BLUEFISH
PHARMACEUTICALS

ANNUAL REPORT 2021

CEO comments

Progress during the year

We have further increased our sales force and during the pandemic we have increased our digital marketing with virtual meetings and digital campaigns that have proven to be successful. We have continued to increase the number of products in our portfolio and see a growth in volume in 2021 were we sold approx. 10.7 million packages. During the year, we closed our office in Portugal, and we continue to sell our products through earlier established sales channels. In 2021, our product availability has been very stable and high.
During the year, Gerald Engström and Färna Invest has further increased the holding in the company which secures investments for future success. We are proud to have publish the company's first audited sustainability report at the same time as this annual report is released. Sustainability and environment are important to us and are given high priority by the company.

Future outlook

I hand over the CEO role to Erik Ekman in May. It feels safe and sound to hand over the company responsibilities to Erik, whom with his 4 years as COO, will be capable to lead the company towards continued success.
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.
Bluefish continues to work with UN's Sustainable Development goals, running the company in a sustainable and responsible way considering both environmental and social factors in our operations.
Among other things, the company has an increased focus on reducing carbon dioxide emissions during transport, supplier audits and improving the gender distribution among our managers. The areas are described in full in our sustainability report.
At this point in time, we do not foresee any negative impact on Bluefish due to the war in Ukraine. Depending on how the war develops and the duration the war, this can of course affect us later.

Despite a year with less growth, Bluefish is confident that we have a stable and successful model, and we are confident that we are well equipped for continued growth in the coming years.
All in all, the company, with Erik Ekman as the new CEO, is entering a new year with great confidence and a positive belief in the future.

Bluefish Pharmaceuticals markets

During the year we invested efforts in our product portfolio and sales force which has resulted in increased sales, with regards to volume unfortunately with a lower margin compared to last year. We continue to invest in several new development projects in our own laboratory and we look forward with confidence to further new launches in the coming years.
In 2022, we aim to launch an in-house developed Melatonin XR if the timetable for the approval process holds.
In 2021, sales revenues decreased by 7 percent and the margin decreased from 50.6 percent in 2020 to 45.7 percent in 2021, where, among other things, price pressure from competitors has had a major impact. Operating costs have increased as sales costs increase in parallel with increased volumes.

Operating result

2021 has been the second year where health care providers had to focus their resources on Covid-19 which has impacted Bluefish result negatively. During the year, we saw a reduction or lack of sales of antibiotics, among others, as the restrictions reduced the number of infections amongst the population.
In general, many companies have had high inventories of medicines during the year to mitigate uncertainty in the supply chain due to pandemic. The high inventory levels have resulted in price pressure as many companies have chosen to sell their inventory to prevent scrapping of medicines before it expires. We also saw increased penalty fees when our goods were not available for sale for short periods.
During 2021, we have continued to have a high availability of our products which, in turn, has resulted in higher scrapping. It is unfortunate that the company's profitability did not increase during last year compared with the previous years is partly due to the pandemic, partly due to a couple of delayed new product launches with technical manufacturing issues.
The war in Ukraine, a European crisis, might result in a possible shortage of raw materials which in a longer perspective might impact global supply of medicines.
We expect 2022 to be a stable and successful year in which we will create good profitability for the company.

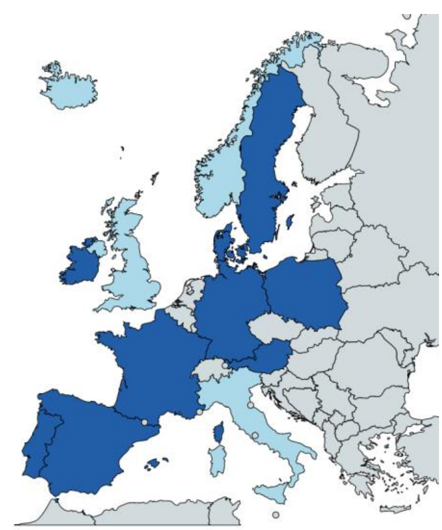
Bluefish portfolio and investments

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. There are continual strategic efforts underway to supplement and develop our portfolio, so the company remains competitive in the future.

We have entered into new agreements with partners who will sell our in-house developed products in markets where Bluefish is not present itself. We plan to launch our own generic Melatonin in the end of 2022 and early 2023 provided the approval process adheres to expected timelines. The extension of the patents on original medicinal products has partly delayed some launches during last year. During the year, we initiated several new projects in our laboratory in India. In 2021, we launched 8 new products, of which 3 were over-the-counter medicines. Lower investment cost during the year is due to the fact that no clinical studies have been conducted which are the most expensive part of each development project.
The increase in competence and experience in our sales force is expected to continue and further strengthen in 2022.

Stockholm, April 2021

Berit Lindholm
CEO



Management

Berit Lindholm, Anna-Greta Sjöberg, Vivekanand Sundaramurthy, Erik Ekman, Astha Sehgal, Jonas Nylander.

