

W
R
D
M

BURE
Annual Report 2019



AGM ON 2020

Bure's Board of Directors decided to postpone the AGM until a later date. The Annual General Meeting was originally scheduled to be held on May 6, 2020 at the IVA Conference Center, Wallenbergsalen, Grev Turegatan 16, Stockholm.

Bure returns with a notice to the AGM no later than four weeks before the new date. The meeting will be held no later than June 30, in accordance with current legislation.

FINANCIAL CALENDAR

Interim report January – March 2020	28 April
Interim report January – June 2020	16 August
Interim report January – September 2020	5 November

FOR INFORMATION, CONTACT

Henrik Blomquist, CEO +46 (0)8 614 00 20

Max Jonson, CFO +46 (0)8 614 00 20

CONTENT

- 3 The year in brief
- 4 Bure's portfolio companies
- 5 Comments from the Chairman and CEO

OPERATIONS

- 9 Business concept and goals
 - 10 Bure – a good owner
 - 11 Bure – a responsible investor
-

SUSTAINABILITY

- 12 Bure's operations and the opportunity to influence
 - 14 Responsible ownership and responsible investment
 - 15 Sustainability in the parent company Bure Equity
 - 17 Auditor's report on the statutory sustainability report
-

NET ASSET VALUE

- 18 Net asset value changes in 2019
 - 20 Bure's net asset value table
-

BURE'S LISTED HOLDINGS

- 22 Cavotec
 - 22 MedCap
 - 23 Mentice
 - 23 Mycronic
 - 24 Ovzon
 - 24 Vitrolife
 - 25 Xvivo Perfusion
-

BURE'S UNLISTED HOLDINGS

- 26 Atle Investment Management
 - 26 Bure Growth
 - 27 Investment AB Bure
 - 27 Mercuri International
-

- 28 The Bure share
- 30 Corporate governance
- 34 Board of Directors
- 36 Employees
- 37 Five-year overview

FORMAL ANNUAL REPORT

- 38 Administration report
 - 45 Group Income statements
 - 46 Group Balance sheets
 - 48 Parent Company Income statements
 - 49 Parent Company Balance sheets
 - 50 Group Statement of changes in equity
 - 51 Parent Company Statement of changes in equity
 - 52 Cash flow statement
 - 53 Notes
 - 77 Auditor's report
-
- 82 GRI Index
 - 84 Definitions
 - 85 Shareholder information

BURE

Bure is an investment company based in Stockholm, and has been listed on the Nasdaq Stockholm since 1993. Bure's investments, valued at SEK 13.6 billion on 31 December 2019, consist of 11 portfolio companies – many of which are technology-based with a strong focus on international markets.

Bure is a good owner that, in close co-operation with its portfolio companies, strives to identify, develop and realise the potential of each respective company. Investments are made for the long term, with strong commitment, extensive knowledge, a richness of ideas and active participation to create sustainable value and successful companies.

THE YEAR IN BRIEF

TOTAL RETURN,%

+97.9

NET ASSET VALUE,%

+43.5

PROPOSED DIVIDEND PER SHARE, SEK

2,50

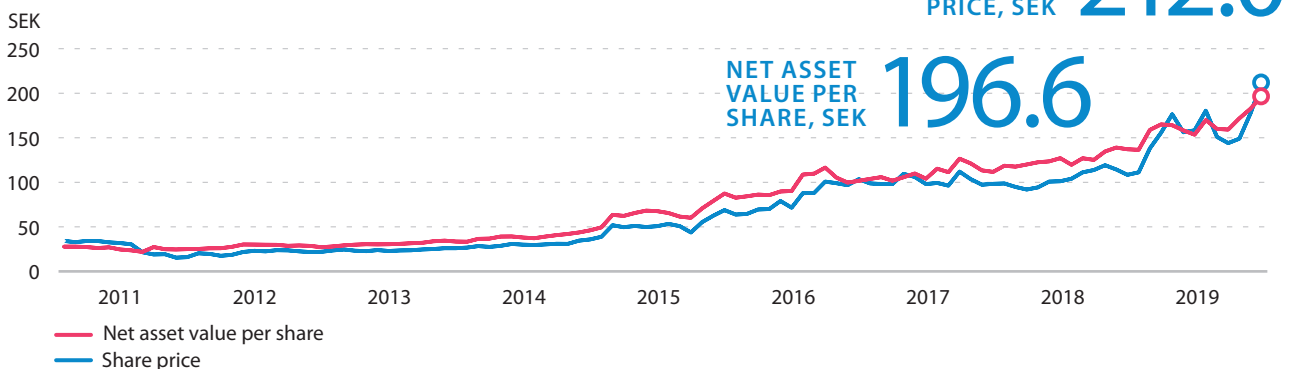
SHAREHOLDER VALUE

- Net asset value increased 43.5 per cent to SEK 196.6 per share (137.1). Net asset value per share including dividends paid of SEK 2.0 per share increased 44.9 per cent in 2019.
- Total return on the Bure share was 97.9 per cent.
- The Board proposes that the AGM approves an ordinary dividend of SEK 2.00 (2.00) and an extraordinary dividend of SEK 0.50 (0.00) per share.

INVESTMENT ACTIVITIES

- Bure acquired additional shares in Cavotec for SEK 74M, and increased its holding to 27.1 per cent.
- Acquisition of shares in Mentice for SEK 120M in conjunction with the company's stock market flotation, equivalent to a holding of 10.1 per cent.
- Bure acquired additional shares in Ovzon for SEK 113M, and increased its holding to 14.3 per cent.
- Acquisition of shares in ScandiNova Systems for SEK 81M, equivalent to a holding of 27.8 per cent.
- Bure acquired additional shares in Yubico for SEK 54M,
- Total divestment of shares in Mycronic for SEK 270M, which resulted in an exit gain of SEK 245M.
- Divestment of shares in Vitrolife for SEK 384M, which resulted in an exit gain of SEK 370M.

NET ASSET VALUE AND SHARE 2011 – 2019



Bure's portfolio companies

Bure is passionate about and focused on building companies

Bure has 11 portfolio companies, of which six are listed. Most of the portfolio companies are technology-based with a strong focus on international markets.

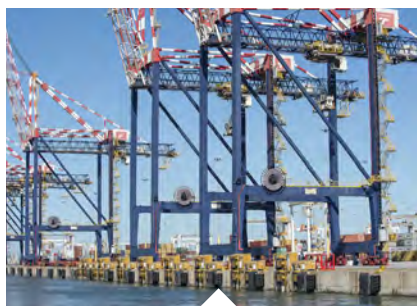
Bure invests for the long term in listed and unlisted companies.



MYCRONIC develops and manufactures world-class production equipment for electronics and display manufacture.



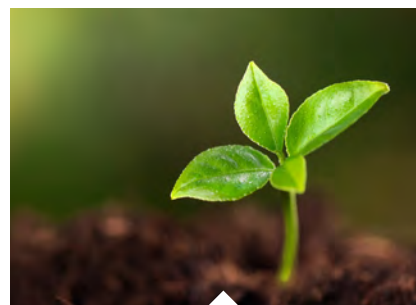
ATLE INVESTMENT MANAGEMENT is a wholly owned subsidiary that invests in financial operations and assets.



CAVOTEC is a leading engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide.



OVZON offers a revolutionary mobile broadband service via satellite that combines high data speeds with a high degree of mobility.



BURE GROWTH is a wholly owned subsidiary that invests in growth companies.



MEDCAP owns and develops marketleading niche Life Science companies.



VITROLIFE is an internationally active med-tech group. the company develops, produces and markets products for fertility treatment.



INVESTMENT AB BURE is a wholly owned subsidiary that owns and manages leasing of locomotives.



MENTICE develops and markets turn-key simulation solutions for the fast-growing endovascular surgery segment.



XVIVO PERFUSION is an international med-tech business that specialises in developing optimised solutions for organs, tissues and cells for use in transplantations.



MERCURI INTERNATIONAL is a leading international sales and leadership consultancy and training company.

Comments from the Chairman and CEO



Chairman Patrick Tigerschiöld and CEO Henrik Blomquist in a digital meeting to prepare this year's CEO and chairman comment.

2020

SCENE CHANGE

At the time of writing, the world finds itself in something approaching a state of crisis. The spread of the COVID-19 virus has caused large parts of the world to effectively come to a standstill. The US has introduced a travel ban for travellers from Europe, many countries in Europe have closed their borders and forbidden people to gather in groups and large numbers of people have been asked to work from home or simply not leave their homes at all. The economic consequences of this are likely to be extremely severe. In recent weeks, we have also seen some of the most dramatic falls on global stock markets on record. Since its peak at the beginning of February, the Stockholm exchange has lost nearly a third of its value. Introducing the 2019 CEO and chairman comments with a description of what has happened in 2020 might be considered as wrong-headed, but the extent of the falls we have seen so far this year – coupled with the uncertainty ahead – naturally puts last year's value increases in perspective.

A BRIEF LOOKBACK AT 2019

Henrik: 2019 was yet another record year for Bure. Net asset value per share increased 43.5 per cent and Bure's total net asset value increased to SEK 13.5 billion. With total returns at 97.9 per cent, it was nothing

short of a fantastic year for Bure shareholders. Our benchmark index, the SIX RX, increased 34.5 per cent in the same period.

A RELATIVELY NEGATIVE START TO THE YEAR BUT A POSITIVE FINISH

Henrik: If we look at what we wrote in the CEO and chairman comments last year, it's clear that 2019 did not really go how we expected. Many of the portfolio companies reported new record results. For Bure, the continued success of our two most significant holdings, (in terms of value), Mycronic and Vitrolife, was decisive. Vitrolife's revenue grew in 2019 by 29 per cent and profit per share jumped 24 per cent.

Patrik: Mycronic had another record year with increased revenue and profit. The company's new CEO, Anders Lindqvist, joined the company in May, succeeding Lena Olving, who retired after almost seven successful years. It was also encouraging that the start of 2020 was positive, with several important new orders. Of particular note are two orders from Intel Corp. for Mycronic's new photomask writer for the semiconductor industry, one of the company's new markets.

Henrik: It is also pleasing to confirm that during the year formerly smaller listed holdings such as MedCap, Xvivo and Ovzon performed well and thereby had a positive effect on Bure's net asset value. It is important

to me that the companies which we are engaged in are also able to affect Bure's total net asset value. The value growth we saw last year shows that we are headed in the right direction, but for us it is of course the growth of the portfolio and profit growth that we are focused on.

ANY SPECIAL SUCCESSES OR CHALLENGES DURING THE YEAR?

Henrik: The year got off to a frenetic start with new stock issues in Cavotec and Ovzon in January. The stock issue in Ovzon represented the first step in the financing of the company's own geo-stationary satellite, Ovzon 3. Later in the year, the company secured the remainder of the financing it needed with an external loan agreement. The aim of Cavotec's stock issue was to finance the restructuring programme the company had decided on at the end of 2018.

Patrik: Yes, last year, we wrote about the setbacks encountered by Cavotec that, among other factors, led to last year's stock issue. I am delighted to report that since the second quarter of last year, Cavotec has consistently improved margins. Profit after tax for the full year was EUR 7.5M with strong cash flow. Following extensive restructuring work, the foundations are now in place for Cavotec to resume its growth journey. The

risks the Corona virus pose to the global economy may have a negative impact on Cavotec this year, but the company has strong long-term prospects with its sustainable solutions for ports and airports.

Henrik: We are involved in a similar change journey with Mercuri International. The ambition is to improve management of the business and thereby create the conditions for growth and improved margins. During the year, the company's internal processes were strengthened with the introduction of new support systems and working routines. In addition, the customer offering was updated primarily by adding digital training tools and interfaces. And if that wasn't enough, in November, Mercuri also acquired Swedish company ProSales. ProSales is a research and consulting agency in what we call Sales Excellence and will further strengthen Mercuri's customer offering and market position. Taken together, it is extremely pleasing to see how Mercuri's new management team are working with these changes, and I look forward to seeing the results of these efforts going forward.

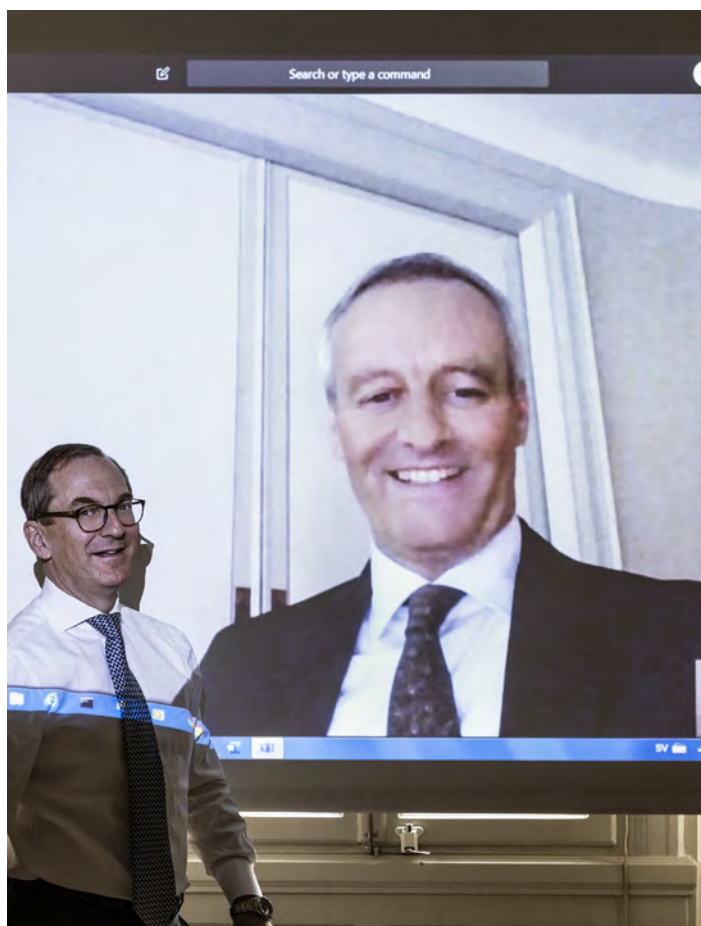
MULTIPLE CHANGES TO THE PORTFOLIO DURING THE YEAR

Henrik: In 2019, we actually conducted some type of transaction in virtually every portfolio company. Naturally, some of these were very minor and therefore of limited significance. The larger transactions include the above-mentioned stock issues in Cavotec and Ovzon, where we increased Bure's holding by investing SEK 113M in Cavotec and SEK 76M in Ovzon. In February, we divested smaller holdings in Mycronic and Vitrolife which raised a combined total of approximately SEK 650M. The aim of these divestments was to create financial space for new investments.

MENTICE AND SCANDINOVA – THE YEAR'S ADDITIONS

Henrik: It was hugely satisfying to announce two new investments as early as June. The first investment was made in conjunction with the stock market listing of medtech company Mentice. Mentice has developed its own software and solution to simulate and provide training for endovascular surgery. The other investment was made in ScandiNova which is an unlisted company from Uppsala. ScandiNova is market-leading in pulse generators, which in simple terms can be described as advanced power supply units. These products are a key component in a number of industrial applications such as radiotherapy machines used for cancer treatment.

Both Mentice and ScandiNova are smaller growth companies founded on patented technologies. They have demonstrated that their business models work, and they have leading positions in global market niches. Overall, they have many of the components we believe are necessary to achieve success and thereby provide good long-term returns.



“We’re grateful that we’ve always taken a conservative view of financial risk.”

Patrik Tigerschiöld

SUCCESSFUL LAUNCH OF A “NEW-OLD” INVESTMENT

Henrik: The “new-old” is the name change we made from Bure Financial Services to Atle Investment Management. Atle and Bure were both founded 27 years ago in conjunction with the dissolution of state-run employee funds. Atle was later acquired by two industry colleagues and the brand disappeared, but now it has returned as the brand for Bure’s focus on active capital management. Under the auspices of Atle, we launched TIN Fonder together with managers Carl Armfelt and Eric Sprinchorn. A successful move with their fund, Core Ny Teknik, attracting more than SEK 3 billion in capital from some 70,000 customers.

HOW DOES BURE WORK ON SUSTAINABILITY ISSUES?

Henrik: For the past three years, Bure has included a sustainability report in its annual report. One of its conclusions is that the impact Bure has on the climate and environment is relatively small. We have one office and a small organisation. However, it is my belief that Bure has a greater responsibility for sustainability as an owner. Ownership brings responsibility and of course this applies to sustainability issues such as climate impact, equality, ethics and moral behaviours. Responsible ownership is, and will continue to be, a key aspect of Bure’s ownership philosophy and business model. In the slightly longer term, sustainability work will be critical in maintaining Bure’s competitiveness. Therefore, in 2020, we will work on completing material analyses of all portfolio companies and further develop follow-up of companies’ work on sustainability. As an important part of this effort, I will organise trainings in sustainability for Bure’s representatives in portfolio companies’ boards to ensure that they have the knowledge and tools they need to push these issues forward.

A STRATEGY FOR 2020 – COURAGE AND VIGILANCE

Henrik: As we mention in the introduction, during the first quarter of 2020 we have witnessed a colossal scene change. The conditions we experienced just over a month ago no longer apply. Demand is currently dropping rapidly which means profit estimates and company values must be revised downwards. Uncertainty remains widespread in terms of where this will end, but the period up to midsummer will be highly critical. Hopefully, what the majority of companies are looking at is a delay in demand, which will return once the outbreak subsides. Unfortunately, this will not be the case for everyone. I believe that we will see further and larger interventions and measures from



central banks and politicians. Hopefully, this will help to address the immediate crisis so that companies and individuals have a chance to recover.


In challenging times, it is even more important to be a good owner. Health and safety is now of utmost importance for our portfolio companies, employees and clients, and my ambition is to do everything we can to support our companies.

Patrik: In last year’s CEO and chairman comments, we said that we were “...soon due another [crash]”. This crash has come with a vengeance in 2020. Every crisis has its unique characteristics and very often they come like “a bolt out of the blue”. The corona pandemic and its consequences are as surprising as they are shocking. Closed borders between European countries, lockdowns and total economic paralysis. At the moment, it is hard to take in and consider the consequences this will have for the economy. Today, at Bure we are grateful that we have always taken a conservative view of financial risk. But this is of little comfort if revenues evaporate. The only way to deal with this is to be highly alert, try to identify opportunities and not be paralysed by fear and worry. We encourage our companies to cut costs, be wise but also dare to be bold and not ignore offensive investments.

Stockholm in March 2020

Henrik Blomquist, CFO

Patrik Tigerschiöld, Chairman

A photograph of a staircase with a wooden handrail and a brown wall. The stairs are made of a light-colored material, possibly stone or concrete, and show signs of wear. The handrail is made of dark wood and is supported by metal brackets. The wall is a solid brown color.

"Bure is passionate
about building
companies.

Bure's focus is
on identifying
companies that
generate profitability
and sustainable
growth.

Bure's goal is to be
a good owner while
also creating good
returns for Bure
shareholders."

Bure's operations

BUSINESS CONCEPT AND GOALS

Bure is an investment company and a good owner. By actively building successful companies and operations for the long term, Bure generates strong returns for its shareholders.

Bure's vision;

– to create long-term total returns for Bure shareholders, and to be an attractive investment alternative on the stock market.

BUSINESS MODEL

Bure's business model is based on active involvement in the development of wholly- or partly-owned businesses and operations to increase the value of these assets over time. The approach starts with an investment analysis and transaction work. Investment analysis evaluates company strategy, future outlook and an overall set of targets. These targets or ambition level solidifies with Bure in what is known as an ownership agenda. Following a transaction, it is the task of the company board in question to meet these targets. Activities in portfolio company boards follow the Swedish Corporate Governance Code.

It is the success of Bure's portfolio companies that underpins Bure's value growth and returns.

ORGANISATION

Bure consists of two separate entities: investment and business support. To enhance efficiency, competitive advantage and focus on relevant tasks, clear processes have been defined for both entities. In addition to documented processes, Bure has also produced a code of conduct. The code is based on three core values;

* professionalism * determination * respect *

The purpose of the code of conduct is to clarify Bure's core values and communicate what Bure stands for in the long term.

Bure's investment arm works on key issues related to Bure's business model. This work may be described as falling into two separate roles;

As an owner:

– create, evaluate and carry out owner agendas, board representation, evaluation of senior executives, nomination committees, owner meetings, etc.

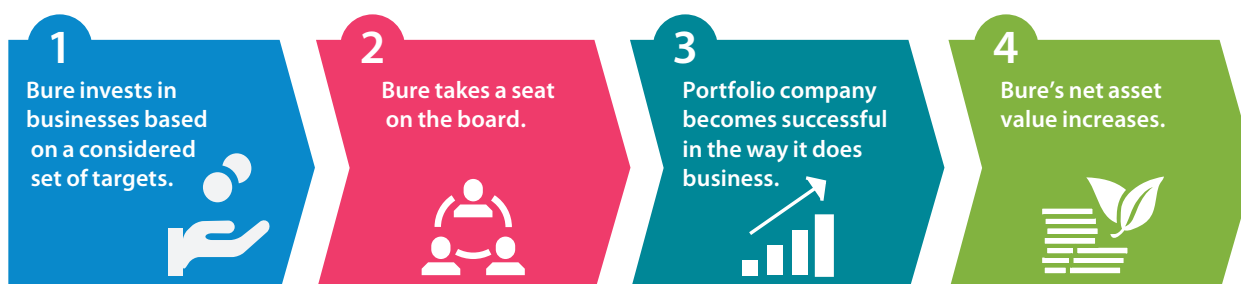
As an investor:

– sourcing/deal-flow, company analysis, market monitoring, transaction processes, valuation etc.

Bure's role as an owner includes work with portfolio company boards and general corporate governance or company management. Bure's overall goal is to be a good owner. This means that the majority of time and energy spent in the investment entity is focused on supporting and developing the portfolio companies. Supporting and developing portfolio companies constitutes the foundation of Bure's business philosophy, which the company has produced and documented for 27 years.

The role as an investor centres on company transactions and portfolio composition. Bure's ambition is to have an interesting portfolio of assets with a diversified risk and yield profile. The investment entity proposes new investments or divestments to the Bure Board, which has ultimate responsibility for the composition of the Bure portfolio. All changes to the portfolio are evaluated and decided upon by the Bure Board that can be compared to a conventional investment committee.

Business Support is responsible for the management and administration of Bure. This includes accounting, financial reporting, IR, etc.



Bure – a good owner

Bure's business model is based on an ownership philosophy that has developed throughout the company's 27-year history. The ownership philosophy is built on a deep commitment and high degree of presence in portfolio companies. In this way, Bure is able to assimilate broad competence in those branches where portfolio companies are active. The portfolio currently has several companies in which Bure has been involved for considerable periods and has contributed to successful growth. Bure's ownership philosophy is based on the following underlying foundations:

Building for the long term

A long-term approach is a vital ingredient in building successful companies. Short-term speculation can lead to decisions that undermine the long-term prospects of portfolio companies. The courage to invest, have patience and show respect creates the right conditions for building industrially successful companies, and thereby substantial value. However, building for the long-term should not be equated with acting slowly. On the contrary, a long-term approach places greater demands on procedural work and business evaluation that builds structural capital and competitive advantage

Adapted leadership

Various stages of company maturity require different types of leadership to create success over time. It is unlikely that a single type of leadership is appropriate for all situations. This puts demands on Bure as a main owner in terms of continuous awareness and readiness for change through continually evaluating what sort of leadership portfolio companies require. Understanding the type of leadership specific companies have in their specific set of circumstances is critical to success.

Involvement and responsibility

As a main owner, Bure works according to a clear agenda focusing on respective holdings' long-term business strategy and value drivers. This requires a high-degree of presence in portfolio companies, primarily through active board involvement. With ownership comes responsibility. Bure's *Code of Conduct* describes what Bure considers to be responsible behaviour and ownership, which portfolio companies are encouraged to respect. The Code of Conduct contains clear commitments regarding, *inter alia*, ethics, human rights, employment issues, and environmental impact.

Financial strength

A good owner possesses the financial strength and capacity to always support and assist its portfolio companies achieve their established objectives.



Bure's involvement in portfolio companies	Bure's ownership	Bure as the largest single shareholder	Number of board members from Bure	Chairman from Bure	Year of original investment
Noterade					
Cavotec	27.1%	Yes	1	Yes	2014
MedCap	22.3%	No	1	No	2013
Mentice	10.1%	No	1	No	2019
Mycronic	27.9%	Yes	1	Yes	1986/2009 ¹⁾
Ovzon	14.3%	No	1	No	2018
Vitrolife	19.0%	No	1	No	1984/2000 ²⁾
Xvivo Perfusion	15.8%	Yes	1	Yes	2000/2012 ³⁾
Onoterade					
Atle Investment Management	93.0%	Yes	3	Yes	2014
Bure Growth	100.0%	Yes	2	Yes	2015
Investment AB Bure	100.0%	Yes	2	Yes	2012 ⁴⁾
Mercuri International	90.4%	Yes	1	Yes	1998

1) Date of original investment in Mydata and its merger with Micronic.

2) Date of original investment in Fermentech Medical and its merger with Vitrolife.

3) Date of investment and Lex Asea dividend from Vitrolife.

4) Date of locomotive investment.

Bure – a responsible investor

SITUATION-BASED INVESTMENTS

Bure identifies and monitors interesting sectors and businesses and evaluates potential investment as opportunities arise. Among other things, Bure looks for special situations that fall outside conventional investment models, in different sectors, asset classes, cycles and growth phases. The ambition is to find unorthodox approaches to profitable investments and to evaluate potential companies based on the unique situations in which companies find themselves.

To succeed, long-term work is required in terms of relationships and networks. This is necessary to reach the "right moment" when the time is right to make a sound investment. As an investor, the company needs to be agile and have a capacity for pro-active decision-making to take advantage of opportunities when the right moment comes.

When evaluating businesses and potential investments, Bure analyses business potential from the point of view of structure, market, business model, financial position, and management team and board. It is also important to clearly identify which role Bure is to play in the short- and long-term.

OVERALL INVESTMENT CRITERIA

In new and existing investments, Bure uses a structured approach that includes the clear identification of different value drivers.

Bure's overall investment criteria are:

- Each investment shall generate an annual Internal Rate of Return (IRR) of more than 12 per cent.
- The holding shall be significant and have sufficient potential to contribute to Bure's long-term growth.
- Bure shall be a sufficiently large owner with a clearly defined role to actively influence the short and long term.

ACTIVE AND LONG-TERM OWNERSHIP WITH NO ESTABLISHED EXIT STRATEGY

Bure assess each investment and business opportunity over a period of three to five years, although the investment horizon can be longer. If interesting new business opportunities arise over time for a given company, Bure can prolong its ownership of the company. The current portfolio contains several operations where Bure has been involved for many years and has contributed to building successful companies.

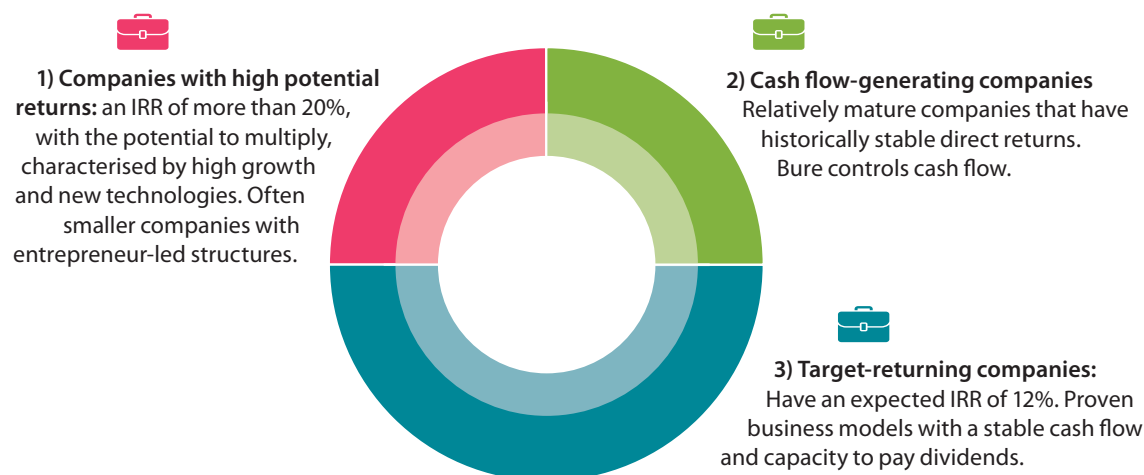
Bure has no established exit strategy, and is not under any obligation to divest portfolio companies within a certain period of time. Exits can take place, for example, when a new owner can contribute to a company's development. As an owner, it is critical that Bure has a long-term strategy and an owner agenda, i.e. clear objectives and action plans for respective portfolio companies. Bure evaluates these on an on-going basis, with an emphasis on value, potential, and risk.

