRED TAX LIABILITIES

	Group	
	31/12/2020	31/12/2019
Deferred tax on the surplus value	303,665	324,397
Temporary differences	12,815	8,752
Deferred tax on capitalised development costs	21,616	14,955
Total	**338,096**	**348,104**

NOTE 23. OTHER CURRENT LIABILITIES

	Group	
	31/12/2020	31/12/2019
Value added tax	12,470	9,533
Tax at source	7,452	4,998
Liabilities to owning company	114,255	104,911
Other	6,810	7,697
Total	**140,987**	**127,139**

NOTE 24. ACCRUED EXPENSES AND DEFERRED INCOME

	Group	
	31/12/2020	31/12/2019
Holiday pay liability	35,842	27,688
Salaries	14,523	3,359
Income tax on salary	10,955	5,057
Social insurance charges	5,764	4,727
Interest	187	263
Other	13,300	10,631
Deferred income	412,444	371,992
Total	**493,015**	**423,717**

NOTE 25. PLEDGED ASSETS

	Group	
	31/12/2020	31/12/2019
Rental guarantee, office premises	1,190	1,190

There is a general parent company guarantee within the group whereby the existing cash pool which allows deficits in individual legal entities is guaranteed by Cambio Holding AB.

NOTE 26. TRANSACTIONS WITH CLOSELY-RELATED PARTIES

Sanolium AB is the senior parent company in the group. Closely-related parties consist of all subsidiaries and senior executives in the group and their closely-related parties. Transactions take place on market terms.

The following transactions have taken place with closely-related parties:

	Group	
	2020	19/10/2018 – 31/12/2019
Interest income, internal group dealings	11,255	8,149
Interest expenses, internal group dealings	- 11,255	- 8,149

NOTE 27. EVENTS AFTER THE END OF THE FINANCIAL YEAR

The ongoing Covid pandemic has continued to have a negative impact on the Sanolium Group's operations in the form of low new sales, changes in timetables and revenue recognition.

The newly acquired subsidiary MittVaccin has continued to play a role in meeting the need for national vaccination records. Five regions had subscribed for the company's software before the end of the year, with a further two subscribing after the end of the year. Intensive discussions are being held with additional regions.

PARENT COMPANY INCOME STATEMENT

TSEK	01/01/2020 – 31/12/2020	19/10/2018 – 31/12/2019
Other operating income	2,882	3,150
Other external expenses	- 4,097	- 4,369
Operating profit	**- 1,215**	**- 1,219**
Financial income	189	98
Financial expenses	- 26,779	- 42,562
Total financial items	**- 26,590**	**- 42,464**
Profit for the financial year	**- 27,805**	**- 43,683**

There are no items at the parent company that are recognised as other comprehensive income and therefore the total comprehensive income coincides with the profit/loss for the financial year.

PARENT COMPANY BALANCE SHEET

TSEK	Note	31/12/2020	31/12/2019
ASSETS			
Financial assets			
Participations in group companies		**1,814,773**	**1,815,654**
Current assets			
Other receivables		106	1,555
Prepaid expenses		209	68
Cash and cash equivalents		6,077	10,763
Total current assets		**6,392**	**12,386**
TOTAL ASSETS		**1,821,165**	**1,828,040**
EQUITY AND LIABILITIES			
Equity			
Share capital	3	1,659	1,659
Other equity including profit for the financial year		1,187,426	1,215,231
Total equity attributable to the parent company's shareholders		**1,189,085**	**1,216,890**
Non-current liabilities			
Bond loans		**497,574**	**496,921**
Current liabilities			
Liabilities to group companies	4	34,675	14,601
Other liabilities		99,365	99,365
Accrued expenses		466	263
Total current liabilities		**134,506**	**114,229**
TOTAL EQUITY AND LIABILITIES		**1,821,165**	**1,828,040**

The notes on pages 27 — 28 form an integral part of the parent company financial statements

CHANGES IN PARENT COMPANY EQUITY

TSEK	Share capital	Other capital contributions	Appropriated earnings (including profit/loss for the year)	Total equity
Equity brought forward 01/01/2020	**1,659**	**1,258,914**	**- 43,683**	**1,216,890**
Profit/ comprehensive income for the year			- 27,805	- 27,805
Closing equity 31/12/2020	**1,659**	**1,258,914**	**- 71,488**	**1,189,085**