Berit Lindholm[1]

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

Professional experience:
Head of Planning, AstraZeneca Sweden Operations, Business Relationship 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: 70 000
Warrants: 150 000

Anna-Greta Sjöberg

Chief Financial Officer since 2021 Member of the management group and employed since 2021
Born 1967

Professional experience:
Senior consultant Olivetta AB, CEO and owner Crispa AB, CFO, COO The Royal Bank of Scotland (Natwest) Nordic branch, CFO and CEO Bergaliden AB, Controller BPA AB, Board assignments: LKAB, Marginalen Bank AB, Magnolia Bostad AB, Hufvudstaden AB ao.

Education:
MBA Stockholm School of Economics.
Medical science and law courses, Lund and Luleå university
Finance at Hochschule St. Gallen

Shareholding in Bluefish: -
Warrants: 125 000

Erik Ekman[2]

Chief Operating Officer since 2017
Member of the management group and 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: 130 000
Warrants: 200 000

Sunil Bolar

Dir. Business Development since 2021
Member of the management group and employed since 2021
Born 1978

Professional experience:
Strides Pharma Science Ltd – DGM Business Development
Medreich Limited – Senior Manager Business Development
Advinus Therapeutics – Deputy Manager Business Development
Medreich Limited – Assistant Manager Business Development

Education:
MBA Justice K S Hegde Institute of Management – Nitte
BBM St. Aloysius College- Mangalore

Shareholding in Bluefish: -
Warrants: -
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[1] Leave CEO position 30 April 2022

[2] Starts as CEO 1 May 2022

Jonas Nylander

VP Sales and Marketing since 2020 Member of the management group and employed since 2020

Born 1967

Professional experience:

European Regional Head, Oncology and Speciality Care, Boehringer Ingelheim, Nordic Sales & Business Development Director, Caris Life Sciences, Nordic Head of Oncology and Haematology Amgen Sweden, Global Brand Manager, Oncology, Hoffmann La Roche, International Brand Manager, Local Anaesthetics, AstraZeneca, Business Unit Head, Oncology and Haematology, Roche Sweden, CEO, Nightingale Communications, CEO, Blueskate Digital Communications.

Education:

BSc Business Administration, International Industrial Marketing, Uppsala University
Marketing Strategy for Senior Marketers, INSEAD

Shareholding in Bluefish: 10 000
Warrants: -

Vivekanand Sundaramurthy

Head of R&D since 2017
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 Pharmaceutics, Annamalai University

Shareholding in Bluefish: ---
Warrants: 100 000

Astha Sehgal

Head of HR since 2020
Employed and Member of the management group since 2020
Born 1984

Professional experience:

Manager Human Resource, DTC, West Pharmaceuticals, Manager Human Resources, Bluefish Pharmaceuticals, Assistant Manager Human Resources, MSD Welcome Trust Hilleman Laboratories, Assistant Manager Human Resources, Avon Beauty Products, Executive Human Resources, Avon Beauty Products, Officer Human Resources, Avon Beauty Products

Education:

MBA, Dayalbagh Educational Institute
BBA, Dayalbagh Educational Institute

Shareholding in Bluefish: ---
Warrants: 100 000

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Board

Gunilla Spongh

Chairman of the of Bord of Directors since 2021
Born 1966
Director since 2021

Education:
MSc in Industrial Engineering and Management. Linköping University

Other Board Assignments:
Byggmax, Consivo group, Lernia Momentum group, Pierce group, Swedish Stirling, Meds and Systemair

Shareholding in Bluefish: -
Warrants: 100 000

Gerald Engström

Director since 2010
Born 1948
Chairman of the of Bord of Directors during 2010 to 2019

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

Other Board Assignments:
Chairman of the Board Systemair AB,
RVM Systems AB.
Director: Hanza Holding AB, Färna Invest AB and Anker Andersen AS, Denmark

Shareholding in Bluefish:
91 197 408[1)]
Warrants: -

Eva Sjökvist Saers

Director since 2020
Born 1962

Education:
MSc Pharm, PhD Pharm. Courses at e.g., INSEAD, IMD, IFL

Other Board Assignments:
Board Chairman: Swelife, Dicot AB
Director: Recipharm AB, IDL Biotech AB and
Oxcia AB

Shareholding in Bluefish: -
Warrants: 50 000

Berit Lindholm

Director since 2021
Born 1965

Education:
BSc Pharm, Business Administration Uppsala and Helsinki University. Business School, Warwick University UK

Other Board Assignments:
Director: Swedish Chamber of Commerce India, Föreningen för Genreiska läkemedel

Shareholding in Bluefish: 70 000
Warrants: 150 000

[1] 1)Private holding or holdings via the company as of 31 December 2021

List of Shareholders as of 2021-12-31

Shareholders	Total no. shares	Total no. votes	Share of equity	Share of votes
Färna Invest AB[1)]	91 197 408	91 197 408	84,50%	84,50%
Varenne[2)]	4 196 026	4 196 026	3,89%	3,89%
Others	12 529 894	12 529 894	11,61%	11,61%
Total	107 923 328	107 923 328	100,00%	100,00%

1)Private holding or holdings via the company as of 31 December 2021
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 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 2021 financial year. Unless otherwise stated, all figures pertain to the Group for the 2021 financial year. Comparison figures are for the 2020 financial year, unless otherwise stated.