Target scenario for the portfolio

Within the framework of Bure's business model, a set of targets has been identified relating to the composition of the portfolio. These targets are established primarily from a yield perspective and portfolio companies' yield profile.

The image shows schematically how Bure's portfolio of companies could look.

The three categories include:



Active ownership creates the foundations for a long-term sustainability approach

Bure seeks to be recognised on the investment markets as a good owner, one that takes on the key responsibilities of building companies for the long term.

There is a strong link between sustainability and long-term value creation. Contributing to sustainable development is part of Bure's investment philosophy and includes work on creating awareness of sustainability issues in our portfolio companies and in our own operations.

BURE'S OPERATIONS AND THE OPPORTUNITY TO INFLUENCE

Bure's business model is based on firm commitment to and active presence in its portfolio companies. The current portfolio includes several companies in which Bure has been involved for many years and has contributed to their successful performance.

As an owner, Bure has considerable influence on portfolio companies, and works actively through board representation to establish relevant policies for respective companies and ensure that operations are conducted responsibly and ethically. Bure's own in-house sustainability work is important, but with a small number of employees and only one office, this has less impact in practical terms.

This is Bure's third sustainability report that meets GRI Standards (see pages 82-83 for details). Work on follow-up and establishing targets is ongoing.

GUIDELINES, POLICIES AND MANAGEMENT

The Board of Directors has drawn up an internal framework that defines guidelines for how Bure shall act as a responsible company and that reflect the 10 principles of the UN Global Compact* and Agenda 2030.

Bure's guidelines and policies are described in the Code of Conduct. Together with Bure's responsible ownership and responsible investment policies, environmental policy and whistleblower policy, the Code sets out guidelines for how Bure shall act as a responsible company, owner and employer. The document is available on Bure's website at: www.bure.se/en/sustainability.

Employees and other Bure representatives are responsible for following these policies and guidelines, and what they entail in relevant contexts. The internal framework is reviewed annually and updated when necessary.

MATERIALITY ANALYSIS

Bure has conducted an in-depth materiality analysis involving the Bure Board, employees and external stakeholders including shareholders, portfolio companies and others.

The analysis focused partly on aspects of Bure's direct operations, and partly on Bure as an owner and investor. The purpose of the analysis was to ensure that Bure has the right focus in its sustainability efforts and that it considers stakeholders' views.

The analysis resulted in a matrix in which Bure's most significant internal and external sustainability issues are presented.

Based on the materiality analysis, Bure will focus on the following Agenda 2030 sustainability goals in terms of impact:

Within the auspices of Bure's role as an owner, defined as Responsible Ownership and Responsible Investments and for Bure's own activities referred to as Sustainability in the Bure Equity Parent Company:



Decent working conditions and economic growth



Sustainable industry, innovations and infrastructure



Sustainable consumption and production



Gender quality



Peaceful and inclusive societies

* Global Compact 10 Principles

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

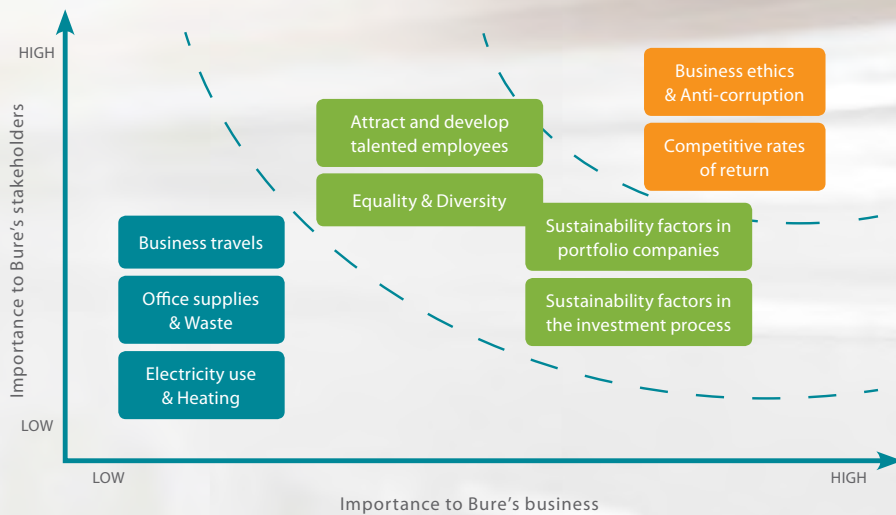
Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;



Bures prioritized sustainability issues based on the material analysis Bure's stakeholders include owners, the Board of Directors, portfolio companies and employees (y-axis). The material group for Bure's business operations is made up of the CEO and CFO (x-axis)

ANTI-CORRUPTION

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

RESPONSIBLE OWNERSHIP AND RESPONSIBLE INVESTMENT

Sustainability factors in the investment process

Bure's ambition is to create long-term value by owning and developing companies with strong market positions. Risk analysis and opportunities linked to sustainability are key aspects of the investment process and are crucial to Bure's continued success, above all from a risk minimisation perspective. Expectations of Bure's owners are also included in how Bure positions itself. Environmental, Social and Governance (ESG) indicators measure how well a company works from an ethical perspective and are used to determine how sustainable and responsible a company is.

All investment opportunities are evaluated in relation to the 10 principles of the UN Global Compact and Bure's policies for responsible ownership and responsible investment have been developed to support such efforts. Bure's investment policy describes, inter alia, its investment criteria.

Bure does not invest in companies that:

- have a not insignificant proportion of their operations involved in the development of and the production of weapons
- contribute to severe environmental damage
- have global supply chains with considerable risk in terms of working environments and working conditions (primarily the textile sector and basic mechanical machining)
- produce or distribute pornography
- are active in the tobacco sector

Bure's guidelines for new investments are included as a part of its annual strategy review. This review includes these guidelines as part of Bure's overall business monitoring activities that incorporate the analysis of global trends and market conditions.

Indicators and results for 2019

- All potential and actual investments were subject to an ESG screening.

Sustainability factors in portfolio companies

Bure builds companies for the long term and stands for responsible ownership. A clear link exists between long-term value creation and sustainable business models. Bure's goal is to promote sustainable development in the business, and in the companies that Bure co-owns. Bure is a responsible owner and works to ensure that applicable laws and regulations are followed. Sustainability work is of paramount importance, and potential mistakes may result in lower returns for Bure, and ultimately damage reputation and credibility, which can negatively impact Bure's business opportunities. At the same time, the reverse is true – sustainability in portfolio companies can create competitive advantage, and by extension, higher returns for Bure shareholders.

Bure influences portfolio companies through its corporate governance. Bure has board representatives in all its portfolio companies, often including board chairman positions. Bure promotes transparency in the company cultures of its portfolio companies. The active pursuance of ESG issues is included in the tasks of board members representing Bure. Portfolio companies' environmental and other sustainability work shall, in line with Bure policy, be included in respective boards' agendas and be subject to ongoing evaluation. Issues that are pursued by different companies are determined by specific situations and business orientation, i.e. focusing on respective companies' material sustainability issues. There is greater scope to influence day-to-day activities in wholly owned companies.

Bure's *Code of Conduct*, responsible investment, environmental and whistleblower policies have been communicated to portfolio companies. Bure also sees opportunities for regular activities with portfolio companies in which company management issues, including sustainability, can be discussed and experiences exchanged.

Activities of portfolio companies are reviewed by board representation and in Bure's regular meetings with company management teams.

Sustainability in portfolio companies	2019	2018	2017
Active sustainability initiatives	69%	57%	50%
Dedicated person responsible for sustainability initiatives	75%	43%	33%
Material analysis conducted	63%	n/a	n/a
Publishes sustainability report	56%	n/a	n/a
ESG targets and follow-up	50%	40%	42%

Portfolio companies are assessed individually, and results are then aggregated.

In 2019, portfolio companies included: Cavotec, MedCap, Mentice, Mycronic, Ovzon, Vitrolife, Xvivo Perfusion and Mercuri International.

In 2018, portfolio companies included: Cavotec, MedCap, Mycronic, Ovzon, Vitrolife, Xvivo Perfusion and Mercuri International.

In 2017, portfolio companies included: Cavotec, MedCap, Mycronic, Vitrolife, Xvivo Perfusion and Mercuri International.

Smaller portfolio companies and companies with relatively recently established operations are not included in this table.

Bure reports the status of portfolio companies' sustainability activities according to the criteria outlined below.

Indicators and results 2019

- In 2019, Bure interacted with all portfolio companies regarding sustainability (100%).
- Portfolio companies actively conducting sustainability work. See table on previous page.

SUSTAINABILITY IN THE PARENT COMPANY BURE EQUITY

Business ethics and anti-corruption

Work on sound business ethics and anti-corruption are the most important areas of Bure's operations for its internal and external stakeholders (see Material Analysis). Upholding good business ethics and zero tolerance of corruption are key factors for Bure's continued success. This includes abuse of insider information, an area where the greatest risks exist as Bure's activities entail highly regulated purchasing and legitimate supplier relationships.

The Board of Directors of Bure Equity introduced a new code of conduct and whistleblower policy. New employees are informed of the policies and sign both policies when they join the company, together with an insider policy that regulates employee trading in financial instruments. Independent lawyers provide Bure employees with training in laws and regulations related to capital markets, including market abuse, on an ongoing basis. Bure employees are subject to additional restrictions over and above existing legislation related to the trading of listed financial instruments, which is regulated by Bure's insider policy, and which in some cases requires the approval of the CEO. Furthermore, in 2017, Bure put in place an anonymous whistleblower function with the help of an external law firm.

Work in this area is evaluated continuously and all suspected cases of corruption and unethical behaviour are taken extremely seriously. Bure's leadership team also conducts evaluations in this area on an annual basis, which include policy documents, internal work done, and processes that are reviewed and updated when necessary.

Indicators and results (GRI 205-2, 205-3)

- In 2019, all employees were informed about the board's established policies and were advised about changes to applicable laws (100%).
- In 2019, no incidents of corruption occurred. During the year, Bure's whistleblower function did not receive any notifications.

Competitive returns

According to the material analysis, Bure's capacity to achieve competitive returns is its second most important area of activity. Bure's goal is to create a long-term total return for Bure shareholders and to be a competitive investment option on the stock market. Returns are a result of Bure's operations and create opportunities for Bure to continue its work on developing portfolio companies and make new investments. Good returns are necessary for Bure to pursue its agenda as a "good owner". According to Bure, a good owner has the financial strength and capacity to always be able to support and help portfolio companies achieve their stated aims. According to Bure's business model, a good owner should be long-term, show commitment and responsibility, ensure that portfolio companies have leadership adapted to respective companies' development phase, and have financial strength.

Bure's strategy to achieve competitive returns is to invest in a balanced portfolio of companies with an overall minimum return of 12 per cent for each company. Bure has no exit strategy. Rather, it evaluates ownership priorities for respective companies in its annual strategy work. It is Bure's aim to establish ownership priorities for each company and focus on the most pressing issues in the coming three to five years. Through an active board presence, Bure attempts to promote the ownership agenda in its respective companies.

Bure has board representatives in all its portfolio companies, often including board chairman positions. Bure takes an active role in board work, and regularly follows-up activities in portfolio companies, and acts where deemed necessary. Bure reports to the Bure Board about work carried out in portfolio companies on a monthly basis. These public companies also have a good level of transparency due to quarterly reporting.

Indicators and results 2019

Bure highlights two measures that the company deems relevant to gauge competitive returns – growth in net asset value and total return. Growth in net asset value indicates how successful Bure have been in the management of Bure's assets. The market's judgement of Bure's work is measured in turn by total return for the Bure share. Total return is share price performance including reinvested dividends. See: The Bure Share and Five-Year Overview.

Attract and develop talented employees

Bure's current and future success is determined by its employees. It is therefore of the utmost importance to be able to attract people with the right skill sets and provide employees with opportunities to develop.

Bure is a small organisation with seven employees and senior investment advisors. Currently, Bure has no formal structures or guidelines in place in terms of training and additional skill set development. Rather, employees are given the opportunity to, on their own initiative, research training courses on an ongoing basis. For example, employees have taken the Executive Education Program, a course in board work and have regularly attended seminars. All employees have annual career development discussions that primarily focus on employees' development and remuneration.

In 2019, Bure introduced a training requirement as an element of the annual review of operations and as a standing point in development dialogue. As part of this initiative, Bure has developed guidelines for further training and follow-up of these efforts.

Indicators and results 2019 (GRI 404-3)

- During 2019, all employees (100%) have received an evaluation and review of their performance and career development.

Equality and diversity

Bure's stakeholders raised equality and diversity in the material analysis as an important aspect of sustainability activities. Respect is one of Bure's core values, and Bure's Code of Conduct stipulates that the Bure company shall be a workplace that offers all individuals the same opportunities in a company culture free from discrimination and abuse. Bure is aware of the risk of having an overly homogeneous staff can lead to a one-sided perspective on opportunity and risk. Bure strives to increase the number of women it employs.

The Bure Board of Directors and organisation is currently comprised of men and women, with a majority of men. The proportion of women on boards was 30 per cent in 2019 compared to 40 per cent the previous year.

Indicators and results 2019 (GRI 405-1, 102-7)

Equality	Women	Men
The Bure Equity Board of Directors	2	4
Bure Equity Employees	2	5

Listed portfolio companies

Cavotec	1	5
MedCap	1	4
Mentice	0	7
Mycronic	3	5
Ovzon	0	5
Vitrolife	2	3
Xvivo Perfusion	2	4

Environment

Bure's influence in the environmental sphere can be described as non-material in relation to the influence the company has in other areas through its ownership management. The company and its seven employees' immediate environmental impact is limited to impact from office operations and business travel. Furthermore, the material analysis suggests that the company's environmental impact cannot be considered as material.

Human rights

Bure supports the UN Global Compact and pursues issues related to human rights in its subsidiaries and portfolio companies through its ownership management and board representation. Bure's immediate operations are conducted in Sweden and according to applicable requirements and rules that result from that, it has been judged that human rights are not an area of material focus.



Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Bure Equity AB (publ), corporate identity number 556454-8781

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2019 on pages 12–16 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

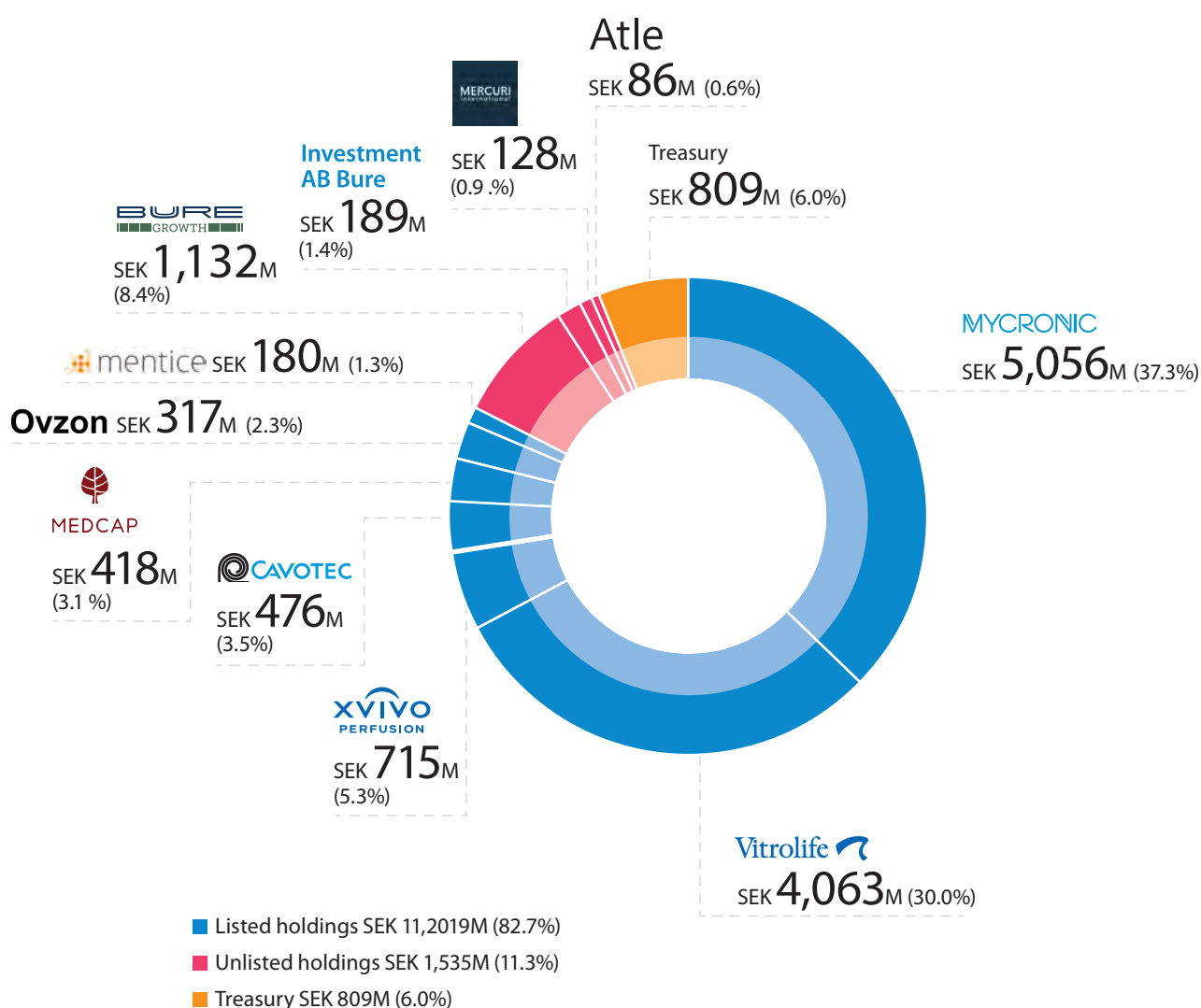
Stockholm, 31 March 2020
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

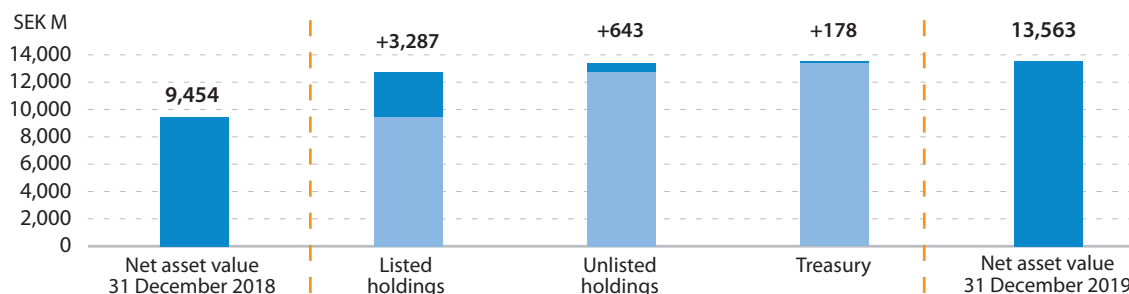
Net Asset Value changes in 2019

Net asset value increased by SEK 4,108M to SEK 13,563M at the end of 2019. This was an increase of 43.5 per cent compared to the SIX RX Index that increased 35.0 per cent in the same period.

Bure's portfolio contains primarily listed holdings and unlisted holdings. In addition, Bure manages investable funds that are referred to as Treasury.



Net asset value changes in 2019 broke down in the following way:



LISTED PORTFOLIO COMPANIES

The value of listed portfolio companies increased during the year by SEK 3,287M to SEK 11,219M. Of this value increase, value changes from share price changes accounted for SEK 3,016M, exit gains for SEK 613M, acquisitions for SEK 316M and divestments for SEK -659M.

Value changes

Value changes due to share price changes in 2019 amounted to SEK 3,016M. Several companies saw a strong increase in their share prices during the year. Bure's comparative index, the SIX RX, increased 35.0 per cent.

Value change and changes in share price

Mycronic	SEK 1,611M	56.7%
Vitrolife	SEK 757 M	34.4%
MedCap	SEK 175M	75.1%
Xvivo Perfusion	SEK 150M	28.8%
Cavotec	SEK 140M	40.4%
Ovzon	SEK 124M	-12.5%
Mentice	SEK 60M	50.0%
Total	SEK 3,016M	

Acquisitions

In 2019, a company was added to the portfolio, Mentice, when Bure acquired shares in the company for SEK 120M in conjunction with its listing on the First North Premier. Two portfolio companies conducted rights issues at the beginning of 2019 in which Bure purchased shares in Cavotec for SEK 76M and in Ovzon for SEK 120M.

Divestments

Exit gains from listed portfolio companies amounted to SEK 613M. At the beginning of the year, Bure conducted two larger share transactions in Mycronic and Vitrolife with the aim of creating scope for new investments. SEK 384M was divested in Vitrolife, resulting in an exit gain of SEK 370M. Total divestment of shares in Mycronic was SEK 263M, resulting in an exit gain of SEK 245M.

Dividends received

Bure received dividends of SEK 99M from listed portfolio companies, Mycronic SEK 82M and Vitrolife SEK 17M respectively. Listed portfolio companies accounted for

82.7 per cent of net asset value compared to 83.9 per cent at the end of 2018.

UNLISTED PORTFOLIO COMPANIES

The value of unlisted portfolio companies increased by SEK 643M to SEK 1,535M.

Value changes

Value changes in 2019 amounted to SEK 527M. The majority of this increase in value was due to the revaluation of the holding in Yubico. In 2019, Yubico conducted a rights issue to Meritech Capital Partners that Bure participated in. According to IFRS 9, the holding was valued at SEK 507M.

Acquisitions

Investments in unlisted portfolio companies was SEK 142M. Bure Growth invested SEK 81M in ScandiNova Systems and SEK 54M in Yubico. Atle Investment Management invested SEK 7M in Teknik Innovation Norden Fonder and Atle Investment Services.

Divestments

Bure divested shares in Mercuri to the company's management for SEK 7M equivalent to the book value and reported net asset value.

Dividends received

Atle Investment Management received share dividends of SEK 10M from Fondita and SEK 3M in dividends from Alcur Fonder. Unlisted portfolio companies accounted for 11.3 per cent of net asset value compared to 9.4 per cent at the end of 2018.

TREASURY

The value of assets in Treasury increased SEK 178M to SEK 809M. In 2019, Bure divested financial assets for SEK 668M and acquired financial assets for SEK 464M. The Group received dividends from listed portfolio companies and associate companies totalling SEK 109M, and paid dividends totalling SEK 138M. Other changes amounting to SEK 4M were the result of guarantee commissions, value changes in short-term investment and administrative costs. Assets in Treasury amounted to 6.0 per cent of net asset value compared to 6.7 per cent at the end of 2018.

Bure's net asset value table

Net asset value per share amounted to SEK 196.6 (137.1) at year-end equivalent to an increase of 43.5 per cent. In addition, shareholders received an ordinary dividend of SEK 2.00 per share.

Net asset value increased with SEK 4,108M till SEK 13,563M under 2018. Value increase including dividends of SEK 138M amounted to SEK 4,246M.

		31 Dec 2018				31 Dec 2019			
SEK M		% of capital	Net asset value	Value change, (+/-) ¹⁾	Investment	Disposal	Net asset value	% of net asset value	Net asset value per share, SEK
LISTED	Cavotec ³⁾	27.1%	264	138	76	-2	476	3.5%	6.9
	MedCap ⁴⁾	22.3%	245	176	–	-3	418	3.1%	6.1
	Mentice ⁵⁾	10.1%	0	60	120	–	180	1.3%	2.6
	Mycronic ⁶⁾	27.9%	3,462	1,857	8	-270	5,056	37.3%	73.3
	Ovzon ⁷⁾	14.3%	75	124	113	–	311	2.3%	4.5
	Vitrolife ⁸⁾	19.0%	3,321	1,126	–	-384	4,063	30.0%	58.9
	Xvivo Perfusion ⁹⁾	15.8%	566	148	–	–	715	5.3%	10.4
Total listed holdings			7,933	3,630	316	-659	11,219	82.7%	162.7
UNLISTED	Atle Investment Management ¹⁰⁾	93.0%	89	-3	7	-7	86	0.6%	1.2
	Bure Growth ¹¹⁾	100.0%	490	507	135	–	1,132	8.4%	16.4
	Investment AB Bure ¹²⁾	100.0%	178	11	–	–	189	1.4%	2.7
	Mercuri International Group ¹³⁾	90.4%	135	–	–	-7	128	0.9%	1.9
	Total unlisted holdings			892	515	142	-14	1,535	11.3%
Total holdings			8,824	4,144	458	-673	12,754	94.0%	184.9
TREASURY	Cash and cash equivalents and short-term/financial investments ¹⁴⁾		630		178		809	6.0%	11.7
	Total treasury		630		178		809	6.0%	11.7
Totalt substansvärde			9,454	4,144	637	-673	13,563	100.0%	196.6

1) Change in value including exit gains/losses.

2) Bures number of shares at 31 December 2019: Cavotec 25,579,935, MedCap 3,006,017, Mentice 2,448,000, Mycronic 27,317,163, Ovzon 4,799,698, Vitrolife 20,573,285 and Xvivo Perfusion 4,205,504.

3) Cavotec conducted a rights issue valued at SEK 204M in January 2019. Bure's net acquisition of shares was SEK 74M.

4) Bure divested 75,000 shares for SEK 3M in connection with the exercise of options, which generated an exit result of SEK 2M.

5) Bure acquired 2.45 million shares for SEK 120M in June 2019.

6) Bure's net divestment of 2 million shares in Mycronic for SEK 263M generated an exit result of SEK 245M during 2019.

7) Ovzon conducted a rights issue of SEK 748M in January 2019. Bure subscribed for shares valued at SEK 113M.

8) Bure divested 2 million shares in Vitrolife for SEK 384M which generated an exit result of SEK 370M in March 2019.

9) Bure divested 85,979 shares in connection with the exercise of options, which generated an exit result of SEK -2M.

10) Bure divested 7 per cent of its shares in Atle Investment Management, (formerly Bure Financial Services), to the incoming CEO for SEK 6.6M – a valuation equivalent to the company's net asset value. Atle Investment Management's net asset value decreased SEK 3M to SEK 86M. During 2019, additional investments were made in Atle Investment Services and Teknik Innovation Norden Fonder. The company's consolidated balance sheet includes valuations of associated Atle companies, Alcur Fonder, Fondbolaget Fondita and Teknik Innovation Norden Fonder, amounting to SEK 75M according to the equity method.

11) Bure Growth's net asset value increased SEK 642M to SEK 1,123M following the acquisition of shares in ScandiNova Systems and Yubico and a revaluation of the holding in Yubico in line with IFRS 9. The company's consolidated balance sheet includes valuations of associated companies BioLamina, Life Genomics, My Driving Academy and ScandiNova Systems in Bure Growth amounting to SEK 138M according to the equity method.

12) Refers to net assets.

13) Refers to the book value of equity and interest-bearing receivables.

14) Cash and cash equivalents, participations in funds and short-term investments in market-listed assets, other unlisted companies, interest-bearing receivables and other net assets.

“We firmly believe in the potential of our companies and their abilities. With our commitment, we create the right conditions for successful and responsible companies.”



Listed portfolio companies



www.cavotec.com

Share of Bure's
net asset value **3.5%**

Cavotec is a leading engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide.

