ANNUAL REPORT 2019

CEO comments

Continued stable growth
For Bluefish Pharmaceuticals, 2019 was a year of continued growth and stability. During the year, we implemented the new legal requirements for traceable and tamperproof packs in the pharmaceutical sector and also successfully prepared for a Brexit exit. We have a competent strong team that has delivered on the established goals as planned, while effectively managing the challenges we've faced. Profitability increased last year compared to the previous year, this is confirmation of the successful adjustments we've made to put the organisation on a path of stability and continued growth. Stable processes are now in place that give us flexibility and capacity to act on opportunities that are created in our marketplace. One of our success factors is our leaders creating high staff engagement both in their daily efforts as well as in their strategic work.

Profitability increased last year compared to the previous year, which shows that our business transition has given us both stability and growth. The convertible loan of SEK 100 million has been redeemed early with SEK 39.5 million enabled by a positive cash flow. We expect 2020 to be another stable and successful year and that we will further increase profitability for the company, despite the difficulties Covid-19 creates for the world, both in terms of health and economy.

Progress during the year
In 2019, our third in-house developed product, Anagrelid, obtained approval in most of countries where we are planning to launch it and sales have developed according to plan.

Hydroxyzine, which is an earlier own developed product, launched in 2017, has continued its sales growth as expected. It's quite satisfying to witness the excellent sales results for Bluefish's own products, and we are optimistic that there will be additional growth in the year ahead.

In total sales increased by 6 percent and the margin improved to more than 50 percent as a result of success in several countries. We kept overhead costs at a stable level, however selling expenses have increased in line with higher volumes, as expected.

During the year, Germany doubled its sales and is now our largest market. The success in Germany has been driven by our strong team which has proven that we have stable deliveries and good supply capacity. The Nordic countries have also had good growth and Sweden is our second largest market. The initiatives that we focused on during the year demonstrate that we are building a successful model for continued growth. Ireland, our latest established office, has seen a significant growth during the year. In Spain, Andalusia, we lost market shares during the year when a new government was elected and stopped the tender purchase of medicines. We have made modifications in Spain to ensure growth in both Andalusia and the rest of Spain. Bluefish has further established a unique business model in Menta 3, which is expected to regain market shares in the Spanish market through cooperation with partners.

The company's earnings were boosted by successful new launches during the year. Particularly remarkable was the new launch of Bupropion, a drug used for depression.

All in all, both sales and operating profit in 2019 were higher than the year before.

Bluefish portfolio and investments

During the year we invested efforts in our product portfolio and have identified new opportunities for growth. We also started several new development projects in our own laboratory. Bluefish expects to continue launching Anagrelide in the markets where we have obtained approvals and further approvals are pending in more markets during 2020. There are further launch plans of additional in-licensed products in selected markets during the year. There are continual strategic efforts underway to supplement and develop our portfolio, so the company remains competitive in the future.

During the year, Bluefish initiated an investment in a new ERP system to further support and stabilize our business model with an implementation planned during the first half of 2020.

Future outlook

We have also started this year stronger than last year and can already see a positive trend of increased sales in Germany, where Bluefish has won a large tender, AOK, starting in April 2020. We continue exploring ways to further supplement our portfolio, while simultaneous strengthening our market position in selected areas. In parallel we are striving to find new opportunities to strengthen our position in existing markets.

With all this in mind, we are very confident about the year head and anticipate excellent prospects for the future. At the time of writing, we do not foresee any negative impact on Bluefish due to the Covid-19 pandemic. Depending on how the pandemic outbreak develops globally and its future impact on transport and capacity, this can affect us later.

Bluefish has established a successful model and we're well equipped for continued growth in the coming years.

Stockholm, May 2020

Berit Lindholm - CEO

Management

Berit Lindholm | Jane Benyamin | Vivekanand Sundaramurthy | Erik Ekman | Philip Slätis | Milee Mathew | Kim Kjornas

Berit Lindholm

President and CEO since 2017
Member of the management group since 2015, employed since 2015
Born 1965

Professional experience:
Head of Planning, AstraZeneca Sweden Operations, Business Rela- tionship Director Operations IT Astra- Zeneca, Director Global Project and Change Management AstraZeneca, Plant Manager Sterile Solutions Freeze dried products AstraZeneca AB, Manager CMC & Labelling QA/ QC Pharmacia & Upjohn Pharma Mälardalen

Education:
BSc Pharm, Faculty of Pharmacy Uppsala University, Helsinki University Accounts and Economics Warwick Business School, UK, Uppsala University

Shareholding in Bluefish: –

Jane Benyamin

Chief Financial Officer since 2019 Member of the management group since 2019, employed 2019
Born 1979

Professional experience:
Finance Manager, Pensa Pharma AB; Controller, Medivir AB; Deputy Finance Manager, Galderma Nordic AB; Logistics and Finance Supervisor, Galderma Nordic AB

Education:
MSc in Business Administration, Södertörns Högskola; Laws of taxation, Umea University; Basic business law, Stockholm University.

Shareholding in Bluefish: –

Erik Ekman

Chief Operating Officer since 2017 Member of the management group since 2017, employed since 2017
Born 1972

Professional experience:
Global Business Change Lead, AstraZeneca, Director Turbuhaler, AstraZeneca, Associated Director Nexium/Losec, Lead ERP, AstraZeneca, Head of Operations IT, AstraZeneca. Consultant, CapGemini Ernst & Young. Project Manager, Business Developer, Cambrex.

Education:
MSc in Industrial Engineering and Management, Institute of Technology Linköping University, Leadership training Stockholm School of Economics, London Business School, Warwick University

Shareholding in Bluefish: –

Philip Slätis

Business Development Director since 2019
Member of the management group since 2019, employed since 2019
Born 1972

Professional experience:
Commercial Head General Medicine Northern Europe, Sanofi; Senior Consultant and Partner, PS Source; Managing Director Norway and Sales Manager, Baxalta; Nordic Business Unit Manager Vaccines, Baxter; Key Account Manager, Astra Zeneca, Amgen, Novo Nordisk, and Sanofi Pasteur MSD

Education:
Senior High School Teacher, Stockholm Institute of Education; Dip.A. B.A.,Stockholm University, Sweden

Shareholding in Bluefish: –

Kim Kjornas

VP Sales and Marketing since 2016 Member of the management group since 2016, employed as consultant since 2016
Born 1955

Professional experience:
Exec. Director, Sales & Marketing, Europe, Actavis Director BD, Actavis Director, Sales & Marketing, PolyPeptide Marketing Manager, Nycomed.

Education:
M.Sc. Pharm. University of Copenhagen
Lean six-sigma (green belt)
Bachelor (HH) Accounting and Economics (Koebmandsskolen Copenhagen)
Statistics for experimenters (University of Copenhagen)

Shareholding in Bluefish: –

Vivekanand Sundaramurthy

Head of R&D since 2011
Member of the management group since 2017, employed since 2011
Born 1977

Professional experience:
Manager R&D formulation Bluefish Pharmaceuticals
Manager Formulation R&D, Shasun Pharmaceuticals,
Junior Manager Technology Transfer, Dr.Reddy's Laboratories,
Scientist Formulation R&D, Fourrts India Ltd, Medreich Sterilab Ltd.

Education:
M.Pharm – Annamalai University B.Pharm – Dr.M.G.R. Medical University
Project Management Professional (Certified PMP)
Ph.D. student in Pharmaceutics from Annamalai University

Shareholding in Bluefish: –

Milee Mathew

Head of HR since 2019
Member of the management group since 2019, employed since 2019
Born 1972

Professional experience:
Manager, Human Resources; Tech Rizes Transdomain Pvt.Limited (Formerly UEC Technologies Pvt.Limited); Executive, Human Resources, Cisco; Executive, Human Resources, Wipro Technologies; Executive, Human Resources, RCI India.

Education:
Bachelor of Commerce, Mount Carmel College; Personal Development Training's, Landmark

Shareholding in Bluefish: –

Board of Directors

Erika Kjellberg Eriksson
Chairman of the Board of Directors (since 2019)
Born 1962
Director (since 2012)
Partner, Nexttobe AB

Education:
MBA

Other Board assignments:
Chairman of the Board;
Nexttobe AB Capilet Genetics AB, Lokon Pharma AB and Zetcity AB

Director;
Linum AB, Lumina Adhesives AB, Q-linea AB and Tanea Gruop AB, Aros Biotech AB, Biomics AB, Navinci Diagnostics AB, AllgoHolding AB, Bluefish Pharma AB, Bluefish Pharma Incentive AB, Delta Projects AB, Findolon AB, Sweden Carnica Group AB, Vivolux AB

Shareholding in Bluefish: –

Gerald Engström
Director since 2010
Born 1948
Chairman of the Board of Directors (2010- 2019)

Education:
Technical college engineer, studies in economics, Stockholm University

Other Board assignments:
Chairman of the Board, Systemair AB, RVM Systems AB.Hanza Holding AB, Färna Invest AB

Shareholding in Bluefish:
51,171,152[1])

Karl Karlsson
Director (2005 - 2020)
Born 1974
President and CEO (2005-2017)

Education:
Owner/President Management Program at Harvard Business School, Boston, USA
Marketing and Business Administration, George Mason University, Virginia, USA

Other Board assignments:
Newbury HealthCap,
Lili & Lala Retail Private Limited

Shareholding in Bluefish:
3,796,427 [1])

1) Private holding or holdings via the company as of 31 December 2019

List of shareholders as of 2019-12-31

Shareholder	A shares	B shares	Total no. shares	Total no. votes	Share of equity	Share of votes
Färna Invest AB	-	51,171,152	51,171,152	51,171,152	47.41%	47.41%
Nexttobe AB	-	31,994,474	31,994,474	31,994,474	29.65%	29.65%
Varenne[2)]	-	4,196,026	4,196,026	4,196,026	3.89%	3.89%
Newbury HealthCap (Karl Karlsson)	-	3,796,427	3,796,427	3,796,427	3.52%	3.52%
Other	-	16,765,249	16,765,249	16,765,249	15.53%	15.53%
Total	**-**	**107,923,328**	**107,923,328**	**107,923,328**	**100.00%**	**100.00%**

2) Refers to shares held by Varenne AB (3,196,026 shares) and Varenne Invest I AB (1,000,000 shares).

Directors' report

The Board of Directors and the President of Bluefish Pharmaceuticals AB (publ), corporate identity number 556673 9164, hereby submit the following annual report and consolidated financial statements for the 2019 financial year. Unless otherwise stated, all figures pertain to the Group for the 2019 financial year. Comparison figures are for the 2018 financial year, unless otherwise stated.

As of December 31, 2019, the Group consists of 12 (11) companies. The parent company for the group is Bluefish Pharmaceuticals AB.

Bluefish operations

Bluefish strives to make quality medicines available to more people. We create value through the entire pharmaceuticals value chain, i.e. from product development to manufacturing and marketing of generic pharmaceuticals. We offer a product portfolio that consists of a wide range of high-quality generic pharmaceuticals. Part of our long-term strategy is to maintain the product range of patent-free volume products. However, we are constantly striving to offer a wider selection of niche products in more specific therapeutical areas. Bluefish products originate in a generic substance with well-documented safety and efficacy. Our strategy to develop products based on well-known substances result in a product range with substantial market potential.

Bluefish has established an effective marketing organization that is based on extensive knowledge of the local conditions and market so that we can optimize business opportunities and growth in each market.

Bluefish is established in 13 European countries, along with some export activities to countries outside Europe. We also have a subsidiary in India, with focus on maintaining and developing the Group's product portfolio.

Bluefish is constantly striving to identify new growth opportunities in both specific, selected market segments as well as in some new markets. In 2019, the company strengthen its sales organisation so it can optimize the higher potential we identified in our product portfolio. We also registered and increased sales of our own products Hydroxyzine and Anagrelide in several markets and both products have continued to be a sales success.

In 2020, we expect to continue strengthening the sales organsiation.

The Group's earnings and financial position

Net sales and earnings

Net sales for the full year 2019 were SEK 379.9 million (357.2), an increase of 6 percent compared to the same period in 2018. With a purchase price of SEK 183.5 million (175.9), gross profit amounted to SEK 196.4 million (181.3), which corresponds to a gross margin of 51.7 percent (50.7) for the period. Currencies have had a positive effect on net sales for the full year 2019, corresponding to SEK 0.3 million (0.5).

Operating expenses for the year amounted to SEK 181.3 (181.1), million, of which SEK 32.0 (27.9) million was amortization, depreciation and impairment losses. EBITDA for 2019 was SEK 47.1 (28.0) million. During 2019, currency fluctuations had an effect on EBITDA equal to SEK -1.5 (2.8) million. The net loss for the period amounted to SEK –3.8 (–17.1) million, which includes currency effects of SEK –1.4 million (3.9).

Cash & cash equivalents and financing

At the end of the period, cash and cash equivalents amounted to SEK 56.9 million, compared with SEK 50.9 million at the beginning of the year. Cash flow from operating activities amounted to MSEK 9.2 (17.9) for 2019, of which change in working capital amounted to MSEK -92.7(-30.5). The change in working capital is primarily attributable to increased inventory levels, which is in line with the company's established targets to meet expected sales growth. Cash flow from investing activities amounted to MSEK –10.2 (–14.5) in 2019, of which investments in intangible assets, such as product development, licenses and market approvals, amounted to MSEK –9.8 (–14.3).

Cash flow from financing activities during 2019 amounted to SEK 6.0 (1.8) million, which is a net effect of the new share issue and redemption of parts of the convertible loan. As of December 31, 2019, total available bank credit was SEK 113.3 million (SEK 82 million + EUR 3 million), of which the utilized bank credit was SEK 79.4 million, compared with SEK 86.6 million at the beginning of the year.

Net financial items amounted to SEK –16.8 (–13.8) million for the year, which includes interest expenses on the convertible debt and bank overdraft.

Shareholders equity and equity ratio

At the end of the period, equity was to SEK 81.7 million, compared with SEK 25.3 million at the beginning of the year. That corresponds to SEK 0.76 (0.31) per share. At the end of the period, the equity ratio was 16.7 % compared to 6.1 % at the beginning of the year.