As of December 31, 2021, the Group consists of 13 (13) 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 2021, the company strengthen its sales organisation so it can optimize the higher potential we identified in our product portfolio. We continued to register and increase sales of our own products Hydroxyzine and Anagrelide in several markets. We expect to launch our own Melatonin XR by the end of 2022 and early 2023, the extend launch period is because regulatory authorities in our markets have different lead times for local approval. In 2022, we expect to continue strengthening the sales organisation

The Group's earnings and financial position

Net sales and earnings

Net sales for the full year 2021 were SEK 385,5 million (414,4), a decrease of 7 percent compared to the same period in 2020. With a purchase price of SEK 209,2 million (204,6), gross profit amounted to SEK 176,3 million (209,8), which corresponds to a gross margin of 45,7 percent (50,6) for the period. Currencies have had a negative effect on net sales for the full year 2021 corresponding to SEK –0,1 million (-2,2).

Operating expenses for the year amounted to SEK 185,5 (170,9) million of which SEK 25,5 (32,3) million was amortization, depreciation, and impairment losses. EBITDA for 2021 was SEK 17,6 million (71,3). During 2021, currency fluctuations influenced EBITDA equal to SEK -1,2 million (-0,9). The decline in earnings in 2021 compared with 2020 is mainly explained by changes in the product mix and margin pressure in some markets. Some supply disruptions also resulted in increased costs for Bluefish. The net loss for the period amounted to SEK –21,0million (33,2), which includes currency effects of SEK 4,0 million (4,0).

Cash & cash equivalents and financing

At the end of the period, cash and cash equivalents amounted to SEK 100,8 million, compared with 47,6 MSEK at the beginning of the year. Cash flow from operating activities amounted to SEK 54,3 million (37,2) for 2021, of which change in working capital amounted to SEK -67,8 million (-47,4).

Cash flow from operating activities before changes in working capital has been positively affected by non-cash items affecting cash flow of SEK 86.8 million more than in the previous year. The item varies according to the size and speed at which Bluefish customers invoice the discounts received, particularly in the German operations. The change in working capital is partly due to increased inventories, which are partly in line with the company's set targets to meet the expected increase in sales and partly due to the company securing deliveries somewhat earlier due to Pandemic. The change in working capital is primarily attributable to increased inventory levels, which are partly in line with the company's set targets to meet expected sales growth and partly due to securing deliveries somewhat earlier due to the pandemic. Cash flow from investing activities amounted to SEK -9,5 million (-20,3) during 2021, which investments in intangible assets, such as product development, licenses, market approvals and IT investments, amounted to MSEK -9,3 million (-20,0).

Cash flow from financing activities during 2021 amounted to SEK 7,1 million (-25,0), which is a net effect of amortization of long-term bank loans and expansion of operating loans. As of 31 December 2021, total available bank credit was SEK 148,2 million (147,8), of which the utilized bank credit was SEK 148,5 million compared with SEK 137,9 million at the beginning of the year. Net financial items amounted to SEK -9,7 (-2,9) million for the year, which includes interest expenses on bank loan and bank overdraft.

Shareholder’s equity and equity ratio

At the end of the period, equity was to SEK 88,7 million, compared with SEK 108,2 million at the beginning of the year. That corresponds to SEK 0,82 (1,00) per share. At the end of the period, the equity ratio was 15,6 % compared to 21,6 % at the beginning of the year.

Multiyear review 2017-2021

SEK million	2021	2020	2019	2018	2017
Net sales	385,5	414,4	379,9	357,2	329,2
Gross profit	176,3	209,8	196,4	181,3	146,6
Gross margin	45,7%	50,6%	51,7%	50,7%	44,5%
EBITDA	17,6	71,3	47,1	28,0	3,1
Profit (loss) before tax	-19,0	36,0	-1,7	-13,6	-39,9
Cash flow from operating activities	54,3	37,2	9,2	17,9	-59,6
Cash flow from investing activities	-9.5	-20,3	-10,2	-13 ,9	-21, 2
Earnings per share SEK	-0,19	0,31	-0,04	-0,21	-0,52
Equity per share, SEK	0,82	1,00	0,76	0,31	0,52
Equity ratio	15,6%	21,6%	16,7%	6,1%	10,0%
Number of employees at end of period	122	118	123	116	119

For key figure definitions, see page 39

The work of the Board

During the year, the Board held fifteen meetings. An annual general meeting was held 19 May, at which time Gerald Engström was elected as Chairman of the Board, along with the election of Erika Kjellberg-Ericsson and Eva Sjökvist Saers as Directors and Berit Lindholm as Deputy Director. Following a change in ownership, an Extraordinary General Meeting was held on 23 June when Gunilla Spongh was elected Chairman of the Board, along with the election of Gerald Engström, Michael Bodd and Wenche Rolfsen as Directors and Eva Sjökvist Saers and Synne Hermansen Roine as Deputy Directors.