Key figures

EUR m	2019	2018	2017
Net sales	196	197	212
Operating expenses	-184	-211	-230
EBIT	12.3	-13.9	-18.0
EBIT margin	6.3%	-7.1%	-8.5%
Net financial items	-1.6	-1.4	-4.9
Profit/loss before tax	10.7	-15.3	-23.1
Income tax expense	-3.2	-3.1	-8.7
Profit/loss for the period	7.5	-18.5	-31.8
Net loan debt (-)/receivable (+)	-4	-32	-20
Total assets	211	230	211
Equity	108	100	104
Cash flow from operating activities	14	1	13
Average no. of employees	769	896	970

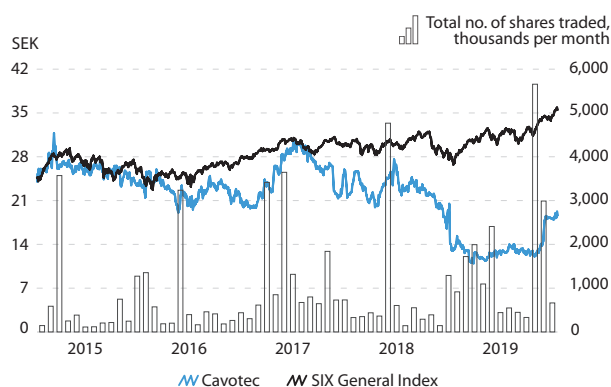
Facts at 31 December 2019

Facts at 31 December 2019	Largest shareholders
NAV: SEK 476M	Bure Equity 27.1%
Acquisition date: 2014	Fjärde AP-fonden 9.8%
Board member from Bure: Patrik Tigerschiöld, chairman	Others 63.1%

THE YEAR IN BRIEF

- Order intake decreased 7 per cent to EUR 196M (212). Order book amounted to EUR 100M (100) at the end of the year.
- Net sales of EUR 196M were unchanged on the previous year.
- Operating profit amounted to EUR 12.3M (-13.9). Operating profit excluding recurring items was EUR 15.7M (3.9).
- The share price increased 40.4 per cent during 2019

Cavotec share price performance, 5 years



MEDCAP

www.medcap.se

Share of Bure's
net asset value **3.1%**

MedCap owns and develops companies with significant expansion potential in the Life Science sector.

Key figures

SEK M	2019	2018	2017
Net sales	757	709	596
Operating expenses	-673	-665	-574
EBIT	84.6	44.4	21.4
EBIT margin	11.2%	6.3%	3.6%
Net financial items	-11.4	-4.2	-2.0
Profit/loss before tax	73.2	40.2	19.4
Income tax expense	-14.1	-13.8	-4.3
Profit/loss for the period continuing operations	59.1	26.4	15.1
Profit/loss for the period discontinued operations	-1.5	-23.8	-7.5
Profit/loss for the period	57.6	2.7	7.6
Net loan debt (-)/receivable (+)	-305	-145	-105
Total assets	849	669	600
Equity	334	274	267
Cash flow from operating activities	115	90	93
Average no. of employees	278	270	324

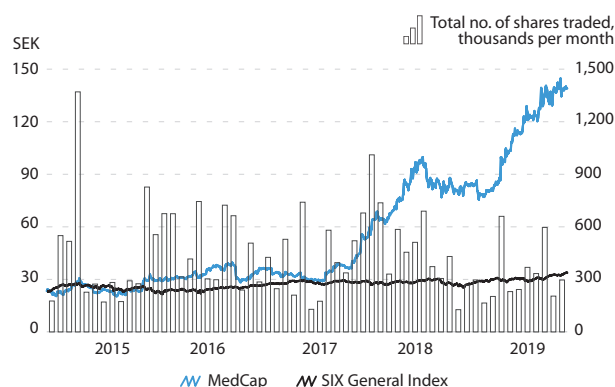
Facts at 31 December 2019

Facts at 31 December 2019	Largest shareholders
NAV: SEK 418M	Bengt Julander 22.8%
Acquisition date: 2012	Bure Equity 22.3%
Board member from Bure: Henrik Blomquist, board member	Karl Tobieson 4.1%
	Others 50.8%

THE YEAR IN BRIEF

- Net sales in 2019 increased 7 per cent till SEK 757M (709).
- Operating profit increased 91 per cent till SEK 84.6M (44.4).
- The share price increased 75.1 per cent during 2019.

MedCap share price performance, 5 years



Share of Bure's
net asset value

1.3%

www.mentice.com

Mentice develops and sells turn-key simulation solutions targeting the fast-growing market for endovascular procedures.

Key figures

SEK M	2019	2018	2017
Net sales	153	166	n/a
Operating expenses	-177	-150	n/a
EBIT	-24.5	16.1	n/a
EBIT margin	-16.0%	9.7%	n/a
Net financial items	-1.8	-2.3	n/a
Profit/loss before tax	-26.2	13.8	n/a
Income tax expense	5.6	6.3	n/a
Profit/loss for the period	-20.6	20.1	n/a
Net loan debt (-)/receivable (+)	33	18	n/a
Total assets	187	131	n/a
Equity	126	67	n/a
Cash flow from operating activities	-38	16	n/a
Average no. of employees	88	69	n/a

Facts at 31 December 2019

NAV: SEK 180M	Largest shareholders	
Acquisition date: 2019	Karin Howell-Bidermann	36.0%
Board member from Bure:	Bure Equity	10.1%
Gösta Johannesson, board member	Priveq Investment Fund	5.0%
	Others	48.9%

THE YEAR IN BRIEF

- Order intake in 2019 was SEK 139M (174).
- Net sales in 2019 were SEK 153M (166), equivalent to a decline of 8 per cent.
- The share price increased 50.0 per cent since listing in June 2019.

Mentice share price performance, since June 2019Share of Bure's
net asset value

37.3%

www.mycronic.com

Mycronic creates world-leading production equipment for electronics and display manufacturing.

Key figures

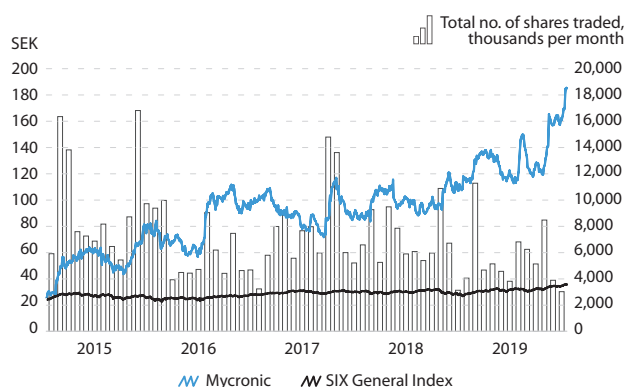
SEK M	2019	2018	2017
Net sales	4,307	3,781	3,000
Operating expenses	-3,183	-2,761	-2,156
EBIT	1,124	1,020	844
EBIT margin	26.1%	27.0%	28.1%
Net financial items	-2	-9	-9
Profit/loss before tax	1,122	1,011	836
Income tax expense	-263	-219	-212
Profit/loss for the period	859	793	623
Net loan debt (-)/receivable (+)	337	827	800
Total assets	4,800	4,199	3,244
Equity	2,978	2,379	1,780
Cash flow from operating activities	545	702	984
Average no. of employees	1,349	1,175	962

Facts at 31 December 2019

NAV: SEK 5,056M	Largest shareholders	
Acquisition date: 2010 via Skanditek	Bure Equity	27.9%
Board member from Bure:	Fjärde AP-fonden	8.9%
Patrik Tigerschiöld, chairman	SEB Fonder	8.6%
	Others	54.6%

THE YEAR IN BRIEF

- Order intake in 2019 was SEK 4,567M (3,642). The combined order book at the end of the year stood at SEK 2,164M (1,904).
- Net sales in 2019 were SEK 4,307M (3,781), equivalent to an increase of 14 per cent.
- Operating profit amounted to SEK 1,124M (1,020), equivalent to an operating margin of 26.1 per cent (27.0).
- The share price increased 56.7 per cent during 2019.
- During the year, a total of 2.0 million shares were divested for SEK 263M with an exit gain of SEK 245M.

Mycronic share price performance, 5 years

Ovzon

www.ovzon.com

Ovzon offers a revolutionary mobile broadband service via satellite that combines high data speeds with high degrees of mobility.

Share of Bure's
net asset value

2.3%

Key figures¹⁾

SEK M	2019	2018	2017
Net sales	232	208	201
Operating expenses	-220	-225	-177
EBIT	11.4	-17.5	24.0
EBIT margin	4.9%	-8.4%	11.9%
Net financial items	27.4	-7.1	-16.2
Profit/loss before tax	38.8	-24.6	7.8
Income tax expense	-9.6	-1.0	-1.7
Profit/loss for the period	29.2	-25.6	6.1
Net loan debt (-)/receivable (+)	250	40	-119
Total assets	892	131	95
Equity	796	73	-121
Cash flow from operating activities	10	-60	35
Average no. of employees	25	19	14

Facts at 31 December 2019

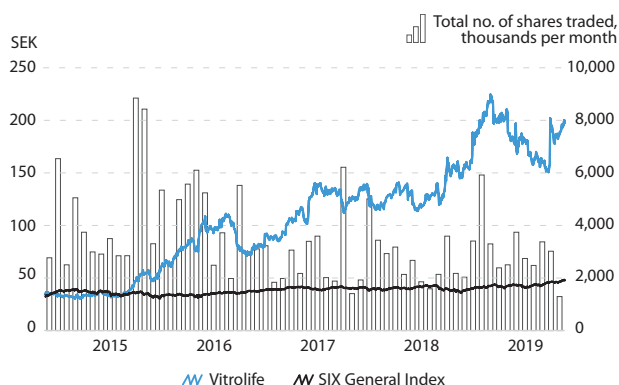
NAV: SEK 311M	Investment AB Öresund	14.9%
Acquisition date: 2018	Bure Equity	14.3%
	AFA Försäkring	11.6%
Board member from Bure:	Others	59.2%
Patrik Tigerschiöld, board member		

The capital structure as at 31 December 2017 refers to the situation as it was prior to the listing in May 2018.

THE YEAR IN BRIEF

- Net sales in 2019 increased 11 per cent to SEK 232M (208).
- Operating profit amounted to SEK 11.4M (-17.5), equivalent to an operating margin of 4.9 per cent (-8.4).
- Ovzon entered into a loan financing agreement that ensured financing for the company's first satellite, Ovzon 3.
- The share price decreased 12.5 per cent during 2019.
- Ovzon conducted a directed share issue of SEK 84.5M to Stena Finans in February 2020.

Ovzon share price performance, since May 2018



Vitrolife

www.vitrolife.com

Vitrolife is an international medtech group that develops, produces, and markets fertility treatment products.

Share of Bure's
net asset value

30.0%

Key figures

SEK M	2019	2018	2017
Net sales	1,480	1,151	1,046
Operating expenses	-992	-757	-705
EBIT	487.9	393.9	340.9
EBIT margin	33.0%	34.2%	32.6%
Net financial items	4.7	4.7	0.1
Profit/loss before tax	492.7	398.6	340.9
Income tax expense	-108.9	-87.9	-76.3
Profit/loss for the period	383.8	310.7	264.6
Net loan debt (-)/receivable (+)	660	491	396
Total assets	2,139	1,697	1,422
Equity	1,798	1,496	1,229
Cash flow from operating activities	413	349	312
Average no. of employees	398	363	355

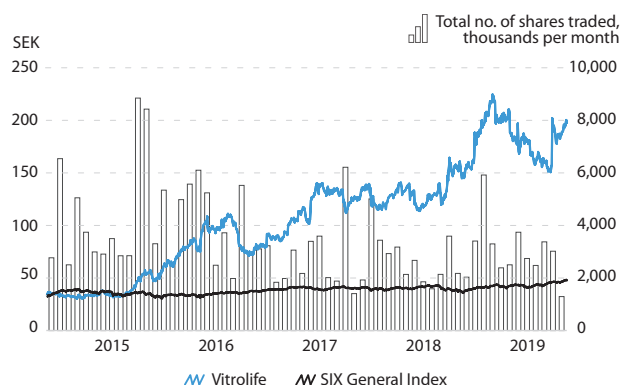
Facts at 31 December 2019

NAV: SEK 4,063M	William Demant	25.9%
Acquisition date: 2010 via Skanditek	Invest A/S	
Board member from Bure:	Bure Equity	19.0%
Henrik Blomquist, board member	Capital Group	4.6%
	Others	50.5%

THE YEAR IN BRIEF

- Net sales in 2019 increased 29 per cent to SEK 1,480M (1,151). Sales in local currencies increased 22 per cent.
- Operating profit amounted to SEK 487.9M (393.9), equivalent to an operating margin of 33.0 per cent (34.2). Operating profit before depreciation (EBITDA) amounted to SEK 587M (479), equivalent to a margin of 40 per cent (42).
- The share price increased 34.4 per cent during 2019.
- Bure divested 2 million shares in Vitrolife for SEK 384M which resulted in an exit gain of SEK 370M in February 2019.

Vitrolife share price performance, 5 years





www.xvivoperfusion.com

Share of Bure's
net asset value **5.3%**

Xvivo Perfusion is an international medtech company that develops solutions for organ, tissue and cells during transplantation procedures.

Key figures

SEK M	2019	2018	2017
Net sales	221	188	148
Operating expenses	-217	-174	-141
EBIT	3.9	14.0	7.1
EBIT margin	1.8%	7.5%	4.8%
Net financial items	1.4	3.5	0.3
Profit/loss before tax	5.3	17.5	7.5
Income tax expense	-0.4	-4.8	-1.2
Profit/loss for the period	4.9	12.7	6.3
Net loan debt (-)/receivable (+)	154	187	195
Total assets	634	587	539
Equity	578	540	504
Cash flow from operating activities	30	24	22
Average no. of employees	53	37	30

Facts at 31 December 2019

NAV: SEK 715M

Acquisition date: Spin-off from Vitrolife in 2012

Board member from Bure:
Gösta Johannesson, chairman

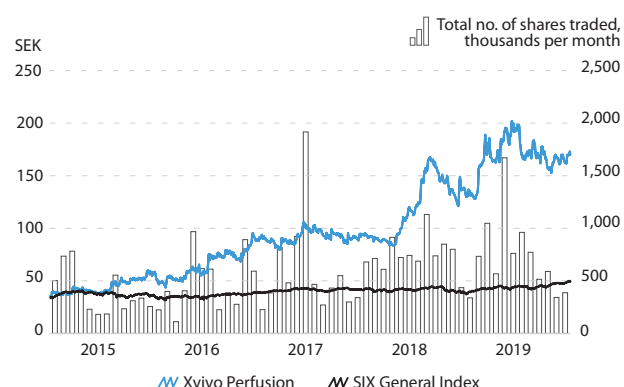
Largest shareholders

Bure Equity	15.8%
Robur Fonder	6.1%
Eccenovo AB	5.6%
Others	72.5%

THE YEAR IN BRIEF

- Net sales during 2019 amounted to SEK 221M (188), an increase of 18 per cent. Sales in local currencies increased 10 per cent.
- Operating profit was SEK 3.9M (14.0), equivalent to a margin of 1.8 per cent (7.5). Operating profit before depreciation (EBITDA) amounted to SEK 28.8M (30.9), equivalent to a margin of 13 per cent (16).
- The share price increased 28.8 per cent during 2019.

Xvivo Perfusion share price performance, 5 years



Unlisted portfolio companies

Atle

www.atle.se

Atle Investment Management is a subsidiary that invests in financial operations and assets. The company owns 32.5 per cent of Alcur Fonder, 100 per cent of Atle Investment Services, 20.1 per cent of Fondbolaget Fondita and 37.4 per cent of Teknik Innovation Norden Fonder.

Share of Bure's
net asset value **0.6%**

Key figures – Atle Investment Management Group

SEK M	2019	2018	2017
Revenue/value adjustments	33.6	14.3	11.0
Operating expenses	-15.1	-4.7	0.0
EBIT	18.5	9.7	11.0
EBIT margin	55.0%	67.6%	100.0%
Net financial items	0.0	0.0	0.0
Profit/loss before tax	18.5	9.7	11.0
Income tax expense	0.0	-0.1	0.0
Profit/loss for the period	18.5	9.6	11.0
Net loan debt (-)/receivable (+)	8	133	135
Total assets	88	201	187
Equity	87	199	187
Cash flow from operating activities	8	12	17
Average no. of employees	4	4	0

1) Of which, SEK 0.2M is liable to the Parent Company as at 31 December 2019.

Facts at 31 December 2019

NAV: SEK 86M	Bure Equity	93.0%
Acquisition date: Established 2014	Gustav Ohlsson	7.0%

Board member from Bure:

Patrik Tigerschiöld, chairman
Henrik Blomquist, board member
Max Jonson, board member

THE YEAR IN BRIEF

- Revenues/value changes of SEK 33.6M relate to participations in Alcur Fonder, Fondbolaget Fondita and Teknik Innovation Norden Fonder, revenue from the Atle Investment Services subsidiary and exit losses of SEK -1.6M from the divestment of shares in Idevall & Partners Holding.
- Bure Equity divested 7.0 per cent of shares in Atle Investment Management to the incoming CEO for SEK 6.6M – a valuation equivalent to the company's net asset value. The transaction resulted in an exit gain of SEK 6.6M.

BURE

www.bure.se

Bure Growth is a wholly owned company that invests in development companies. The company owns 28.9 per cent in BioLamina, 23.7 per cent in Life Genomics, 25.1 per cent in My Driving Academy Sweden, 27.8 per cent in ScandiNova Systems and 18.7 per cent in Yubico.

Share of Bure's
net asset value **8.4%**

Key figures – Bure Growth Group

SEK M	2019	2018	2017
Revenue/value adjustments	486.2	235.4	1.0
Operating expenses	0.0	0.0	0.0
EBIT	486.2	235.4	1.0
EBIT margin	100.0%	100.0%	100.0%
Net financial items	0.1	0.0	0.5
Group contributions	–	–	-0.5
Profit/loss before tax	486.3	235.4	1.0
Income tax expense	0.0	0.0	0.0
Profit/loss for the period	486.3	235.4	1.0
Net loan debt (-)/receivable (+)	-353	-218	-177
Total assets	1 127	482	197
Equity	755	264	20
Cash flow from operating activities	0	0	0
Average no. of employees	0	0	0

1) Of which, SEK 353.6M is liable to the Parent Company as at 31 December 2019.

Facts at 31 December 2019

NAV: SEK 1,132M	Bure Equity	100.0%
-----------------	--------------------	--------

Acquisition date: Established 2015

Board member from Bure:

Henrik Blomquist, chairman
Max Jonson, board member

THE YEAR IN BRIEF

- Revenues/value changes of SEK 486.2M relate to participations in BioLamina, Life Genomics, My Driving Academy and ScandiNova Systems, and a provision for issued call options and revaluation of the holding in Yubico of SEK 507M to assessed market value.
- In 2019, Bure Growth acquired shares in Yubico for SEK 54M and in ScandiNova Systems for SEK 81M.

Investment AB Bure

www.bure.se

Investment AB Bure is a wholly owned subsidiary that owns and manages the lease of locomotives. The business was established in January 2013.

Share of Bure's
net asset value **1.4%**



www.mercuri.se

Mercuri International is Europe's leading sales and management training consultancy and is present worldwide.

Share of Bure's
net asset value **0.9%**

Key figures

SEK M	2019	2018	2017
Net sales	22.2	16.2	11.2
Operating expenses	-11.4	-17.5	-22.1
EBIT	10.8	-1.3	-10.9
EBIT margin	48.8%	-8.1%	-97.3
Net financial items	-3.4	-2.9	-2.9
Profit/loss before tax	7.4	-4.2	-13.8
Income tax expense	0.0	0.0	0.0
Profit/loss for the period	7.4	-4.2	-13.8
Net loan debt (-)/receivable (+)	-87	-103	-102
Total assets	195	183	186
Equity	71	63	68
Cash flow from operating activities	21	1	-9
Average no. of employees	0	0	0

1) Of which, SEK 113.9M is liable to the Parent Company as at 31 December 2019.

Facts at 31 December 2019

NAV: SEK 189M¹⁾

Acquisition date: Established 2012

Board member from Bure:

Henrik Blomquist, chairman

Philip Nyblaeus, board member

1) Refers to net assets in Investment AB Bure.

THE YEAR IN BRIEF

- Net sales amounted to SEK 22.2M (16.2) and consisted of income from the leasing of locomotives to RailCare and insurance payments.
- Operating profit before depreciation was SEK 17.7M (5.6).
- Operating profit was SEK 10.8M (-1.3).

Key figures

SEK M	2019	2018	2017
Net sales	347	402	443
Operating expenses	-337	-376	-411
EBITA	9.9	26.5	31.9
EBITA margin	2.9%	6.6%	7.2%
Impairment of intangible fixed assets	-	-	-11.4
EBIT	9.9	26.5	20.5
EBIT margin	2.9%	6.6%	4.6%
Net financial items	-2.5	-1.4	-13.6
Profit/loss before tax	7.4	25.1	6.9
Income tax expense	-5.1	-4.1	-5.8
Profit/loss for the period	2.3	21.0	1.1
Net loan debt (-)/receivable (+)	-80	-2	-35
Total assets	354	315	338
Equity	163	156	130
Cash flow from operating activities	-13	20	14
Average no. of employees	216	225	265

1) Of which, SEK 29.8M is liable to the Parent Company as at 31 December 2019.

Facts at 31 December 2019

NAV: SEK 128M¹⁾

Acquisition date: 1998

Board member from Bure:

Henrik Blomquist, chairman

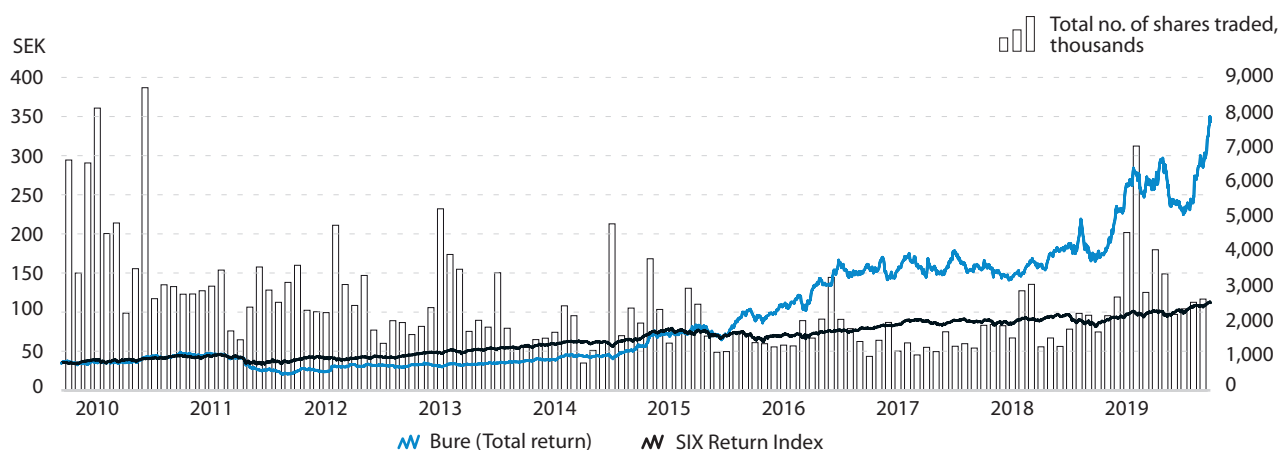
1) Relates to book value of equity and interest-bearing receivables.

THE YEAR IN BRIEF

- Net sales were SEK 347M (402) in 2019.
- EBIT was SEK 9.9M (26,5) and EBIT margin was 2.9 per cent (6.6).
- Cash flow in 2019 was SEK -13M.
- Bure divested shares in Mercuri to the company's management team for a book value amounting to the reported net asset value. Mercuri acquired Prosales, a leading Swedish research and consultancy firm, specialised in B2B sales training. In conjunction with this transaction, Prosales management acquired new issue shares in Mercuri. Bure's holding in Mercuri corresponds to 90.4 per cent after these transactions.
- The increase in net debt is mainly attributable to the introduction of IFRS 16 and the acquisition of ProSales.

The Bure share

10-year total return performance



One of Bure's foremost goals is to generate a high and sustainable total return for Bure's shareholders.

Total return is a measure of how the stock market values Bure's share and net asset value, as well as distributions of assets to Bure's shareholders. These distributions can take the form of cash dividends and shares in companies or the redemption and buyback of shares.

GROWTH IN NET ASSET VALUE

Net asset value is the sum of Bure's net assets and can be described as the result of the long-term development of the holdings. Net asset value includes listed and unlisted assets that are measured at fair market value.

SHAREHOLDER-FRIENDLY MEASURES

Bure uses several shareholder-friendly measures that enable shareholders to benefit from the value of Bure's assets over and above the stock market's valuation of the Bure share.

Cash dividends, for example, involve the distribution of cash, while company distributions involve the distribution of shares in specific companies to shareholders. Since 1993, Bure has distributed SEK 3.6Bn in cash as well as shares in Capio, Observer, (later Cision), and AcadeMedia to the value of SEK 5.2Bn on the distribution date – a total of SEK 8.8Bn.

Other types of distribution include share redemptions and share buybacks. In simple terms, this increases the value of remaining shares. Over the years, Bure has conducted redemptions and buybacks of share and warrants for SEK 3.6Bn.

Since its inception, Bure has paid out a total of SEK 12.4Bn to its shareholders. This compares to Bure's stock market value on 31 December 2019 of SEK 14.6Bn.

The Bure share is listed on the Nasdaq Stockholm in the Mid Cap segment.

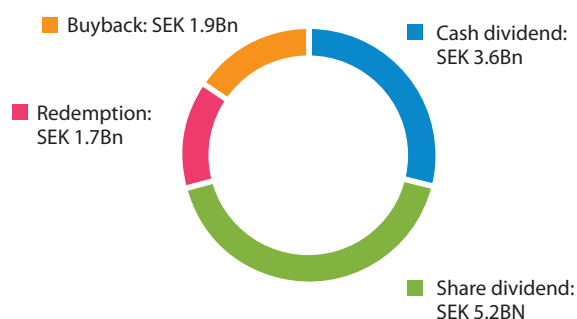
SHARE CAPITAL

Bure's share capital at 31 December 2019 amounted to SEK 535.5M, divided between 68,971,921 ordinary shares. Each share has a quota value of SEK 7.76. All shares grant equal voting rights to the company's assets and profits.

Total return at 31 December 2019

	Bure Equity	OMX Stockholm GI
1 year	97.9%	34.6%
3 years	115.6%	41.6%
5 years	551.8%	71.3%
10 years	883.2%	222.1%

Total distribution to Bure's shareholders 1993–2018: SEK 12,4Bn



TOTAL RETURN

Bure defines total return including distribution of companies as Bure's share price performance, cash dividends, and the market value of companies that have been distributed. The method is based on the reinvestment of dividends in Bure shares.

SHAREHOLDERS

The number of Bure shareholders at 31 December 2019 was 34,830 (26,623), according to Euroclear Sweden. Of Bure's shareholders, 84.6 per cent (80.0) held fewer than 500 shares each. Foreign investors accounted for 29.8 per cent (27.0) of all shareholders. At year-end, the ten largest shareholders held 57.0 per cent (60.0) of share capital and votes in Bure.

SHARE PRICE PERFORMANCE

During 2019, the share price increased 95.6 per cent. Bure's share price at the end of the year was SEK 212.0 (108.4). At its highest, the Bure share reached SEK 218.00, and its lowest price was SEK 104.8. In 2019, the Bure share produced a total return of 12.7 per cent. Total return is a measure of total share price performance including reinvested dividends.

The total return of Bure's share can be compared to the total return of the SIX Return Index that amounted to 35.0 per cent. At year-end 2019, Bure had a market capitalisation of SEK 14,622M.