Multi-year review 2015-2019

SEK million	2019	2018	2017	2016	2015
Net sales	379.9	357.2	329.2	311.6	283.2
Gross profit/loss	196.4	181.3	146.6	158.7	132.5
Gross margin	51.7%	50.7%	44.5%	50.9%	46.8%
EBITDA	47.1	28.0	3.1	29.1	12.8
Profit (loss) before tax	-1.7	-13.6	-39.9	-1.3	-19.9
Cash flow from operating activities	9.2	17.9	-59.6	-33.1	48.5
Cash flow from investing activites	-10.2	-14.5	-21.2	-21.8	-22.6
Earnings per share, SEK	-0.04	-0.21	-0.52	-0.04	-0.27
Equity per share, SEK	0.76	0.31	0.52	0.95	0.98
Equity ratio	16.7%	6.1%	10.0%	20.6%	19.8%
Number of employees at end of period	123	116	119	108	94

The work of the Board

During the year, the Board held eleven meetings. An annual general meeting was held during the year, at which time Erika Kjellberg-Ericsson was elected as Chairman of the Board, along with the re-election of Gerald Engström and Karl Karlsson as Directors. The Board thus now consists of the Chairman of the Board and two directors.

The Board of Directors had prepared a balance sheet for liquidation purposes as of 2019-01-31 for the Parent Company, which showed that equity had fallen below 50 % of the registered share capital. The Board made a decision to increase the share capital by SEK 5,396 million by issuing a maximum of 26,980,832 shares subsequent approved by the AGM. The decision was an new shares issue with subscription price of 2.20 per share, a total issue payment of SEK 59,358 million was received, which was credited the company in the second quarter of 2019.

Significant events after the balance sheet date

Covid-19

Since December 2019, a new corona virus has spread across the world. The disease is caused by a virus named covid-19 and the first known case in Sweden was registered on 2020-01-31. Most people become ill with only mild symptoms such as cough and fever, however some people become seriously ill with breathing difficulties and pneumonia. Most of those with severe illness are elderly people, however younger people with chronic heart or lung disease or people with cancer can get a more serious condition when infected by Covid-19.

Since the disease is very contagious and has spread very quickly across the world, many countries have introduced various measures to prevent the virus from spreading. One of the measures that have been taken by many nations are, amongst other actions, to close national borders and introduce a curfew. The current situation is constrained for people and industries, the need for pharmaceuticals is not decreasing, the preventive actions to reduce the spread of Covid-19 might have more long-term negative consequences such as shortages of medicines. At the time of writing, Bluefish Pharmaceuticals AB has so far succeeded in minimizing the negative impact on the availability of medicines that the company provides through proactive decisions. The company keeps staying informed about the changes that might occur daily to evaluate consequences both in the short and long term and as far as possible ensuring adequate supply of pharmaceuticals in current circumstances.

Loan Terms

SEB's covenant review at 2019-03-31 revealed that the company had deviated from the loan agreement. Subsequent to the issue of new share explained in the previous paragraph, the bank adjusted the terms and approved a deviation from the loan agreement until 2019-06-30. Since the issue of new shares in May 2019, no deviations from the loan agreement have been made.

Shareholder

In February 2020, Karl Karlsson, founder and former CEO of Bluefish Pharmaceuticals AB, sold his shares in the company. At the same time, he has decided to resign from his assignment as a member of the company's board of directors. As the company's board of directors is to consist of 3 board members, the company has a vacancy. At the Annual General Meeting, a new member shall be elected to the Board.

Convertible

The issued convertibles expire on 30 June 2020 and the Board of Directors proposes an extension of the existing convertible loan, of SEK 59.5 million. The proposal means that the convertibles will have an additional term of two (2) years, ie up to and including 30 June 2022. Otherwise, the terms of the convertible bonds must be let unchanged. Furthermore, implementation of the changed convertible terms, and thus the extension of loans beyond the current maturity date, is conditional on the Company's Board of Directors finding it appropriate with regard to the company's other loan situation.

Reduced loan financing

The Board of Directors has decided to reduce the company's loan financing and has therefore terminated the factoring agreement that it has had with SEB regarding sales of invoices in the German market. This means lower interest costs for the company.

Product development

The company’s product development efforts revolve around new generic formulations. The company’s product portfolio is essential in order to ensure an adequate level of continued growth in net sales and profitability. Development resources are focused on products that the company believes will create value long-term. Bluefish invested SEK 2.0 (1.6) million in product development, not including costs for registration, pharmacovigilance and quality assurance. The investment in a project is highest during the final phase. Investments increased in 2019 compared to the prior year when several new development products were initiated, and one product was approved during the year.

Environmental work and work environment

Bluefish strives to comply with all work environment rules and regulations and minimize any negative environmental impact of our operations. We provide a good work environment to all of our employees. The company is not involved in any environmental dispute. Contract manufacturers are used for all our pharmaceutical production. Factories are located in Spain, Greece, Portugal, Germany, Turkey, India and other locations. All facilities are inspected at regular intervals by the company's quality department to ensure compliance with the GMP (Good Manufacturing Practice), as well as compliance with local regulations and regulatory requirements pertaining environmental requirements.

Parent Company

Bluefish Pharmaceuticals AB is the parent company for the Bluefish Pharmaceuticals Group. For 2019, net sales were SEK 365.1 (339.5) million, of which SEK 185.7 (211.2) million was intra-group sales. Operating profit amounted SEK 5.6 (–8.7) million and net financial items SEK –16.7 (–15.0) million. As of 31 December 2019 cash and cash equivalents amounted SEK 37.6 million, compared with SEK 17.2 million at the beginning of the year. The parent company's equity as of December 31, 2019 amounted to SEK 40.2 (-8.0) million

Future outlook

In 2019, the company expects that its growth in sales will be higher than the previous year. Sales growth will primarily be fueled by the investments that were made in the current year, along with the impact from sales of newly launched products dur- ing the year. It is also expected that sales growth will contribute to higher profitability compared to the 2018 financial year, but the full effect is expected to occur during the next period.

Risks and uncertainties

Bluefish faces many risks and uncertainties that could have a negative impact on the business. The main business risks and financial risks that could have a significant negative impact on the business or its earnings are described below.

Changes in market conditions

There is very tough price competition in several of the markets where Bluefish operates. With a change in market conditions compared to what was assumed when a business opportunity was evaluated, there is a risk that sales will not be on competitive terms. There is thus a risk of impairment losses on the investment and inventories. In order to manage changed market conditions, it is advantageous to have a flexible organisation that can quickly make decisions.

Bluefish also collaborates with a number of partners. We can- not, however, guarantee that we can maintain and develop these collaborations. A discontinued collaboration could cause delays or lost sales.

Development of generic pharmaceuticals is a complicated, risky, and time-consuming process. Any project could fail or incur a delay at any stage in the process due to a variety of factors.

During development, there is a risk that competitors develop the same product or that the market conditions change in some other way. If that happens, it may not be possible to recover the development costs.

Supply chain

Bluefish does not have any own manufacturing, which is why the company collaborates with contract manufacturers for its pharma- ceutical production. During the manufacturing process of pharma- ceuticals, there could be shortages or delivery delays resulting from changed conditions pertaining to raw material deliveries, resource shortages, priorities etc. or force majeure. Delivery delays could cause a delay or loss in sales, penalty fees for delayed delivery or impairment losses on inventories.

Changes to regulatory decisions

It cannot be ruled out that the regulatory approval process at the government level could change with respect to requirements regarding the details, scope of documentation or other items. Such regulatory decisions could lead to higher costs, project delays or even termination of a project. Bluefish is also exposed to regulatory decisions pertaining to the required permits for commercialsation of pharmaceuticals and changes in the rules on pricing and reimbursement of pharmaceuticals, along with changed conditions having to do with the prescription of a particular drug. Changed regulatory decisions could impact the established plans for distri- bution and cause delays or even lost sales. Bluefish employees are well acquainted with the regulations and to prevent any surprises having to do with regulatory changes, Bluefish employees are proactive in collecting information on updates to ongoing investi- gations by the authorities.

Legislation and regulations

Failure to comply with applicable laws and regulations can lead to civil and/or criminal proceedings and sanctions. Primarily, Bluefish has responsibility for product liability as regards quality and safety, competition legislation, environmental issues, employment, work environment/ health & safety and tax issues. A negative outcome on disputes and/or government investigations could lead to significant liability claims. To counteract negligence, the company has created a strong culture for ethics and compliance. All employees attend training when they first join the company, which includes knowledge of laws and regulations. All staff par- ticipate in regular training to keep their knowledge up to date.

The risk of product liability claims is limited in part through product liability insurance. However, it can never entirely be eliminated since the insurance cover and amount of compensation are limited.

Dependence on key employees

Bluefish is highly dependent on key employees. There is a risk that the company’s projects become delayed or that they cannot be completed if these individuals were to leave the company or, for some other reason, were unable to fulfil their duties. The ability to recruit and retain qualified employees is of utmost importance to ensure that the company has the necessary level of expertise.

Financial risks

Bluefish regularly informs about future financial expectations. All such statements are forward-looking and is based on assumptions and judgments. If we fail to successfully implement our business strategy, it can prevent us from achieving our financial goals and expectations, and in turn can cause significant negative impact on our business, its operations or financial position, including its ability to raise capital and retain existing credit.

For an in-depth account of financial risks, along with currency risk, interest rate risk, credit risk, liquidity risk and capital risk, please see Note 3.

Proposed appropriation of the company's earnings

The following earnings are at the disposal of the annual general meeting:

SEK	
Share premium reserve	389,134,362
Retained earnings	–371,916,191
Profit (loss) for the year	–11,158,601
Total	**6,059,570**

The Board of Directors and the CEO propose that the unappropriated earnings (loss) of SEK 6,059,570, are carried forward.

The Board proposes that no dividends are issued for the 2019 financial year.

Regarding the results and financial position of the Group and the Parent Company at the end of the financial year, as well as financing and use of capital during the financial year, reference is made to the following income statements and balance sheets, specifications and changes in equity, cash flow statements, accounting and valuation principles, and notes. Unless otherwise stated, amounts set forth in the annual report and consolidated financial statements are presented in SEK thousands.

Income Statement
Group

SEK thousands	Note	2019	2018
Net sales	2, 4, 5	379,897	357,233
Cost of goods sold		-183,523	–175,944
Gross profit/loss		196,374	181,289
Selling expenses		–89,298	–92,125
Administration costs		–24,777	–23,035
Development costs		–67,330	–66,458
Other revenue		129	511
Operating profit (loss)	6-12	15,098	182
Financial income	13	176	4,524
Financial expenses	14	–17,012	–18,308
Financial items – net		–16,836	–13,784
Profit (loss) before tax		–1,738	–13,602
Income tax	15	–2,115	–3,519
Net loss for the year, attributable to shareholders of the Parent Company		–3,853	–17,121

Statement of comprehensive income

SEK thousands	2019	2018
Profit (loss) for the year	–3,853	–17,121
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translations difference	885	418
Total other comprehensive income	885	418
Total comprehensive income for the year	**–2,968**	**–16,703**

Of the total comprehensive income for the year, the entire amount is attributable to the Parent Company's shareholders.

Balance sheet
Group

SEK thousands	Note	2019-12-31	2018-12-31
	29		
ASSETS	2, 22		
Non-current assets			
Intangible assets	10, 17	119,347	138,091
Property, plant and equipment	10,11,18	17,724	5,169
Financial assets	20	1,458	1,465
Total non-current assets		**138,529**	**144,725**
Current assets			
Inventories	21	148,731	125,754
Accounts receivable	23	119,767	71,843
Tax receivables	23	502	754
Other receivables	23	17,130	14,783
Prepaid expenses and accrued income		6,674	5,639
Restricted cash	29	965	965
Cash and cash equivalents		56,880	50,933
Total current assets		**350,649**	**270,671**
TOTAL ASSETS		**489,178**	**415,396**
EQUITY AND LIABILITIES	2, 3, 22		
Equity			
Share capital	24	21,584	16,188
Other contributed capital		405,100	351,138
Reserves		3,014	2,129
Retained earnings including loss for the year		–347,997	–344,144
Total equity		**81,701**	**25,311**
Non-current liabilities			
Borrowings	25	–	93,697
Other non-current liabilities	11, 26	8,386	796
Total non-current liabilities		**8,386**	**94,493**
Current liabilities			
Accounts payable		67,975	62,013
Tax liabilities		583	757
Borrowings	25	152,694	116,631
Other current liabilities	11, 26	18,491	9,935
Current provisions	27	129,982	82,801
Accrued expenses and deferred income	28	29,366	23,455
Total current liabilities and provisions		**399,091**	**295,592**
TOTAL EQUITY AND LIABILITIES		**489,178**	**415,396**

Consolidated statement of changes in equity

	SHAREHOLDERS OF THE PARENT COMPANY				
SEK thousands	**Share capital**	**Other contributed capital**	**Reserves[1]**	**Retained earnings**	**Total equity**
Opening equity, 1 January 2018	16,188	351,093	1,711	327, 023	41,969
Profit (loss) for the year	–	–	–	–17,121	–17,121
Translations difference	–	–	418	–	418
Total other comprehensive income, net after tax	–	–	418	–	418
Total comprehensive income	**–**	**–**	**418**	**–17,121**	**–16,703**
Transactions with shareholders					
Equity portion of convertible debt (25)	–	45	–	–	45
Total transactions with shareholders	–	45	–	–	45
Closing equity, 31 December 2018	**16,188**	**351,138**	**2,129**	**–344,144**	**25,311**
Opening equity, 1 January 2019	**16,188**	**351,138**	**2,129**	**–344,144**	**25,311**
Profit (loss) for the year	–	–	–	–3,853	–3,853
Translations difference	–	–	885	–	1,081
Total other comprehensive income, net after tax	–	–	885	–	1,081
Total comprehensive income	**–**	**–**	**885**	**–3,853**	**–2,968**
Transactions with shareholders					
New shares issue	5,396	53,962	–	–	59,358
Total transactions with shareholders	5,396	53,962	–	–	59,358
Closing equity, 31 December 2019	**21,584**	**405,100**	**3,014**	**–347,997**	**81,701**

Consolidated cash flow statement

SEK thousands	Note	2019	2018
Operating activities			
Operating profit (loss)		15,098	182
Interest paid		–13,560	–13,189
Interest received		906	943
Taxes paid		–2,071	–3,755
Adjustment for items not included in cash flow, etc.	30	101,568	64,750
Cash flow from operating activities before changes in working capital		**101,941**	**48,348**
Cash flow from changes in working capital			
Inventories		–42,406	–12,779
Operating receivables		–51,013	–6,224
Operating liabilities		696	–11,479
Cash flow from operating activities		**9,218**	**17,872**
Investing activities			
Acquisition of intangible assets	17	–9,829	–14,279
Sales of intangible assets	16	693	
Acquisition of property, plant and equipment	18	-1,122	–217
Cash flow from investing activities		**–10,258**	**–14,488**
Financing activities			
New share issue	25	59,358	–
Repaid convertible debt	25	-39,500	–
Amortization of leasing liabilities	26	–6,428	–55
Change of bank overdraft facility	25	356	–3,344
Change of invoice discounting	25	-7,775	5,231
Cash flow from financing activities		6,011	1,832
Cash flow for the year		**4,971**	**5,797**
Cash and cash equivalents at beginning of year		**50,933**	**43,710**
Exchange rate differences in cash and cash equivalents		976	1,426
Cash and cash equivalents at year-end		**56,880**	**50,933**