Another Extraordinary General Meeting was held on 21 December when Gunilla Spongh was elected Chairman of the Board, along with the election of Gerald Engström, Eva Sjökvist Saers as a Directors and Berit Lindholm as Directors. The Board now consists of the Chairman of the Board and three directors.

Shareholders

Färna Invest has during the year increased its shareholding from 52,92 % to 84,50 % and will therefore include Bluefish in its overall reporting. In June 2021 Nexttobe sold 5,0 million shares to Färna Invest and 27,0 million shares to Serendipity, who in December 2021 sold these to Färna Invest.

Financing

In June 2020, the company took out a bank loan from SEB of SEK 58 million with a four-year term and amortization. Färna Invest, which is the company's largest shareholder, has provided a bank guarantee for part of the loan. As of December 31, the loan amounted to SEK 36.2 million. In addition, the company has an operating credit, corresponding to a checking account, which at the turn of the year amounted to SEK 112 million, with security in inventories. This operating credit was increased during the year by SEK 25 million in connection with the termination of the invoice mortgage credit of SEK 10 million. This is part of streamlining financing and reducing the company's interest costs.

Covid-19

Since December 2019, a global pandemic has been going on in the world. The pandemic has strained the situation for many people and industries. Many countries have tried to prevent the spread of the virus through measures such as closed national borders, other restrictions, and curfews. Although the need for medicines has not diminished, the preventive measures to reduce the spread of infection in the longer term can have negative consequences in the form of drug shortage

Through proactive decisions, Bluefish has succeeded in minimizing the negative impact on the availability of medicines that the company provides.

Significant events after the balance sheet date

In February 2022, Russia invaded Ukraine. The war in Ukraine has not to date affected the supply chain of medicines. As Bluefish is dependent on our subcontractors, we receive regular updates on the situation. Neither Ukraine nor Russia are direct raw material suppliers to Bluefish subcontractors and the impact of the war on our delivery capacity is currently very limited. The company has no direct connections or supply to these countries. If a general shortage of raw materials occurs in the world, side effects on the pharmaceutical industry and Bluefish cannot be ruled out.

The company keeps up to date with changes that are taking place in the outside world and evaluates its consequences in the short and long term and works as far as possible to ensure a sufficient supply of medicines. To protect us against possible consequences in product flows, the company has partially increased its stock during the year.

Product development

The company conducts product development in the form of new generic formulations. To ensure continued good growth in net sales and profitability, the composition of the product portfolio is essential. The development work is focused on products which the company has identified as long-term value creation. In 2021, Bluefish invested SEK 1.7 M (3.3) in drug development, excluding costs for registration, adverse reaction management and quality assurance. The investment in each project is at its greatest in the final phase of the project. In 2021, several new development projects were started, and 11 products were approved during the year.

Environmental work and work environment

The company has prepared a sustainability report for 2021 which is submitted as a separate report and is available on the company's website. Bluefish continues to work with the UN's global goals of running the company in a sustainable and responsible way that considers both environmental and social factors in our operations. Among other things, the company has an increased focus on reducing carbon dioxide emissions during transport, supplier audits and improving the gender distribution among our managers.

Bluefish strives to comply with all work environment-related laws and regulations and to minimize harmful environmental impact within our operations. We want to offer all our employees a safe and secure work environment. The company is not involved in any environmental dispute. All production of our medicines takes place at contract manufacturers. The production facilities are in Spain, Greece, Portugal, Germany, Austria, Romania, Turkey, and India, among others. All facilities are inspected at regular intervals by the company's quality department to ensure that the regulations for GMP (Good Manufacturing Practice) as well as local regulations and regulatory requirements regarding the environment are complied with.

Parent Company

Bluefish Pharmaceuticals AB is the parent company in the Bluefish Pharmaceuticals Group. Net sales during 2021 amounted to SEK 371.0 million (399.1), of which intra-group sales amounted to SEK 177.6 million (182.3). Operating profit amounted to SEK -18.1 million (29.6) and net financial items to SEK -9.8 million (-5.7). The Parent Company's cash and cash equivalents as of December 31, 2021, amounted to SEK 11.2 million, compared with SEK 19.7 million at the beginning of the year. The parent company's equity as of December 31, 2021, amounted to SEK 36.2 million (64.1).

Future outlook

For 2022, the company estimates that sales growth and profitability will improve compared with the previous year. Sales growth will primarily be driven by the investments made in previous years, but also effects from sales of new products during the year. This assessment may be affected by the risks and uncertainties below.

Risks and uncertainties

Bluefish faces many different risks and uncertainties that can negatively affect our business. The main business risks and financial risks that can have a significant negative effect on the business or the results of the business are described below. This assessment may be affected by the Covid-19 pandemic and by Russia's invasion of Ukraine.