TRADING VOLUME

In 2019, a total of 38,525,425 shares (23,561,247) were traded on the Nasdaq Stockholm for a combined value of SEK 6,150M (2,453), equivalent to a turnover of 56 per cent (34) of Bure's shares. The average trading volume per trading day was 154,721 shares (94,245). A total of 285,126 trades (136,352) of the Bure share were cleared during the year.

DIVIDENDS

In 2019, Bure paid an ordinary dividend of SEK 2.00 per share for the financial year 2018. The Board of Directors proposes that the 2020 AGM approve an ordinary dividend of SEK 2.00 per share (2.00), and an extraordinary dividend of SEK 0.50 per share for the financial year 2019.

SHARE BUYBACKS

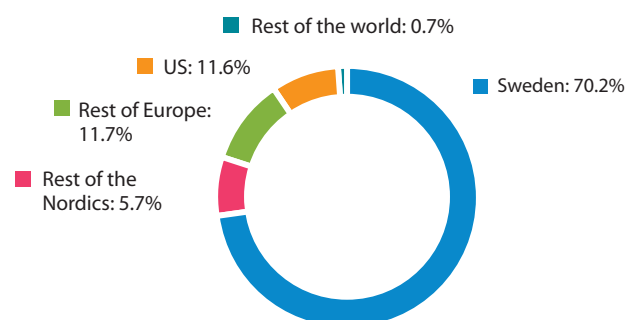
The 2019 AGM authorised the Board, during the period until the next AGM, to acquire treasury shares corresponding to a maximum of 10 per cent of all shares outstanding in the company. No shares have been repurchased after the AGM.

EMPLOYEE SHARE OWNERSHIP

Bures encourages an alignment of interests between employees and the company's shareholders. Within the framework of the long-term incentive plan, all employees have the opportunity to invest an amount equal to 7.9 per cent of their basic salary, (before tax), in Bure shares. All employees participated in the programme in 2019 with an aggregate investment of SEK 0.75M that was matched by Bure. The personal investment means that the plan has an up- and downside potential that equates the interests of the employees with those of other shareholders.

At 31 December 2019, employee ownership amounted to 98,465 shares. For more information on employee shareholdings, please see the "Employees" section of this report.

Ownership structure



Shareholder	No. of shares	Holding
Patrik Tigerschiöld incl. related parties	7,733,405	11.2%
Björkman family incl. foundations	6,226,012	9.0%
Nordea Investment Funds	5,586,688	8.1%
Fjärde AP-fonden	4,959,660	7.2%
Ted Tigerschiöld	3,746,052	5.4%
Stephanie Tigerschiöld	3,712,073	5.4%
SEB Fonder	2,432,509	3.5%
Dimensional Fund Advisors	2,164,479	3.1%
Vanguard	1,437,321	2.1%
Norges Bank	1,349,160	2.0%
Total 10 largest shareholders	39,347,359	57.0%
Others	29,624,562	43.0%
Total	68,971,921	100.0%

Distribution of shareholdings at 31 December 2019

Size of holding	No. of shareholders	Holding	No. of shares
1 – 500	29,480	84.6%	2,723,017
501 – 1,000	2,629	7.5%	2,080,244
1,001 – 5,000	2,175	6.2%	4,644,626
5,001 – 10,000	275	0.8%	2,038,149
10,001 – 15,000	83	0.2%	1,050,861
15,001 – 20,000	31	0.1%	566,061
20,001 –	157	0.5%	55,868,963
Total	34,830	100.0%	68,971,921

Corporate governance

CORPORATE GOVERNANCE REPORT 2019

Corporate governance in Bure Equity AB is regulated by Swedish law, primarily the Swedish Companies Act, and the Nasdaq Stockholm's Rules for Issuers. Bure also applies the rules of the Swedish Code of Governance ("the Code"). These rules are applied successively to the extent prescribed by the Code, and in line with statements and recommendations issued by advisory organisations, (such as the Swedish Corporate Governance Board), on specific issues related to the Code. Bure applied the Code and reports no deviations from the Code for the financial year 2019, aside from that regarding the company's special audit function, (see "Deviations from the Code" below). For more information about corporate governance issues that are not covered in this corporate governance report, please go to www.bure.se.

SHARE CAPITAL

Bure has been listed on the Nasdaq Stockholm since 1993. At year-end, Bure's share capital amounted to SEK 535.5M, divided between 68,971,921 ordinary shares. The company's ordinary shares grant the right to one vote per share. All shares grant entitlement to an equal share of the company's assets and dividends.

At the end of 2019, Bure had 34,830 shareholders according to Euroclear Sweden. The ten largest shareholders accounted for 57.0 per cent of the shares. Patrik Tigerschiöld was Bure's single largest shareholder with 11.2 per cent of the shares. The percentage of shares held by physical persons or legal entities outside Sweden was 29.8 per cent. The 2019 AGM authorised the Board, during the period until the next AGM, to acquire up to 10 per cent of the outstanding shares in the company. No shares have been repurchased after the AGM.

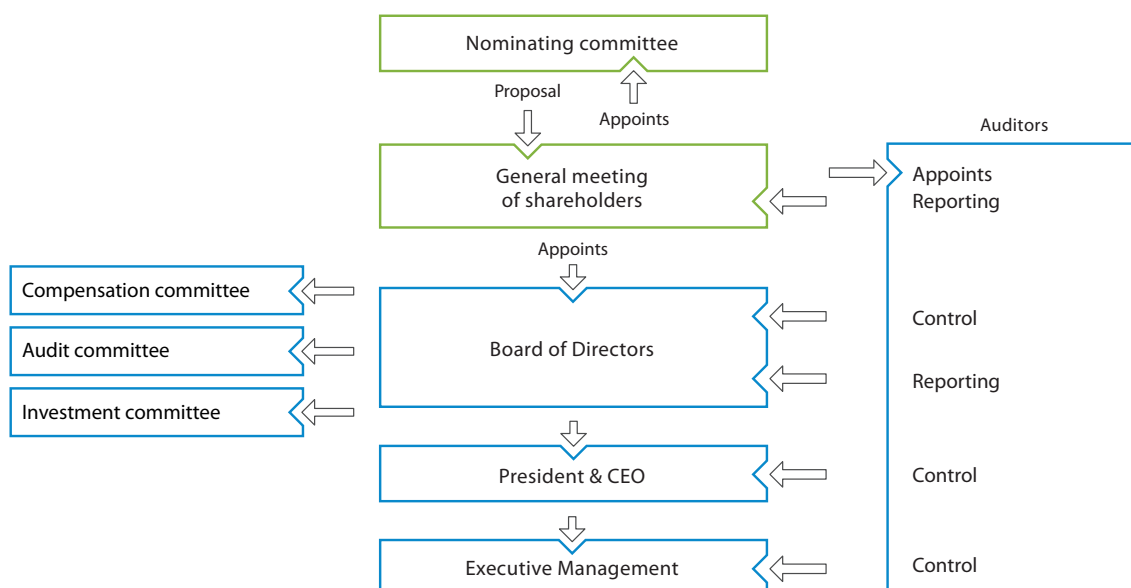
GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is Bure's highest decision-making body, and shall be held in Stockholm or Gothenburg once a year before the end of June. According to the company's Articles of Association, notice of the general meeting shall be published no more than six weeks, and no fewer than four weeks prior to the meeting, and no more than six weeks, and no fewer than three weeks prior to an extraordinary general meeting. Notice shall always be given through an announcement in Sweden's official gazette, Post- and Inrikes Tidningar, and in Swedish daily Svenska Dagbladet.

To have a matter addressed at an AGM, shareholders shall submit a written request to the Board in good time so that the matter can be included in the notice to attend the meeting. Bure's Articles of Association contain no restrictions regarding the number of votes each shareholder may exercise at the meeting. All shareholders who are registered on Euroclear Sweden's shareholder register, and who have notified the company of their intention to attend the meeting by the specified date have the right to participate in the meeting and exercise the votes for their total shareholdings. Shareholders may be accompanied by assistants at the meeting if shareholders notify the company in advance.

THE 2019 ANNUAL GENERAL MEETING

The 2019 AGM was held on 7 May in Stockholm. The meeting was attended by 191 shareholders, proxies and assistants, representing 51.4 per cent of votes and share capital. Bure's Board of Directors, management and auditor were present. The CEO's address was published in full on the Bure website the day after the AGM. During the AGM, the auditor was appointed for a mandate period of one year.



NOMINATION COMMITTEE

The composition of the nomination committee was announced on 18 September 2019. The committee was appointed in accordance with the instructions that were approved by Bure's 2019 AGM. These require the Chairman of the Board, no later than the end of the third quarter, to ensure that the company's three largest shareholders are given the opportunity to each appoint one member to the nomination committee. Should any of these three shareholders waive their right to appoint a member to the committee, the shareholder next in order of voting power will be contacted and asked whether they wish to appoint a member to the committee. The mandate period is one year. Furthermore, the Chairman of the Board shall be a member of the nomination committee. No compensation is paid for work done on the nomination committee.

The nomination committee consists of:

- Per Björkman representing the Björkman family. The committee appointed Per Björkman as its chairman.
- Erik Durhan, representing Nordea Investment Funds
- Patrik Tigerschiöld representing the Tigerschiöld family

The nomination committee shall prepare and submit proposals to the AGM regarding:

- Election of a meeting chairman
- Election of and fees for the Chairman of the Board and other board members
- Election of and fees for the auditor and deputy auditor (as applicable)
- Principles for the appointment of the next nomination committee.

Ahead of the 2020 AGM, the nomination committee held two minuted meetings. To evaluate those requirements that will be made of the board due to the company's current position and future direction, the nomination committee has discussed the size and composition of the board in terms of, for example, industry experience, competence, international experience, and diversity. A key starting point for this work has been the principle that the composition of the board shall reflect and provide scope for the different skill sets needed to support Bure's long-term operations. In addition, the nomination committee has considered the board's gender balance.

The nomination committee strives to achieve an even gender balance in the composition of the board. The committee's proposal means that the number of women on the board, corresponding to 33 per cent. Its proposals, its report on its work prior to the AGM, and other information regarding proposed members will be published on the company's website at the same time as the notice to attend the AGM.

THE BOARD OF DIRECTORS

All members of the Board are appointed by shareholders at the AGM to serve a period of one year from the AGM until the end of the next AGM. According to the Articles of Association, Bure's Board of Directors shall consist of no fewer than five and no more than nine members.

The Board is responsible for the company's organisation and management of the company's affairs, but not for its operational activities. The Board's tasks include the assessment of the company's financial situation, the adoption of a procedural plan, the appointment of a CEO, and to define the separation of duties.

The AGM on 7 May 2019 elected Patrik Tigerschiöld (re-election) as Chairman, and elected Carl Björkman (re-election), Carsten Browall (new election), Bengt Engström (re-election), Charlotta Falvin (re-election) and Sarah McPhee (re-election) as regular Board members. Mathias Uhlén did not make himself available for re-election. Information about Board members and the CEO is presented at the end of the corporate governance report. CFO Max Jonson has served as Secretary of the Board. The CEO is not a member of the Board. Of the company's six Board members, four are independent in relation to the company, its management and the company's major shareholders; one is independent in relation to the company, its management and the company's major shareholders; and one is dependent in relation to the company, its management and the company's major shareholders.

A description of Board members' and the CEO's shareholdings and other assignments is provided in the "Board of Directors and Employees" section of this report.

Duties of the Board

The duties of the Board include the development of the company's strategy and business plan in such a way that the long-term interests of shareholders are served in the best possible way. The Board's work is governed by a procedural plan that was adopted at a statutory meeting of the Board on 7 May 2019. The work of the Board follows an annual plan containing fixed decision points adopted at statutory meetings of the Board. In brief, the procedural plan states that the Board is responsible for the company's organisation and management of its affairs. The procedural plan includes information regarding the separation of duties between the Board, the Chairman, the CEO, and the Board's committees.

The Board continuously monitors the company's and Group's financial position so that the Board fulfils its monitoring obligations required by law, Nasdaq Stockholm's Rules for Issuers, and sound Board practice. The procedural plan states that it is the responsibility of the Board to decide on matters that fall outside the sphere of operational activities or that are of major significance, such as material financial commitments and agreements and significant changes in the organisation.

Bure's Board establishes and documents the company's goals and strategies on an annual basis, along with marketing, and strategic and budgetary issues. The Board establishes the company's finance policy, authorisation rights, order of delegation and decision-making procedures. The Board has formulated specific instructions regarding the responsibilities and powers of Bure's CEO, and receives reports and updates on operations from management on an on-going basis. Information material and decision data ahead of Board meetings is typically distributed one week prior to Board meetings.

The company's auditors attend at least one board meeting a year to report on the annual audit and provide their evaluation of the company's internal control mechanisms. The auditors present their observations from the annual audit directly to the Board. At least once a year, the auditors meet the Board in the absence of management.

Work of the Board in 2019

According to the Articles of Association, the Board shall hold at least six meetings a year, and shall meet more frequently if required to do so. In the past financial year, the Board held nine meetings, consisting of eight ordinary meetings and one statutory meeting. See Board attendance in the table below.

Key issues dealt with during the financial year included:

- Financial monitoring of operations
- Discussions and decisions regarding the portfolio
- Preparation of the dividend proposal
- Development of the company's strategic direction
- Authorisation for the repurchase of treasury shares
- Auditing, investments and compensation committee matters, as described in "Board committees" below.

The company's auditor participated in two board meetings, partly without the presence of management representatives.

Total Board fees in Bure Equity AB, as approved by the 2019 AGM, is SEK 3,500,000, of which SEK 2,000,000 is paid the Chairman.

Evaluation of the Board

External systematic evaluations are conducted at regular intervals. The evaluation provides Board members with an opportunity to give their views on

working procedures, Board materials, their own and other Board members' performance. The aim of this is to develop the work of the Board and provide the Nomination Committee with a relevant basis to take decisions.

BOARD COMMITTEES

The Board's procedural plan includes instructions regarding the audit committee, compensation committee, and the investment committee. The work of the audit and compensation committees is performed by all members of the Board.

Audit committee

The audit committee is responsible for issues concerning auditing, internal control, and review of interim and financial reports. The committee is also tasked with evaluating the work of the auditors, and preparing the election of new auditors when appropriate. The audit committee met the company's auditors on two occasions during the year.

Compensation committee

The compensation committee is responsible for compensation in the shape of salaries, pensions and bonuses, and other terms of employment for the CEO and staff who report directly to the CEO. Decisions regarding compensation principles for the CEO and management were adopted at the AGM 7 May 2019.

Investment committee

To actively manage Bure's cash and cash equivalents and short-term investments, the Board has appointed an investment committee. The committee's main task is to continuously evaluate the management of investments in terms of risk and return. The investment committee consists of Patrik Tigerschiöld, Sarah McPhee and CEO Henrik Blomquist. The investment committee functions according to the company's finance policy. In the past financial year, the investment committee held one meeting at which all members were in attendance.

PRINCIPLES FOR COMPENSATION TO SENIOR EXECUTIVES

The AGM adopts principles for the compensation of senior executives. Proposals are prepared by the compensation committee. The overarching principle is to offer competitive compensation and terms of employment. Overall compensation packages consist of fixed based salary, variable salary, pension benefits

Attendance at Board meetings in 2019	Board meetings	Compensation, SEK th	Shareholding
Patrik Tigerschiöld, Chairman	9/9	2,000	7,733,405
Carl Björkman	9/9	300	2,945,412
Carsten Browall	6/6	300	3,000
Bengt Engström	9/9	300	7,000
Charlotta Falvin	8/9	300	0
Sarah McPhee	9/9	300	10,000

and other benefits. The principles that were applied in 2019 are outlined in the administration report. Information about compensation to the CEO and other senior executives during 2019 is provided in Note 35.

FINANCIAL REPORTING

Bure's financial reporting is based on applicable laws, regulations, rules, agreements and recommendations for companies listed on the Nasdaq Stockholm. A more detailed description of applicable accounting principles is provided in Note 1 of this report. The auditor's report for the financial year 2019 is also included in the annual report. The Board ensures that the company's financial and accounting structures are correctly dimensioned and have sufficient resources.

Every year, the Parent Company issues instructions regarding the financial information to be reported by the subsidiaries and other portfolio companies. This information includes income statements, balance sheets, cash flow statements and other key figures. The subsidiaries are required to submit a more extensive reporting package at year-end. This reporting takes place in the group-wide accounting system.

According to the requirements of the listing agreement with Nasdaq Stockholm, Bure provides financial information in the form of interim reports, a year-end report, an annual report, and press releases regarding significant events.

DEVIATIONS FROM THE CODE OF CORPORATE GOVERNANCE

According to section 7.3 of the Code, the Board of Directors is required to evaluate the need for a special audit function, (internal audit) on an annual basis. The Board's assessment is that Bure currently has no need for this function. Relevant instructions are in place, and the Board continuously ensures that responsible individuals in the organisation have the requisite expertise and resources to fulfil their duties in the preparation of financial reports. Bure holds seats on the boards of its portfolio companies via a representative for its respective holdings. Depending on the holding, it is also possible to appoint more than one member to represent Bure.

Bure's holdings are currently spread across a variety of industrial sectors and geographical areas. It is therefore deemed more appropriate to make this decision for each holding rather than setting up internal audit functions at group level. The need to establish an internal audit function in the Parent Company must therefore be regarded as minor.

INFORMATION ABOUT THE AUDITORS

Bure has appointed Öhrlings PricewaterhouseCoopers AB ("PwC") as its independent auditor. PwC has appointed Magnus Svensson Henryson, 50, as Auditor in Charge. In addition to Bure Equity AB, Magnus is auditor for the Sandvik och Sjötte AP-fonden. For information on compensation to PwC, please see Note 9.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL OF FINANCIAL CONTROL FOR THE FINANCIAL YEAR 2019

Under the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board of Directors is responsible for internal control at the company. This description has been prepared in accordance with the Swedish Code of Corporate Governance, section 7.4, and is thereby limited to internal control in relation to financial reporting. This description is not part of the formal annual report.

CONTROL ENVIRONMENT

The procedural plan for the Board, and instructions for the CEO, ensure clearly delineated roles and responsibilities that promote effective management of the company's risk. Furthermore, the Board has established several normative documents for internal control, which, among other things, emphasise the importance of having clear and documented instructions and policies in the Parent Company and its subsidiaries. Management regularly reports to the Board according to established routines. Management is responsible for the system of internal controls that is necessary for the management of significant risk associated with day-to-day operations. This includes guidelines that promote understanding and awareness among company executives of the importance of their respective roles in maintaining good internal control.

RISK ASSESSMENT AND CONTROL ACTIVITIES

In assessing the risk for irregularities in the company's financial reporting, Bure has developed a model in which several areas exposed to elevated risk for significant error have been identified. Particular attention has been paid to the development of controls to prevent and detect deficiencies in these areas. Areas where material deficiencies are identified are dealt with immediately.

INFORMATION AND COMMUNICATION

Significant guidelines, manuals et., pertinent to financial reporting are continuously updated and communicated to relevant employees. Employees can communicate important information to management and the Board via formal and informal channels. For external communication, guidelines are in place to ensure that the company meets the highest standards in complete and accurate reporting to the market.

MONITORING

The Board continuously monitors and evaluates information provided by company management. This includes ensuring that action is taken in relation to any deficiencies and recommendations identified in internal and external audits.

Stockholm den 31 March 2020

The Board of Directors of Bure Equity AB (publ.)

Board of Directors



Patrik Tigerschiöld, Stockholm, born in 1964, M.Sc. Business and Economics.

Board Chairman since 2013 (also during 2004 – 2009) CEO during 2010 – April 2013*

Chairman of Cavotec SA, Mycronic AB, the Association for Generally Accepted Principles in the Securities Market, the Swedish Association of Listed Companies and Atle Investment Management AB.

Board member of Fondbolaget Fondita AB and Ovzon AB.

Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Shareholding in Bure, own and held by related parties: 7,733,405.

Dependent in relation to the company and its management.

Dependent in relation to the company's major shareholders.



Carl Björkman, Stockholm, born in 1970, M.Sc. Engineering.

Board member since 2010.

Chairman of Cality Invest AB.

Board member of Bällsta Mekaniska AB, FPG Media AB, Hermanders AB, Johan Björkmans Allmännyttiga Stiftelse för Ekonomisk Forskning, Motus Weighing AB, Stäketsholms Förvaltnings AB and Svenska Haland Teknik AB.

Shareholding in Bure, own and held by related parties: 2,945,412.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.



Carsten Browall, Göteborg, born in 1958, M.Sc. Business and Economics.

Board member since 2019

Chairman of GHP Specialty Care AB and Cellink AB.

Board member of Osstell AB and S2 Medical AB.

Shareholding in Bure, own and held by related parties: 3,000.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.

* Employed by Skanditek 1999 – 2010



Bengt Engström, Stockholm, born in 1953, M.Sc. Engineering.

Board member since 2014

Chairman of Nordic Flanges Group AB, Real Holding AB and BEngström Förvaltning.

Board member of ScandiNova Systems AB, Scanfil Oy, KTH Executive School, BEngström AB and CBF Holding Aps.

Shareholding in Bure, own and held by related parties: 7,000.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.



Charlotta Falvin, Genarp, born in 1966, M.Sc. Business and Economics.

Board member since 2015

Chairman of Lunds Tekniska Högskola (LTH), Malmö Ground AB, Malmö Startups and SHB södra regionbank.

Board member of Boule Diagnostics AB, Invisio Communications AB, Minc AB, NetInsight AB, Sydsvenska Handelskammaren and Tobii AB.

Shareholding in Bure, own and held by related parties: 0.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.



Sarah McPhee, Stockholm, born in 1954, BA, MA and M.Sc. Economics.

Board member since 2016

Chairman of SNS, Fjärde AP-fonden and Houdini Sportswear AB.

Board member of Klarna AB and Axel Johnson Inc.

Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Shareholding in Bure, own and held by related parties: 10,000.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.

Employees



From left: Trolle Sahlström, Oskar Hörnell, Sophie Hagströmer, Henrik Blomquist, Elisabet Hellman and Gösta Johannesson. Philip Nyblaeus and Max Jonson are not presented in the photo.

Henrik Blomquist

Stockholm, born in 1971, Economic studies

President and Chief Executive Officer

Employed since 1999*

Experience of investment operations and corporate development.

Chairman of Bure Growth AB, Mercuri International Group AB and Investment AB Bure.

Board member of MedCap AB, Vitrolife AB, Atle Investment Management AB and others.

Shareholding in Bure, own and held by related parties: 57,807

Oskar Hörnell

Stockholm, born in 1987

Investment Manager

Employed since 2015

Board member of My Driving Academy Sweden AB.

Shareholding in Bure, own and held by related parties: 4,575

Max Jonson

Stockholm, born in 1968

CFO

Employed since 2013

Board member of Atle Investment Management AB, BioLamina AB and Bure Growth AB.

Shareholding in Bure, own and held by related parties: 20,786

Elisabet Hellman

Stockholm, born in 1957

Executive Assistant

Employed since 2016

Shareholding in Bure, own and held by related parties: 2,817

Philip Nyblaeus

Stockholm, born in 1982

Investment Manager

Employed since 2011

Board member of Investment AB Bure.

Shareholding in Bure, own and held by related parties: 7,811

Sophie Hagströmer

Stockholm, born in 1980

Investment Director

Employed since 2019

Shareholding in Bure, own and held by related parties: 1,449

Gösta Johannesson

Stockholm, born in 1959

Senior Advisor

Consultant since 2013

Chairman of Xvivo Perfusion AB.

Board member of Atle Investment Services AB, Axiell Group AB, Interflora AB, Mentice AB, ScandiNova Systems AB, Yubico AB and others.

Shareholding in Bure, own and held by related parties: 5,000

Trolle Sahlström

Stockholm, born in 1988

Investment Manager

Employed since 2017

Adjunct board member of Mercuri International Group AB and ScandiNova Systems AB.

Shareholding in Bure, own and held by related parties: 3,220

* Employed by Skanditek 1999 – 2010.

Five-year overview

Data per share ¹⁾	2019	2018	2017	2016	2015
Net asset value, SEK ²⁾	196.6	137.1	111.7	101.7	87.4
Share price, SEK	212.0	108.4	98.3	103.5	68.8
Share price as a percentage of net asset value	108%	79%	88%	102%	79%
Parent Company basic equity per share, SEK	183.6	129.1	108.4	98.4	82.9
Parent Company equity per share excl. buybacks, SEK	183.6	129.8	108.4	98.4	84.7
Consolidated basic equity per share, SEK	196.8	136.5	112.5	102.4	85.6
Consolidated equity per share excl. buybacks, SEK	196.8	137.2	112.5	102.4	87.5
Parent Company basic earnings per share, SEK ³⁾	55.8	23.2	12.0	15.7	40.4
Consolidated diluted earnings per share, SEK ³⁾	61.3	26.3	12.0	16.9	42.0
Number of shares, thousands	68,972	69,333	69,333	69,333	70,834
Number of shares excluding share buybacks, thousands	68,972	68,972	69,333	69,333	69,333
Average basic number of shares, thousands	68,972	69,245	69,333	69,333	70,042
Key figures					
Dividend, SEK per share	2.0	2.0	2.0	2.0	1.0
of which, extraordinary dividend, SEK per share	–	0.5	0.5	1.0	–
Direct return	0.9%	1.8%	2.0%	1.9%	1.5%
Total return	97.9%	12.7%	-3.3%	54.7%	95.4%
Market capitalisation, SEK M	14,622	7,516	6,812	7,176	4,870
Net asset value, SEK M	13,563	9,454	7,743	7,054	6,060
Return on equity	35.6%	19.5%	11.6%	17.1%	62.2%
Administrative expenses/Net asset value	0.33%	0.55%	0.55%	0.66%	0.68%
Parent Company profit and financial position					
Exit gains/losses, SEK M	609	46	117	0	417
Profit/loss after tax, SEK M	3,850	1,609	834	1,086	2,829
Total assets, SEK M	12,688	8,976	7,528	6,835	5,895
Equity, SEK M	12,662	8,950	7,517	6,822	5,874
Equity/assets ratio	100%	100%	100%	100%	100%
Cash and cash equivalents and short-term investments, SEK M	800	461	799	873	1,040
Consolidated profit and financial position					
Net sales, SEK M	382	416	443	455	486
Exit gain/loss, SEK M	607	45	228	2	416
Profit/loss after tax, SEK M	4,229	1,821	834	1,173	2,940
Total assets, SEK M	13,786	9,624	7,971	7,271	6,281
Equity, SEK M	13,573	9,462	7,802	7,101	6,065
Equity/assets ratio	98%	98%	98%	98%	97%
Net loan debt (-)/receivable (+), SEK M	648	373	678	669	986
Average number of employees	226	234	272	262	280

1) All historical data per share have been adjusted for shares in issue with a time-weighting factor as prescribed by IAS 33.

2) Net asset value consists of the market value of Bure's listed holdings and the Parent Company's book value of unlisted holdings, net assets and cash and cash equivalents.

3) No dilutive effect at 31 December 2019.

Administration report

The Board of Directors and the CEO of Bure Equity AB (publ), corporate identity number 556454-8781, domiciled in Stockholm, hereby submit the annual report and consolidated annual report for the 2019 financial year.

Operations and focus

Bure is a long-term principal owner of operating companies. Bure was established in 1992 and was listed on Nasdaq Stockholm in 1993. By actively developing a diversified portfolio of professionally managed companies and operations, Bure's objective is to create value and returns for its shareholders.

Key events of 2019

Acquisitions and divestments

Bure acquired a total of 5.7 million shares in Cavotec for SEK 74M, increasing its holding to 27.1 per cent. Bure divested 75,000 shares in MedCap for SEK 3M in conjunction with the exercise of a share option that generated an exit gain of SEK 2M.

Bure acquired 2.45 million shares in Mentice for SEK 120M in conjunction with the company's stock market flotation, equivalent to a holding of 10.1 per cent.

Bure divested a total of 2.0 million shares in Mycronic for SEK 270M, generating an exit gain of SEK 245M.

Bure acquired an additional 3.8 million shares in Ovzon for SEK 113M, increasing its holding to 14.3 per cent.