Income statement
Parent Company

SEK thousands	Note	2019	2018
Net sales	2, 5	365,127	339,470
Cost of goods sold		–183,523	–177,453
Gross profit/loss		181,604	162,017
Selling expenses		–83,855	–84,058
Administration costs		–24,203	–21,403
Development costs		–68,109	–65,743
Other revenue		129	511
Operating profit (loss)	6-12	5,566	–8,676
Financial income	13	995	3,960
Financial expenses	14	-17,720	–18,977
Financial items – net		-16,725	–15,017
Profit (loss) before tax		-11,159	–23,693
Income tax	15	–	–
Profit (loss) for the year		-11,159	–23,693

Statement of comprehensive income

SEK thousands	2019	2018
Profit (loss) for the year	–11,159	–23,693
Other comprehensive income		
Items that may be reclassified to profit or loss	–	–
Total other comprehensive income	–	–
Total comprehensive income for the year	**–11,159**	**–23,693**

Balance sheet
Parent Company

SEK thousands	Note	2019-12-31	2018-12-31
	29		
ASSETS	**2**		
Non-current assets			
Intangible assets	10, 17	116,923	136,064
Property, plant and equipment	10, 18	490	1,012
Participations in Group companies	19	15,680	15,648
Other non-current liabilities	20	41	94
Total non-current assets		**133,134**	**152,818**
Current assets			
Inventories	21	148,731	125,754
Accounts receivable	23	66,339	31,362
Receivables from Group companies	23	25,786	25,877
Tax receivables	23	502	754
Other receivables	23	3,379	1,399
Prepaid expenses and accrued income		3,200	3,354
Restricted cash	29	965	965
Cash and bank		37,573	17,153
Total current assets		**286,475**	**206,618**
TOTAL ASSETS		**419,609**	**359,436**
EQUITY AND LIABILITIES	**2, 3**		
Equity			
Restricted equity			
Share capital	24	21,584	16,188
Fund for development expenditures		12,556	9,008
Total restricted equity		34,140	25,196
Non-restricted equity	33		
Share premium reserve		389,134	338,721
Retained earnings		–371,915	–348,223
Profit (loss) for the year		–11,159	–23,693
Total non-restricted equity		**6,060**	**–33,195**
Total equity		**40,200**	**–7,999**
Non-current liabilities			
Borrowings	25	–	93,697
Other non-current liabilities	26	98	796
Total non-current liabilities		**98**	**94,493**
Current liabilities			
Accounts payable		53,190	31,515
Liabilities to Group companies		139,173	104,724
Borrowings	25	149,703	109,839
Other current liabilities	26	12,800	9,108
Accrued expenses and deferred income	28	24,445	17,756
Total current liabilities		379,311	272,942
TOTAL EQUITY AND LIABILITIES		**419,609**	**359,436**

Statement of changes in equity

Parent Company

	RESTRICTED EQUITY		NON-RESTRICTED EQUITY		
SEK thousands	**Share capital**	**Fund for development projects**	**Share premium reserve**	**Retained earnings**	**Total equity**
Opening equity, 1 January 2018	**16,188**	**9,709**	**338,020**	**-348,224**	**15,694**
Profit (loss) for the year	–	–	–	–23,693	–23,693
Total other comprehensive income, net after tax	–	–	–	–23,693	–23,693
Total comprehensive income	**–**	**–**	**–**	**–23,693**	**–23,693**
Transactions with shareholders					
Transfer of fund for development projects		–701	701		0
Equity portion of convertible debt (note 25)					0
Issue costs for convertible debt					0
Total transactions with shareholders	**0**	**–701**	**701**	**0**	**0**
Closing equity, 31 December 2018	**16,188**	**9,008**	**338,721**	**–371,916**	**–7,999**
Opening equity, 1 January 2019	**16,188**	**9,008**	**338,721**	**–371,916**	**–7,999**
Profit (loss) for the year	–	–	–	–11,159	–11,159
Total other comprehensive income, net after tax	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**–11,159**	**–11,159**
Transactions with shareholders					
Transfer of fund for development projects		3,549	-3,549		0
New share issue	5,396			53,962	59,358
Equity portion of convertible debt (note 25)					0
Issue costs for convertible debt					0
Total transactions with shareholders	**5,396**	**3 549**	**50,413**	**0**	**59,358**
Closing equity, 31 December 2019	**21,584**	**12,557**	**389,134**	**–383,075**	**40,200**

Cash flow statement
Parent Company

SEK thousands	Note	2019	2018
Operating activities			
Operating profit (loss)		5,566	–8,676
Interest paid		–12,845	–11,951
Interest received		834	378
Taxes refund		252	–468
Adjustment for items not included in cash flow	30	46,179	52,026
Cash flow from operating activities before changes in working capital		**39,986**	**31,309**
Cash flow from changes in working capital			
Inventories		–42,406	–12,779
Operating receivables		–36,684	–7,283
Operating liabilities		50,716	765
Cash flow from operating activities		**11,612**	**12,012**
Investing activities			
Acquisition of intangible assets	17	–8,409	–13,614
Sales of intangible assets	16	693	–
Acquisition of property, plant and equipment	18	–8	–13
Other financial assets		–32	–
Cash flow from investing activities		**–7,756**	**–13,627**
Financing activities			
New share issue	25	59,358	–
Increase of bank overdraft facility	25	356	–3,344
Decrease of invoice discounting	25	-3,810	8,152
Repaid convertible debt	25	-39,500	–
Cash flow from financing activities		**16,404**	**4,808**
Cash flow for the year		**20,260**	**3,193**
Cash and cash equivalents at beginning of year		17,153	13,682
Exchange rate differences in cash and cash equivalents		160	278
Cash and cash equivalents at year-end		**37,573**	**17,153**

Note 1 Accounting policies

General information

Bluefish Pharmaceuticals AB (the Parent Company) and its subsidiaries (together, "the Group") develop products and market generic pharmaceuticals via a network of independent whole- salers and pharmacies. The Parent Company is a limited company registered and domiciled in Sweden. The headquarters are located at Gävlegatan 22, 113 30 Stockholm. On 04 May 2020, the Board of Directors approved these consolidated financial statements for publication.

Basis of preparation for the financial statements

The consolidated financial statements of the Bluefish Pharmaceuticals Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. In addition, the standard RFR 1 issued by the Swedish Financial Reporting Board and the Swedish Annual Accounts Act have been applied. Unless otherwise stated, the consol- idated financial statements have been prepared in accordance with the cost method. The financial statements of the Parent Company have been prepared in accordance with the same accounting principles as for the Group, subject to the exceptions described in the section entitled “Parent Company’s accounting principles”.

Prerequisites for preparation of the financial statements

The Parent Company’s functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. Consequently, the financial statements are presented in SEK. Unless otherwise stated, all amounts are rounded off to the nearest thousand.

Non-current assets and non-current liabilities primarily consist of amounts that are expected to be recovered or paid more than 12 months after the balance sheet date.

The preparation of financial statements in accordance with IFRS requires that group management makes a number of important assessments, estimations and assumptions which affect the application of the accounting principles and of the reported amounts of assets, liabilities, revenues and expenses. The areas which include a high degree of assess- ment, which are complex, or such areas where assumptions and estimations are of material significance for the consolidated financial statements are described in Note 2. Estimations and assessments are reviewed regularly. Changes in estimations are reported in the period in which the change is made if the change only effects that period, or in the period in which the changes are made and future periods, if the change affects both the current period and future periods.

Unless otherwise stated below, the accounting principles below have been applied consist- ently in all presented years. The Group’s accounting principles have been applied consistently to the reporting and consolidation of subsidiaries. Certain comparison figures have been reclassified to conform with the presentation in the current year's financial statements. Where the reclassification relates to significant amounts, separate information thereon is provided.

New or amended reporting standards during the 2019 financial year.

A number of new or updated accounting standards and interpretations enter into force for fiscal years commencing 1 January 2019. As of the financial year starting on 1 January 2019, the following standards have been applied: IFRS 16 Leases. In addition to IFRS 16 Leasing agreements, no new or amended standards that came into force during the year had any significant impact on the financial statements of the Group or the parent company.

IFRS 16 Leases replace IAS 17 and related interpretations. According to the new standard, the lessee must report the obligation to pay lease fees as a lease liability in the balance sheet. The right to use the leased asset during the lease period is reported as an asset. Depreciation of the asset is reported in the income statement, along with interest on the lease liability. Paid lease fees are reported in part as interest payment and in part as amortisation of the lease liability. The standard allows an exemption whereby lease agreements with a duration of less than 12 months (short-term leases) and leases of assets with a low value do not need to be reported.

The weighted average incremental borrowing rate applied to leasing liability is calculated at 2.2 percent. At the transition to IFRS 16, the Group reported new right-of-use assets at SEK 18,545 thousand. Leasing liabilities were estimated at SEK 18,040 thousand, where the total amount of debt consisted of a long-term liability of SEK 12,601 thousand and a short-term liability of SEK 5,439 thousand as of January 1, 2019. The difference between assets and liabilities derives from prepaid lease payments reported as assets at December 31, 2018 and was reclassified to right of use assets from 1 January 2019. The difference of operating commitment as of December 31, 2018 and leasing liability recognized as of January 1, 2019 is explained as below:

Operating commitment as of December 31, 2018 (excluding prepaid expense)	18 443
Less: Agreements where the underlying assets is of low value or short term	0
Add: Leasing payments regarding extension options that were not considered under IAS 17	514
Total leasing liability as of December 31, 2018	18 957
Less: Discount effect of Group's weighted average incremental borrowing rate	-917
Leasing liability as of January 1, 2019	18 040

The Parent Company applies the RFR 2 exception for lease agreements. It means that the Parent Company’s principles for reporting leases are unchanged. At the date of entry into force of the standard, the Group applied the simplified transition method, which means that comparative information in previous periods is not presented. The opening lease liability consists of the discounted remaining leasing fees as of January 1, 2019. The opening use right for all agreements amounts to an amount corresponding to the lease debt adjusted for prepaid or accrued lease fees reported in the balance sheet on the first application date. The transition to IFRS 16 thus did not have any effect on equity.

Non-applicable standards
As allowed by IFRIC in respect of unlisted companies, Bluefish does not apply IFRIC 8, Operating Segments.

Consolidation principles
Subsidiaries are companies in which Bluefish Pharmaceuticals AB has a controlling influence. 'Controlling influence' entails a right, directly or indirectly, to determine a company's financial and operational strategies, which normally means that the Parent Company owns more than 50 % of the voting rights for all shares and participating interests. When determining whether a controlling influence exists, consideration must be given to whether there are any potential voting shares which are currently possible to utilise or convert. Subsidiaries are included in the consolidated financial statements as of the date on which the Group obtains control. They are excluded from the consolidated financial statements as of the date on which the controlling influence ceases.

The acquisition method is applied to the reporting of the Group's business acquisitions. Consideration for the acquisition of a subsidiary is comprised of the fair value of the trans- ferred assets and liabilities for which the Group has an obligation to the prior owners of the acquired company. Consideration also includes the fair value of all assets or liabilities resulting from an agreement regarding a contingent consideration. Identifiable acquired assets and assumed liabilities in a business acquisition are initially valued at fair value on the acquisition date. Acquisition-related costs are expensed as incurred.

Goodwill is initially valued at the amount by which the total consideration and fair value for non-controlling interests exceeds the fair value of identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the acquired company's net assets, the difference is reported directly in profit or loss.

Intra-Group receivables and liabilities, revenues and expenses, together with unrealised profits or losses arising from transactions between Group companies, are eliminated in their entirety when preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised profits, but only to the extent that there is no need for impairment.

Translation of foreign currency
Transactions in foreign currency have been translated to the functional currency at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currency have been valued at the closing day rate. Exchange rate differences which arise are reported in the income statement for the period. The consolidated financial statements are prepared in Swedish kronor (SEK), which is the functional currency and presentation currency of the Parent Company.

The balance sheets of foreign subsidiaries have been translated to SEK at the closing day rate. The income statements have been translated at the average rate for the year. The translation difference arising in connection with currency translation is recognised in other comprehensive income.

Non-monetary assets are reported in the functional currency of the business in which they were originally reported. This applies even if the asset is, later on, transferred to a business within the Group that has a different functional currency. Translation to the reporting currency occurs in the corresponding way as for foreign subsidiaries.

Applied exchange rates relative to the Group's reporting currency (SEK):

		Average rate		Closing day rate	
Country	**Currency**	**2018**	**2017**	**2018**	**2017**
Denmark	DKK	1.3762	1.2949	1.3760	1.3229
EUR countries	EUR	10.2567	9.6326	10.2753	9.8497
India	INR	0.1271	0.1312	0.1282	0.1286
Norway	NOK	1.0687	1.0330	1.0245	1.0011
Poland	PLN	2.4076	2.2626	2.3904	2.3606
United Arab Emirates	USD	8.6921	8.5380	8.9710	8.2322

Upon the full or partial divestment of foreign operations, the exchange rate differences which were previously reported in other comprehensive income are recognised in profit or loss for the period as part of the gain or loss on disposal.

Net sales
Net sales comprise the fair value of what is received or will be received for goods and ser- vices sold in the course of the Group's business operations. Net sales is reported excluding VAT, returns and discounts, and after the elimination of intra-Group sales. The Group reports net sales when the amount can be measured in a reliable manner, when it is probable that future economic benefits will accrue to the Company, and when special criteria have been fulfilled for each of the Group's operations as described below. Revenue amounts cannot be measured in a reliable manner until all obligations in respect of the sale have been fulfilled or expired. An assessment as to whether any provision is necessary is made for each individual transaction. The Group bases its assessments on historical outcome, and thus takes into account the type of customer, type of transaction and special circumstances in each individual case.