Changes in market conditions

In several markets where Bluefish operates, there is strong price competition. With changed market conditions compared with what was assumed when evaluating a business opportunity, there is a risk that sales cannot take place under competitive conditions. This means that there is a risk of both write-downs of investments and inventories. To be able to manage changing market conditions, it is an advantage to be a flexible organization with fast decision-making.

Bluefish collaborates with several business partners, with whom continued collaboration and development is sustained, however delays or lost sales cannot be ruled out from these partnerships.

Development of generic drugs is a complicated, risky, and time-consuming process. In every project there is a risk of failure or delays due to several factors. During development, there is a risk that another player will develop the same product or that market conditions will change, which may mean that the development cost does not pay for itself.

Supply chain

Bluefish does not have its own manufacturing, which is why the company collaborates with contract manufacturers for pharmaceutical production. During the manufacture of medicines, shortcomings and delays in deliveries can occur, both due to changed conditions regarding raw material deliveries, lack of resources, priorities, etc. or events of the nature of force majeure. Delays in deliveries can lead to delayed or no sales at all, penalties for delayed delivery, and write-downs of inventories. Due to the current pandemic, Bluefish has partially increased its stock to protect us against disruptions in the supply of medicines.

Changes to regulatory decisions

All Bluefish products go through and regulatory authority approval process, and there is always a risk of change in requirements, guidelines, and documentation. Such government decisions can lead to increased costs and delays in projects or lead to projects being closed. Bluefish is also exposed to government decisions regarding necessary permits to commercialize drugs. Changes in rules regarding pricing and discounting of medicines or changed conditions for a certain prescription of medicines may also affect the result. Changed government decisions can affect ordinary plans for distribution and lead to delays or excluded sales. Bluefish employees have good knowledge of the regulations and to counteract surprises regarding rule changes, Bluefish employees frequently work with information gathering regarding updates on ongoing investigations with the authorities. The Covid-19 pandemic has partly caused longer lead times at regulatory authorities during the year and are now more or less back to normal lead times.

Legislation and regulations

Failure to comply with applicable laws and regulations can lead to civil and / or criminal proceedings as well as government sanctions. Bluefish mainly has a product responsibility regarding quality and safety, legislation, environmental issues, employment, work environment / health and safety and tax authorities. A negative outcome of disputes and / or government investigations can lead to significant liability claims. To prevent this from happening, a strong culture of ethics and compliance has been created within the company. All new employees in the company undergo a training program, which includes knowledge of laws and regulations, and thereafter recurring update training takes place. Any product liability claims that might occur, are limited by insurance, however full coverage cannot be assured.

Dependence on key employees

Bluefish is highly dependent on key people. There is a risk that the company's projects will be delayed or that they will not be completed if these people leave the company or for some other reason are unable to fulfill their duties. The ability to recruit and retain qualified employees is of the utmost importance to ensure the level of competence in the company.

Financial risks

Bluefish regularly informs about future financial expectations. All such statements are forward-looking and based on assumptions and assessments. Failure to successfully implement our business strategy can prevent us from achieving our financial goals and expectations and can in turn cause a significant negative impact on our business, business results or financial position, including the ability to raise capital and retain existing credits. For a detailed account of financial risks, such as currency risk, interest rate risk, credit risk, liquidity risk and capital risk, 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	383 841 276
Retained earnings	-359 199 197
Profit for the year	-27 886 859
Total	**-3 244 780**

The Board of Directors and the CEO proposes that available funds, SEK -3,244,780, be carried forward to new account. The Board of Directors proposes that no dividend to be paid for the financial year 2021. Regarding the Group's and parent company's results and position at the end of the financial year as well as financing and capital use during the financial year, reference is made to subsequent results and balance sheets, specifications and changes in equity, cash flow analyzes, accounting and valuation principles and notes. The annual report and consolidated accounts present amounts in KSEK unless otherwise stated. In some cases, rounding has taken place, which means that tables and calculations do not always add up.

Income statement
Group

SEK THOUSAND	NOTE	2021	2020
Net sales	2, 4, 5	385 500	414 418
Cost of goods sold		-209 238	-204 618
Gross profit/loss		176 262	209 800
Selling expenses		-92 986	-79 844
Administration costs		-29 126	-24 716
Development costs		-63 401	-66 300
Operating profit	6–12	-9 251	38 939
Financial income	13	5 675	348
Financial expenses	14	-15 398	-3 285
Financial items - net		-9 724	-2 937
Profit (loss) before tax		-18 974	36 002
Income tax	15	-1 978	-2 824
Net result for the year, attributable to shareholders of the Parent Company		-20 952	33 178

Statement of comprehensive income

SEK THOUSAND	2021	2020
Profit (loss) for the year	-20 952	33 178
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translation's difference	1 482	-6 712
Total other comprehensive income	1 482	-6 712
Total comprehensive income for the year	-19 470	26 466