Bure Growth acquired 27.8 per cent of shares in ScandiNova Systems for SEK 81M.

Bure divested 2.0 million shares in Vitrolife for SEK 384M, generating an exit gain of SEK 370M.

Bure divested 85,979 shares in Xvivo Perfusion in conjunction with the exercise of a share option, generating an exit gain of SEK -2M.

Bure Growth acquired 0.2 million shares in Yubico for SEK 54M.

Bure divested 7.0 per cent of shares in Atle Investment Management to the incoming CEO for SEK 6.6M – a valuation equivalent to the company's net asset value. The transaction generated an exit gain of SEK 6.6M.

Bure divested shares in Mercuri to the company's management at a book value equivalent to the company's reported net asset value. Mercuri acquired Prosales, a leading Swedish research and consultancy firm specialised in B2B sales training. In conjunction with this transaction, Prosales management received new issue shares in Mercuri. Following these transactions, Bure's holding in Mercuri amounts to 90.4 per cent.

Consolidated profit and financial position

Results for the full year

Consolidated operating income from operational and investment activities was SEK 4,648M (2,281). Subsidiaries' net sales amounted to SEK 382M (416).

Dividends amounted to SEK 99 M (94) of which Mycronic SEK 82M and Vitrolife SEK 17M.

Exit gains/losses totalled SEK 607M (45), of which SEK 245M derived from the divestment of shares in Mycronic, SEK 370M from the divestment of shares in Vitrolife and SEK -7M from other divestments.

Capital gains/losses from short-term investments amounted to SEK -43M (-49).

Fair value changes amounted to SEK 3,576M (1,754) of which listed portfolio companies accounted for SEK 3,016M. Of this amount, Cavotec accounted for SEK 140M, MedCap SEK 175M, Mentice SEK 60M, Mycronic SEK 1,611M, Ovzon SEK 124M, Vitrolife SEK 757M and Xvivo Perfusion SEK 150M, revaluation of Yubico of SEK 507M and value changes in other companies and short-term investments of SEK 53M.

Shares in profit/loss of associated companies amounted to SEK 21M (11).

Consolidated operating profit for the period was SEK 4,235M (1,826).

Net financial items totalled SEK -1M (-1).

Consolidated profit/loss after financial items was SEK 4,234M (1,825).

Profit/loss after tax was SEK 4,229M (1,821).

Other comprehensive income included translation differences of SEK 19M (17).

Financial position

Consolidated equity at the end of the year amounted to SEK 13,573M (9,462), and the equity/assets ratio was 98 per cent (98). At 31 December 2019, the Group had a reported net loan receivable of SEK 648M (373), which consisted of interest-bearing assets of SEK 715M (403), and interest-bearing liabilities of SEK 67M (30). Consolidated equity per share at the end of the year was SEK 196.79, compared to SEK 136.48 per share at 31 December 2018.

Parent Company profit and financial position

Results for the full year Profit/loss after tax was SEK 3,850M (1,609).

Dividends amounted to SEK 231M (94), of which Atle Investment Management accounted for SEK 132M, Mycronic SEK 82M, and Vitrolife SEK 17M.

Exit gains amounted to SEK 609M (46), of which SEK 245M derived from the divestment of shares in Mycronic, SEK 370M from the divestment of shares in Vitrolife and SEK -6M from other divestments.

Capital gains/losses on short-term investments totalled SEK -43M (-49).

Fair value changes amounted to SEK 3,088M (1,566), of which listed portfolio companies accounted for SEK 3,016M, of which Cavotec accounted for SEK 140M, MedCap SEK 175M, Mentice SEK 60M, Mycronic SEK 1,611M, Ovzon SEK 124M, Vitrolife SEK 757M, and Xvivo Perfusion SEK 150M, and value changes in other companies and short-term investments of SEK 72M.

Administrative expenses amounted to SEK 45M (52). Net financial items totalled SEK 9M (3).

Financial position

Equity in the Parent Company at the end of the year was SEK 12,662M (8,950), and the equity/assets ratio was 100 per cent (100). At the end of the year, the Parent Company had reported a net loan receivable of SEK 803M (345), which consisted of interest-bearing assets of SEK 806M (345), and interest-bearing liabilities of SEK 3M (0). External interest-bearing receivables amounted to SEK 4M (6). Receivables from subsidiaries totalled SEK 497M (362).

Employees and salaries

Information about the average number of employees and the salaries and benefits of senior executives is provided in Notes 33 – 35.

Bure's loss carryforwards

At the end of 2018, the Bure Group had loss carryforwards of SEK 985M, of which SEK 673M related to the Parent Company. In Sweden, losses amounted to SEK 907M, and are perpetual. The deferred tax asset based on loss carryforwards in the Group has been valued at SEK 7M (6).

Significant risks and uncertainties

In view of rapid changes in the financial markets, particular emphasis is placed on monitoring the effects of these on Bure's investments and their valuations.

Liquidity risk is the risk that the Group will be unable to finance loan payments or other financial obligations as they fall due either with its own funds or with new financing. No significant changes in the Parent Company or Group's risk and uncertainty factors occurred during the year. At the end of the year, the Group had a net loan receivable of SEK 648M (373).

Financial risk management

The Group is exposed to a number of financial risks, including share price risk, currency risk, interest rate risk and liquidity risk. Bure has a number of basic principles to manage risk. Bure's finance policy states that the Parent Company shall be essentially debt-free. Further-more, each portfolio company shall be financially independent of the Parent Company. This means that the Parent Company is not financially liable for obligations of portfolio companies, and that portfolio companies are responsible for their own financing arrangements. Financing of respective portfolio companies shall be appropriate to each company's specific situation. A more detailed description of the Group's management of financial risk can be found in Note 21, Financial Instruments.

To actively manage Bure's cash and cash equivalents and short-term investments, the Board of Directors has established an investment committee. The committee's main responsibility is to evaluate the management of investments in terms of risk and return. The committee is comprised of Patrik Tigerschiöld, Sarah McPhee, and CEO Henrik Blomquist. The committee's mandate is regulated by the company's finance policy.

Underlying costs are normally generated in the same currency as revenues, limiting transaction exposure. Since the Group has investments outside Sweden through its subsidiaries, the consolidated statement of financial position and statement of comprehensive income are exposed to exchange differences due to the translation of foreign subsidiaries' financial statements.

Sensitivity analysis for the Group

The Group's results are affected by a variety of factors. Factors described in this report should be considered indicative, and in no way include compensatory measures that can be taken in response to specific developments. Bure's sensitivity to financial factors can be primarily broken down into share price risk, interest rate sensitivity and currency sensitivity. Share price risk relates to the risk that the value of listed shares is subject to change. Based on the market value of listed holdings of SEK 11,219M at 31 December 2019, an average decrease in the price of listed portfolio companies of 1 per cent would have an estimated effect on consolidated profit of SEK 112M. In the short term, a 1 per cent change in the interest rate would affect Group consolidated profit by SEK 6M.

Sensitivity to different currencies is deemed to be relatively limited. The most important currency for the Group, apart from the Swedish krona, is the Euro (EUR). The share of the Group's subsidiaries' net sales in EUR is 64 per cent. A 5 per cent change in the value of the EUR would have an estimated effect on profit of SEK 1M due to translation effects. The estimated effect on profit due to changes in Bure's sales varies depending upon the company to which the change relates. In some companies, the short-term marginal effect of a change in sales is relatively substantial. This depends on the causes of such changes. For example, a considerable difference exists between a volume effect and a price effect. Listed portfolio companies with significant international sales have currency exposure primarily in EUR and USD.

Financial targets and strategy

Bure's business model is to acquire, develop and divest operating companies in a way that gives Bure's shareholders a good return on invested capital and enables the portfolio companies to continuously develop their respective businesses in a successful manner. The goal is for the potential value growth of each individual investment to clearly contribute to long-term growth in Bure's market capitalisation. Each individual investment shall have an annual internal rate of return (IRR) of more than 12 per cent. The Parent Company shall be essentially debt-free and the portfolio companies shall have a level of debt over time that is adequate in relation to their assessed operational risk.

Ownership structure and the Bure share

Bure is listed on the Nasdaq Stockholm. At 31 December 2019, Bure's largest shareholders were Patrik Tigerschiöld with 11.2 per cent, Björkman family including foundations with 9.0 per cent and Nordea Investment Funds with 8.1 per cent and the. At 31 December 2019, Bure had 34,830 shareholders according to Euroclear Sweden.

Share capital and number of shares

Bure's share capital at 31 December 2019 amounted to SEK 535.5M, divided between 68,971,921 shares, equal to a quota value of SEK 7.76. The Articles of Association contain no restrictions on the right to transfer shares nor, to the Board of Directors' knowledge, is the company party to any significant agreements that will have any impact, be altered or cease to apply if control over the company changes as a result of a public tender offer.

Holdings of own shares

Bure's 2019 AGM resolved to authorise Bure's Board of Directors to acquire up to 10 per cent of the total number of shares in Bure Equity AB. Bure did not repurchase any shares during 2019.

Authorisation for the repurchase of treasury shares

The Board of Directors will propose that the AGM give the Board renewed authorisation, until the date of the 2021 AGM, to repurchase treasury shares in a number equal a maximum of 10 per cent of the total number of shares outstanding in the company.

Principles for compensation and other terms of employment for senior executives

The principles for compensation were adopted by the AGM of Bure on 7 May 2019 and are as follows:

Compensation to the CEO and senior executives shall consist of basic salary, variable salary and pension. Other senior executives refer to the CFO.

The relationship between basic and variable salary (bonus) shall be proportionate to the executive's responsibilities and authorities.

The amount of variable salary for the CEO is equal to 100 per cent of basic annual salary. For senior executives, the amount of variable salary is 80 per cent of basic annual salary.

Variable salary for the CEO and other senior executives is based on the outcome of four quantitative parameters in relation to predetermined targets.

The quantitative parameters are linked to predetermined targets for a selection of the portfolio companies, Bure's share price performance and net asset value development per share.

Senior executives also have a discretionary parameter where the outcome is evaluated against individually set goals.

Principles for compensation and other terms of employment for senior executives (cont'd)

The Board of Director's proposed guidelines for remuneration of senior executives

Bure also offers a long-term share savings program for all employees. All employees are given the opportunity, within the framework of the long-term incentive plan, to invest an amount equal to 7.9 per cent of fixed basic salary (before tax) in Bure shares. All employees took part in the plan for 2019 with an aggregate invested amount of SEK 0.75M, which was matched by Bure. The personal investment means that the plan has an up- and downside potential that equates the interests of the employees with those of other shareholders. Further information is available at www.bure.se/en/about-bure/corporate-governance/.

All pension benefits are of the defined contribution type. For additional information see Note 35, Compensation to senior executives.

The Board of Directors proposes that the 2020 Annual General Meeting approves the following guidelines for remuneration of senior executives including members of the Board, the CEO, the deputy CEO and other individuals in executive management positions according to article 9.9 of the Swedish Code of Governance, i.e. group management. These guidelines would apply to compensation agreements and to changes made to existing compensation agreements subsequent to the guidelines being adopted by the 2020 Annual General Meeting. These guidelines would not apply to compensation approved at the Annual General Meeting.

The Board reserves the right to temporarily waive the guidelines, partially or entirely, if specific circumstances justify doing so and if such a course of action is necessary to protect the company's long-term interests and sustainability, or to ensure the company's financial sustainability. If such divergences from the guidelines occur, they are to be presented in the compensation report for the following Annual General Meeting. The guidelines would apply after the Annual General Meeting 2020. Incidences concerning divergences from the guidelines shall be presented by the remuneration committee and approved by the Board.

Guidelines that promote the company's business strategy, long-term interests and sustainability

Bure is an investment company and a good owner. By actively building successful companies for the long term, Bure generates good returns for shareholders. The starting point of Bure's activities is proactive involvement and development of wholly owned or co-owned companies and activities in order to increase the value of these assets over time.

The Board believes it is critical to the successful implementation of the company's business strategy and fulfilment of the company's long-term interests, including its financial sustainability, that the company can recruit and retain senior executives with the skills and capacities to achieve set targets. To do this, the company needs to be able to offer competitive overall compensation that incentivises senior executives to perform to the very best of their abilities. Variable remuneration that falls under these guidelines shall be based on criteria that seek to promote the company's business strategy and long-term interests, including its financial sustainability, and in such a way that fulfilment of these criteria is determined by the methods outlined below.

Types of compensation

Compensation and other conditions of employment for senior executives shall be competitive. Total compensation includes basic salary, variable remuneration, pension and certain other benefits. In addition – and irrespective of these guidelines – the Annual General Meeting may decide on equity or equity-related compensation.

Basic salary

The basic salaries of the CEO and other senior executives are reviewed on an annual basis. The basic salary component typically amounts to a maximum of 56 per cent of total compensation excluding LTI and assuming a 50-per cent STI yield.

Short-Term Incentive programme (STI)

Compensation is based on the achievement of targets for the company as a whole. Criteria are based on the result of a number of, primarily, quantitative parameters, against stated targets. Quantitative parameters relate to the company's share price performance, the company's net asset value per share and operational themes of respective financial years. Other senior executives, with the exception of the CEO, are also subject to a discretionary parameter.

The Board of Director's proposed guidelines for remuneration of senior executives (cont'd)

Overall, the criteria shall contribute to the company's business strategy, long-term interests and sustainability with well-defined links to these and thus to the company's long-term capacity to create value. Performance related to these criteria is presented in the company's revised year-end financial statements. Compensation shall constitute no more than 100 per cent of basic salary for the CEO and 80 per cent for other senior executives. At full outcome, compensation may amount to a maximum of 43 per cent of the total remuneration excluding LTI for the CEO and 40 per cent of total remuneration excluding LTI for other senior executives. Variable compensation shall not be pensionable. Compensation amounts are prepared by the remuneration committee and approved by the Board once the qualification period has passed. Remuneration is then paid. The company has no contractual right to demand the repayment of remuneration once paid.

Long-Term Incentive programme (LTI)

With the aim of aligning the interests of senior executives with those of shareholders, to encourage senior executives' acquisition of equity in the company, and in addition to the annual variable remuneration described above, a long-term incentive programme with the following main components is offered to the company's senior executives:

- i. If a senior executives, during a given time period and within the auspices of LTI, buys equity up to a certain amount, the company shall match this with a cash payment of the same amount, compensating the senior executive's marginal tax liability, in the form of a one-off payment, ("the matching amount"). The senior executive shall use this amount to acquire shares in the company. The executive is contractually obliged to hold these shares for at least three years.
- ii. If the terms and conditions in point (iii). are met, the company shall make an additional one-off payment ("the performance amount"). The senior executive shall use the performance amount, net of tax, to acquire equity in the company. The executive is contractually obliged to hold these shares for at least one year.
- iii. The criteria for the payment of the performance amount include that senior executives are still employed by the company; that they have retained their acquired shares according to the stipulations of point (i). throughout the period; and that the Board has confirmed that performance targets regarding the company's annual total sales up to 2023 have been met.
- iv. In the event of the LTI programme being fully subscribed, the cost to the company in terms of the matching amount, including social charges, shall not exceed SE 1.3M, while the cost of the performance amount, including social charges, shall not exceed SEK 5.0M.

Equivalent long-term incentive programmes will apply for all other company employees.

Other benefits

Pension benefits

The contractual retirement age for the CEO and other senior executives is 65. All pension benefits for senior executives are defined. This means that the company pays individually agreed defined pension contributions. The company has no additional pension liabilities.

Company car etc.

The CEO is entitled to a company car. In addition, all senior executives have standard health insurance cover.

Other benefits include a maximum 17 per cent of total remuneration excluding LTI and on the assumption of 50 per cent STI yield.

Period of notice and severance pay

Senior executives' employment or assignment contracts shall be valid until further notice or for specific time periods. In the event of the company terminating an employment or assignment contract, the CEO has the right to a period of notice of 12 months. The CEO is required to give a 12-month period of notice if he or she terminates their employment. The CEO is entitled to severance pay corresponding to 12 months' salary if employment is terminated by the company. Severance pay is not paid on retirement. For other senior executives, a six-month notice period applies in the event of termination by the company. Other senior executives are not entitled to severance pay. During notice periods, existing employment contracts and associated benefits will continue to apply. In cases where severance pay is to be paid, no other benefits will be paid for the period after the expiry of the notice period.

The Board of Director's proposed guidelines for remuneration of senior executives (cont'd)

Salary and conditions of employment

In preparing the Board's proposed guidelines for remuneration of senior executives, salaries and conditions of employment for company employees were also considered. Details about employees' total remuneration, compensation components, compensation increases and rates of increase over time informed the decision making of the remuneration committee and the Board in terms of evaluating the suitability of the guidelines and the limitations that flow from them.

Decision process

The Board shall present new guideline proposals when significant changes to guidelines are necessary, but at least every four years. The Board's proposals are prepared by the Board's remuneration committee. The Chairman of the Board may chair the remuneration committee. Other members of the remuneration committee, elected by the Annual General Meeting, shall be independent of the company and company management. If the Board finds it more expedient to do so, the entire Board may perform the tasks of the remuneration committee, provided that Board members who are also part of company management do not participate in such tasks.

The remuneration committee shall, inter alia, follow and evaluate the implementation of the guidelines for senior executive remuneration approved by the Annual General Meeting. Once the remuneration committee has prepared its proposal, it is submitted to the Board for approval. When the Board considers and approves remuneration-related matters, neither the CEO nor other members of company management shall be present, insofar as they are subject to such matters.

If an Annual General Meeting decides not to adopt guidelines on the basis of a proposal of such, the Board shall submit a new proposal no later than the subsequent Annual General Meeting. In such cases, compensation shall be paid in accordance with existing guidelines or, in the absence of existing guidelines, in accordance with company praxis.

Work on these areas is supported with external advice when deemed necessary.

Review of the guidelines

A review of the guidelines for senior executives' compensation was conducted due to amendments made to the Companies Act that took effect on 10 June 2019. The proposed amendments are not expected to result in any significant change to compensation levels currently paid under existing guidelines.

No related party transactions occurred during the period.

Related party transactions

Subsequent events

The virus Covid-19 has during the beginning of 2020 had a significant negative impact on countries, people, companies and financial markets. As a result, the value of Bure's listed portfolio companies, which amounted to 84 percent of the total net asset value of SEK 13.6 billion on December 31, 2019, has decreased.

Future outlook Proposed appropriation of profits

Due to the nature of its business, Bure makes no forecasts about future earnings.

The company's annual report will be submitted for adoption by the 2020 Annual General Meeting. The following funds are at the disposal of the AGM according to the Parent Company balance sheet:

Retained earnings	SEK 8,276,294,122
Profit for the year	SEK 3,849,713,903
	SEK 12,126,008,025

The Board proposes that the profits be appropriated as follows:

Shareholders received SEK 2.00 per share in ordinary dividend and SEK 0.50 per share in extra dividend, amounting to SEK 172.4M.	SEK 172,429,803
To be carried forward to new account	SEK 11,953,578,222

It is the Board's assessment that the proposed dividend is justifiable in view of the demands imposed by the operations' nature, scope and risks on the amount of equity in the Parent Company and the Group, as well as the consolidation requirements, liquidity and financial position in general.

The undersigned hereby certify that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union and with the application of generally accepted accounting principles, and give a true and fair view of the financial position and results of the Group and the Parent Company, and that the administration report gives a true and fair view of the development of operations, financial position and results of the Group and the Parent Company and describes the significant risks and uncertainties to which the Group companies are exposed.

Stockholm 31 March 2020

Patrik Tigerschiöld
Chairman

Carl Björkman

Carsten Browall

Bengt Engström

Charlotta Falvin

Sarah McPhee

Henrik Blomquist
CEO

Our auditor's report was submitted on 31 March 2020
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant

GROUP

Statement of comprehensive income

Note	SEK M	Group	
		2019	2018
	Operating income		
2	Net sales	381.6	415.5
	Other operating income	4.9	10.7
32	Dividends:		
	Portfolio companies	99.4	93.5
	Other companies	–	–
	Short-term investments	–	–
3, 14	Exit gains/losses	607.3	45.4
	Capital gains on short-term investments	-43.0	-49.3
5	Fair value:		
	Portfolio companies	3,016.3	1,737.6
	Other companies	11.0	–
	Short-term investments	549.1	16.9
4	Shares of profit/loss of associates	21.4	10.7
	Total operating income	4,648.0	2,281.0
	Operating expenses		
8, 9	Other external expenses	-147.1	-172.2
34, 35	Personnel costs	-236.9	-266.8
10, 12, 13	Depreciation and impairment of property, plant and equipment	-10.0	-10.5
8	Depreciation of right-of-use assets	-15.0	–
11	Depreciation and impairment of intangible fixed assets	-1.4	-1.3
	Other operating expenses	-2.8	-4.0
	Total operating expenses	-413.2	-454.8
	Operating profit/loss	4,234.8	1,826.2
6	Interest income and similar profit/loss items	6.4	1.5
6, 8	Interest expenses and similar profit/loss items	-7.3	-3.0
	Profit/loss after financial items	4,233.9	1,824.8
7	Income tax expense	-5.1	-4.2
	Profit/loss after tax	4,228.8	1,820.6
	Other comprehensive income		
	Items that may be reclassified subsequently to profit or loss		
	Translation differences	19.5	16.6
	Other comprehensive income for the year, net after tax	19.5	16.6
	Comprehensive income for the year	4,248.3	1,837.2
	Profit/loss attributable to non-controlling interests	1.5	0.2
	Profit/loss attributable to owners of the Parent Company	4,227.3	1,820.4
	Comprehensive income attributable to non-controlling interests	1.5	0.2
	Comprehensive income attributable to owners of the Parent Company	4,246.7	1,837.0
	Average basic number of shares outstanding, thousands ¹⁾	68,972	69,245
	Attributable to owners of the Parent Company, SEK	61.29	26.29
23	Basic earnings per share, SEK¹⁾	61.29	26.29

1) No dilutive effect at 31 December 2019 or 2018.

GROUP

Balance sheets

Note	SEK M	Group	
		31 Dec 2019	31 Dec 2018
	NON-CURRENT ASSETS		
	Intangible assets		
10	Patents, licenses, etc.	7.4	2.6
11	Goodwill	119.8	95.0
	Total intangible assets	127.3	97.6
	Property, plant and equipment		
12	Buildings, land and land improvements	1.2	1.2
13	Equipment, tools, fixtures and fittings	167.9	176.3
8	Right-of-use assets	31.6	–
	Total property, plant and equipment	200.7	177.5
	Financial assets		
21, 22, 29	Financial assets at fair value through profit or loss	11,219.1	7,932.6
21, 22, 30	Investments accounted for using the equity method	229.9	134.9
21, 22	Other non-current securities	988.6	427.2
15, 21, 22, 25	Other non-current receivables	7.7	11.3
7	Deferred tax assets	7.0	6.4
	Total financial assets	12,452.4	8,512.5
	Total non-current assets	12,780.3	8,787.6
	CURRENT ASSETS		
	Inventories, etc.	0.1	0.1
21, 22	Trade receivables	109.1	79.4
15, 22, 25	Other current receivables	11.9	58.0
	Current tax assets	5.5	6.5
16	Prepaid expenses and accrued income	26.4	29.7
21, 22	Short-term investments	142.3	265.0
22, 25	Cash and cash equivalents	710.5	397.2
	Total current assets	1,005.7	835.9
	TOTAL ASSETS	13,786.0	9,623.5
	<i>of which, interest-bearing</i>	<i>714.8</i>	<i>402.7</i>

Note	SEK M	Group	
		31 Dec 2019	31 Dec 2018
	EQUITY		
24	Share capital	535.5	535.5
	Other contributed capital	714.6	714.6
	Retained earnings including profit for the year	12,303.5	8,211.0
	Total equity attributable to owners of the Parent Company	13,553.6	9,461.1
	Equity attributable to non-controlling interests	19.1	1.3
	Total equity	13,572.7	9,462.4
	LIABILITIES		
	Non-current liabilities		
7	Deferred tax liability	1.1	0.0
17	Provisions	64.8	29.6
21, 22, 25	Liabilities to credit institutions	0.0	0.8
8, 25	Lease liabilities	18.8	–
21, 22	Other non-current liabilities	1.4	9.2
	Total non-current liabilities	86.2	39.6
	<i>of which, interest-bearing</i>	<i>49.5</i>	<i>27.4</i>
	Current liabilities		
21, 22, 25	Liabilities to credit institutions	4.6	2.1
8, 25	Lease liabilities	13.1	–
22	Prepayments from customers	7.2	6.3
22	Trade payables	16.6	16.3
7	Current tax liabilities	4.0	3.1
	Other current liabilities	16.6	21.8
18, 22	Accrued expenses and deferred income	65.1	71.9
	Total current liabilities	127.2	121.5
	<i>of which, interest-bearing</i>	<i>17.7</i>	<i>2.1</i>
	TOTAL LIABILITIES	213.3	161.1
	TOTAL EQUITY AND LIABILITIES	13,786.0	9,623.5

PARENT COMPANY

Income statements

Note	SEK M	Parent Company	
		2019	2018
	OPERATING INCOME		
	Investing activities		
32	Dividends:		
	Portfolio companies	99.4	93.5
	Other companies	131.8	–
	Short-term investments	–	–
3, 14	Exit gains/losses	608.9	45.6
	Capital gains/losses on short-term investments	-43.3	-49.3
5	Fair value:		
	Portfolio companies	3,016.3	1,499.2
	Other companies	11.0	50.1
	Short-term investments	60.9	16.9
	Other operating income	0.7	2.3
	Total operating income	3,885.7	1,658.3
	Operating expenses		
34, 35	Personnel costs	-24.4	-27.4
9	Other external expenses	-17.8	-24.2
13	Depreciation of property, plant and equipment	-0.5	-0.7
	Depreciation of right-of-use assets	-2.0	–
	Total expenses	-44.8	-52.3
	Operating profit/loss before financial items	3,841.0	1,606.0
	Financial income and expenses		
6	Interest income and similar profit/loss items	10.0	4.9
6, 8	Interest expenses and similar profit/loss items	-1.3	-1.6
	Total financial income and expenses	8.7	3.3
	Profit/loss before tax	3,849.7	1,609.3
	Income tax expense	0.0	0.0
	Profit/loss for the year¹⁾	3,849.7	1,609.3
23	Average basic number of shares outstanding, thousands ²⁾	68,972	69,245
	Basic earnings per share, SEK ²⁾	55.82	23.24
	Average number of employees	6	7

1) Corresponds to comprehensive income.

2) No dilutive effect at 31 December 2019 or 2018.