The Group markets and sells a selection of generic pharmaceutical preparations, primarily on the wholesale market. Revenue is recognised upon the sale of goods when a Group company has delivered products to a wholesaler, the wholesaler can exercise its discretion to select a sales channel and price for the product, and there are no unfulfilled obligations which could affect the wholesaler's approval of the products. Delivery does not occur until the products have been sent to the designated location, the risks of obsolescence and loss have passed to the wholesaler, and either the wholesaler has approved the products in accordance with the sales agreement, the conditions for approval have expired, or the Group has objective proof that all criteria for approval have been met.

Pharmaceutical preparations with quantity discounts are often sold on the wholesale market, and the customers are entitled to return products. Sales revenue is recognised on the basis of the price set forth in the sale agreement, net after estimated quantity discounts and returns on the date of sale. Accumulated experience is used to assess and make provisions for discounts, price adjustments and returns. No financing component is considered to exist, because sales are made with a maximum credit period of 60 days, which conforms to market practice.
See also Note 2, Estimates and Assessments.

Taxes
The Group's total income tax includes tax which is to be paid or received for the current year, adjustments to previous years' taxes and changes in deferred tax.

The current tax expense is calculated on the basis of the tax rules which, on the balance sheet date, have been issued or in practice have been decided upon in those countries where the Parent Company's subsidiaries operate and generate taxable revenue.

For items which are reported in the income statement, associated tax effects are also reported in the income statement. Tax effects of items recognised directly in equity is recog- nised in equity.

Deferred tax is calculated based on temporary differences which arise between the carrying amount and tax base of assets and liabilities.

The valuation of deferred tax is based on the manner in which underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated applying the tax rates and tax rules decided upon as of the balance sheet date. If the calculation gives rise to a deferred tax asset, such asset is reported only to the extent it is likely that it will be realised.

Intangible assets
Development costs
Expenditures incurred in development projects relating to in-house development of generic products are reported as intangible assets, provided that the likelihood of future economic benefit and useful life is considered to be high. An intangible asset is reported only to the extent the product can be sold on existing markets and resources exist to complete the de- velopment. Only those expenses which relate directly to the development of the new product are capitalised.

Other development expenditures which do not satisfy these conditions are recognised as expenses when incurred. Development expenditures which have previously been reported as an expense are not reported as an asset in a subsequent period. Capitalised development costs are amortised according to plan over the useful life.

Licences and market approvals
Acquired licenses and related market approvals are capitalised. Market approvals consist of fees for registration of licences with authorities and directly related expenditures. Licences and expenses associated with obtaining market approval are reported at cost less accumul- ated amortisation.

Licences and market approvals have a determinable useful life and are depreciated on a straight-line basis over that period, which is calculated to be 10-15 years.

Software and trademarks
Acquired software licences are capitalised based on acquisition and implementation fees. The fees are amortised on a straight-line basis over the useful life, which is 4-10 years.

Impairment of intangible assets
Intangible assets are tested for impairment at least once per year or whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the fair value of the asset less selling expenses, or its value-in-use, whichever is higher.

When assessing impairment, assets are grouped at the lowest levels where there are separate, identifiable cash flows (cash-generating units).

Property, plant and equipment
Property, plant and equipment is mainly comprised of equipment and computers, which are reported at cost less accumulated depreciation. Cost includes expenditures which can be directly attributed to the acquisition of the asset.

Additional expenditures for improvements in the performance of the assets in excess of original level increase the asset's carrying amount. All other forms of repairs and maintenance are recognised as expenses in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis over the assessed useful life of the assets, which is 3-5 years.

Impairment of non-current assets
On each balance sheet date, the Group assesses whether there are any indications that a non-current asset has diminished in value. If such is the case, the Group makes an assess- ment regarding the recoverable amount of the asset. Recoverable amount is the fair value of an asset, less any

sales costs, or its value-in-use, whichever is higher. The value-in-use is the current value of the assessed future cash flow attributable to the asset. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds the recoverable amount. Discounting rates reflect the capital cost and other financial parameters in the country or region in which the asset is used.

Leases
As of January 1, 2019, leases are reported in accordance with IFRS 16 Leasing Agreement, which means that the lessee recognizes rights of use and leasing liabilities in the balance sheet. Bluefish applies the relief rules regarding short-term leases and leases where the underlying asset is of low value. Expenses incurred in connection with these leases are reported on a straight-line basis over the lease period as operating expenses in the income statement.

When entering into an agreement, Bluefish determines whether the agreement is, or contains, a lease agreement based on the substance of the agreement. An agreement is, or contains, a leasing agreement if the agreement assigns the right to decide over a certain period of use over an identified asset in exchange for compensation.

Leasing liabilities
Leasing liabilities are initially valued at the present value of the leasing fees that were not paid at the commencement date. The balance sheet items other non-current liabilities and other current liabilities include these liabilities.

The lease period is determined as the non-cancellable period together with periods to extend or terminate the agreement if Bluefish is reasonably confident of exercising those options. When assessing the lease period when there are extension and termination options, both business strategy and contract-specific conditions are considered to determine whether the Group is reasonably confident of exercising the options.

The lease payments include fixed payments (after deduction of any benefits in connection with the signing of the lease), variable leasing fees that depend on an index or price, and amounts that are expected to be paid in accordance with residual value guarantees. In addition, the lease payments include the exercise price of an option to purchase the underlying asset or penalty fees payable upon termination if Bluefish is reasonably confident of exercising these options. Variable leasing fees that do not depend on an index or price are recognized as an expense in the period to which they are attributable.

For the present value calculation of lease payments, the implicit interest rate in the agreement is applied if it can be easily determined, in other cases the marginal borrowing rate is used for the lease agreement. After the commencement date of a lease agreement, the lease debt increases to reflect the interest rate on the lease debt and decreases with lease payments paid. In addition, the lease debt is revalued as a result of contract modifications, changes in the lease term, changes in lease payments or changes in an assessment to purchase the underlying asset.

Access rights Assets
Bluefish recognizes rights of use in the balance sheet at the commencement date of the lease. The rights of use are included in the balance sheet on the line for tangible fixed assets.

Utility rights are valued at cost less deductions for accumulated depreciation and any impairment, and adjusted for revaluation of the lease debt. The acquisition value includes the initial value recognized for the attributable lease debt, initial direct expenses, any advance payments made on or before the commencement date of the lease after deduction of any incentives received, and an estimate of any restoration costs.

Assuming that Bluefish is not reasonably certain that they will take ownership of the underlying asset at the end of the lease, the rights of use will be written off linearly for the shortest of the lease term and the useful life.

Accounting principles for leasing for the comparison year
A finance lease is a leasing agreement in which the economic risks and advantages associated with ownership of an asset are in all essential respects transferred from the lessor to the lessee. Title may, but need not, ultimately pass to the lessee. Operating leases are all leasing arrangements other than finance leases.

Assets held under finance leases are reported in the balance sheet at the fair value of the leasing object or the present value of minimum leasing fees, whichever is lower, and future leasing fees are reported as a loan. Expenses for the period are comprised of depreciation on the leased asset and interest expenses for the loan.

Non-current assets held under finance leases are depreciated over the useful life of the asset or the leasing period, whichever is shorter.

For operating leases, payments made during the leasing period are expensed in the income statement on a straight-line basis over the leasing period.

Inventories
Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method and it includes expenses associated with the acquisition, along with transport of inventory assets.

The net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory impairment occurs within the scope of normal business operations and is recognised in costs of goods sold.

See also Note 2, Estimates and Assessments

Financial instruments
Financial instruments are recognised in the balance sheet when the Group becomes party to the instrument's contractual terms. A receivable/claim is reported when the

company has performed and a contractual obligation to pay exists for the counterparty. A liability is reported when the counterparty has performed and a contractual obligation to pay exists for the company. The business model upon which the financial asset or liability was obtained, along with the nature of the contractual cash flows are what determines classification. The Group has financial assets and liabilities classified in the categories below:

- Financial assets at amortised cost
- Financial liabilities at amortised cost

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset. Financial assets are removed from the balance sheet when the right to receive the cash flows generated by the instrument has expired or been transferred and the Group has transferred essentially all of the risks and rewards associated with ownership.

During the financial year and comparison year, the Group did not have any financial instruments measured at fair value either through profit or loss or through other comprehensive income.

a) Financial assets measured at amortised cost
Financial assets classified at amortised cost are initially recognised at fair value plus transaction costs. After initial recognition, the assets are measured in accordance with the effective interest method. Assets measured at amortised cost are held in accordance with the business model for the purpose of collecting contractual cash flows that are only comprised of payments of principal and interest on the outstanding amount of capital. Assets in this category are classified as current assets if settlement is expected within twelve months. Otherwise they are classified as non-current assets.

For financial assets measured at amortised cost, a provision is made for expected credit losses. Recognition of bad debt losses is forward-looking and a provision for expected credit losses is made when there is exposure to credit risk, typically upon initial recognition. Expected credit losses reflect the present value of all reductions to anticipated cash flows resulting from default in the next 12 months or during the expected remaining term for the financial instrument, depending on the asset class and deterioration of creditworthiness since initial recognition.

b) Financial liabilities measured at amortised cost
Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs. After initial recognition, they are measured at amortised cost in accordance with the effective interest method. Financial liabilities must be divided into current and non-current liabilities. A financial liability must be classified as current if the following apply:
   a) it falls due for payment within 12 months of the closing date, or
   b) it is expected to be paid within the normal term of the company's operating cycle. All other financial liabilities must be classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash, bank balances and other short-term investments maturing within three months from the date of acquisition.
Bank guarantees are restricted cash excluded in cash and cash equivalents.

Share capital
Ordinary shares are classified as equity. Transaction expenses which are directly attributable to an issue of new shares or options are reported, net after tax, in equity as a deduction from the issue proceeds.

Accounts payable
Accounts payables are obligations to pay for goods or services which have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they fall due for payment within one year or earlier. If not, they are reported as non-current liabilities.
Accounts payables are initially recognised at fair value and subsequently at amortised cost applying the effective interest method.

Borrowings
Borrowing are initially recognised at fair value net after transaction costs. Afterwards, borrowing costs are reported at amortised cost and any difference between received amount (net after transaction costs) and the repayment amount is reported in profit or loss allocated over the loan period, applying the effective interest method.

The fair value of the liability component of convertible debt instruments is determined using the market rate for a equivalent non-convertible debt instrument. This amount is recog- nised as a liability at amortised cost until the debt ceases through conversion or redemption. The remaining part of the amount received is attributed to the option component. This is reported in shareholders' equity, net after tax.

Bank overdraft and invoice discounting are reported as borrowings among non-current liabilities in the balance sheet.

Other liabilities
Other liabilities are classified as current liabilities if they fall due for payment within one year or earlier. If not, they are reported as non-current liabilities.

Other liabilities consist primarily of liabilities incurred in connection with purchases of licences. Payment in respect of licences takes place upon agreed milestones, usually depend- ing on the market approval procedure.

Other liabilities are reported initially at fair value and thereafter at amortised cost applying the effective interest method.

Parent Company
The Parent Company has compiled its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's

Recommendation RFR 2, Accounting for Legal Entities. RFR 2 entails that the Parent Company, in its annual report of a legal entity, shall apply all of IFRS and interpretations approved by the EU to the extent possible, within the framework of the Swedish Annual Accounts Act, and taking into account the connection between accounting and taxation. The Recommendation sets out the exceptions and additions to be made from/to IFRS. The difference between the Group's and the Parent Company's accounting principles are set forth below.

The stated accounting principles of the Parent Company set forth below have been applied consistently in all periods presented in the Parent Company's financial statements.

Subsidiaries

Shares and participations in subsidiaries are reported at cost less any impairment. Cost includes any acquisition-related costs and any additional consideration. Received dividends are reported as financial income.

The recoverable amount is calculated when there are indications that shares and partici- pations in subsidiaries have diminished in value. An impairment loss is recognised whenever the recoverable amount is less than the carrying amount. Impairment losses are reported in the items Profit (loss) from participations in Group companies.

Group contributions and shareholder contributions

Group contributions made or received by the Parent Company, with the aim of minimising the Group's total tax, are reported as appropriations in accordance with the alternative rule.

Shareholder contributions provided by the Parent Company are reported in shares and partici- pations and tested for impairment as set forth above.

Property, plant and equipment

Property, plant and equipment in the Parent Company are reported at cost less accumulated depreciation and any impairment in the same way as for the Group, but with the addition of any revaluations.

Leasing

The rules on accounting for leasing agreements in accordance with IFRS 16 are not applied in the Parent Company. This means that leasing fees are recognized as expenses on a straight-line basis over the lease period, and that rights of use assets and leasing liabilities are not included in the Parent Company's balance sheet. However, identification of a lease is made in accordance with IFRS 16, i.e. that an agreement is, or contains, a lease agreement if the agreement assigns the right to decide over a certain period of use over an identified asset in exchange for compensation.

Fund for development expenditures

Companies that capitalise development expenditures in the balance sheet must reserve the corresponding amount in a restricted fund that is a component of equity. The fund is then gradually dissolved at the rate that the company amortises or recognises impairment on the capitalised development expenditures. The fund is also dissolved in conjunction with disposal of the asset.

Note 2 Estimates and judgements

The preparation of annual accounts in accordance with generally accepted accounting principles requires that management make assumptions and assessments which affect the reported assets and liabilities at the time of the preparation of the annual accounts and the reported revenues and expenses during the reporting period. Given the uncertainty associated with these estimates, the actual results may deviate from such assumptions and assess- ments, which can affect the Group's consolidated financial statements.

In the description of accounting principles, the areas where assessments and calculations need to be made are stated. In light of the Group's business operations, the management of Bluefish Pharmaceuticals believes that the most important of these are revenue recognition, accounting for inventories and assessing impairment of intangible assets.

Net sales
The company's gross sales consist of the number of packaging units delivered during a specific period at the price prevailing on the relevant market.

According to the practice within the pharmaceuticals industry, gross sales are affected by various deductions, which include discounts and deductions for public authorities, wholesalers, and health insurance companies, as well as returns. These deductions represent assessments of the related obligations which, in turn, require the company to make estimates regarding the effect on sales for particular reporting period. Consequently, when reporting net sales, a deduction from gross sales is made for these estimates. The assessment of the need for such deductions is made in conjunction with each individual transaction.

Normally, there is a time delay of several months from the point in time at which the esti- mate of the deduction is made and the final reporting of the obligation. Net sales represents, in turn, our best estimate of the revenue that will be received.

Deductions for discounts, price adjustments and returns
Discounts arise when the Group has an agreement with an indirect customer, such as a pur- chasing organisation or health insurance company, to sell products at a price which is lower than the price invoiced to the wholesaler. The discount represents the difference between the invoiced price to the wholesaler and the contracted price to the indirect customer. The company reports such discounts by reducing gross sales by an amount which corresponds to our estimate of the discount which is related to a particular sale. Reserves for estimated discounts are calculated by using a combination of factors, including the terms and conditions of each individual contract, historical experience, and expected product growth.