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

Balance sheet
Group

SEK THOUSAND	NOTE	2021-12-31	2020-12-31
ASSETS	2, 9, 22		
Non-current assets			
Intangible assets	10, 17	102 432	118 682
Property, plant, and equipment	10, 11, 18	6 439	10 171
Financial assets	20	1 392	1 196
Total non-current assets		110 263	130 049
Current assets			
Inventories	21	228 260	191 772
Accounts receivable	23	115 088	111 326
Tax receivables	23	570	1 044
Other receivables	23	9 667	15 933
Prepaid expenses and accrued income		2 498	3 108
Restricted cash	29	965	965
Cash and cash equivalents		100 837	47 621
Total current assets		457 885	371 769
TOTAL ASSETS		568 148	501 818
EQUITY AND LIABILITIES	2, 3, 22		
Equity			
Share capital	24	21 584	21 584
Other contributed capital		405 100	405 100
Reserves		-2 217	-3 698
Retained earnings including profit (loss) for the year		-335 770	-314 819
Total equity		88 697	108 168
Non-current liabilities			
Borrowings	25	21 750	36 250
Leasing liabilities	11, 26	340	3 493
Other non-current liabilities	11, 26	358	3 237
Total non-current liabilities		22 448	42 980
Current liabilities			
Accounts payable		73 209	72 537
Tax liabilities		715	56
Borrowings	25	126 705	101 670
Other current liabilities	11, 26	3 952	4 100
Leasing liabilities	11, 26	8 376	12 402
Current provisions	27	222 077	138 676
Accrued expenses and deferred income	28	21 969	21 230
Total current liabilities and provisions		457 003	350 670
TOTAL EQUITY AND LIABILITIES		568 148	501 818

Consolidated statement of changes in equity
Group

	SHAREHOLDERS OF THE PARENT COMPANY				
SEK thousand	**Share capital**	**Other contributed capital**	**Reserves**	**Retained earnings**	**Total equity**
Opening equity, 1 January 2020	21 584	405 100	3 014	-347 997	81 701
Profit (loss) for the year	-	-	-	33 178	33 178
Translation's difference	-	-	-6 712	-	-6 712
Total other comprehensive income, net after tax	-	-	-6 712	-	-6 712
Total comprehensive income	-	-	-6 712	33 178	26 466
Transactions with shareholders 2020					
Total transactions with shareholders	-	-	-	-	-
Closing equity, 31 December 2020	21 584	405 100	-3 699	-314 819	108 167
Opening equity, 1 January 2021	21 584	405 100	-3 699	-314 819	108 167
Profit (loss) for the year	-	-	-	-20 952	-20 952
Translation differences	-	-	1 482	-	1 482
Total other comprehensive income, net after tax	-	-	1 482	-	1 482
Total comprehensive income	-	-	1 482	-20 952	-19 470
Transactions with shareholders 2021					
Total transactions with shareholders	-	-	-	-	-
Closing equity, 31 December 2021	21 584	405 100	-2 217	-335 770	88 697

Consolidated cash flow statement

Group

SEK THOUSAND	NOTE	2021	2020
Operating activities			
Operating profit (loss)		-9 251	38 939
Interest paid		-9 517	-5 488
Taxes paid		-872	-3 854
Adjustment for items not included in cash flow, etc	30	141 800	55 033
Cash flow from operating activities before changes in working capital		122 160	84 630
Cash flow from changes in working capital			
Inventories		-54 100	-59 122
Operating receivables		4 826	14 631
Operating liabilities		-18 558	-2 906
Cash flow from operating activities		54 329	37 233
Investing activities			
Acquisition of intangible assets	17	-9 262	-19 966
Acquisition of property, plant and equipment	18	-190	-284
Cash flow from investing activities		-9 451	-20 250
Financing activities			
Repaid convertible debt	25	-	-60 500
Borrowings	25	-	54 000
Repayment of loan	25	-14 500	-3 250
Issued overdraft facility (inventory credit)	25	25 000	15 000
Repayment of overdraft facility (inventory credit)	25	-	-15 069
Payment of lease liabilities	26	-3 427	-7 808
Repayment of invoice credit	25	-10	-7 380
Other cash flow from financing activities		45	-
Cash flow from financing activities		7 108	-25 007
Cash flow for the year		51 986	-8 025
Cash and cash equivalents at beginning of year		47 621	56 880
Exchange rate differences in cash and cash equivalents		1 230	-1 234
Cash and cash equivalents at year-end		100 837	47 621

Income statement
Parent Company

SEK THOUSAND	NOTE	2021	2020
Net sales	2, 4, 5	370 979	399 066
Cost of goods sold		-209 238	-204 618
Gross profit/loss		161 741	194 448
Selling expenses		-87 518	-73 434
Administration costs		-27 773	-23 118
Development costs		-64 529	-68 287
Operating profit (loss)	6–12	-18 079	29 609
Financial income	13	5 516	522
Financial expenses	14	-15 324	-6 256
Financial items - net		-9 808	- 5 734
Profit (loss) before tax		-27 887	23 876
Income tax	15	-	-
Profit (loss) for the year		-27 887	23 876