PARENT COMPANY

Balance sheets

Note	SEK M	Parent Company	
		31 Dec 2019	31 Dec 2018
	NON-CURRENT ASSETS		
	Property, plant and equipment		
13	Equipment, tools, fixtures and fittings	2.3	2.8
8	Right-of-use assets	3.1	–
	Total property, plant and equipment	5.3	2.8
	Financial assets		
14, 22, 27, 28	Investments in group companies	147.7	154.4
14, 22, 29	Financial assets at fair value through profit or loss	11,219.1	7,932.6
14, 30	Investments accounted for using the equity method	–	–
15, 22, 25	Other non-current receivables	2.8	3.9
	Total financial assets	11,369.6	8,090.9
	Total non-current assets	11,375.0	8,093.6
	CURRENT ASSETS		
	Current receivables		
22, 25	Receivables from group companies	497.5	362.3
15, 22, 25	Other current receivables	8.9	54.5
	Current tax assets	1.2	2.2
16	Pre-paid expenses and accrued income	5.2	2.0
	Total current receivables	512.8	420.9
21, 22, 25	Short-term investments	142.3	265.0
22, 25	Cash and cash equivalents	657.7	195.9
	Total current assets	800.0	460.9
	TOTAL ASSETS	12,687.8	8,975.4
	<i>of which, interest-bearing assets</i>	<i>805.7</i>	<i>345.1</i>
	EQUITY		
	Restricted equity		
24	Share capital	535.5	535.5
	Total restricted equity	535.5	535.5
	Non-restricted equity		
	Retained earnings	8,276.3	6,805.0
	Profit/loss for the year	3,849.7	1,609.3
	Total non-restricted equity	12,126.0	8,414.2
	Total equity	12,661.5	8,949.8
	LIABILITIES		
	Non-current liabilities		
	Other provisions	10.5	7.6
8, 25	Lease liabilities	1.0	–
22	Other non-current liabilities	0.8	0.9
	Total non-current liabilities	12.3	8.5
	CURRENT LIABILITIES		
22	Trade payables	1.0	0.3
22	Other current liabilities	1.1	5.4
8, 25	Lease liabilities	2.1	–
18, 22	Accrued expenses and deferred income	9.8	11.5
	Total current liabilities	13.9	17.2
	<i>of which, interest-bearing liabilities</i>	<i>3.1</i>	<i>–</i>
	Total liabilities	26.3	25.7
	TOTAL EQUITY AND LIABILITIES	12,687.8	8,975.4

GROUP

Statement of changes in equity

SEK M	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year	Non-controlling interests	Total equity
Equity at 1 January 2018	535.5	714.6	-73.7	6,624.1	1.1	7,801.5
Profit/loss for the year	–	–	–	1,820.4	0.2	1,820.6
Other comprehensive income	–	–	16.6	–	–	16.6
Cash dividend	–	–	–	-138.7	–	-138.7
Buy-back of own shares	–	–	–	-37.7	–	-37.7
Equity at 31 December 2018	535.5	714.6	-57.2	8,268.2	1.3	9,462.4
Equity at 1 January 2019	535.5	714.6	-57.2	8,268.2	1.3	9,462.4
Profit/loss for the year	–	–	–	4,227.3	1.5	4,228.8
Other comprehensive income	–	–	19.5	–	–	19.5
Cash dividend	–	–	–	-137.9	–	-137.9
Cancellation of shares	-2.8	–	–	–	–	-2.8
Bonus issue	2.8	–	–	–	–	2.8
Divestment of shares in group companies	–	–	–	-16.4	16.4	0.0
Equity at 31 December 2019	535.5	714.6	-37.7	12,341.2	19.1	13,572.7

PARENT COMPANY

Statement of changes in equity

SEK M	Share capital	Non-restricted equity	Total equity
Equity at 1 January 2018	535.5	6,981.3	7,516.8
Profit/loss for the year	–	1,609.3	1,609.3
Cash dividend	–	-138.7	-138.7
Buy-back of own shares	–	-37.7	-37.7
Equity at 31 December 2018	535.5	8,414.2	8,949.8
Equity at 1 January 2019	535.5	8,414.2	8,949.8
Profit/loss for the year	–	3,849.7	3,849.7
Cancellation of shares	-2.8	–	-2.8
Bonus issue	2.8	–	2.8
Cash dividend	–	-137.9	-137.9
Equity at 31 December 2019	535.5	12,126.0	12,661.5

Cash flow statement

Note	SEK M	Group		Parent Company	
		2019	2018	2019	2018
	Operating activities				
	Profit/loss after financial items	4,233.9	1,824.8	3,849.7	1,609.3
10, 11, 12, 13	Amortisation and depreciation of property, plant and equipment and intangible assets	26.4	11.8	2.5	0.7
	Fair value of portfolio companies	-3,016.3	-1,737.6	-3,016.3	-1,499.2
	Fair value of other companies and short-term investments	-549.1	-16.9	-60.9	-16.9
	Revaluation of subsidiaries	-11.0	–	-11.0	-50.1
4	Shares of profit/loss of associates	-21.4	-10.7	–	–
	Other non-cash items, net	21.7	3.3	0.1	0.0
	Paid tax	-0.8	-0.9	1.1	-0.8
	Cash flow from operating activities before changes in working capital	683.4	73.9	765.2	43.1
	Cash flow from changes in working capital				
	Change in inventories	0.0	3.2	–	–
	Change in current receivables	19.5	-29.5	42.1	-49.8
	Change in provisions	7.2	-1.6	–	–
	Change in current liabilities	-10.8	-15.3	-5.4	7.2
	Cash flow from changes in working capital	15.9	-43.2	36.7	-42.7
	Cash flow from operating activities	699.2	30.7	801.9	0.4
	Investing activities				
10, 11, 12, 13	Acquisition of other non-current assets	-34.7	-7.1	0.0	0.0
10, 11, 12, 13	Disposal of other non-current assets	1.9	6.9	0.0	0.0
14	Investments in portfolio companies	-454.0	-232.2	-316.0	-174.8
14	Disposal of portfolio companies	47.8	12.1	63.3	12.1
	Loans granted	0.0	-5.8	-136.1	-66.4
	Amortisation of receivables	3.9	0.3	2.2	42.7
	Investments in short-term investments, net	186.5	45.8	186.5	45.8
	Cash flow from investing activities	-248.6	-180.0	-200.1	-140.6
	Financing activities				
	Borrowings	7.4	2.4	0.0	0.0
	Amortisation of liabilities	-9.4	-0.3	0.0	0.0
8	Depreciation of right-of-use assets	-16.4	–	-2.0	–
8	Interest expense lease liability	-0.9	–	-0.1	–
	Buy-back of own shares	–	-37.7	–	-37.7
	Dividends to shareholders	-137.9	-138.7	-137.9	-138.7
	Cash flow from financing activities	-156.9	-174.2	-140.0	-176.3
	Cash flow for the year	293.8	-323.5	461.8	-316.5
	Cash and cash equivalents at beginning of year	397.2	704.1	195.9	512.4
	Cash flow for the year	293.8	-323.5	461.8	-316.5
	Translation differences	19.5	16.6	0.0	0.0
	Cash and cash equivalents at end of year	710.5	397.2	657.7	195.9
	Interest paid	10.3	2.8	1.3	1.5
	Interest received	5.9	0.8	4.6	0.8

Notes

Note 1 – Accounting policies

General information	Bure Equity AB (publ), corporate identity number 556454-8781, is domiciled in Stockholm. Its head office visiting address is Nybrogatan 6, Stockholm. The Parent Company is listed on the Nasdaq Stockholm. These consolidated financial statements were approved by the Board of Directors on 31 March 2020.
Basis of presentation	The consolidated financial statements are presented in compliance with the International Financial Reporting Standards (IFRS) and IFRIC interpretations, as endorsed by the EU, as well as the Swedish annual accounts act. In addition to IFRS, the Swedish Financial Board's recommendations RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities, are applied. The consolidated financial statements have been prepared according to the acquisition method of accounting, aside from financial assets measured at fair value through profit for the year. The preparation of financial statements according to IFRS requires management to make estimates and assumptions. Areas involving a high degree of judgement or complexity, or areas where assumptions and estimates affect the reported statement of comprehensive income or the financial position statement are described in Note 11.
Consolidated accounts: subsidiaries	Subsidiaries are all companies, (including structured companies), in which the Group has a controlling interest. The Group has a controlling interest in a company when it is exposed to or has a right to operational returns from its holding in a company and can influence returns through its controlling interest in a company. Subsidiaries are included in consolidated reporting from the date when controlling interest is transferred to the Group. They are excluded from consolidated reporting from the date when a controlling interest ceases. Intra-group transactions, balance items and unrealized profit and loss on transactions between group companies are eliminated.
Associate companies	Associate companies are those companies in which the Group has a significant but not controlling interest, which typically refers to share holdings of between 20 and 50 per cent of voting the rights. Holdings in associate companies that are listed are reported at fair value in the income statement as these are followed up based on fair value, while holdings in associate companies that are unlisted are reported according to the equity method.
Fair value in income statement	Listed holdings are reported as financial instruments under the heading "Financial assets valued at fair value in the income statement" in the balance sheet and valued at fair value according to IFRS 9, IFRS 13, and IAS 28 point 18–19. Long-term holdings in securities are reported as financial instruments under "Other long-term security holdings" in the consolidated balance sheets and are valued at fair value through profit and loss in accordance with IFRS 9.
The equity method	<p>According to the equity method, holdings are reported in the consolidated balance sheet under fair value consideration in the first instance. Reported value increases or decreases thereafter reflect the Group's share of results and other total results after the point of acquisition. The Group's share of results is included in consolidated results and consolidated share of other total results are included in other total results for the Group. Dividends from associate companies are reported where applicable as a decrease in an investment's reported value.</p> <p>The consolidated balance sheets of these holdings are presented under "Investments reported according to the equity method". In the consolidated statement of comprehensive income "Shares of profit/loss of associates" comprises Bure's share of associate companies' reported net results according to the equity method.</p>
Share and transactions with non-controlling interests	Non-controlling interests (NCIs) refer to the portion of profit/loss and net assets in partially owned subsidiaries that is attributable to other owners. The NCI's share in profit or loss is included in the consolidated statement of financial position. Information is provided concerning the amount of each item that is attributable to owners of the Parent Company and to NCIs.
Translation of foreign currencies	<p>Items in these financial statements are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is also the parent company's functional and presentation currency of the Parent Company.</p> <p>Transactions in foreign currencies are translated into Swedish kronor at the rate of exchange prevailing on the transaction date. Foreign exchange gains and losses arising on translation of monetary assets and liabilities denominated in foreign currency are translated at the closing day rate of exchange and reported in profit or loss.</p> <p>Foreign subsidiaries' assets and liabilities are translated at the closing day rate of exchange and all income and expenses are translated at the average rate during the year. Estimated translation differences are reported in other comprehensive income. Goodwill and other intangible assets that arise from the acquisition of a foreign operation are treated as assets of such operations and are translated at the closing day rate of exchange.</p>
Business combinations	Business combinations are reported according to the acquisition method of accounting, whereby all acquired assets and liabilities are measured at their fair values on the acquisition date. These fair values also include the share in assets and liabilities attributable to non-controlling interests. Identifiable net assets also consist of assets, liabilities, and provisions that are not recognised in the balance sheet of the acquired business.

Business combinations (cont'd)	<p>The difference between the consideration and the fair value of net assets acquired is reported as goodwill to the extent that no other identifiable and separable intangible assets have been identified.</p> <p>Intangible assets, (excluding goodwill), is amortised over its estimated useful life, which is reviewed regularly. If an intangible asset is assessed to have an indefinite life, it is not amortised. The useful life of goodwill is generally assumed to be indefinite. There are no other assets with indefinite lifespans in the Group.</p>
Goodwill	<p>Goodwill must be tested for impairment at least annually. Since it is not possible to test goodwill for impairment separately from other assets, goodwill must be allocated to cash-generating units in which a separable cash flow can be identified. Other assets and liabilities in the Group may also be allocated to these cash-generating units. The cash-generating units to which goodwill has been allocated correspond to the lowest level of the Group at which goodwill is monitored. The lowest organisational level in accordance with the standard may not be higher than a segment as described in IFRS 8, Operating Segments. An impairment loss is recognised in the consolidated statement of comprehensive income when the recoverable amount of a cash-generating unit falls below its carrying amount. When the recoverable amount of a cash-generating unit is lower than its carrying amount, an impairment loss is first recognised through a reduction in goodwill. If this value is in turn lower than the difference between the recoverable amount and carrying amount, impairment losses should be recognised on other assets on a <i>pro rata</i> basis.</p>
Intangible assets (excl. goodwill)	<p>The intangible assets recognised in the statement of financial position are those that have either been acquired as part of a business combination (see above), separately purchased, or internally generated. Intangible assets are capitalised in the statement of financial position when it is probable that the economic benefits attributable to the asset will accrue to Bure, and the cost of the asset can be reliably measured. The Group currently does not conduct research and development activities, for which reason no internally generated intangible assets are recorded in the statement of financial position.</p>
Property, plant and equipment	<p>Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the depreciable amount, normally comprising historical cost less any estimated residual value at the end of the useful life of an asset. Depreciation is carried out on a straight-line basis over the estimated useful life of an asset.</p> <p>Other intangible assets: 20 – 33 per cent.</p> <p>Other machinery and equipment: 20 – 33 per cent.</p> <p>Computers: 33 per cent.</p> <p>Locomotives: 3.3 per cent.</p>
Leasing Leasing t.o.m. 2018-12-31	<p>Leases are classified as either financial or operating leases. A lease is classified as a financial lease if it substantially transfers all the risks and rewards incident to ownership of the asset to the lessee. All other leases are classified as operating leases. A financial lease is recorded as a non-current asset and a financial liability in the statement of financial position. Financial lease payments consist of interest and straight-line depreciation. A leased asset is depreciated according to the same principles as separately acquired assets. For operating leases, the lease payments are charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the lease. Certain smaller financial leases for company cars and office equipment are recorded as operating leases.</p>
Leasing Leasing from January 1, 2019	<p>The Group's significant leases relate to premises. Leasing agreements typically apply to fixed periods with options for extensions.</p> <p>The Group has chosen to use the simplification rule so as not to break out different leasing components of site leases.</p> <p>Assets (rights-of-use) and liabilities that arise from leasing agreements are reported at current values in the first instance. Leasing liabilities include the current value of the following leasing payments:</p> <ul style="list-style-type: none"> • Fixed fees, (including fees that are fixed in their substance), or deductions for any benefits in connection with the signing of leasing agreements are payable as variable leasing charges determined by an index or a price, initially valued with the help of an index or price at the start date. • Leasing payments that will be made for reasonably secure extension options are also included in the valuation of liabilities. • Leasing payments are discounted with the implicit interest rate. If it is difficult to determine this rate, which is typically the case for the Parent Company's leasing agreements, the lessee's marginal loan interest rate is used, which is the rate that individual lessees would have to pay to borrow the necessary funds to purchase an asset of similar value and right-of-use in a comparable economic environment with similar terms and conditions and guarantees. The Group's marginal loan interest rate for leasing agreements has been determined as a weighted average based on the type of asset and region. • Leasing payments are divided into debt repayments and interest. Interest rates are reported in the income statement for the duration of a leasing period in such a way that entails a fixed interest rate during a respective period's reported leasing liability. <p>Right-of-use assets are valued at cost consideration and include the following:</p> <ul style="list-style-type: none"> • The amount a leasing liability is originally valued at • Leasing charges paid on or prior to the commencement date, after deductions for any benefits received in conjunction with the signing of the lease

Leasing (cont'd) Leasing from January 1, 2019	<p>Rights-of-use are usually amortised on a straight-line basis over the right-of-use period or leasing period, whichever is shorter. If the Group is reasonably certain of exercising a buy option, the right-of-use is amortised over the useful life of the underlying asset.</p> <p>Payments for short contracts and all leases of lesser value are expensed on a straight-line basis in the income statement. Short contracts are agreements with leasing terms of 12 months or less. Lesser value agreements are primarily agreements for IT equipment.</p>
Financial instruments	The Group's financial instruments covered by IFRS 9 consist primarily of investments in listed associate companies and other holdings that are valued at fair value in the income statement. The Group also has receivables and liabilities, primarily trade receivables, leasing liabilities and supplier liabilities which are reported at amortised cost.
Fair value	<p>Fair value has been calculated according to IFRS 13. Fair value is estimated to be equal to the book value of trade receivables and other receivables, other current receivables, cash and cash equivalents, supplier liabilities, other liabilities and borrowing. Book value less depreciation represents a reliable approximation of fair value for trade receivables. For non-current non-interest-bearing liabilities, fair value has been calculated by discounting future cash flow with current market rates relative to a liability's duration.</p> <p>The Parent Company's financial assets and liabilities are valued according to the following hierarchies:</p> <p>Level 1: Listed prices on an active market for identical assets or liabilities.</p> <p>Level 2: Observable data for the asset or liability other than listed prices included in Level 1, either directly or indirectly.</p> <p>Level 3: Data for the asset or liability that is not entirely based on observable market data.</p>
Impairment of financial assets	<p>The Group applies the simplified method to calculate expected credit losses related to trade receivables. This method includes using expected losses throughout a receivable's entire time period as the basis for trade receivables.</p> <p>To calculate expected credit losses, historic losses as well as forward-looking information are considered. Generally, customer losses are low because credit reserves are marginal.</p>
Financial risk management	The Group is exposed to a variety of financial risks such as share price risk, currency risk, interest rate risk and general liquidity risk. Bure's overall risk objective is regulated in the Parent Company's finance policy. Because the subsidiaries are mutually autonomous, each has adopted its own finance policy. A more detailed description of financial risk management is provided in Note 21, Financial instruments.
Inventories	Inventories are stated at the lower of cost and net realisable value.
Provisions	<p>A provision is recognised when the Group has a present obligation, legal or constructive, that has arisen due to a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. In cases where the company expects a provision to be reimbursed by another party, for example within the framework of an insurance agreement, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will be received. If the cash outflow to settle an obligation is expected to occur after more than 12 months, the future payment should be measured at discounted present value.</p> <p>A provision to a restructuring reserve is recognised in the period when the Group has a legal or constructive obligation to carry out the plan and those affected have a valid expectation. A provision is recognised only for direct expenditures that are caused by the restructuring and are an effect of remaining contractual obligations without lasting economic benefits, or that consist of a fine resulting from termination of the obligation.</p>
Revenue recognition	Income is reported according to IFRS 15. Income arises in the Group when a customer obtains control over goods or services sold to them. Customer contracts are analysed and divided into distinct performance obligations. Once a performance obligation is fulfilled, revenue from it is reported in the corresponding part of the total agreed price that accrues from the fulfilment of the contract. License revenue is reported throughout the period that a license is valid. Estimated remuneration for work done but not invoiced for is reported under "Prepaid expenses and accrued income". In those cases where invoiced amounts exceed work done, these shall be reported under "Liabilities" as advances received.
Pensions	Contributions payable under defined contribution pension plans are recognised as an expense in the period in which they arise.
Operating segments	Bure's operations are monitored and supervised by the group management based on the individual company holdings, which are therefore regarded as operating segments. Buying and selling between the operating segments is limited.
Income taxes	Deferred tax assets and liabilities are recognised when there are temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets relating to loss carryforwards are recognised to the extent that it is deemed probable that there will be sufficient taxable profits against which to utilize these loss carryforwards. The year's reported tax expense consists of tax payable on the year's taxable profit, (current tax), and deferred tax. Bure's share in the income tax of associates is included in "Shares of profit/loss of associates".
Cash flow statement	Cash and cash equivalents refer to bank deposits.

Critical accounting estimates and judgments	In preparing the financial statements, the Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely correspond to actual results. The estimates and assumptions that are associated with a significant risk for material adjustments in the carrying amounts of assets and liabilities in the next financial year are described below.
Impairment of property, plant and equipment and intangible assets	<p>Property, plant and equipment and intangible assets, aside from those with indefinite useful lives, are depreciated/amortised over the period when they are expected to generate economic benefits, i.e. their useful working life. If there is an indication of impairment, the asset's recoverable amount is calculated, and consists of the higher of the asset's fair value less costs to sell and its value in use. An impairment loss is recognised when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is determined on the basis of the management's estimates, for example future cash flows.</p> <p>Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually or more frequently when there is an indication of a decline in value. To test these assets, they must be allocated to cash-generating units and their respective useful lives must be calculated. The necessary calculations require the management to estimate the expected future cash flow attributable to the defined cash-generating units and to choose a suitable discount rate for use in discounting this cash flow. The Group has evaluated the estimates where changes could have a significant impact on the fair value of the assets and would therefore require the recognition of an impairment loss. Among other things, these estimates are related to the expected rate of inflation and the choice of discount rate. The assumptions applied in impairment tests, including a sensitivity analysis, are described in more detail in Note 11.</p>
Deferred tax assets	Deferred tax is calculated on the basis of temporary differences between the tax base and carrying amount of an asset or liability and on unutilised loss carryforwards. Deferred tax assets are recognised only when it is probable that these can be utilised against future profits. The probability that loss carryforwards can be utilised against future profits is assessed through calculation of expected future cash flows. This assessment is made in relation to impairment testing of shares in subsidiaries. In cases where the actual outcome differs from the estimates or when management adjusts these estimates, this can lead to changes in the value of deferred tax assets.
Provisions for doubtful debts	The Group values customer losses in accordance with IFRS 9, this means that assessed provisions are made for both non-due receivables and overdue receivables based on losses over the entire term. This means that in each maturity category, a percentage share is allocated to reserves for doubtful accounts receivable. This is done for each company in the Group according to a three-step model based on changes in credit quality of assets and provisions made when debts first occur. Actual customer losses or changes in other market factors entail a renewed calculation of doubtful debts provisions. Losses or other changes in reserves are reported in the consolidated income statements under other operating costs.
Impairment of associate companies	For holdings in unlisted associate companies, ongoing cash flow and market valuations are recognised to evaluate the recoverable amount and identify any indications of impairment.
New accounting principles for the Group that enter force on 1 January 2019	<p>Important new accounting principles that entered into force on 1 January 2019 can be summarised as follows: the Group will apply IFRS 16 from 1 January 2019. The Group has applied the simplified transition method and has not recalculated comparative figures. New issue rights are valued at amounts that correspond to leasing liabilities adjusted for prepaid and accrued leasing fees.</p> <p>When the standard entered into force, the following adjustments were made to Bure's report on its financial position: lease assets amounted to SEK 33M and leasing liabilities amounted to SEK 33M and are primarily comprised of property rent.</p> <p>Other changes in principles have not had an effect on the financial statements.</p> <p>Announced IFRS standards are not expected to have a material impact on the Group's financial statements. Bure continuously updates its analysis of upcoming changes.</p>
Parent Company accounting policies	The Annual Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. The Parent Company applies the same accounting principles as the Group, with the exceptions and supplements stipulated by the Swedish Financial Reporting Board, recommendation RFR 2 "Accounting for legal entities". The accounting principles for the Parent Company are stated in the section "Parent Company accounting principles". The principles have been applied consistently for all years presented, unless otherwise stated.
Subsidiaries	Subsidiaries are reported at cost plus any transaction costs.
Associate companies	The Parent Company holds only listed associate companies reported as financial instruments under "Financial assets valued at fair value in the income statement" in the Parent Company's balance sheet and valued at fair value in the income statement according to IFRS 9, IFRS 13 and IAS 28 point 18–19, in the same way as the Group.
Tax	The equity share of untaxed reserves is included in retained earnings. The tax share of untaxed reserves has been recognised as deferred tax liabilities within non-current liabilities.

Note 2 – Segment information

Reporting by operating segment

Since Bure already previously reported its segments in a similar manner, no changes have been made in the grounds for segmentation or in calculation of profit/loss by segment compared to the previous year's annual report. Consolidation adjustments relating to positive and negative goodwill have been attributed to the respective companies. Transactions between the various segments are insignificant in scope and account for less than 0.1 per cent of total sales. Dormant companies or companies not classified as portfolio companies are reported under the heading "Other companies". No customer accounted for more than 10 per cent of net sales during the periods.

SEK M	Mercuri		Investment AB Bure		Atle Investment Management		Bure Growth		Other companies		Eliminations, etc.		Parent Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net sales																
Total net sales	347	402	22	11	13	3	0	0	0	0	-	-	0	0	382	416
Profit/loss																
Shares of profit/loss	1	2	-	-	22	12	-2	-3	-	-	-	-	-	-	21	11
Profit/loss by segment	9	25	11	-1	-2	-2	0	-	-	-	-	-	1	2	18	24
Administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-	-45	-52	-45	-52
Fair value/impairment losses	-	-	-	-	-	-	488	238	-	-	-	-50	3,088	1,566	3,576	1,754
Dividends	-	-	-	-	-	12	-	-	-	-	-132	-12	231	94	99	94
Exit gains/losses/capital gains/ losses on short-term investments	-	0	-	-	-2	-	-	-	-	-	-	-	566	-4	564	-4
Operating profit/loss	10	27	11	-1	18	22	486	235	0	0	-132	-62	3,841	1,606	4,235	1,826
Net financial items															-1	-1
Income tax expense															-5	-4
Profit/loss after tax															4,229	1,821

Other disclosures

SEK M	Mercuri		Investment AB Bure		Atle Investment Management		Bure Growth		Other companies		Eliminations, etc.		Parent Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Assets																
Assets	222	178	167	155	13	136	968	406	0	0	-502	-363	12,688	8,975	13,556	9,489
Equity holdings in associates	17	16	-	-	75	64	138	55	-	-	-	-	-	-	230	135
Total asset	239	194	167	155	88	201	1,106	461	0	0	-502	-363	12,688	8,975	13,786	9,624
Liabilities																
Unallocated liabilities	191	159	124	120	1	1	373	218	0	0	-502	-363	26	26	213	161
Total liabilities	191	159	124	120	1	1	373	218	0	0	-502	-363	26	26	213	161
Investments	33	5	0	0	0	3	0	0	0	0	0	0	0	0	33	7
Amortisation/depreciation	17	4	7	7	0	0	0	0	0	0	0	0	3	1	26	12

SEK M	Sweden		Rest of Nordics		Europe		North America		Asia		Other markets		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sales by market	107	111	38	38	206	222	6	13	25	33	0	0	382	416
Assets by market	13,513	9,394	46	43	190	160	6	7	31	28	0	0	13,786	9,631
Investments by market	29	4	0	0	4	3	0	0	0	0	0	0	33	7

IFRS 15 Revenue from Contracts with Customers is a new revenue standard that replaces existing standards and guidance on revenues. The standard does not have any material effect on the Group's net sales, either in terms of amounts or periodicity. From 1 January 2018 the Group classifies revenue in the following classes: consultancy revenue, license revenue and other revenue.

SEK	Full year 2018	Full year 2017
Consultancy income	280	345
Licensing income	10	26
Other income	91	46
Net sales	382	416

The table below shows the Group's contracted income.

Contracted income, SEK M	< 1 year	1–2 years	> 2 years
Consultancy income	35	0	0
Licensing income	4	0	0
Other income	1	0	0
Total	40	0	0

Note 3 – Exit gains/losses

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Cavotec	-1.3	–	-1.3	–
MedCap	1.5	–	1.5	–
Mycronic	245.1	–	245.1	–
Vitrolife	369.7	–	369.7	–
Xvivo Perfusion	-1.7	45.4	-1.7	45.4
Atle Investment Management	6.6	–	6.6	–
Idevall & Partners Holding	-1.6	–	–	–
Mercuri International Group	-11.0	–	-11.0	–
Other holdings	0.0	0.0	0.0	0.3
Total	607.3	45.4	608.9	45.6

Note 4 – Share of profit/loss of associates

SEK M	Group	
	2019	2018
Alcur Fonder	13.4	0.9
BioLamina	-1.0	0.2
Fondbolaget Fondita	8.9	11.6
Idevall & Partners Holding	–	-0.4
Life Genomics	0.1	-0.5
My Driving Academy Sweden	-2.5	-2.7
ScandiNova Systems	1.3	–
Teknik Innovation Norden Fonder	0.0	–
Mercuri Goldmann (India) Pvt Ltd	1.3	1.6
Total	21.4	10.7

Note 5 – Fair value adjustments/changes

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Cavotec	139.7	-206.0	139.7	-206.0
MedCap	174.7	106.0	174.7	106.0
Mentice	60.0	–	60.0	–
Mycronic	1,611.5	970.4	1,611.5	970.4
Ovzon	123.8	4.0	123.8	4.0
Vitrolife	756.5	506.0	756.5	506.0
Xvivo Perfusion	150.2	118.7	150.2	118.7
Life Genomics	–	-7.0	–	–
Mercuri International Group	11.0	–	11.0	50.1
Yubico	507.2	245.4	–	–
Short-term investments	41.9	16.9	60.9	16.9
Total	3,576.4	1,754.4	3,088.1	1,566.1

Note 6 – Interest and similar profit/loss items

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Income from financial assets measured at fair value through comprehensive income in the Group and through profit or loss in the Parent Company				
Net exchange differences in financial receivables/liabilities	-1.8	0.3	0.0	0.0
Income from the issue of call options	–	0.7	–	–
Revenue from share issue guarantees	5.5	–	5.5	–
Other financial revenue	0.4	–	–	–
Interest income	0.4	0.1	4.6	4.9
Interest expense	-4.9	-2.5	-1.3	-1.6
Other financial expense	-0.5	–	–	–
Total interest and similar profit/loss items	-0.9	-1.4	8.7	3.3

Operating profit includes no foreign exchange differences relating to current assets.