When reducing the price of a product, we offer the customer compensation for the differ- ence in price for the customer's existing inventory for the product in question. The estimate of such compensation is determined at the time of the price change and is based on estimated inventory levels for the product.

When a product is sold on the wholesale market where the customer is entitled to return products, a reserve is booked for estimated returns which is based on anticipated changes in market conditions and the remaining time until the product's expiration date.

On certain markets, the company offers cash discounts in order to encourage customers to pay on time. Reserves are made for cash discounts at the time of invoicing and a corre- sponding deduction is made from gross sales.

The company adjusts the reserves for deductions from gross sales on a regular basis in order to reflect the fair values. In order to evaluate the sufficiency of the reserves, the company uses internal and external estimates of inventory levels, actual discount factors received, and the time delay from sales of goods to the time such discount invoices are received.

Inventory obsolescence
The company's purchases of new goods are based on anticipated sales volumes and prices. On most markets, the wholesalers require a remaining time until the expiration date of at least six months for all deliveries. Based on historical sales and forecast volumes, the company makes continuous assessment of whether there is a risk of impairment due to short shelf life of the product, or in cases where the market price has changed and the product can no longer be sold at a profit. Such estimates of obsolescence are reported as cost of goods sold. Reconciliation against actual destruction of inventories is carried out on a regular basis.

Intangible assets
The Group's intangible assets consist primarily of licensing rights, market approvals, and products under development.
All intangible assets are continuously assessed for impairment. The Group considers in this context whether there is any indication that an asset has decreased in value. Assessment of whether there is an indication of impairment is also based on the asset's forecasted contribution to earnings. It the asset's contribution to earnings is low, the Group makes an assessment regarding the recoverable amount of the asset. Recoverable amount is the fair value of an asset, less any sales costs, or its value-in-use, whichever is higher. In most cases, the market information needed to estimate the fair value of the asset is lacking. Consequently, the value-in-use is used in order to assess the asset's value. This consists of the present value of the estimated future cash flows attributable to the asset. The estimated value-in-use reflects assumptions about market trends, forecast sales and margins, future tax rates, and the discount rate. The discount rate used in the present value calculation of the expected future cash flows is the Group's current WACC (weighted average cost of capital). Given these extensive assumptions, actual cash flows can deviate significantly from the values obtained from the projected cash flows.

In those cases where the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recognised for the corresponding amount. All impairment losses are immediately recognised in profit or loss. Intangible assets associated with the company's development projects for which development has been discontinued are assessed for impair- ment at that time and written down to their fair value (which is normally zero).

Income taxes
Deferred tax assets are calculated on the basis of future utilisation of accumulated Group loss carry-forwards. For the time being, deferred tax assets for loss carry-forwards are not recognised as assets

Note 3 Financial risk management

In running the business, the Group is exposed to a variety of financial risks: currency risk, interest rate risk in cash flow and fair value, credit risk, liquidity risk and capital risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and it attempts to minimise potential unfavourable effects on the Group's financial results.

Risk management is conducted by a central treasury department in accordance with policies established by the Board. The treasury function identifies, evaluates and hedges financial risks in close co-operation with the Group's operational units. The Board prepares written policies, both for general risk management and for specific areas, such as currency risk, interest rate risk, credit risk, use of derivatives and non-derivative financial instruments and investment of surplus liquidity.

Currency risk

The Group operates internationally and is exposed to currency risks which arise from various currency exposures, primarily against the EUR. Currency risk arises through future commer- cial transactions, reported assets and liabilities and net investments in foreign operations.

Had the SEK weakened/strengthened by 10 % in relation to the EUR, with all other variables held constant, the effect on the carrying amount of assets and liabilities as of 31 December 2019 would have been SEK 7,155 (693) thousand higher/lower, mainly as a result of gains/losses upon translation of receivables and liabilities in EUR.

As of the balance sheet date, unrealised currency losses of SEK 2,658 (11,986) thousand had been recognised.

Interest rate risk in cash flows and fair values

Because the Group has no substantial interest-bearing assets, the Group's revenues and cash flow from operating activities are, in all essential respects, independent of changes in market interest rates.

The Group's interest rate risk arises through long-term borrowing. Borrowing which takes place at variable interest rates exposes the Group to interest rate risk as regards cash flow. Borrowing at fixed interest rates exposes the Group to interest rate risk in respect of fair value.

Credit risk

Credit risk is managed at the Group level. Credit risk arises through balances at banks and financial institutions, as well as credit exposure vis-á-vis wholesalers, including outstanding receivables and contracted transactions. Only banks and financial institutions with a credit rating of at least AAA from an independent rating agency are accepted. The Group's main bank is Skandinaviska Enskilda Banken AB (publ). As of 31 December 2019, the Group's balances with SEB amounted to SEK 47,120 (31,120) thousand out of its total bank balances of SEK 57,845 (51,898) thousand. For wholesalers, the Group uses credit ratings from inde- pendent rating agencies whenever such are available. If there is no independent credit rating, a risk assessment is made of the customer's creditworthiness in which its financial position is taken into account, together with previous experience and other factors. Individual risk limits are set based on internal or external credit assessments in accordance with the limits which are established by the Board. Use of credit limits is monitored regularly.

Bluefish entered into an agreement with SEB regarding working capital credit designed to meet the company's increased need for working capital. As of 31 December 2019, working capital credit includes SEK 72 million, for which the Nordic inventories have been used as col- lateral, and an additional SEK 7 million for invoice discounting. The SEB credit is conditional on the Group maintaining a net gearing ratio under 1.2 and available liquidity of at least SEK 5 million. In addition to this, Bluefish GmbH also has a factoring agreement in place with SEB Germany, where the credit limit is EUR 3 million.

Liquidity risk

Cash flow forecasts are prepared regularly. The Group's central finance department carefully monitors rolling forecasts regarding the Group's liquidity reserve in order to ensure that the Group has sufficient cash on hand for operating activities, along with maintaining adequate available amounts from its unused credit facilities.

The table below analyses the Group's financial liabilities broken down by the time remain- ing from the balance sheet date until the contractual due date. The amounts stated in the table are the contracted, undiscounted cash flows regarding all amounts except convertible debt, which has been discounted.

Inventory credit and invoice discounting do not take interest rate into consideration, because interest is difficult to assess due to fluctuations in the size of the liability from month to month. The working capital credit with SEB is a running agreement (with a 3-month notice of termination required from each side) that remains in force as long as inventory is held in the Nordic region and there are Nordic accounts receivable that can be pledged. According to the agreement with SEB, the Nordic inventory may be pledged for an amount equal to 65% of AIP (Pharmacy Purchase Price) and Nordic accounts receivable may be pledged for up to 80% of the total invoice amount.

	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	More than 5 years
As of 31 December, 2019				
Convertible debt	58,318	–	–	–
Inventory credit	72,230	–	–	–
Invoice discounting	7,375	–	–	–
Liabilities to credit institutions	15,155	–	–	–
Shareholder loan	–	–	–	–
Accounts payable and other liabilities	67,975	–	–	–
Leasing liability	5,561	4,697	3,907	
As of 31 December, 2018		–		
Convertible debt	–	93,697	-	–
Inventory credit	71,645	–	–	–
Invoice discounting	14,987	–	–	–
Liabilities to credit institutions	15,155	–	–	–
Shareholder loan	15,300	–	–	–
Accounts payable and other liabilities	72,705	796	–	–
Leasing liability	5,439	4,786	8,845	

The Board and the CEO continuously monitor the company's forecasting work and assess that the Group's forecasted cash flows are secured for the next 12 months and that it meets the company's liquidity needs and allows the company to fulfill its business plan.

Capital risk

For capital structure, the goal is to secure the Group’s capacity to continue its activities, so that it can keep generating a return for shareholders and benefits other stakeholders, and to maintain an optimal capital structure in order to keep capital costs down.

In order to maintain or adjust the capital structure, the Group can issue new shares or sell assets to reduce liabilities. Similarly, to other companies in the industry, the Group assesses capital on the basis of the debt/equity ratio. This key ratio is calculated as a net debt divided by shareholders’ equity. Net debt is calculated as total borrowing (including the items Current Borrowings and Non-current Borrowings in the consolidated balance sheet) less cash and cash equivalents.

Debt/equity ratio as of 31 December was as follows:

	2019	2018
Total borrowings	152,923	210,328
Less cash and cash equivalents	-57,845	-51,898
Net debt	95,078	158,430
Total equity	81,701	25,311
Debt/equity ratio	116%	626%

Note 4 Revenue from contracts with customers

Net sales are distributed across geographic markets as follows:

2019	Goods for the period	Tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic region	Northern Europe	Southern Europe	Nordic region	Northern Europe	Southern Europe	Rest of the world	Northern region	Southern region	
Revenue per geographic market	78,798	108,050	47,172	13,065	18,442	5,447	4,826	98,158	5,939	379,897
Revenue from external customers	78,798	108,050	47,172	13,065	18,442	5,447	4,826	98,158	5,939	379,897
When revenue is recognised										
At one point in time	78,798	108,050	47,172	13,065	18,442	5,447	4,826	98,158	5,939	379,897
Over time	–	——	–	–	–	–	–			
	78,798	108,050	47,172	13,065	18,442	5,447	4,826	98,158	5,939	379,897

2018	Goods for the period	Tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic region	Northern Europe	Southern Europe	Nordic region	Northern Europe	Southern Europe	Rest of the world	Northern region	Southern region	
Revenue per geographic market	65.931	56,406	99,099	13,859	28,533	972	4,549	82,962	4,922	357,233
Revenue from external customers	65.931	56,406	99,099	13,859	28,533	972	4,549	82,962	4,922	357,233
When revenue is recognised										
At one point in time	65.931	56,406	99,099	13,859	28,533	972	4,549	82,962	4,922	357,233
Over time	–	——	–	–	–	–	–			
	65.931	56,406	99,099	13,859	28,533	972	4,549	82,962	4,922	357,233

Parent Company

2019	Goods for the period	Tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic region	Northern Europe	Southern Europe	Nordic region	Northern Europe	Southern Europe	Rest of the world	Northern region	Southern region	
Revenue per geographic market	78,798	100,074	44,204	13,065	18,422	5,447	4,826	95,095	5,176	365,127
Revenue from external customers	78,798	100,074	44,204	13,065	18,422	5,447	4,826	95,095	5,176	365,127
When revenue is recognised										
At one point in time	78,798	100,074	44,204	13,065	18,422	5,447	4,826	95,095	5,176	365,127
Over time	–	——	–	–	–	–	–			
	78,798	100,074	44,204	13,065	18,422	5,447	4,826	95,095	5,176	365,127

2018	Goods for the period	Tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic region	Northern Europe	Southern Europe	Nordic region	Northern Europe	Southern Europe	Rest of the world	Northern region	Southern region	
Revenue per geographic market	65,931	53,644	85,567	13,859	28,533	972	4,549	67,428	4,515	324,997
Revenue from external customers	65,931	53,644	85,567	13,859	28,533	972	4,549	67,428	4,515	324,997
When revenue is recognised										
At one point in time	65,931	53,644	85,567	13,859	28,533	972	4,549	67,428	4,515	324,997
Over time	–	——	–	–	–	–	–			
	65,931	53,644	85,567	13,859	28,533	972	4,549	67,428	4,515	324,997

Significant estimates and assessments
Bluefish Pharmaceutical obtains its revenue via the sale of goods in a particular period, tenders, direct sales to customers or through traditional sales.

The company's gross sales consist of the number of packaging units delivered during a specific period at the price prevailing on the relevant market.

According to the practice within the pharmaceuticals industry, gross sales are affected by various deductions, which include discounts and deductions for public authorities, wholesalers, and health insurance companies, as well as returns. These deductions represent assessments of the related obligations which, in turn, require the company to make esti- mates regarding the effect on sales for particular reporting period. Consequently, when re- porting net sales, a deduction from gross sales is made for these estimates. The assessment of the need for such deductions is made in conjunction with each individual transaction.

Normally, there is a time delay of several months from the point in time at which the estimate of the deduction is made and the final reporting of the obligation. Net sales represents, in turn, our best estimate of the revenue that will be received.

Deductions for discounts, price adjustments and returns
Discounts arise when the Group has an agreement with an indirect customer, such as a pur- chasing organisation or health insurance company, to sell products at a price which is lower than the price invoiced to the wholesaler. The discount represents the difference between the invoiced price to the wholesaler and the contracted price to the indirect customer. The company reports such discounts by reducing gross sales by an amount which corresponds to our estimate of the discount which is related to a particular sale. Reserves for estimated discounts are calculated by using a combination of factors, including the terms and conditions of each individual contract, historical experience, and expected product growth.

When reducing the price of a product, we offer the customer compensation for the differ- ence in price for the customer’s existing inventory for the product in question. The estimate of such compensation is determined at the time of the price change and is based on estimated inventory levels for the product.

When a product is sold on the wholesale market where the customer is entitled to return products, a reserve is booked for estimated returns which is based on anticipated changes in market conditions and the remaining time until the product’s expiration date.

On certain markets, the company offers cash discounts in order to encourage customers to pay on time. Reserves are made for cash discounts at the time of invoicing and a corresponding deduction is made from gross sales.

The company adjusts the reserves for deductions from gross sales on a regular basis in order to reflect the fair values. In order to evaluate the sufficiency of the reserves, the company uses internal and external estimates of inventory levels, actual discount factors received, and the time delay from sales of goods to the time such discount invoices are received.

Note 5 Geographic distribution of net sales

Net sales are distributed across geographic markets as follows:

Group	2019	2018
Nordic region	91,863	79,790
Southern Europe	58,558	105,547
Northern Europe	224,650	167,347
Rest of the world	4,826	4,549
Total	**379,897**	**357,233**

Parent Company	2018	2017
Nordic region	91,863	79,790
Southern Europe	49,651	97,805
Northern Europe	218,787	157,326
Rest of the world	4,826	4,549
Total	**365,127**	**339,470**

The geographic market of net sales is determined by the location of customers.