Statement of comprehensive income

SEK THOUSAND	2021	2020
Profit (loss) for the year	-27 887	23 876
Other comprehensive income		
Items that may be reclassified to profit or loss	-	-
Total other comprehensive income	-	-
Total comprehensive income for the year	-27 887	23 876

Balance sheet
Parent Company

SEK THOUSAND	NOTE	2021-12-31	2020-12-31
ASSETS	29, 2		
Non-current assets			
Intangible assets	10, 17	99 685	115 688
Property, plant, and equipment	10, 18	16	125
Participations in Group companies	19	8 842	15 680
Other non-current liabilities	20	-	0
Total non-current assets		108,543	131 493
Current assets			
Inventories	21	228 260	191 766
Accounts receivable	23	38 765	54 811
Receivables from Group companies	23	26 257	40 461
Tax receivables	23	570	1 044
Other receivables	23	5 093	3 535
Prepaid expenses and accrued income		1 164	2 135
Restricted cash	29	965	965
Cash and bank		11 201	19 729
Total current assets		312 275	314 446
TOTAL ASSETS		420 818	445 939
EQUITY AND LIABILITIES	2,3		
Equity			
Share capital	24	21 584	21 584
Fund for development expenditures		17 849	17 220
Total restricted equity		39 433	38 804
Non-restricted equity	33		
Share premium reserve		383 842	384 471
Retained earnings		-359 199	-383 075
Profit (loss) for the year		-27 887	23 876
Total non-restricted equity		-3 244	25 272
Total equity		36 189	64 076
Non-current liabilities			
Borrowings	25	21 750	36 250
Other non-current liabilities	26	358	3 237
Total non-current liabilities		22 108	39 487
Current liabilities			
Accounts payable		13 474	41 452
Liabilities to Group companies		200 634	170 404
Borrowings	25	126 705	101 670
Other current liabilities	26	7 257	11 260
Accrued expenses and deferred income	28	14 451	17 591
Total current liabilities		362 521	342 376
TOTAL EQUITY AND LIABILITIES		420 818	445 939

Statement of changes in equity
Parent Company

SEK thousand	RESTRICTED EQUITY		UNRESTRICTED EQUITY		
	Share capital	Fund for development projects	Share premium reserve	Retained earnings	Total Equity
Opening equity, 1 January 2020	21 584	12 557	389 134	-383 075	40 200
Profit (loss) for the year	-	-	-	23 876	23 876
Total other comprehensive income, net after tax	-	-	-	-	-
Total comprehensive income	-	-	-	23 876	23 876
Transactions with shareholders 2020					
Transfer of fund for development projects	-	4 664	-4 664	-	-
Total transactions with shareholders	-	4 664	-4 664	-	-
Closing equity, 31 December 2020	21 584	17 220	384 471	-359 199	64 076
Opening equity, 1 January 2021	21 584	17 220	384 471	-359 199	64 076
Profit (loss) for the year	-	-	-	-27 887	-27 887
Total other comprehensive income, net after tax	-	-	-	-	-
Total comprehensive income	-	-	-	-27 887	-27 887
Transactions with shareholders for 2021					
Transfer of fund for development projects	-	629	-629	-	-
Total transactions with shareholders	-	629	-629	-	-
Closing equity, 31 December 2021	21 584	17 849	383 842	-387 086	36 189

Cash flow statement
Parent Company

SEK THOUSAND	NOTE	2021	2020
Operating activities			
Operating profit (loss)		-18 079	29 609
Interest paid		-9 806	-2 188
Taxes refunded/paid		474	-541
Adjustment for items not included in cash flow	30	38 233	33 715
Cash flow from operating activities before changes in working capital		10 822	60 594
Cash flow from changes in working capital			
Inventories		-54 100	-59 122
Operating receivables		37 819	2 553
Operating liabilities		-4 585	11 334
Cash flow from operating activities		-10 043	15 359
Investing activities			
Acquisition of intangible assets	17	-9 017	-19 744
Cash flow from investing activities		-9 017	-19 744
Financing activities			
Repaid convertible debt	25	-	-60 500
Borrowings		-	54 000
Repayment of loan		-14 500	-3 250
Issued overdraft facility (inventory credit)	25	25 000	15 000
Repayment of overdraft facility (inventory credit)		-	-15 069
Repayment of invoice credit	25	-10	-4 145
Other cash flow from financing activities		45	-
Cash flow from financing activities		10 535	-13 964
Cash flow for the year		-8 526	-18 350
Cash and cash equivalents at beginning of year		19 729	37 573
Exchange rate differences in cash and cash equivalents		-2	505
Cash and cash equivalents at year-end		11 201	19 729

Note 1 Accounting policies

General information

Bluefish Pharmaceuticals AB (publ) (the parent company) and its subsidiaries (the Group as a whole) develop and market generic drugs via a network consisting of independent wholesalers and pharmacies. The parent company is a limited company registered with its registered office in Stockholm. The address of the head office is Gävlegatan 22, 113 30 Stockholm. On April 22, 2022, 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 International Financial Reporting Standards (IFRS) as adopted by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 and the Annual Accounts Act have been applied. The consolidated financial statements have been prepared in accordance with the acquisition value method, unless otherwise stated below. The Parent Company's accounts are prepared in accordance with the same accounting principles as for the Group, except for what is described in the section Parent Company's accounting principles.