Note 7 – Income taxes

At the beginning of 2020, the Bure Group held loss carryforwards amounting to SEK 985M of which SEK 673M related to the Parent Company. In Sweden, losses amounted to SEK 907M, all of which are eternal. Deferred tax assets relating to loss carryforwards in the Group have been valued at SEK 7M (6). All loss carryforwards are fully available. Tax deductible items consist primarily of non-taxable unrealised increases in value from listed financial assets.

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Current tax	-3.6	-3.5	0.0	0.0
Deferred tax	-1.5	-0.7	0.0	0.0
Total	-5.1	-4.2	0.0	0.0
Items included in deferred tax				
Deferred tax assets:				
Taxed deficit	6.6	6.2	–	–
Temporary differences	0.4	0.3	–	–
Total	7.0	6.4	0.0	0.0
Deferred tax liabilities:				
Untaxed reserves	–	–	–	–
Group surplus value	–	–	–	–
Temporary differences	1.1	–	–	–
Total	1.1	0.0	0.0	0.0
Deferred tax, net	5.9	6.4	0.0	0.0
Composition of tax expense				
Reported profit before tax	4,212.5	1,828.0	3,849.7	1,609.3
Effect of associated companies, net	21.4	-3.2	–	–
Reported profit before tax	4,233.9	1,824.8	3,849.7	1,609.3
Tax according to the applicable tax rate, 21.4% (22.0%)	-906.1	-401.5	-823.8	-354.0
Other non-deductible expenses	-0.9	-3.4	-0.9	-3.4
Non-taxable income	0.1	0.2	–	–
Tax deductible items	903.8	399.8	824.7	357.4
Utilisation of previously uncapitalised loss carryforwards	2.5	2.7	–	–
Effect of uncapitalised loss carryforwards	-2.0	-0.5	–	–
Effect of different tax rate in foreign country	-1.5	-0.9	–	–
Reversal of previously capitalised loss carryforwards	0.0	0.0	–	–
Adjustment of taxes for prior years	0.0	0.0	–	–
Other	-0.9	-0.6	–	–
Total	-5.1	-4.2	0.0	0.0
SEK M	Group		Parent Company	
	2019	2018	2019	2018
Gross change in deferred tax				
At beginning of year	6.4	7.0	0.0	0.0
Temporary differences	-0.7	0.0	–	–
Translation differences	0.2	-0.5	–	–
At end of year	5.9	6.4	0.0	0.0

Note 8 – Leasing

Transitional rules

Under IFRS16, which was introduced on 1 January 2019, all leases were recalculated depending upon contract duration and were discounted by a specific interest rate depending on underlying availability and geographic location. The weighted average discount rate was 2.9 per cent.

SEK M	Group	Parent Company
Closing balance operating leases 2018	29.7	2.1
Addition of financial leases	1.6	0.0
Deduction of short-term contracts	-0.5	0.0
Deduction of leases of low value	-0.9	-0.1
Reclassification as service agreements	-0.1	0.0
Addition of extensions	5.5	1.1
Deduction of adjustments for variable charges	-1.0	0.0
Effect of discounting	-1.4	-0.1
Leasing liabilities according to IFRS 16 as at 1 January 2019	33.0	3.1

	Parent Company		Parent Company		Parent Company		Parent Company		Parent Company	
	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
Leasing liabilities	Premises		Cars		Office equipment		Other		Total	
Opening balance as at 1 January 2019	26.3	2.8	3.7	0.3	1.6	0.0	1.3	0.0	33.0	3.1
Change during year	11.3	2.0	2.6	0.0	0.4	0.0	0.0	0.0	14.4	2.0
Amortisation during year	-12.5	-1.9	-2.6	-0.1	-0.5	0.0	-0.5	0.0	-16.0	-2.0
Exchange rate differences	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0
Closing balance as at 31 December 2019	25.7	2.9	3.7	0.2	1.6	0.0	0.9	0.0	31.9	3.1

	Parent Company		Parent Company		Parent Company		Parent Company		Parent Company	
	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
Right-of-use assets	Premises		Cars		Office equipment		Other		Total	
Opening balance as at 1 January 2019	26.5	2.8	3.7	0.3	1.6	0.0	1.3	0.0	33.1	3.1
Change during year	9.9	2.0	2.4	0.0	0.4	0.0	0.0	0.0	12.7	2.0
Amortisation during year	-11.3	-1.9	-2.5	-0.1	-0.8	0.0	-0.5	0.0	-15.0	-2.0
Exchange rate differences	0.7	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.8	0.0
Closing balance as at 31 December 2019	25.7	2.9	3.7	0.2	1.3	0.0	0.9	0.0	31.6	3.1

The difference between assets and liabilities was primarily the result of provisions for recovery costs and the difference between depreciation of assets and amortisation of liabilities.

Leasing costs in 2019 included in the income statement that were recalculated under IFRS16

	Parent Company		Parent Company		Parent Company		Parent Company		Parent Company	
	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
Leasing liabilities	Premises		Cars		Office equipment		Other		Total	
Leasing costs under IFRS 16	11.5	2.0	1.8	0.1	0.6	0.0	0.4	0.0	14.3	2.1
Variable leasing costs	0.0	0.0	0.1	0.0	0.0	0.0	0.3	0.0	0.4	0.0
Short-term contracts	0.0	0.0	0.3	0.0	0.1	0.0	0.0	0.0	0.3	0.0
Low-value contracts	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.1
Total	11.5	2.0	2.2	0.1	0.7	0.1	0.7	0.0	15.2	2.2

Future leasing commitments SEK M	Group Parent Company 2020		Group Parent Company 2021–2026		Group Parent Company > 2026	
Premises	10.2	2.0	12.2	1.0	3.3	0.0
Cars	2.0	0.1	1.7	0.1	0.0	0.0
Office equipment	0.8	0.0	1.2	0.0	0.0	0.0
Other	0.3	0.0	0.2	0.0	0.0	0.0
Short term contracts/Leases of low alue	0.4	0.1	0.0	0.0	0.0	0.0
Total	13.8	2.1	15.3	1.0	3.3	0.0
Closing balance as at 31 December 2019	25.7	2.9	3.7	0.2	1.3	0.0

Cash flow effects of leasing SEK M	Group	Parent Company
Interest expenses	-0.9	-0.1
Amortisation of leasing liabilities	-16.0	-2.0
Total	-17.0	-2.1

Effect on result for the year, SEK M	Group	Parent Company
Paid leasing costs	14.3	2.1
Depreciation	-15.0	-2.0
Interest expenses	-0.9	-0.1
Total	-1.7	0.0

Note 9 – Fees to auditors

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Fees to PwC				
Auditing fees	2.0	2.0	0.4 ¹⁾	0.4
Other services mandated by law	0.2	0.2	0.2 ¹⁾	0.1
Tax advisory services	0.1	0.1	0.1 ¹⁾	0.1
Other services	0.0	0.1	–	–
Total fees to PwC	2.4	2.4	0.8	0.7
Fees to other auditors				
Auditing fees	0.2	0.1	–	–
Consulting services	0.1	0.1	–	–
Total fees to other auditors	0.3	0.2	0.0	0.0

1) of which auditing fees SEK 0.4M, other services mandated by law SEK 0.2M and tax advisory services SEK 0.1M by Öhrlings PricewaterhouseCoopers AB.

Note 10 – Patents, licences, etc.

	Group	
SEK M	2019	2018
Opening balance	22.7	23.2
The year's acquisitions	6.3	1.2
Disposals/reclassifications	-1.7	-2.1
Translation differences	0.2	0.4
Closing balance	27.5	22.7
Opening amortisation	-20.0	-19.2
Disposals/reclassifications	1.5	0.7
The year's amortisation	-1.4	-1.3
Translation differences	-0.1	-0.3
Closing accumulated amortisation	-20.1	-20.0
Carrying amount	7.4	2.6

Note 11 – Goodwill

	Group	
SEK M	2019	2018
Opening balance	591.1	604.6
The year's acquisitions	23.3	2.2
Disposals/reclassifications	–	-31.0
Translation differences	7.5	15.2
Closing balance	621.9	591.1
Opening amortisation	-96.6	-95.5
Translation differences	-0.5	-1.2
Closing accumulated amortisation	-97.2	-96.6
Opening impairment losses	-399.4	-416.6
Disposals/reclassifications	–	27.4
Translation differences	-5.5	-10.2
Closing accumulated impairment losses	-404.9	-399.4
Carrying amount	119.8	95.0

The recoverable amount of the Group's goodwill items in 2019 has been determined based on calculations of value in use. These calculations are based on estimated future cash flows with consideration to financial budgets approved by management.

1) Refers to the discount rate before tax. The discount rate for the comparison year was 12.0 per cent.

SEK M	Goodwill	Growth per annum forecast period	Terminal growth rate	EBIT forecast period
Mercuri International Group AB	117.4	4.5%	1.0%	9.0%
Atle Investment Services AB	2.4	0.0%	0.0%	7.4%

The valuations that have provided the basis for the value testing do not represent fair market value, but are instead estimated in accordance with IAS 36 to determine the recoverable amount of cash-generating units. Based on the above, the goodwill values in the table can be considered well founded. The forecast period is five years. The recoverable amount exceeds the carrying amount. If, for example, the growth or EBIT assumption should change by one percentage point, Bure's goodwill values could be lower than their reported carrying amounts.

A sensitivity analysis of significant variables for goodwill has the following effects on the estimated value:

Mercuri International Group AB			
Variable	Change, %-points		Effect on value
Growth, terminal period	-1 %		SEK -11M
Discount rate	1 %		SEK -21M
Atle Investment Services AB			
Variable	Change, %-points		Effect on value
Growth, terminal period	-1 %		SEK 0M
Discount rate	1 %		SEK 0M

The recoverable amount exceeds the carrying amount even with consideration to the above changes. The growth assumption is based on an assessment of general economic development in combination with industry-specific assumptions.

Note 12 – Buildings, land and land improvements

There are no future commitments for property investments. There are no finance leases connected to properties in the Group.

SEK M	Group	
	2019	2018
Opening balance	1.7	1.7
Sales/reclassifications	–	0.0
Translation differences	0.0	0.1
Closing balance	1.7	1.7
Opening depreciation	-0.6	-0.5
Translation differences	0.0	0.0
Closing accumulated depreciation	-0.6	-0.6
Carrying amount	1.2	1.2

Note 13 – Equipment, tools, fixtures and fittings

The reported values do not include any equipment financed through lease contracts. There are no contracts outstanding concerning acquisition of equipment.

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Opening balance	274.0	280.2	10.2	10.2
The year's acquisitions	3.1	3.7	–	–
Disposals/Reclassifications	-2.6	-12.5	–	–
Translation differences	0.9	2.6	–	–
Closing balance	275.3	274.0	10.2	10.2
Opening depreciation	-97.6	-95.3	-7.4	-6.8
Disposals/Reclassifications	0.9	10.5	–	–
The year's depreciation	-10.0	-10.5	-0.6	-0.7
Translation differences	-0.8	-2.3	–	–
Closing accumulated depreciation	-107.4	-97.6	-8.0	-7.4
Carrying amount	167.9	176.3	2.3	2.8

Note 14 – Acquisitions and divestitures

Acquisitions in 2019

Bure acquired a total of 5.7 million shares in Cavotec for SEK 74M, increasing its holding to 27.1 per cent. Bure acquired 2.45 million shares in Mentice for SEK 120M in conjunction with the company's stock market listing, equivalent to a holding of 10.1 per cent. Bure acquired an additional 3.8 million shares in Ovzon for SEK 113M, increasing its holding to 14.3 per cent. Bure Growth acquired 27.8 per cent of shares in ScandiNova Systems for SEK 81M. Bure Growth acquired 0.2 million shares in Yubico for SEK 54M.

Divestitures in 2019

Bure divested 75,000 shares in MedCap for SEK 3M by exercising options, resulting in an exit gain of SEK 2M. Bure divested a total of 2.0 million shares in Mycronic for SEK 270M, resulting in an exit gain of SEK 245M. Bure divested 2.0 million shares in Vitrolife for SEK 384M, resulting in an exit gain of SEK 370M. Bure divested 85,979 shares in Xvivo Perfusion by exercising options, resulting in an exit loss of SEK -2M. Bure divested 7.0 per cent of its shares in Atle Investment Management to the incoming CEO for SEK 6.6M – a valuation equivalent to the company's net asset value. The transaction resulted in an exit gain of SEK 6.6M. Bure divested shares in Mercuri to the company's management at a book value equivalent to the reported net asset value. Mercuri acquired Prosales, a leading Swedish research and consultancy firm, specialising in B2B sales training. In conjunction with this transaction, Prosales management team acquired new issued shares in Mercuri. Bure's holding in Mercuri amounts to 90.4 per cent following these transactions.

Acquisitions in 2018

Bure acquired an additional 4.2 million shares in Cavotec for SEK 104M, increasing its shareholding to 25.4 per cent. Bure acquired 12.0 per cent in Ovzon for SEK 71M. Bure Growth acquired an additional shares in Yubico for 33M. Bure Growth invested SEK 9M in My Driving Academy Sweden, increasing its shareholding to 32.0 per cent. Atle Investment Management acquired 32.5 per cent of Alcur Fonder AB.

Divestitures in 2018

Bure divested 0.6 million shares in Xvivo Perfusion for SEK 57M which resulted in an exit gain of SEK 45M.

Note 15 – Other non-current and current receivables

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Other non-current receivables				
Non-current receivables, interest-bearing	2.0	3.0	2.0	3.0
Non-current receivables, non interest-bearing	5.7	8.3	0.8	0.9
Total other non-current receivables	7.7	11.3	2.8	3.9
Other current receivables				
Current receivables, interest-bearing	2.3	2.5	2.3	2.5
Current receivables, non interest-bearing	9.6	55.5	6.7	52.0
Total other current receivables	11.9	58.0	8.9	54.5

Note 16 – Prepaid expenses and accrued income

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Accrued interest income	0.1	0.1	4.3	1.3
Accrued income	16.3	22.7	0.3	–
Other accrued income	0.4	0.2	–	–
Prepaid expenses	8.8	6.0	0.6	0.5
Other items	0.8	0.7	–	0.3
Total	26.4	29.7	5.2	2.0

Note 17 – Provisions

The majority of provisions in Mercuri International Group relate to pension liabilities and are long-term. Provisions in Bure Equity and Bure Growth relate to provisions for warrant options issued. These options mature after one to three years and can be considered short-term.

	Group		
SEK M	2019	2018	
Opening provisions	29,6	30,7	
Provisions during the year			
Mercuri International Group	9,1	1,6	
Bure Equity	10,5	–	
Bure Growth	19,0	–	
Total	38,6	1,6	
Utilised/dissolved during the year			
Mercuri International Group	-2.7	-4.3	
Total	-2.7	-4.3	
Translation differences	-0.4	1,6	
Closing provisions	65,9	29,6	
	2020	2021	>2022
Pension provisions	0,0	–	30,7
Other provisions	31,4	–	3,8
Total	31,4	0.0	34,5

Note 18 – Accrued expenses and deferred income

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Salary and holiday compensation liability	36.3	38.8	8.2	8.2
Accrued social security expenses	8.9	7.3	1.2	1.2
Deferred income	5.9	2.3	–	–
Other accrued expenses	14.0	23.5	0.3	2.1
Total	65.1	71.9	9.8	11.5

Note 19 – Pledged assets

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Shares in subsidiaries and associates	27.1	84.8	–	–
Blocked bank accounts	0.4	0.4	–	–
Total pledged assets	27.5	85.3	–	–

Note 20 – Contingent liabilities

Contingent liabilities in the Group amounted to SEK 0.0M (0.5) at 31 December 2019 and pertained to surety and guarantee commitments furnished by the subsidiaries.

There is no contingent consideration in the Group that has not already been capitalised. Bure has no remaining commitments to acquire additional shares in subsidiaries.

Note 21 – Financial instruments

Financial risks – objectives and policies

The Group is exposed to a number of different financial risks through its operations. Bure is an investment company with an important overall objective that is regulated in the Parent Company's finance policy. The Parent Company shall be essentially free from debt, and the subsidiaries shall have independent financing to ensure their financial autonomy from the Parent Company and other group companies. Consequently, the subsidiaries shall also be able to independently manage their own liquidity risk. A separate finance policy has been established for each individual subsidiary. The policy document provides guidelines for management of cash, surplus liquidity, debt financing and handling of currency and interest rate risk.

Price risk

Price risk on shares relates to risk associate with the fact that the value of shares listed on stock markets can change. Based on the market value of listed holdings of SEK 11,219M on 31 December 2019, a change of 1 per cent in the price of listed portfolio companies would affect the Group's profit before tax by SEK 112M.

Currency risk

Currency risk refers to the risk that the Group's commercial flows (transaction risk) will be affected by exchange rate fluctuations. Transaction risk in the Group is limited, since nearly all income is matched by expenses in the same currency. Because the Bure Group has investments outside Sweden via its subsidiaries, the Group's statements of financial position and comprehensive income are exposed to translation risk arising on the translation of the financial statements of foreign subsidiaries. This risk is normally not hedged. The most significant currency aside from the SEK is the EUR. A change of +/-5 per cent in the EUR rate would have an impact on the subsidiaries' profit before tax of SEK +/-1M.

Interest rate risk

The Group is exposed to interest rate risk through changes in the interest rate on assets and liabilities with variable interest due to movements in market interest rates. Fixed interest liabilities are also exposed to interest rate risk, but to a significantly lesser degree since the interest rate changes when the loans mature and are extended on new terms. A change of 1 per cent in the interest rate for the Group would have an estimated short-term impact on consolidated profit before tax of SEK 6M. Interest rate risk in borrowings can be maintained at a desired level through the use of derivatives such as swaps, forwards and options. At present, there are no hedges of interest rate risk.

Credit risk

Credit risk is the risk that Bure's counterparties will be unable to meet their payment obligations and that any collateral furnished will not cover the amount due, thereby causing Bure to incur a financial loss. Bure's policy is to carry out a credit assessment of all customers with which it does business. The maximum credit exposure on the balance sheet date was SEK 3M. There are no significant concentrations of credit risk in the Group.

Age structure of trade receivables SEK M	2019				2018			
	Trade receivables	Reserves	Net receivable	Secured by collateral	Trade receivables	Reserves	Net receivable	Secured by collateral
Not yet due	72.4	–	72.4	–	51.0	–	51.0	–
Past due 1–30 days	25.7	–	25.7	–	16.5	–	16.5	–
Past due 31–60 days	6.2	–	6.2	–	6.2	–	6.2	–
Past due 61–90 days	3.1	–	3.1	–	1.5	–	1.5	–
Past due 91–180 days	2.8	–	2.8	–	5.0	–	5.0	–
Past due >180 days	-0.1	-1.0	-1.1	–	-0.5	-0.3	-0.8	–
Total	110.1	-1.0	109.1	–	79.7	-0.3	79.4	–

Note 21 – Financial instruments (cont'd)

Provisions to the reserve for doubtful debts are made after individual assessment of each customer's ability to pay.

Specification of reserve for doubtful debts

SEK M	2019	2018
Opening balance	0.3	1.9
Correction IFRS 9	–	-1.6
The year's provisions	0.8	0.1
Written-off amount	-0.1	-0.1
Reversal of unutilised reserves	–	-0.1
Foreign exchange effects	–	0.0
Total	1.0	0.3

Liquidity risk is the risk that the Group will be unable to finance loan payments and other liquidity flows as they fall due either with its own funds or with new financing. In order to maintain sufficient liquidity, Bure maintains a liquidity reserve that is at least adequate to cover one year's forecasted liquidity requirement and other liquidity needs in the existing company structure. The liquidity reserve consists of available cash and cash equivalents and short-term investments. That portion of the liquidity reserve that exceeds the liquidity requirement as defined above may according to Bure's policy be invested over a longer investment horizon, distributed to the shareholders or used in buyback programmes.

Group maturity structure for external liabilities at 31 December 2019

Interest-bearing liabilities, SEK M	< 1 mth	< 3 mth	3–12 mth	1–5 year	> 5 year	Total
Current loans from institutions	–	–	4.6	–	–	4.6
Current lease liabilities	–	–	13.1	–	–	13.1
Non-current loans from institutions	–	–	–	–	–	–
Non-current lease liabilities	–	–	–	18.8	–	18.8
Long-term pension liabilities	–	–	–	–	30.7	30.7
Total	–	–	17.7	18.8	30.7	67.2
Non interest-bearing liabilities	< 1 mth	< 3 mth	3–12 mth	1–5 year	> 5 year	Total
Trade payables	–	16.6	–	–	–	16.6
Other external liabilities	–	16.6	–	–	–	16.6
Total	–	33.2	–	–	–	33.2

Fair value and carrying amount of financial assets and liabilities

The fair value of all financial assets and liabilities has been calculated in accordance with IFRS 13. Fair value is assessed to be equal to carrying amount for trade receivables and other receivables, other current receivables, cash and cash equivalents, trade payables and other liabilities, and borrowing. Carrying amount less impairment losses comprises an approximate fair value for trade receivables and payables. For non-current interest-free liabilities, fair value has been calculated by discounting future cash flows by the applicable market interest rates with regard to the maturity of the liability. The Group's financial assets and liabilities are measured in accordance with the following hierarchy:

Level 1: According to quoted prices in active markets for identical assets and liabilities.

Level 2: According to directly or indirectly observable market inputs for the asset or liability that are not included in Level 1.

Level 3: According to inputs for the asset or liability that are not observable in the market.

Bure reports listed holdings at fair value with value changes in the income statement (Level 1).

For investments in unlisted holdings (level 3), Bure made an active choice in relation to the first available reporting period to use the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures. The value of Group holdings in unlisted associated companies – Alcur Fonder AB, BioLamina AB, Fondbolaget Fondita AB, Life Genomics AB, My Driving Academy Sweden AB, ScandiNova Systems AB and Teknik Innovation Norden Fonder AB – were therefore not revalued in accordance with IFRS 9. The introduction of IFRS 9 means that other financial assets are revalued on an ongoing basis. Atle Investment Services AB is a subsidiary of Atle Investment Management AB and valued at book value.

In Bure's net asset valuation table, Bure has chosen to base all market valuations of financial assets on IPEV – International Private Equity and Venture Capital Valuation Guidelines – that set out a number of methods to determine the fair value for respective holdings. Particular emphasis is placed on recently conducted market-based transactions in the company, for example rights issues or acquisitions of existing shares. Transactions in comparable companies may also be used. Other valuation methods include discounting forecast cash flows with relevant discount rates and the application of valuation multiples such as EV/Sales, EV/EBITDA, EV/EBITA, EV/EBIT and PER that are adjusted to reflect differences in markets, business types and risk. In general, a liquidity discount is also applied to unlisted assets. Valuation is performed on a regular basis and published in conjunction with quarterly reports.

Note 21 – Financial instruments (cont'd)

Valuation of unlisted assets at 31 December 2019 and 2018

SEK M	Type of asset	Owner-ship	Net asset value, valuation model	Book value in the Group, valuation model
Atle Investment Management AB			85.5 (88.6)	85.4 (71.1)
Alcur Fonder	Associated company	32.5%	DCF	Equity method
Fondbolaget Fondita	Associated company	20.1%	EV/EBIT multipel	Equity method
Teknik Innovation Norden Fonder	Associated company	37.4%	Book value	Equity method
Atle Investment Services	Subsidiary	100.0%	Book value	Book value
Bure Growth			1,132.5 (490.3)	1,126.7 (482.2)
BioLamina	Associated company	28.9%	Latest transaction. DCF	Equity method
Life Genomics	Associated company	23.7%	DCF	Equity method
My Driving Academy Sweden	Associated company	25.1%	Latest transaction. DCF	Equity method
ScandiNova Systems	Associated company	27.8%	Latest transaction	Equity method
Yubico	Other non-current securities	18.7%	Latest transaction	Latest transaction

Fair value hierarchy SEK M	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at fair value through profit or loss	11,219.1	–	–	11,219.1	7,932.6	–	–	7,932.6
Other non-current securities ¹⁾	–	–	988.6	988.6	–	–	427.2	427.2
Other non-current receivables	–	–	7.7	7.7	–	–	11.3	11.3
Short-term investments	142.3	–	–	142.3	265.0	–	–	265.0
Total financial assets	11,361.4	–	996.3	12,357.8	8,197.5	–	438.6	8,636.1
Financial liabilities								
Liabilities to credit institutions	–	–	4.6	4.6	–	–	2.9	2.9
Lease liabilities	–	–	31.9	31.9	–	–	–	0.0
Other non-current liabilities	1.4	–	–	1.4	9.2	–	–	9.2
Accrued expenses and deferred income	–	–	65.1	65.1	–	–	71.9	71.9
Prepayments from customers	–	–	7.2	7.2	–	–	6.3	6.3
Total financial liabilities	1.4	–	108.8	110.3	9.2	–	81.1	90.3

1) Other long-term securities refer to the holding in Yubico. In 2019, additional shares were acquired for SEK 54.2M and in connection with this, the holding was revalued by SEK 507.2M.

Note 21 – Financial instruments
(cont'd)

Information regarding listed holdings for 2019	Cavotec EURm	MedCap SEK M	Mentice SEK M	Mycronic SEK M	Ovzon SEK M	Vitrolife SEK M	Xvivo Perfusion SEK M
Dividends received	–	–	–	82	–	17	–
Non-current assets	108	560	72	1,960	543	988	375
Current assets	97	288	115	2,839	349	1,150	260
<i>of which cash and cash equivalents</i>	13	21	48	655	257	690	160
Assets held for sale	5	1	–	–	–	–	–
Total assets	211	849	187	4,800	892	2,139	634
Equity	108	334	126	2,978	796	1,798	578
Long-term liabilities	30	204	10	532	7	139	4
<i>of which financial liabilities</i>	19	158	10	252	7	61	2
Current liabilities	72	308	51	1,289	89	202	53
<i>of which financial liabilities</i>	19	168	5	66	–	15	3
Liabilities related to assets held for sale	–	3	–	–	–	–	–
Total equity and liabilities	211	849	187	4,800	892	2,139	634
Revenue	196	762	153	4,307	232	1,480	221
Depreciation and amortisation	-9	-35	-12	n/a	-19	n/a	n/a
Interest income	0	0	0	0	28	5	1
Interest expense	-2	-12	-2	-2	-1	–	–
Tax expense(-)/revenue(+)	-3	-14	6	-263	-10	-109	0
Profit/loss from remaining operations	8	59	-21	859	29	384	5
Profit/loss after tax from discontinued operations	–	-2	–	–	–	–	–
Other comprehensive income	0	3	1	60	-5	11	3
Total comprehensive income	8	61	-19	919	24	394	8

Information regarding the value of Bure's participations in the profits of unlisted holdings that have been reported according to the equity method in 2019.