Note 6 Remuneration to auditors

Group	2019	2018
Remuneration to auditors		
EY		
Audit engagement[1]	682	763
Audit services other than audit engagement	187	206
Tax advice	0	85
Total	**869**	**1,054**
Other auditors		
Audit engagement[1]	212	205
Auditing work other than audit engagement	34	34
Tax advice	70	52
Total	316	291
Total	**1,185**	**1,345**

Parent Company	2019	2018
Remuneration to auditors		
EY		
Audit engagement[1]	682	763
Audit services other than audit engagement	187	206
Tax advice	0	85
Total	**869**	**1,054**

[1] Audit engagement refers to fees for the statutory audit, i.e. such work as is necessary for the issuance of an auditor's report, as well as audit advice provided in connection with the audit engagement.

Note 7 Employees and employee benefit expenses

Average number of employees

Group	2019		2018	
	Average number of employees	Of which men	Average number of employees	Of which men
Sweden	27	27%	29	34%
France	2	100%	2	100%
Portugal	2	50%	4	56%
Spain	2	47%	1	0%
India	68	67%	69	65%
Germany	4	0%	4	0%
Poland	11	46%	8	36%
Ireland	2	78%	2	100%
Austria	2	50%	2	50%
Total	**120**	**54%**	**122**	**54%**

Note 7 Employees and employee benefit expenses

Parent Company	2019		2018	
	Average number of employees	Of which men	Average number of employees	Of which men
Sweden	27	27%	34	34%
France	2	100%	2	100%
Total	**29**	**32%**	**36**	**37%**

Salaries, other remuneration, and payroll overhead

	2019		2018	
	Salaries and remuneration	Payroll overhead	Salaries and remuneration	Payroll overhead
Parent Company	20,592	9,287	19,108	9,065
(of which pension expenses)[1]		(2,219)		(2,329)
Subsidiaries	24,701	2,711	22,469	2,242
(of which pension expenses)[1]		(0)		(0)
Total Group	45,293	11,998	41,577	11,307
(of which pension expenses)[1]		(2,219)		(2,329)

1) Of the Group's and Parent Company's pension expenses, SEK 252 (304) thousand relates to the Group's Board of Directors and CEO. The Group's outstanding pension obligations to these individuals amounts to SEK 252 (304) thousand.

The Group has only defined contribution pension plans. Pension expenses relate to the cost which affects the earnings for the year

Salaries and other remuneration by country and between Board members, etc., and other employees

Parent Company	2019		2018	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Sweden	2,226	17,322	986	17,101
Other countries	–	1,044	–	1,021
Total Parent Company	**2,226**	**18,366**	**986**	**18,122**

Subsidiaries	2019		2018	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
India	–	10,849	1,757	9,324
Other countries	–	13,852	–	11,388
Total subsidiaries	–	24,701	1,757	20,712
Total Group	**2,226**	**43,067**	**2,743**	**38,834**

Note 7 Employees and employee benefit expenses

Remuneration and other benefits to the Board, CEO and other senior executives

2019	Basic salary/ Directors' fee	Other benefits[1]	Pension expenses	Total
Board Chairman, Gerald Engström	–	–	–	–
Director, Erika Kjellberg Eriksson	–	–	–	–
Director, Karl Karlsson (until February 2020)	–	–	–	–
CEO, Berit Lindholm	1,974	–	252	2,226
Other senior executives	7,678	–	397	8,075
Total	**9,652**	**–**	**649**	**10,301**

If the company gives notice of termination to the CEO, severance pay of 6 months will be granted. If the CEO gives notice of termination, fixed salary will be paid during the 6-month notice period.

No bonuses have been paid to management or the Board of Directors.

[1] Other benefits include car, rent and schooling

2018	Basic salary/ Directors' fee	Other benefits[1]	Pension expenses	Total
Board Chairman, Gerald Engström	–	–	–	–
Director, Nivedan Bharadwaj	–	–	–	–
Director, Erika Kjellberg Eriksson	–	–	–	–
Director, Karl Karlsson	–	–	–	–
CEO, Berit Lindholm	1,844	592	304	2,743
Other senior executives	7,549	–	368	7,917
Total	**9,393**	**592**	**672**	**10,660**

If the company gives notice of termination to the CEO, severance pay of 6 months will be granted. If the CEO gives notice of termination, fixed salary will be paid during the 6-month notice period.

No bonuses have been paid to management or the Board of Directors.

[1] Other benefits include car, rent and schooling

Shareholdings of the Board and senior executives

2019	B shares	Holding, %	Votes, %
Board Chairman, Gerald Engström[1]	51,171,152	47.41%	47.41%
Director, Erika Kjellberg Eriksson[1]	–	–	–
Director, Karl Karlsson (until February 2020)	3,796,427	3.52%	3.52%
CEO, Berit Lindholm	–	–	–

2018	B shares	Holding, %	Votes, %
Board Chairman, Gerald Engström[1]	32,659,410	40.35%	40.35%
Director, Nivedan Bharadwaj[1]	–	–	–
Director, Erika Kjellberg Eriksson[1]	–	–	–
Director, Karl Karlsson	3,796,427	4.69%	4.69%
CEO, Berit Lindholm	–	–	–

[1] Privately or via the company

Gender breakdown in the Board and management

Group	2019	2018
Board of Directors		
Men	2	2
Women	1	2
Total	**3**	**4**

Gender breakdown in the Board and management

Group	2019	2018
CEO and senior executives		
Men	5	5
Women	2	2
Total	**7**	**7**

Note 8 Options plan

Ever since Bluefish Pharmaceuticals started, it has aspired to allow the employees to participate in the future growth of the business, among other things through the possibility of acquiring shares in the Company. The allocation of options is decided by the Board or a committee appointed by the Board, which takes into account factors such as the employee's performance, position in the Group, and importance for the Group. The aim of the options plan is to create conditions for retaining and recruiting skilled personnel within the Group.

A resolution was adopted at the annual general meeting held on 21 June 2017 regarding the implementation of an incentive plan through the issuance of warrants. As of 31 Decem- ber 2019, 900,000 options have been allocated. The table below shows the current options plans in the Group. Outstanding employee options as of 31 December 2019:

Series	Date of issue	Final exercise date	Exercise price options	Total plan	Outstanding options	The number of shares can be increased by
2018:1	2018-08-20	2021-06-30	7.00	2,000,000	900,000	900,000

Option plan 2018-2021

At a General Meeting held on 21 June 2017 it was decided to introduce an international options plan for the Group's employees. Under the options plan, people closely affiliated with the Group may be allocated options which entitle the holder to acquire shares in Bluefish Pharmaceuticals AB.

The options are allocated with an exercise price equivalent to the assessed market value of Bluefish Pharmaceuticals' shares at the time of issue. The options may be exercised as of the date of registration with the Swedish Companies Registration Office through 30 June 2021.

As of 31 December 2019, the company's employees had been allocated 900,000 options, which corresponds to 900,000 Class B shares in accordance with the options plan.

Options	2019	2018
Outstanding as of 1 January	900 000	–
Allocated during the period	–	900 000
Exercised during the period	–	–
Returned during the period	–	–
Outstanding as of 31 December	900 000	900 000
Exercisable as of 31 December	900 000	900 000

Valuation parameters

For employees who have received options in exchange for payment amounting to less than the fair value, the difference (between the amount paid and fair value at the time of allocation) is expensed to the service that entitles employees to allocation of options.

The value of employee service attributable to the fair value of the allocated options has been reported in the income statement for SEK 0 (0).

The fair value of allocated options is assessed on the date of allocation using a binomial model which takes into account the terms of the allocation.

The following table shows the input data used in the model on the issue date for each programme.

	Issue date, option plan 2018-2021
Anticipated volatility (%)	30
Weighted risk-free rate (%)	–0.4
The option's exercise price (SEK)	7
Anticipated term of the option (years)	3
Fair value of the option (SEK)	0.05

Note 9 Allocation of costs by nature of expense

Group	2019	2018
Costs of goods sold	183,523	175,944
Other external expenses	89,833	98,407
Employee benefit expenses	59,586	55,426
Depreciation/amortisation and impairment loss on assets	31,986	27,785
Total	**364,928**	**357,562**

Parent Company	2019	2018
Costs of goods sold	183,523	177,453
Other external expenses	120,073	115,586
Employee benefit expenses	30,991	29,366
Depreciation/amortisation and impairment loss on assets	25,103	26,252
Total	**359,690**	**348,657**

Note 10 Depreciation/ amortisation and impairment loss

Group	2019	2018
Depreciation, amortisation and impairment by type of asset:		
Licences	3,089	3,674
Pharmaceutical approvals	19,168	17,646
Development projects	-	2,331
Completed development projects	851	492
Other intangible assets	853	928
Equipment and computers	1,868	2,716
Right of use Assets	6,157	-
Total	**31,986**	**27,787**
Depreciation, amortisation and impairment by function:		
Selling expenses	3,712	624
Administration costs	1,479	985
Development costs	26,795	26,178
Total	**31,986**	**27,787**

Parent Company	2019	2018
Depreciation, amortisation and impairment by type of asset:		
Licences	3,089	3,674
Pharmaceutical approvals	19,780	18,206
Development projects	-	2,331
Completed development projects	851	492
Other intangible assets	852	928
Equipment and computers	530	622
Total	**25,103**	**26,253**
Depreciation, amortisation and impairment by function:		
Selling expenses	352	248
Administration costs	405	728
Development costs	24,346	25,277
Total	**25,103**	**26,253**

Note 11 Leasing

Group

Right-of-use Assets	Office space	Motor vehicles	2019-12-31
Carrying amount of beginning of period	16,184	2,361	18,545
Revaluation of agreements	53	219	272
Depreciation	-4,899	-1,258	-6,157
Translation difference for the year	286	214	500
Carrying amount at end of period	11,624	1,536	13,160

Note 11 Leasing

The maturity analysis for leasing liabilities is included in Note 3 together with the current maturity analysis for other liabilities.

The total cash outflow for leasing in 2019 is SEK 6,428 thousand.

The total leasing cost in 2019 is SEK 6,593 thousand, including depreciation of SEK 6,157 thousand, interest expense on lease liabilities of SEK 363 thousand, and cost of low value assets and short-term agreements of SEK 73 thousand.

Prior to adoption of IFRS 16 on 1 January 2019, leasing costs is SEK 5,413 thousand for 2018. Prior to adoption of IFRS 16 on 1 January 2019, the future minimum lease payments under operating leases were as follows:

Group	2018
within one year of balance sheet date	5,439
between 2-5 years from balance sheet date	13,631
Total	**19,070**

Parent Company

The total leasing cost in 2019 is SEK 2,193 (2,229) thousand, including office leasing of SEK 2,120 (2,156) thousand and other leasing cost of SEK 73 (73) thousand. Future total minimum lease fees for non-cancellable operating leases are as follows

Parent company	2019	2018
within one year of balance sheet date	1,719	1,750
between 2-5 years from balance sheet date	3,295	5,104
Total	**5,014**	**6,854**

Note 12 Purchases and sales within the Group

Of the total operating expenses for the financial year, 11 (9)% was purchases from Group companies.

Of the total net sales for the financial year, 51 (62)% was sales to Group companies.

Note 13 Financial income

Group	2019	2018
Interest income on current bank deposits	62	661
Exchange gains	114	282
Other financial income	-	3,581
Total	**176**	**4,524**

Parent Company	2019	2018
Intra-Group interest income	881	97
Exchange gains	114	282
Other financial income	-	3,581
Total	**995**	**3,960**

Note 14 Financial expenses

Group	2019	2018
Interest expenses		
Bank loans	2,757	3,512
Convertible debt (note 22)	8,562	9,225
Discounted interest, convertible debt	4,121	3,828
Leasing liability	363	0
Other interest expenses	1,035	453
Other financial expenses	174	1,384
Currency	0	–94
Total	**17,012**	**18,308**

Parent Company	2019	2018
Interest expenses		
Bank loans	2,757	3,512
Convertible debt (note 22)	8,562	9,225
Discounted interest, convertible debt	4,121	3,829
Intra-group interest expenses	1,777	1,308
Other interest expenses	10	11
Other financial expenses	493	403
Waived Group receivable	0	689
Total	**17,720**	**18,977**

Note 15 Income tax

Group	2019	2018
Current tax	–2,063	–3,519
Deferred tax	–52	–
Total	**–2,115**	**–3,519**

Current tax		
Profit (loss) before tax	–1,738	–13,602
Tax under the prevailing tax rate, 21.4%	372	2,992
Effect of foreign tax	–527	–167

Tax effect of:		
Non-deductible expenses	–2,189	–4,078
Non-taxable income	–	–
Unrecognised tax assets for loss carryforwards	281	–2,266
Tax on profit for the year according to the income statement	–2,063	–3,519

Parent Company	2019	2018
Current tax	–	–
Deferred tax	–	–
Total	**–**	**–**

Note 15 Income tax

Current tax		
Profit (loss) before tax	–11,159	–23,693
Tax under the prevailing tax rate, 21.4%	2,388	5,212

Tax effect of:		
Non-deductible expenses	–2,668	–3,688
Non-taxable income	–	–
Unrecognised tax assets for loss carryforwards	280	–1,524
Tax on profit for the year according to the income statement	–	–

Loss carryforward

Group	2019	2018
Unlimited in time	412,435	402,763
Total	**412,435**	**402,763**

Parent Company	2019	2018
Unlimited in time	398,562	389,501
Total	**398,562**	**389,501**

Of the Group's total loss carryforward, SEK 0 (0) thousand is blocked Group contribution and merger deficit.

Swedish loss carryforwards can be utilised for an unlimited period. Total loss carry- forwards as of the balance sheet date may be utilised in subsequent years.

Deferred tax assets and tax liabilities
Deferred tax assets and tax liabilities are offset only if there is a legal right to settle the current tax assets and liabilities on a net basis. There are no deferred tax assets for the financial year. The deferred tax liability for the Group is resulted from temporary difference arising from the adjustment according to IFRS 16 Leases during the financial year.

Note 16 Earnings per share

	2019	2018
Profit (loss) for the year attributable to the shareholders of the Parent Company	–3,853	–17,121
Earnings per share, SEK Basic	–0.04	–0.21
Diluted[1)]	–0.04	–0.21
Average number of shares, thousands Basic	107,923	80,942
Convertible debt	–	–
Diluted	107,923	80,942

[1)] No impact on earnings per share from dilution has been allowed because it would result in a higher earnings per share.