PARENT COMPANY CASH FLOW STATEMENT

TSEK	01/01/2020 – 31/12/2020	19/10/2018 – 31/12/2019
Profit/loss before financial items	- 1,215	- 1,219
Interest received	-	98
Interest paid and other financial expenses	- 23,460	- 42,300
Cash flow from changes in working capital		
Decrease/ increase in current receivables	70	- 1,623
Increase in current liabilities	19,919	113,966
Cash flow from operating activities	**- 4,686**	**68,922**
Acquisition of subsidiaries	-	- 1,654,790
Cash flow from investments	**-**	**- 1,654,790**
Cash flow from financing activities		
New share issues	-	1,099,709
Loans raised	-	946,922
Repayment of loans	-	- 450,000
	-	**1,596,631**
Change in cash and cash equivalents	**- 4,686**	**10,763**
Cash and cash equivalents at the end of the financial year	**6,077**	**10,763**

NOTES TO THE PARENT COMPANY'S ANNUAL REPORT

NOTE 1. THE PARENT COMPANY'S ACCOUNTING PRINCIPLES

The most important accounting principles applied when these annual financial statements were prepared are set out below.

The parent company's financial statements were prepared in accordance with RFR 2, Accounting for Legal Entities, and the Annual Accounts Act.

The parent company was formed on 19 October 2018. The first financial year is extended and runs from the formation up to 31/12/2019. The parent company has applied RFR 2, Accounting for Legal Entities, since its formation.

The annual financial statements have been prepared using the cost method.

Preparation of financial statements in accordance with RFR 2 requires the use of a number of important accounting estimates. Furthermore, the management are required to carry out certain assessments when applying the parent company's accounting principles.

The parent company applies accounting principles other than those of the group in the cases specified below:

Formats

The income statement and balance sheet conform to the format prescribed in the Annual Accounts Act. The report on changes in equity conforms to the group's format but must contain the columns specified in the Annual Accounts Act. This also means a difference in terms compared to the consolidated financial statements, mainly relating to financial income and expenses and equity.

Shareholder contributions

The shareholder contribution is recognised as an increase in the carrying amount of the share in the parent company and as an increase in equity in the receiving company.

Participations in group companies

Participations in subsidiaries are recognised at historical cost with a deduction for any impairments. An estimate of the recoverable value is carried out when there is an indication that shares in subsidiaries have decreased in value. If this is lower than the carrying amount, an impairment is carried out. Any impairment losses are recognised in the item “Profit/loss from participations in group companies”.

Financial instruments

IFRS 9 is not applied at the parent company. Instead, the parent company applies the points set out in RFR 2

(IFRS 9 Financial instruments, p. 3-10).

Financial instruments are valued on the basis of historical cost. In subsequent periods, financial assets that are acquired with the intention of being held in the short term will be recognised, according to the lower of cost or market, at historical cost or market value, whichever is the lower.

The principles for impairment testing and loss risk reserve in IFRS 9 will be applied for the purpose of calculating the net realisable value of receivables recognised as current assets. For a receivable recognised at amortised cost at group level, this means that the loss risk reserve recognised in the group according to IFRS 9 must also be recognised in the parent company.

NOTE 2. PARTICIPATIONS IN SUBSIDIARIES

31/12/2020	Country		Number of shares
Cambio Holding AB	Sweden	100%	**3,221,140**

NOTE 3. SHARE CAPITAL

See note 20 for the group for information on the parent company's share capital.

NOTE 4. TRANSACTIONS WITH CLOSELY-RELATED PARTIES

Sanolium AB is the senior parent company in the group. Closely-related parties consist of all subsidiaries and senior executives in the group and their closely-related parties. Transactions take place on market terms. The following transactions have taken place with closely-related parties:

TSEK	2020	19/10/2018 – 31/12/2019
Fees, management services	2,625	3,150
Fees, management services	- 2,500	- 3,000
Interest income, internal group dealings	189	98
Interest expenses, internal group dealings	- 847	- 878

Remuneration to senior executives is set out in note 7.

NOTE 5. EVENTS AFTER THE END OF THE FINANCIAL YEAR

See note 27 for the group.

NOTE 6. PROPOSED APPROPRIATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting:

Appropriated earnings	- 43,682,756
Profit for the financial year (SEK)	- 27,805,058
	- 71,487,814
The Board of Directors proposes that the profits be distributed as follows	
Carried forward to new accounts (SEK)	**- 71,487,814**

SIGNATURES TO THE ANNUAL REPORT

Stockholm, on the date shown in our electronic signature.

Karl Sebastian Inger
Chairperson of the Board of Directors

Arash Noujoumi
Board Member

Fredrik Rüdén
Board Member

Peter Gille
CEO

Our audit report was submitted on the date shown in our electronic signature
Öhrlings Pricewaterhouse Coopers AB

Nicklas Kullberg
Authorised Public Accountant