SEK M	Alcur Fonder	Fond- bolaget Fondita	Teknik Innovation Norden Fonder	Bio Lamina	Life Genomics	My Driving Academy Sweden	Scandi Nova Systems	Total
Result for discontinued operations	13	9	0	-1	0	-2	1	20
Comprehensive income after tax for discontinued operations	–	–	–	–	–	–	–	–
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive income	13	9	0	-1	0	-2	1	20

Note 22 – Classification of financial assets and liabilities

Group, SEK M	Financial assets and liabilities val- ued at fair value via profit/loss	Financial assets valued at amortised cost	Financial assets reported as fair value via other comprehensive income	Loans, trade receivables and other liabilities valued at amortised cost	Total reported value
Financial assets					
Financial assets at fair value through profit or loss	11,219.1	–	–	–	11,219.1
Investments reported according to the equity method	–	229.9	–	–	229.9
Other non-current securities	988.6	–	–	–	988.6
Other non-current receivables	–	–	–	7.7	7.7
Trade receivables	–	–	–	109.1	109.1
Other current receivables	–	–	–	11.9	11.9
Short-term investments	142.3	–	–	–	142.3
Cash and bank	710.5	–	–	–	710.5
Total financial assets	13,060.5	229.9	0.0	128.7	13,419.2
Financial liabilities					
Liabilities to credit institutions	–	–	–	4.6	4.6
Lease liabilities	–	–	–	31.9	31.9
Other non-current liabilities	–	–	–	1.4	1.4
Accrued expenses and deferred income	–	–	–	65.1	65.1
Prepayments from customers	–	–	–	7.2	7.2
Trade payables	–	–	–	16.6	16.6
Total financial liabilities	0.0	0.0	0.0	126.9	126.9
Parent Company SEK M	Financial assets and liabilities val- ued at fair value via profit/loss	Financial assets valued at amortised cost	Financial assets reported as fair value via other comprehensive income	Loans, trade receivables and other liabilities valued at amortised cost	Total reported value
Financial assets					
Shares in group companies	147.7	–	–	–	147.7
Financial assets at fair value through profit and loss	11,219.1	–	–	–	11,219.1
Other non-current receivables	–	–	–	2.8	2.8
Receivables from group companies	–	–	–	497.5	497.5
Other non-current receivables	–	–	–	8.9	8.9
Short-term investments	142.3	–	–	–	142.3
Cash and cash equivalents	657.7	–	–	–	657.7
Total financial assets	12,166.9	0.0	0.0	509.2	12,676.1
Financial liabilities					
Other non-current liabilities	–	–	–	0.8	0.8
Lease liabilities	–	–	–	3.1	3.1
Accrued expenses and deferred income	–	–	–	9.8	9.8
Other current liabilities	–	–	–	1.1	1.1
Trade payables	–	–	–	1.0	1.0
Total financial liabilities	0.0	0.0	0.0	15.7	15.7

Note 22 – Classification of financial assets and liabilities (cont'd)

Advance payments from customers and prepaid income

SEK M	2019			2018		
	Consultancy services	Licenses	Other	Consultancy services	Licenses	Other
Opening balance	8.5	3.2	0.1	9.6	2.8	0.1
Income recognised during the year	-8.7	-3.2	-0.1	-8.5	-2.9	0.0
Added during the year	10.6	2.6	2.5	7.1	3.2	0.0
Translation differences	0.2	0.1	0.0	0.4	0.1	0.0
Total	10.6	2.6	2.5	8.5	3.2	0.1

Note 23 – Earnings per share

Bure reports earnings per share in accordance with IAS 33, Earnings Per Share. Earnings per share are reported both before and after dilution.

Earnings per share are calculated by dividing net profit/loss by the weighted average number of shares outstanding during the year. In the Group, profit attributable to owners of the Parent Company is used for calculation of earnings per share.

In the event of a negative result, the net loss is divided only by the weighted average number of shares outstanding.

Specification of applied parameters	2019	2018
Profit for the year in the Parent Company, SEK M	3,849.7	1,609.3
Consolidated profit for the year, SEK M	4,228.8	1,820.4
Average number of shares outstanding	68,971,921	69,244,923
Basic earnings per share in the Parent Company, SEK ¹⁾	55.82	23.24
Basic earnings per share in the Group, SEK ¹⁾	61.29	26.29

1) No dilutive effect at 31 December 2019 or 31 December 2018.

Note 24 – Equity

According to the Articles of Association, the share capital shall amount to no less than SEK 300,000,000 and no more than SEK 1,200,000,000. Information about changes in equity is provided below.

	2019			2018		
	No. of shares	Quota value	Share capital	No. of shares	Quota value	Share capital
Number of registered shares						
Registered number at 1 January	69,332,710	7.72	535,518,034	69,332,710	7.72	535,518,034
Cancellation of shares	-360,789	–	-2,786,694	–	–	–
Bonus issue	–	–	2,786,694	–	–	–
Registered number at 31 December	68,971,921	7.76	535,518,034	69,332,710	7.72	535,518,034

Description and reporting of repurchase of treasury shares

Bure's AGM 2019 authorised the Board of Directors to acquire treasury shares to a maximum number of up to 10 per cent of the total number of shares outstanding. At 31 December 2019 the repurchase mandate had not been utilised.

Share dividend

The 2019 AGM approved an ordinary dividend to shareholders of SEK 2.00 per share. The total amount distributed was SEK 137.9M.

Restricted and non-restricted equity

According to Swedish law, shareholders' equity must be divided into non-restricted and restricted equity, of which restricted equity is not available for distribution to shareholders. Restricted equity in parent companies consists of share capital, statutory reserves and revaluation reserves. In Bure's case, the statutory reserve consists of capital contributed in relation to the company's formation. The statutory reserve also includes the former share premium reserve, which must be transferred to the statutory reserve in accordance with the new Swedish Companies Act.

Non-restricted equity includes retained earnings and net profit for the year, which are available for distribution to shareholders.

Consolidated equity consists of share capital, other contributed capital and retained earnings including profit for the year.

Other contributed capital in the Group refers to capital contributed by shareholders.

Retained earnings includes translation reserves that in turn include currency differences arising from the translation of financial statements from foreign operations and profit for the year.

Note 25 – Financial position

Net loan receivables: cash and cash equivalents, interest-bearing investments and short and long-term receivables minus short and long-term interest-bearing liabilities.

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Cash and cash equivalents	710.5	397.2	657.7	195.9
+ Interest-bearing investments	0.0	0.0	0.0	0.0
+ Current interest-bearing receivables	2.3	2.5	146.0	146.2
+ Non-current interest-bearing receivables	2.0	3.0	2.0	3.0
Interest-bearing assets	714.8	402.7	805.7	345.1
- Current interest-bearing liabilities	4.6	2.1	–	–
- Current interest-bearing lease liabilities	13.1	–	2.1	–
- Non-current interest-bearing liabilities	30.7	27.4	–	–
- Non-current interest-bearing lease liabilities	18.8	–	1.0	–
Interest-bearing liabilities	67.2	29.5	3.1	0.0
Net interest-bearing assets at year-end	647.5	373.2	802.6	345.1

Bure Equity finances operations of its subsidiaries with its own capital and intra-Group loans. Analysis shows that there is no need to reserve for expected credit losses. The table below shows intra-Group loans.

SEK M	31 Dec 2019	31 Dec 2018
Atle Investment Management AB	0.2	0.2
Bure Growth AB	353.6	218.4
Investment AB Bure	113.9	113.9
Mercuri International Group AB	29.8	29.8
Total	497.5	362.3

Note 26 – Events after the end of the reporting period

The virus Covid-19 has during the beginning of 2020 had a significant negative impact on countries, people, companies and financial markets. As a result, the value of Bure's listed portfolio companies, which amounted to 84 percent of the total net asset value of SEK 13.6 billion on December 31, 2019, has decreased.

The board proposes an ordinary dividend of SEK 2.00 and an extra dividend of SEK 0.50 per share, amounting to SEK 172.4M.

Note 27 – Participations in group companies, the year's change

SEK M	Parent Company	
	2019	2018
Opening balance	1,259.4	1,209.3
Acquisitions/additions	–	–
Write-up	–	50.1
Divestment	-17.6	–
Closing balance	1,241.8	1,259.4
Opening impairment losses	-1,105.1	-1,105.1
Divestment	11.0	–
Impairment losses	–	–
Closing accumulated impairment losses	-1,094.1	-1,105.1
Carrying amount	147.7	154.4

Divestments in 2019 includes shares in Mercuri International Group and Atle Investment Management. Write-up in 2018 refers to Mercuri International Group.

Note 28 – Shares in group companies

31 Dec 2019 SEK M	No. of shares	% of capital/votes	Carrying amount	Corporate ID number	Domicile
Atle Investment Management AB	46,500	93.0	0.0	556943-6420	Stockholm
Atle Investment Services AB ¹⁾	3,000	100.0	11.0	556690-3968	Stockholm
Bure Growth AB	50,000	100.0	21.0	556935-7550	Stockholm
Mercuri International Group AB	935,500	90.4	98.3	556518-9700	Stockholm
Investment AB Bure	1,000	100.0	28.0	556561-0390	Stockholm
Skanditek Aktiebolag	8,000	100.0	0.4	556541-9065	Stockholm
Total			158.8		

31 Dec 2018 SEK M	No.,of,shares	%of, capital/votes	Carrying, amount	Corporate ID number	Domicile
Atle Investment Management AB	50,000	100.0	0.1	556943-6420	Stockholm
Atle Investment Services AB ¹⁾	3,000	100.0	6.8	556690-3968	Stockholm
Bure Growth AB	50,000	100.0	21.0	556935-7550	Stockholm
Mercuri International Group AB	998,500	99.1	105.0	556518-9700	Stockholm
Investment AB Bure	1,000	100.0	28.0	556561-0390	Stockholm
Skanditek Aktiebolag	8,000	100.0	0.4	556541-9065	Stockholm
Total			161.2		

1) The shares are owned by Atle Investment Management AB

Note 29 – Financial assets at fair value through profit or loss

Values correspond to the Group's net asset value in respective holdings.

31 dec 2019 SEK M	No. of shares	% of capital/votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Cavotec SA	25,579,935	27.1	475.8	475.8	CH-501.3.015.724-3	Lugano, Switzerland
MedCap AB	3,006,017	22.3	417.8	417.8	556617-1459	Stockholm
Mentice AB	2,448,000	10.1	179.9	179.9	556556-4241	Stockholm
Mycronic AB	27,317,163	27.9	5056.4	5,056.4	556351-2374	Solna
Ovzon AB	4,799,698	14.3	311.0	311.0	559079-2650	Göteborg
Vitrolife AB	20,573,285	19.0	4063.2	4,063.2	556354-3452	Göteborg
Xvivo Perfusion AB	4,205,504	15.8	714.9	714.9	556561-0424	Göteborg
Carrying amount			11,219.1	11,219.1		

31 dec 2018 SEK M	No. of shares	% of capital/votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Cavotec SA	19,914,837	25.4	263.9	263.9	CH-501.3.015.724-3	Lugano, Schweiz
MedCap AB	3,081,017	22.9	244.6	244.6	556617-1459	Stockholm
Mycronic AB	29,317,163	29.9	3,462.2	3,462.4	556351-2374	Stockholm
Ovzon AB	1,007,568	12.0	74.6	74.6	559079-2650	Solna
Vitrolife AB	22,589,285	20.8	3,320.3	3,320.6	556354-3452	Göteborg
Xvivo Perfusion AB	4,291,483	16.3	566.5	566.5	556561-0424	Göteborg
Carrying amount			7,932.6	7,932.6		

Note 30 – Investments accounting for using the equity method

31 Dec 2019 SEK M	No. of shares	% of capital/votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Alcur Fonder AB ¹⁾	4,063	32.5	–	20.1	556703-4870	Stockholm
BioLamina AB ²⁾	598,418	28.9	–	35.4	556764-1872	Stockholm
Fondbolaget Fondita Ab ¹⁾	654	20.1	–	51.4	FI-0899688-5	Helsingfors
Life Genomics AB ²⁾	106,924	23.7	–	1.2	556993-1891	Göteborg
Mercuri Goldmann (India) Pvt Ltd ³⁾	128,508	40.0	–	17.3	–	Bangalore
My Driving Academy Sweden AB ²⁾	487	25.1	–	19.6	556943-1587	Stockholm
ScandiNova Systems AB ²⁾	409,665	27.8	–	81.9	556616-3605	Uppsala
Teknik Innovation Norden Fonder AB ¹⁾	112,230	37.4	–	3.1	559190-9600	Stockholm
Carrying amount			0.0	229.9		

31 Dec 2018 SEK M	No. of shares	% of capital/votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Alcur Fonder AB ¹⁾	4,063	32.5	–	9.8	556703-4870	Stockholm
Bio Lamina AB ²⁾	598,418	28.9	–	36.5	556764-1872	Stockholm
Fondbolaget Fondita Ab ¹⁾	654	20.1	–	52.2	FI-0899688-5	Helsingfors
Idevall & Partners Holding AB ¹⁾	660,000	33.0	–	2.1	–	–
Life Genomics AB ²⁾	106,924	23.7	–	1.1	556993-1891	Göteborg
Mercuri Goldmann (India) Pvt Ltd ³⁾	128,508	40.0	–	15.7	–	Bangalore
My Driving Academy Sweden AB ²⁾	487	32.0	–	17.5	556943-1587	Stockholm
Teknik Innovation Norden Fonder AB ¹⁾	3,375	33.8	–	0.0	559190-9600	Stockholm
Carrying amount			0.0	134.9		

1) Shares are owned by subsidiary Atle Investment Management AB.

2) Shares are owned by subsidiary Bure Growth AB.

3) Shares are owned by subsidiary Mercuri International Group AB.

Note 31 – Related party transactions

Bure's related parties are the members of the Board and companies closely related to them, Bure's subsidiaries, associated companies and the management in the Parent Company.

For salaries and compensation to senior executives, see Note 35. Aside from fees from the Parent Company, non-executive Board members in the Parent Company have not received fees from subsidiaries in the Group.

Purchases and sales between the Parent Company and group companies are insignificant in scope. Profit in the Parent Company includes intra-group interest income SEK 4.3M (4.0) and interest expenses of SEK 0.0M (0.0).

Note 32 – Dividends received

SEK M	Group		Parent Company	
	2019	2018	2019	2018
Atle Investment Management	–	–	131.8	–
Cavotec	–	3.5	–	3.5
Mycronic	82.0	73.3	82.0	73.3
Vitrolife	17.5	16.7	17.5	16.7
Total	99.4	93.5	231.2	93.5

Note 33 – Average number of employees

	2019		2018	
	Antal anställda	Varav kvinnor	Antal anställda	Varav kvinnor
Parent Company	6	1	7	1
Subsidiaries	220	99	227	105
Total Group	226	100	234	106
Parent Company				
Sweden	6	1	7	1
Subsidiaries				
Sweden	48	20	35	20
United Kingdom	17	8	14	6
Finland	21	6	26	8
Germany	29	10	30	10
France	45	20	46	20
USA	4	2	8	4
China	21	11	26	16
Other countries	41	23	42	21
Total Group	226	100	234	106

Note 34 – Salary, other compensation and social security expenses

Pension costs are stated including payroll tax.

SEK M	2019			2018		
	Salary and other comp.	Social security expenses	Pension costs	Salary and other comp.	Social security expenses	Pension costs
Parent Company	20.9	6.3	2.7	14.2	4.8	2.5
Subsidiaries	155.7	34.1	7.7	174.6	35.6	8.3
Total Group	176.6	40.4	10.4	188.8	40.4	10.8

Note 35 – Compensation to senior executives

1) Other benefits refer to company car benefits.

	Basic annual salary/ Board fees		Variable comp./bonus		Other benefits ¹⁾		Pension costs		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Board Chairman	2.0	1.6	–	–	–	–	–	–	2.0	1.6
Other Board members	1.5	1.6	–	–	–	–	–	–	1.5	1.6
CEO	3.4	2.9	2.7	2.6	0.1	0.1	1.4	1.1	7.6	6.8
Other senior executives	1.4	2.8	0.8	1.4	–	–	0.4	0.7	2.6	4.9
	8.2	8.9	3.5	4.0	0.1	0.1	1.8	1.8	13.7	14.8

Board of Directors

The 2019 AGM resolved that Board fees would be paid in a total amount of SEK 3,500,000 (3,500,000), of which SEK 2,000,000 (1,600,000) to be paid to Patrik Tigerschiöld, the Board Chairman, and SEK 300,000 (300,000) to each of the other Board members. Other Board members are Carl Björkman, Carsten Browall, Bengt Engström, Sarah McPhee och Charlotta Falvin. The Board consisted of a total of six members during 2019 (6). No special fees have been paid for work on the Board's committees.

Chief Executive Officer

CEO Henrik Blomquist had a contractual annual salary of SEK 3.4M. Bonuses have been paid totalling SEK 2.7M, (excluding social security payments), for 2019. Pension premiums are defined contributions, and correspond to 30 per cent of pension-qualifying salary, which consists of basic salary. The CEO's retirement age is 65. Bonuses may be paid up to a maximum of 100 per cent of annual salary. Bonus payments are not pension-qualifying. In the event of the CEO's employment being terminated by the company, the CEO has the right to a 12-month notice period. In the event of the CEO terminating his or her employment, the period of notice is also 12 months. The CEO has the right to severance pay equivalent to 12 months' salary in the event of his or her employment being terminated by the company. Decisions regarding the salary and benefits of the CEO are made by the Board of Directors.

Other senior executives

Other senior executives include the CFO. Pension premiums attract fixed fees in line with ITP1. Pension costs refer to costs excluding payroll tax that have been charged to this year's profit. The retirement age for these senior executives is 65. Bonuses for other senior executives amount to 80 per cent of annual salary. In the event of employment being terminated by the company, senior executives have the right to a notice period of six months, and senior executives are required to provide six months' notice in the event of terminating their employment. Termination benefits are not payable in the event of retirement. Decisions regarding the salary of these senior executives are made by the CEO following consultation with the Board of Directors.

Variable compensation (bonus)

In 2019, Bure had a variable compensation system for all employees in which the maximum variable salary component was 65 – 100 per cent of basic salary. Eighty per cent of bonus payments were based on quantitative targets related to Bure's net asset value and share price performance, and the year's focus regarding portfolio companies. The remaining 20 per cent was based on discretionary assessment. For information about the preparatory and decision-making process applied by the company, please see the administration report.

Details of senior executives' share holdings:

Henrik Blomquist, CEO, 57,807 shares.

Max Jonson, CFO, 20,786 shares.

Note 36 – Gender distribution among senior executives

In the subsidiaries, 10 per cent (11) of the board members, presidents and senior executives are women.

Parent Company	2019	2018
Total no. of women on Board of Directors	2	2
Total no. of women in management	1	1
Total no. of men on Board of Directors	4	4
Total no. of men in management	5	5
Total no. of people on Board of Directors	6	6
Total no. of people in management	6	6

Note 37 – Appropriation of profits

The company's annual report will be submitted for adoption by the 2020 Annual General Meeting.

The following funds are at the disposal of the AGM according to the Parent Company balance sheet:

Retained earnings	SEK 8,276,294,122
Profit for the year	SEK 3,849,713,903
	SEK 12,126,008,025

The Board proposes that the profits be appropriated as follows:

Shareholders receive an ordinary dividend of SEK 2.00 and an extraordinary dividend of SEK 0.50 per share, totalling SEK 172.4M. ¹⁾	SEK 172,429,803
To be carried forward to new account	SEK 11,953,578,222

It is the Board's assessment that the proposed dividend is justifiable in view of the demands imposed by the operations' nature, scope and risks on the amount of equity in the Parent Company and the Group, as well as the consolidation requirements, liquidity and financial position in general.



Auditor's report

Unofficial translation

To the general meeting of the shareholders of Bure Equity AB (publ), corporate identity number 556454-8781

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Bure Equity AB (publ) for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 38-76 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

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 of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.



Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation of financial instruments</i></p> <p>Bure's assets consist mainly of listed shares. For most financial instruments as Bure is a part of an active market with market prices exists.</p> <p>To a lesser extent there are holdings where the valuation is based on other market data than market prices in the same instrument.</p> <p>In a portfolio of financial instruments as Bures there are normally several valuation issues that needs to be established to ensure a proper valuation of listed and unlisted financial instruments in accordance with IFRS.</p>	<p>We have tested and evaluated the design and effectiveness of Bures controls regarding pricing and monitoring of the pricing of financial instruments. For those instruments that are listed, we evaluated Bures controls for the collection of prices from external sources and we have conducted testing of prices by reconciliation against external sources.</p> <p>For those instruments that are not listed, we evaluated the models and the market data Bure used for the valuation.</p> <p>We have also conducted testing of the valuation of unlisted instruments against independent data sources.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-29, 34- 37 and 82-85. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.



In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts 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 assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Bure Equity AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

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 Director's 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, 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 company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with 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 Managing Director in any material respect:

- has undertaken any action or 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 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 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 Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Bure Equity AB (publ) by the general meeting of the shareholders on the 7th of May 2019 and has been the company's auditor since 2012.

Stockholm 31 March 2020

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant



Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Bure Equity AB (publ), corporate identity number 556454-8781

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2019 on pages 30–33 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 31 March 2020
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

GRI index

Bure's sustainability audit relates to the 2018 calendar year, and is compiled according to Global Reporting Initiative (GRI) Standards for sustainability reporting. It is the second time Bure has compiled a sustainability report according to GRI. The index below indicates where GRI information can be found in the Bure 2018 annual report. The audit includes Bure as an investment company, i.e. the parent company Bure Equity AB. As a company

owner, Bure has significant influence over portfolio companies and actively works through board representation to encourage the establishment of relevant policies in respective companies and that operations are conducted responsibly and ethically. Bure's direct influence is considered very minor in relation to portfolio companies, which is why the auditing of Bure's role as a responsible investor and owner is given the highest priority.

GRI 102: General Disclosures

Disclosure		Page	Comments, limitations
1. Organizational profile			
102-1	Name of the organization	53, back cover	
102-2	Activities, brands, products, and services	9–11	
102-3	Location of headquarters	53, back cover	
102-4	Location of operations	57, 74	
102-5	Ownership and legal form	28–29, 53	
102-6	Markets served	57, 74	
102-7	Scale of the organization	20, 34–36, 72–73	
102-8	Information on employees and other workers	36, 74–76	Staff data compiled from Bure's HR platform.
102-9	Supply chain		Most of Bure's purchases comprise of goods and services for Bure's offices, as well as purchasing of consultancy services to support investment operations from local suppliers.
102-10	Significant changes to the organization and its supply chain		No significant changes occurred during the year.
102-11	Precautionary Principle or approach		A precautionary principle is applied and relates to the evaluation and management of sustainability risk related to investments.
102-12	External initiatives		The Bure board has decided to introduce an internal framework that defines guidelines for how Bure shall act as a responsible company, owner and employer, one that also reflects the ten principles of the Global Compact (Bure has not signed up to the Global Compact).
102-13	Membership of associations		The Centre for Business and Policy Studies, the Stockholm Chamber of Commerce, the Swedish Academy of Board of Directors (Stockholm), the Swedish Society of Financial Analysts.
2. Strategy			
102-14	Statement from senior decision-maker	5–7	
3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	9–16	
4. Governance			
102-18	Governance structure	30–33	
5. Stakeholder engagement			
102-40	List of stakeholder groups	13	
102-41	Collective bargaining agreements		Bure Equity AB has not entered into a collective agreement.
102-42	Identifying and selecting stakeholders	12	
102-43	Approach to stakeholder engagement	12	
102-44	Key topics and concerns raised	12	

Disclosure		Page	Comments, limitations
6. Reporting practice			
102-45	Entities included in the consolidated financial statements	72–73	
102-46	Defining report content and topic Boundaries	53–56	
102-47	List of material topics	12–16	
102-48	Restatements of information		This is Bure's third sustainability report compiled according to GRI.
102-49	Changes in reporting		This is Bure's third sustainability report compiled according to GRI.
102-50	Reporting period		Calendar year.
102-51	Date of most recent report		This is Bure's third sustainability report compiled according to GRI.
102-52	Reporting cycle		Calendar year.
102-53	Contact point for questions regarding the report		Max Jonson, CFO, +46 (0) 8 614 00 20
102-54	Claims of reporting in accordance with the GRI Standards	12, 82–83	
102-55	GRI content index	82–83	
102-56	External assurance		The sustainability report is not externally audited.
7. Topic specific disclosures			
Financial indicators			
<i>Competitive returns</i>			
103-1 – 103-3	Sustainability management	9–10, 12, 30–33	Relates to the Bure Group.
In-house indicator	Total returns and net asset value	18–20	
<i>Anti-corruption</i>			
103-1 – 103-3	Sustainability management	12–16, 30–33	Relates to the Bure Equity parent company.
205-2	Communication and training in policies and procedures to combat corruption	12–16	
205-3	Confirmed incidents of corruption and measures taken	12–16	
Social indicators			
103-1 – 103-3	Sustainability management	12–16, 30–33	Relates to the Bure Equity parent company.
<i>Training and education</i>			
404-3	Proportion of employees who receive regular evaluation, performance review and career development support	15–16	
<i>Diversity and equality</i>			
102-7	Organisation by age and gender	16, 74–76	Relates to Bure and portfolio companies.
405-1	Diversity among the board, management and employees	16, 34–36, 74–76	
Responsible investors and owners			
103-1 – 103-3	Sustainability management	9–16	Relates to Bure and portfolio companies.
In-house indicator	Sustainability in the investment process	14–15	
In-house indicator	Sustainability in portfolio companies	14–15	

Definitions

Basic earnings per share	Profit/loss after tax divided by the average number of shares outstanding during the year. For the Group, net profit less the non-controlling interests' share in profit for the year.
Diluted earnings per share	Profit after tax divided by the average number of shares outstanding during the year after dilution. For the Group, net profit less non-controlling interests' share in profit for the year. The average number of shares after full dilution is calculated according to the rules in IFRS, IAS 33 Earnings per Share.
Direct return	Dividend proposed to the AGM and extra dividends paid during the year divided by the share price at 31 December.
EBIT	Operating profit before goodwill impairment and amortisation of excess values arising on consolidation plus amortisation/depreciation of non-current assets.
Equity/asset ratio	Equity in relation to total assets. As of the transition to IFRS on 1 January 2005, non-controlling interests are included in total equity.
Equity per share	Equity divided by the number of shares outstanding. As of the transition to IFRS on 1 January 2005, non-controlling interests are included in total equity.
Growth	Increase in net sales in relation to net sales for the previous year. The key figure thus includes both organic and acquisition-driven growth.
IRR	Internal Rate of Return.
Market capitalisation	Share price multiplied by the total number of shares outstanding.
Net asset value	The market value of Bure's listed holdings (valued at fair values) plus the book value of unlisted holdings and cash and cash equivalents.
Net loan liability	Same definition as net loan receivable, but is used when interest-bearing liabilities exceed interest-bearing assets.
Net loan receivable	Financial interest-bearing assets minus interest-bearing liabilities.
Return on equity	Profit/loss after tax divided by average equity.
Share buyback	For several years, Swedish companies have been permitted to repurchase up to 10 per cent of their own outstanding shares, provided that this is approved by the Annual General Meeting within the framework of non-restricted equity.
Total return	The total of the year's share price growth and reinvested dividends divided by the share price at the beginning of the year.

Shareholder information

Financial calendar 2020

Interim report January – March	28 April
Annual General Meeting	not determined
Interim report January – June	19 August
Interim report January – September	5 November

Distributionspolicy

Bure's annual report is sent by mail to all persons who so request. Interim reports are distributed only in digital form.

To subscribe, visit www.bure.se/en/investors/

Investor relations / Shareholder contact

Max Jonson, +46 (0)8-614 00 20
max.jonson@bure.se

Contact Bure Equity AB

Address: Nybrogatan 6, 114 34 Stockholm
 Phone: +46 (0)8 614 00 20
 Fax: +46 (0)8 614 00 38
 E-mail: info@bure.se
 Website: www.bure.se

Annual General Meeting of Bure Equity AB (publ)

Bure's Board of Directors decided to postpone the AGM until a later date. The Annual General Meeting was originally scheduled to be held on May 6, 2020 at the IVA Conference Center, Wallenbergsalen, Grev Turegatan 16, Stockholm.

Bure returns with a notice to the AGM no later than four weeks before the new date. The meeting will be held no later than June 30, in accordance with current legislation.

Colophon

Text and production: Bure in collaboration with Bullhound AB.

Translation: Nick Chipperfield.

Photograph: Pär Olsson, pages: 5, 6, 7, 8, 13, 21, 34, 35 and 36.

Images of portfolio companies on page 4 provided by respective companies.

Shares: Web financial Group.

Table page 28, Total return at 31 December 2019: Modular Finance.

Print: Åtta.45 Tryckeri AB, Stockholm.

Paper: Tom&Otto Silk 250g and 130g.



Bure Equity AB (publ)
Nybrogatan 6, SE-114 34 Stockholm, Sweden
Phone: +46 8-614 00 20
Corporate ID number: 556454-8781
info@bure.se
www.bure.se