Note 17 Intangible assets

Group	Goodwill	Development projects	Completed development projects	Licences	Pharmaceutical approvals	Other intangible assets	Total
				2019-12-31			
Opening cost	624	8,340	12,767	53,986	165,084	12,019	252,820
Acquisitions	-	2,036		80	4,335	-	6,151
Adjustment to prior-year acquisitions	-	-	-	-	-	-	-
Sales/disposals	-	-2,331	-	-4,896	-10,062	-	-17,289
Exchange difference	-	-	-	-	-	-	-
Reclassification	-	84	-	-	-	-	84
Closing cost	**624**	**8,129**	**12,767**	**49,170**	**159,057**	**12,019**	**241,765**
Opening amortisation and impairment	-624	-3,415	-492	-24,306	-77,976	-7,916	-114,729
Amortisation according to plan	-	-	-851	-3,089	-11,865	-853	-16,658
Impairment	-	-	-	-	-7,302	-	-7,302
Sales/disposals	-	2,331	-	4,442	9,497	-	16,270
Closing amortisation and impairment	-624	-1,084	-1 343	-22,953	-87,646	-8,769	-122,418
Carrying amount at end of period	-	7,045	11,424	26,217	71,411	3 250	119,347
Cost	624	8,129	12,767	49,170	159,057	12,019	241,765
Accumulated amortisation and impairment	-624	-1,084	-1 343	-22,953	-87,646	-8,769	-122,418
Carrying amount at end of period	-	7,045	11,424	26,917	71,411	3,250	119,347

During the year, SEK 5,958 (2,774) thousand was capitalised for research and development costs. The amount has been reported in drug approvals and development projects. During the year, SEK 6,451 (14,271) thousand was paid in cash for acquisitions of intangible assets.

Impairment loss has also been recognised in cases where the asset's carrying amount exceeds its recoverable amount. The impairment loss is for the corresponding amount of that differ- ence. All impairment losses are immediately recognised in profit or loss. Intangible assets associated with the company's development projects for which development has been discontinued are assessed for impairment at that time and written down to their fair value (which is normally zero). Total impairment losses for licences, pharmaceutical approvals and development projects during the year amounted to SEK 7,302 (8,781) thousand.

				2018-12-31			
Group	**Goodwill**	**Development projects**	**Completed development projects**	**Licences**	**Pharmaceutical approvals**	**Other intangible assets**	**Total**
Opening cost	624	19,095	-	55,947	155,864	11,994	243,524
Acquisitions	-	, 608	239	894	9,220	25	11, 986
Adjustment to prior-year acquisitions	-	-	-	-2,855	-	-	-2,855
Sales/disposals	-	-	-	-	-	-	0
Exchange difference	-	165	-	-	-	-	165
Reclassification	-	-12,528	12,528	-	-	-	0
Closing cost	**624**	**8,340**	**12,767**	**53,986**	**165,084**	**12,019**	**252,820**
Opening amortisation and impairment	-624	-1,084	-	-20,632	-60,330	-6,988	-89,658
Amortisation according to plan	-	-	-492	-3,025	-11,845	-928	-16,290
Impairment	-	-2,331	-	-649	-5,801	-	-8,781
Sales/disposals	-	-	-	-	-	-	0
Closing amortisation and impairment	-624	-3,415	-492	-24,306	-77,976	-7,916	-114,729
Carrying amount at end of period	-	4 925	12,275	29,680	87,108	4,103	138,091
As of 31 December							0
Cost	624	8,340	12,767	53,986	165,084	12,019	252,820
Accumulated amortisation and impairment	-624	-3,415	-492	-24,306	-77,976	-7,916	-114,729
Carrying amount at end of period	-	4,925	12,275	29,680	87,108	4,103	138,091

			2019-12-31			
Patent Company	**Development projects**	**Completed development projects**	**Licences**	**Pharmaceutical approvals**	**Other intangible assets**	**Total**
Opening cost	6 402	12 767	53,985	167 504	10 058	251,716
Acquisitions	2 036	-	80	4 335	-	6 451
Adjustment to prior-year acquisitions	–	–	-	–	–	0
Sales/disposals	-2331	–	-4,896	-10 062	–	-17 289
Reclassification	-	-	-	–	–	0
Closing cost	6 107	12 767	49,169	161 777	10 058	239,878
Opening amortisation and impairment	-2331	-492	-24,305	-81 570	-5 954	-114,652
	–	-851	-3,089	-12 478	-853	-17 271
Amortisation according to plan	-	-	-	-7 302	-	-7 302
Impairment	2331	–	4 442	9 497	–	16 270
Sales/disposals	0	-1 343	-22,952	-91 853	-6 807	-122,955
Closing amortisation and impairment	6 107	11 424	26,217	69 924	3 251	116 923
Carrying amount at end of period						
As of 31 December	6 107	12 767	49,169	161 777	10 058	239,878
Cost	0	-1 343	-22,952	-91 853	-6 807	-122,955
Accumulated amortisation and impairment	6 107	11 424	26,217	69 924	3 251	116 923
Carrying amount at end of period						

Patent Company	Development projects	Completed development projects	Licences	Pharmaceutical approvals	Other intangible assets	Total
			2018-12-31			
Opening cost	17,323	–	55,946	157,966	10,032	241,267
Acquisitions	1,608	239	894	9,538	25	12,304
Adjustment to prior-year acquisitions	–	–	–2,855	–	–	–2,855
Sales/disposals	–	–	–	–	–	–
Reclassification	–12,528	12,528	–	–	–	–
Closing cost	6,403	12,767	53,985	167,504	10,057	250,716
Opening amortisation and impairment	–	–	–20,631	–63,363	–5,026	–89,021
Amortisation according to plan	–	–492	–3,025	–12,405	–928	–16,850
Impairment	–2,331	–	–649	–5,801	–	–8,781
Sales/disposals	–	–	–	–	–	–
Closing amortisation and impairment	–2,331	–492	–24,305	–81,569	–5,954	–114,652
Carrying amount at end of period	4,072	12,275	29,680	85,934	4,103	136,064
As of 31 December						
Cost	6,403	12,767	53,985	167,504	10,057	250,716
Accumulated amortisation and impairment	–2,331	–492	–24,305	–81,569	–5,954	–114,652
Carrying amount at end of period	4,072	12,275	29,680	85,934	4,103	136,064

Note 18 Property, plant and equipment

Group	2019-12-31	2018-12-31
Opening cost	23,837	23,717
Opening balance adjustment of right-of-use assets	18,545	0
Acquisitions	1,396	217
Sales/disposals	0	-63
Translation difference for the year	1,369	–34
Closing cost	45,147	23,837
Opening depreciation	–18,668	–15,434
Depreciation according to plan	–8,026	–2,716
Sales/disposals	0	17
Translation difference for the year	–729	–535
Closing depreciation	–27,423	–18,668
Carrying amount at end of period	17,724	5,169

The carrying amount of tangible assets at end of period consists of SEK 4,564 (5,169) thousands equipment and computers, and SEK 13,160 (0) thousands right-of-use assets (see note 11).

Parent Company	2019-12-31	2018-12-31
Equipment and computers		
Opening cost	4,996	4,983
Acquisitions	8	13
Sales/disposals	–	–
Closing cost	5,004	4,996
Opening depreciation	–3,984	–3,362
Depreciation according to plan	–530	–622
Sales/disposals	–	–
Closing depreciation	–4,514	–3,984
Carrying amount at end of period	490	1,012

Note 19 Participations in Group companies

	2019-12-31	2018-12-31
Book value at beginning of the year	15,648	15,742
Impairment of shares in subsidiaries	–	–94
Shareholder contributions to subsidiaries	32	–
Book value at year end	15,680	15,648

Note 19 Participations in Group companies

Impairment of shares in subsidiaries amounted to SEK 0 for the companies that were liquidated during the year (Bluefish Pharma Srl and Bluefish Pharma Holding Ltd).

Subsidiaries	Corporate registration number	Registered office	Share of equity/ votes (%)	Book value 2018	Book value 2017
Bluefish Pharmaceuticals Pvt Ltd	U02423KA2006PTC049950	Bangalore, India	100	14,678	14,678
Bluefish Pharma Incentive AB	556731-3704	Stockholm, Sweden	100	100	100
Bluefish Pharma SL	B-64813389	Madrid, Spain	100	29	29
Bluefish Pharma GmbH	HRB 9827	Griesheim, Germany	100	232	232
Bluefish Pharma GmbH	FN32626a	Vienna, Austria	100	375	375
Bluefish Pharma sp z o o	142220504	Warsaw, Poland	100	127	127
BFPH Portugal Unipessoal Lda	509426590	Lisbon, Portugal	100	48	48
Bluefish Pharma France Sarl	529 131 245 R.C.S. Paris	Paris, France	100	9	9
Bluefish Pharma AB (previously BMM Pharma AB)	556618-5210	Stockholm, Sweden	100	50	50
Bluefish Pharma Ltd	608058	Dublin, Ireland	100	0	0
Plataforma Virtual de Laboratorios y Farmacias S.L.	B-88506019	Madrid, Spain	100	32	0
Total book value				**15,680**	**15,648**

Note 20 Other non-current assets

Group	2019-12-31	2018-12-31
Opening amount	1,465	1,840
Net change for receivables	–53	-370
Exchange rate differences for the year	46	–5
Carrying amount at year-end	1,458	1,465

Other non-current receivables primarily consist of rent deposits.

Parent Company	2019-12-31	2018-12-31
Opening amount	94	94
Net change for receivables	-53	–
Carrying amount at year-end	41	94

Note 21 Inventories

Parent Company	2019-12-31	2018-12-31
Group/Parent Company	2019-12-31	2018-12-31
Finished products	132,823	125,506
Goods in transit	15,908	248
Total	**148,731**	**125,754**

Note 22 Financial instruments by category

Group

2019-12-31	Financial assets at amortised cost	Total
Assets in the balance sheet		
Accounts receivable and other receivables	124,942	124,942
Cash and cash equivalents (Note 29)	57,845	57,845
Total	**182,787**	**182,787**
2018-12-31		
Assets in the balance sheet		
Accounts receivable and other receivables	74,024	74,024
Cash and cash equivalents (Note 29)	51,898	51,898
Total	**125,922**	**125,922**

Group

2019-12-31	Financial liabilities at amortised cost	Total
Liabilities in the balance sheet		
Borrowings	152,923	152,923
Accounts payables and other liabilities excluding non-financial liabilities	221,440	221,440
Total	**374,363**	**374,363**
2018-12-31		
Liabilities in the balance sheet		
Borrowings	210,328	210,328
Accounts payables and other liabilities excluding non-financial liabilities	170,307	170,307
Total	**380,635**	**380,635**

Note 22 Financial instruments by category

Financial instruments
Financial instruments are recognised in the balance sheet when the Group becomes party to the instrument's contractual terms. A receivable/claim is reported when the company has performed and a contractual obligation to pay exists for the counterparty. A liability is reported when the counterparty has performed and a contractual obligation to pay exists for the company. The business model upon which the financial asset or liability was obtained, along with the nature of the contractual cash flows are what determines classification. The Group has financial assets and liabilities classified in the categories below:

- Financial assets at amortised cost
- Financial liabilities at amortised cost

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset. Financial assets are removed from the balance sheet when the right to receive the cash flows generated by the instrument has expired or been transferred and the Group has transferred essentially all of the risks and rewards associated with ownership.

During the financial year and comparison year, the Group did not have any financial instruments measured at fair value either through profit or loss or through other comprehensive income.

Note 23 Accounts receivable and other receivables

Group	2019-12-31	2018-12-31
Accounts receivable	121,456	74,3600
Less: reserve for expected credit losses	–1,689	–2,517
Accounts receivable – net	119,767	71,843
Other receivables (incl. tax receivables)	17,595	15,537
Total other receivables	17,595	15,537
Total accounts receivable and other receivables	137,362	87,380

Parent Company	2019-12-31	2018-12-31
Accounts receivable	66,338	31,716
Less: reserve for expected credit losses	-	-354
Accounts receivable – net	66,338	31,362
Receivables from Group companies	25,786	25,877
Other receivables (incl. tax receivables)	3,882	2,153
Total other receivables	29,667	28,030
Total accounts receivable and other receivables	96,006	59,392

Note 23 Accounts receivable and other receivables

The confirmed bad debt losses for the company during the year amounts to SEK 0 (2,796) thousand.

As of 31 December 2019, overdue accounts receivable amounted to SEK 53,174 (27,021) thousand. Of the overdue accounts receivable, SEK 1 689 (2,517) thousand has been set aside as a provision for doubtful debts. Creditworthiness is assessed as good and it has been concluded that no impairment loss needs to be recognized. The overdue receivables pertain to a number of customers who have not previously had any difficulty making payment.

The age analysis of these accounts receivable is set forth below:

Group	2019-12-31	2018-12-31
Less than 30 days	21,743	19,176
Older than 30 days	31,431	7,845
	53,174	**27,021**

Parent Company	2019-12-31	2018-12-31
Less than 30 days	13,671	12,959
Older than 30 days	28,710	3,881
	42,381	**16,840**

In the Group, overdue invoices as of 31 December 2019 were SEK 53,174 (27,021) thousand. As of 31 March 2020, invoices for a total of SEK 36,099 (21,563) thousand had been paid. The outstanding amount is SEK 14,626 (5,458) thousand.

In the Parent Company, overdue invoices as of 31 December 2019 were SEK 42,381 (16,840) thousand. As of 31 March 2020, invoices for a total of SEK 31,366 (15,103) thousand had been paid. The outstanding amount is SEK 11,015 (1,737) thousand.

The Group has assessed that the creditworthiness of the outstanding claims is high, which is why no additional provision is required beyond what has already been made for individual claims.

Note 24 Share capital

According to the articles of association, the Company's share capital shall be not less than SEK 9,000 thousand and not more than SEK 36,000 thousand. The minimum number of shares is 45,000,000 and the maximum number is 180,000,000. As of 31 December 2019, the Parent Company's share capital was SEK 21,584 thousand. The total number of shares amounts to 107,923,328. As of 31 December 2019, all shares carry 1/10 vote and a quotient value of SEK 0.20.

	A shares	B shares	Total no. shares
As of 31 December 2018	–	80,942,496	80,942,496
As of 31 December 2019	–	107,923,328	107,923,328

Growth trend, share capital

	Number of shares (000s)	Share capital
1 January 2018	80,942	16,188
New share issue	–	–
Repayment of convertible debt	–	–
31 December 2018	80,942	16,188
1 January 2019	80,942	16,188
New share issue	26,981	5,396
Repayment of convertible debt	–	–
31 December 2019	107,923	21,584

Note 25 Borrowings

Group	2019-12-31	2018-12-31
Long-term borrowings		
Convertible debt	–	93,697
Carrying amount	–	93,697
Short-term borrowings		
Convertible debt	58,318	–
Inventory credit	72,000	71,645
Invoice discounting	7,375	14,986
Bank loans	15,000	15,000
Shareholder loan	–	15,000
Carrying amount	152,694	116,631
Total carrying amount of borrowings	**152,694**	**210,328**

Parent Company	2019-12-31	2018-12-31
Long-term borrowings		
Convertible debt	–	93,697
Carrying amount	–	93,697
Short-term borrowings		
Convertible debt	58,318	71,645
Inventory credit	72,000	71,645
Invoice discounting	4,384	8,194
Bank loans	15,000	15,000
Shareholder loan	–	15,000
Carrying amount	149,703	109,839
Total carrying amount of borrowings	**149,703**	**203,535**

Note 25 Borrowings

Change in borrowings for the year

Group	2019-12-31	2018-12-31
Opening amount	210,328	204,216
Change in inventory credit	355	3,657
Change in invoice discounting	–7,611	–1,373
New convertible debt, net	–	–
Discounted interest on convertible debt	4,121	3,828
Repayment of shareholder loan	-15,000	
Repayment of prior convertible debt	–39,500	–
Closing amount	**152,694**	**210,328**

Parent Company	2019-12-31	2018-12-31
Opening amount	203,535	194,900
Change in inventory credit	355	3,657
Change in invoice discounting	-3,810	1,150
New convertible debt, net	–	–
Discounted interest on convertible debt	4,121	3,828
Repayment of shareholder loan	-15,000	
Repayment of prior convertible debt	–39,500	–
Closing amount	**149,703**	**203,535**

Group/Parent Company	2019-12-31	2018-12-31
Opening amount	93,697	89,870
Convertible debt, nominal value	–	–
Repayment of convertible debt	– 39,500	–
Equity portion	–	–
Discounted rate	4,121	3,828
Closing amount	**58,318**	**93,697**

(a) Convertible debt instrument

At the annual general meeting on 21 June 2017, it was decided to issue convertibles for a total amount of at most SEK 100,000,000. The convertibles will have maturity of three (3) years, with an interest rate of nine (9) percent per year. The conversion rate for convertibles will be SEK 9 per share. The maturity period for convertible debt begins upon registration with the Swedish Companies Registration Office and runs through 30 June 2020. The board of directors proposes an extension till 30 June 2022, see note 31. If all of the holders of convertibles demand conversion, share capital will increase by at most SEK 2,222,222.22 upon conversion of all the convertibles.

As of 2019-12-31, the total outstanding amount of convertible debt was SEK 58,318 (93,697) thousand.

The fair value of the liability and equity portion was determined at the time of the issuance of the convertible debt. The fair value of the liability portion, including non-current liabilities, has been calculated applying a market interest rate for comparable non-convertible debt.

Remaining amounts, which represent the value of the equity portion, are included under Shareholders' Equity.

Note 25 Borrowings

The carrying amount on the balance sheet date for the liability portion of the convertible debt is a good approximation of the fair value. The interest expense for convertible debt is calculated as an effective return through use of the effective interest rate of 10-12 % for similar, non-convertible debt regarding the liability portion of the convertible debt.

(b) Inventory credit and invoice discounting

Since November 2011, Bluefish has had an agreement with SEB regarding working capital credit designed to meet the company's increased need for working capital. The working capital credit includes SEK 72 million, for which the Nordic inventories have been used as collateral, and an additional SEK 10 million from invoice discounting. Since December 2016, Bluefish has had another agreement with SEB regarding EUR 3 million from invoice discounting to Germany customers. According to the agreement with SEB, the total value of customer invoices is used to pledge up to 80%of total customer invoice value of invoices issued to Nordic customers and 90% for Germany customers. Nordic region inventory may be pledged for an amount up to 65% of AIP (Pharmacy Purchase Price).

Bank credit with SEB, pertaining to inventory financing and invoice discounting was reclassified as a current liability with maturity up to 12 months, since this loan is equivalent to a bank overdraft facility. The working capital credit with SEB is a running agreement (with a 3-month notice of termination required from each side) that remains in force as long as inventory is held in the Nordic region and there are Nordic accounts receivable that can be pledged. Although the loan is classified as a current liability, both Bluefish and SEB regard their collaboration as long-term.

Group/Parent Company	2019-12-31	2018-12-31
Inventory credit		
Granted inventory credit	72,000	72,000
Utilised inventory credit	–72,000	–71,645
Granted, unutilised inventory credit	0	355
Invoice discounting		
Granted invoice discounting	41,301	40,826
Utilised invoice discounting	–7,375	–14,986
Granted, unutilised invoice discounting	33,926	23,190
Total granted, non-utilised facility	**33,926**	**26,195**

(c) Bank loans and other loans

The company has a bank loan from Nordea for SEK 15,000 thousand, for which Färna Invest has a guarantee commitment. The loan carries annual interest of STIBOR + 1,5% and contractual interest of 0.5% of the loan amount. Compensation of 1% of the loan amount is paid each year to Färna Invest for its guarantee commitment.

The fair value of short-term borrowing is approximately the same as the carrying amount, since the discount rate is insignificant.

See Note 3.

Note 26 Other liabilities, non-current andcurrent

Group	2019-12-31	2018-12-31
Maturity, within one year of balance sheet date	18,491	9,935
Maturity, between 1-5 years from balance sheet date	8,386	796
Total	**26,877**	**10,731**

Parent Company	2019-12-31	2018-12-31
Maturity, within one year of balance sheet date	12,800	9,108
Maturity, between 1-5 years from balance sheet date	98	796
Total	**12,898**	**9,904**

Liabilities primarily consist of leasing liability (note 11) and the fees for purchasing licensing rights. Payment for licensing rights takes place upon agreed milestones, usually depending on the process for drug approval.

Note 27 Current provisions

Group	2019-12-31	2018-12-31
Provision for net sales deduction	129,982	82,801
Provision for returns	–	–
Total	**129,982**	**82,801**

Group	2019-12-31	2018-12-31
Opening balance	82,801	73,890
New provision	218,790	172,192
Amount used during the period	–167,653	–164,328
Reversal of unutilised amount	–5,231	–1,954
Translation difference for the year	1,275	3,192
Closing balance	**129,982**	**82,801**

As of 2019-12-31, there were no current provisions in the Parent Company.

The company's gross sales consist of the number of packaging units delivered during a specific period at the price prevailing on the relevant market.

According to the practice within the pharmaceuticals industry, gross sales are affected by various deductions, which include discounts and deductions for public authorities, wholesalers, and health insurance companies, as well as returns. These deductions represent assessments of the related obligations which, in turn, require the company to make estimates regarding the effect on sales for particular reporting period. Consequently, when reporting net sales, a deduction from gross sales is made for these estimates. The assessment of the need for such deductions is made in conjunction with each individual transaction.

Normally, there is a time delay of several months from the point in time at which the esti- mate of the deduction is made and the final reporting of the obligation. Net sales represent, in turn, our best estimate of the revenue that will be received.

See Note 2.

Note 28 Accrued expenses and deferred income

Group	2019-12-31	2018-12-31
Accrued employee benefit expenses	3,252	2,944
Accrued interest expenses	2,070	4,888
Provision for price adjustments and penalty fees	858	558
Other accrued expenses	23,186	15,065
Total	**29,366**	**23,455**

Parent Company	2019-12-31	2018-12-31
Accrued employee benefit expenses	3,252	2,589
Accrued interest expenses	2,070	4,888
Provision for price adjustments and penalty fees	185	476
Other accrued expenses	18,938	9,803
Total	**24,445**	**17,756**

Note 29 Pledged assets and contingent liabilities

Group	2019-12-31	2018-12-31
Pledged assets		
Bank guarantees	965	965
Inventories	32,279	26,769
Accounts receivable	11,226	12,160
Chattel mortgage	30,000	30,000
Total	**74,470**	**69,894**
Contingent liabilities	none	none

Parent Company	2019-12-31	2018-12-31
Pledged assets		
Bank guarantees	965	965
Inventories	32,279	26,769
Accounts receivable	3,469	5,368
Chattel mortgage	30,000	30,000
Total	**66,743**	**63,102**
Contingent liabilities	none	none

The amount of pledged inventory and accounts receivable is based on utilised credit in relation to the assets book value.

Bank guarantees are restricted cash excluded in cash and cash equivalents.

Note 30 Supplementary disclosures to the cash flow statement

Group	2019	2018
Adjustment for items not included in cash flow Depreciation/amortisation and impairment of PPE and intangible assets	31,986	27,785
Inventory impairment	19,429	12,396
Impairment of accounts receivable	–342	2,796
Profit (loss) from disposal of fixed assets	–130	–
Change in net sales deduction	45,906	5,910
Unrealised exchange differences	4,719	15,862
Total	**101,568**	**64,750**

Parent Company	2019	2018
Adjustment for items not included in cash flow Depreciation/amortisation and impairment of PPE and intangible assets	24,403	26,252
Disposal of fixed assests	–129	–
Impairment of accounts receivable	–342	1,114
Inventory impairment	19,429	12,396
Unrealised exchange differences	2,818	12,264
Total	**46,179**	**52,026**

Note 31 Events after the balance-sheet date

Shareholder
In February 2020, Karl Karlsson, founder and former CEO of Bluefish Pharmaceuticals AB, sold his shares in the company. At the same time, he has decided to resign from his assignment as a member of the company's board of directors. As the company's board of directors is to consist of 3 board members, the company has a vacancy. At the Annual General Meeting, a new member shall be elected to the Board.

Covid-19
Since December 2019, a virus has caused a pandemic that has spread throughout the world. Many countries have closed their borders in an attempt to limit the spread of infection. This pandemic has not at present been shown to have any negative effects, but a future negative impact can not be ruled out and Bluefish keeps updated on the development of the pandemic and the effects it can have on the business.

Convertible
The issued convertibles expire on 30 June 2020 and the Board of Directors proposes an extension of the existing convertible loan, of SEK 59.5 million. The proposal means that the convertibles will have an additional term of two (2) years, ie up to and including 30 June 2022. Otherwise, the terms of the convertible bonds must be left unchanged. Furthermore, implementation of the changed convertible terms, and thus the extension of loans beyond the current maturity date, is conditional on the Company's Board of Directors finding it appropriate with regard to the company's other loan situation.

Reduced loan financing
The Board of Directors has decided to reduce the company's loan financing and has therefore terminated the factoring agreement that it has had with SEB regarding sales of invoices in the German market. This means lower interest costs for the company.

Note 32 Transactions with related parties

Transactions between Bluefish Pharmaceuticals AB and its subsidiaries, which are companies closely related to Bluefish Pharmaceuticals AB, have been eliminated in the consolidated financial statements and are not included in this note.

The company has a bank loan of SEK 15 million from Nordea. Färna Invest has provided a guarantee for this loan.

See Note 7 regarding remuneration to senior executives. Purchases and sales within the Group, see Note 12.

Note 33 Appropriation of earnings

Proposed appropriation of the company's earnings
The following earnings are at the disposal of the annual general meeting.

SEK	2019-12-31
Share premium reserve	389,134,362
Retained earnings	–371,916,191
Profit (loss) for the year	–11,158,601
Total	**6,059,570**

The Board of Directors and the CEO propose that the unappropriated earnings (loss), SEK 6,059,570 (–33,194,938) are carried forward.

The Board proposes that no dividends are issued for the 2019 financial year.

The Board of Directors and CEO affirm that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and that they provide a true and fair view of the Group's financial position and results. The annual report has been prepared in accordance with generally accepted accounting principles and provides a fair and true view of the financial position and earnings of the Parent Company.

The Directors' report for the Group and Parent Company provides a true and fair overview of the Group's and the Parent Company's operations, financial position and results and also describes material risks and uncertainties faced by the Parent Company and the companies that comprise the Group.

The income statements and balance sheets will be presented to the annual general meeting for adoption.

Stockholm, 4 May 2020

Erika Kjellberg Eriksson
Chairman of the Board

Gerald Engström
Director

Berit Lindholm
CEO

Our audit report was submitted on 12 May 2020
Ernst & Young AB

Anna Svanberg
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Bluefish Pharmaceuticals AB (Publ), corporate identity number 556671–9164

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Bluefish Pharmaceuticals AB (Publ) for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 7-43 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 the parent company 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.

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.

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

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises of pages 1-6 and 46-47 in this document.

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 Directors 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and

consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

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 Directors and the Managing Director of Bluefish Pharmaceuticals 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 loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. 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 Directors 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.

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

Matter of emphasis

On multiple occasions during the year the payment of payroll withholding tax, value added tax, preliminary income tax and social charges has not been made in a timely manner.

Stockholm, 12 May 2020

Ernst & Young AB

Anna Svanberg
Auktoriserad revisor

Definitions of key figures

Gross margin
Operating profit/loss as a percentage of sales

Gross profit/loss
Operating income less cost of goods sold

EBIT
Profit/loss before financial items and tax (Operat- ing profit/loss)

EBITDA
Operating profit/loss before depreciation, am- ortisation and impairment of property, plant and equipment and intangible assets

Equity per share
Equity per share divided by the number of shares

Net sales
Gross sales adjusted for discounts, price adjust- ments and returns

Net debt
Interest-bearing non-current and current liabilities less cash in bank

Equity ratio
Equity divided by total assets

Information to the shareholders

Future reports

Interim report	April-June	30 August 2020
Interim report	July-September	30 November 2020

Annual general meeting
The annual general meeting will be held on 27 May 2020 at 3 pm at the Company's offices, Gävlegatan 22, Stockholm.

Shareholders who wish to participate at the annual general meeting must:
be entered in the share register maintained by Euroclear Sweden AB on 19 May 2020 and must notify the Company of their participation.

Notification may be by email to tanya.hesse@bluefishpharma.com or regular mail to Bluefish Pharmaceuticals AB, Gävlegatan 22, 113 30 Stockholm.

Mark the envelope "Annual general meeting".
Notification may also be given by telephone at +46 8 519 116 00.

Notification
Notification must be received by Bluefish Pharmaceuticals no later than 19 May 2020 and must include the shareholder's name, personal ID number or corporate identity number, address, telephone number and shareholding. Shareholders who are represented by a proxy must issue a written proxy form for the proxy. If the proxy form is issued by a legal entity, a certified copy of the certificate of registration for the legal entity must be enclosed. Proxy forms and certificates of registration may not be issued earlier than one year prior to the general meeting.

Registration
In order to be entitled to participate at the annual general meeting, shareholders whose shares are nominee-registered must request that the shares be temporarily registered in the share register maintained by Euroclear Sweden AB. Re-registration must take place not later than 19 May 2020.

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