Prerequisites for preparation of the financial statements

The parent company's functional currency is Swedish kronor, which is also the reporting currency for the parent company and the group. This means that the financial reports are presented in Swedish kronor. All amounts are, unless otherwise stated, rounded to the nearest thousand.
Fixed assets and long-term liabilities essentially consist of values that are expected to be recovered or paid after more than twelve months from the balance sheet date. Preparing financial statements in accordance with IFRS requires management to make some important assessments, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, net sales, and expenses. The areas that include a high degree of assessment, which are complex or such areas where assumptions and estimates are significant for the consolidated accounts are described in Note 2. Estimates and assessments are reviewed regularly. Changes in estimates are reported in the period in which the change is made if the change has only affected this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.
The accounting principles set out below have been applied consistently to all years presented, unless otherwise stated below. The Group's accounting principles have been applied consistently to the reporting and consolidation of subsidiaries. Some comparative figures have been reclassified to comply with the presentation in the current annual reports. In cases where the reclassification refers to significant amounts, special information is provided.

New or amended reporting standards during the 2021 financial year

No new or updated accounting standards and interpretations enter into force for fiscal years commencing 1 January 2021 has had any significant impact on the financial statements of the Group or the parent company.

Non-applicable standards

As allowed by IFRIC in respect of unlisted companies, Bluefish does not apply IFRIC 8,

Consolidation principles

Subsidiaries are companies that are under a controlling influence from Bluefish Pharmaceuticals AB. Controlling influence directly or indirectly means a right to formulate a company's financial and operational strategies, which normally means that the parent company owns more than 50 percent of the voting rights for all shares and participations. In assessing whether a controlling influence exists, potential voting shares that are currently possible to exercise or convert are considered.
Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.
The acquisition method is used to report the Group's business acquisitions. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets and liabilities that the Group incurs from previous owners of the acquired company.

The purchase price also includes the fair value of all assets or liabilities that are a consequence of an agreement on a contingent purchase price. Identifiable assets acquired and liabilities assumed in a business combination are initially valued at fair value on the acquisition date. Acquisition-related costs are expensed when they arise. Goodwill is initially valued as the amount by which the total purchase price and fair value of non-controlling interests exceed the fair value of identifiable acquired assets and assumed liabilities. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is reported directly in the income statement.
Intra-group receivables and liabilities, income, and expenses as well as unrealized gains and losses arising from intra-group transactions between Group companies are eliminated in their entirety in the preparation of the consolidated accounts.
Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no need for impairment.

Translation of foreign currency

Transactions in foreign currency have been translated into functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange rate differences that arise are reported in the profit for the period. The consolidated financial statements have been prepared in Swedish kronor (SEK), which is the parent company's functional currency and presentation currency.
The balance sheets of foreign subsidiaries have been translated to SEK at the exchange rate on the balance sheet date. The income statements have been recalculated at the average exchange rate for the year. The translation difference that arises in connection with the currency translation is recognized 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 transferred to a business within the Group with another functional currency later. Conversion to reporting currency takes place in the same way as for foreign subsidiaries.
Applied exchange rates relative to the Group's reporting currency (SEK):

		Average rate		Closing day rate	
Country	**Currency**	**2021**	**2020**	**2021**	**2020**
Denmark	DKK	1,3641	1,4068	1,3753	1,3492
EU countries	EUR	10,1449	10,4867	10,2269	10,0375
India	INR	0,1160	0,1245	0,1216	0,1117
Norway	NOK	0,9980	0,9786	1,0254	0,9546
Poland	PLN	2,2228	2,3621	2,2279	2,2166

In the event of a divestment, in whole or in part, of a foreign operation, the exchange rate differences, which were previously recognized in other comprehensive income, are reported in the profit for the period as part of the gain or loss on the divestment.

Proceeds

Net sales are income from the delivery of goods, after deductions for discounts and returns, excluding VAT. Sales of goods are reported when a Group company has delivered goods to the customer, the financial benefits and risks associated with the goods have essentially been transferred to the customer, and when payment of associated receivables is available with reasonable certainty. Bluefish revenues are reported in accordance with IFRS 15 Revenues from agreements with customers. According to IFRS 15, revenue must be reported when the customer gains control of goods or services sold. Bluefish's revenues essentially consist of revenues from the sale of goods and the performance commitment is fulfilled at some point.
The Group markets and sells a selection of generic pharmaceutical preparations, primarily in the wholesale market. Sales of goods are reported as revenue when a group company has delivered products to a wholesale company, the wholesale company can choose the sales channel and price for the product at its own discretion and there is no unfulfilled obligation that could affect the wholesale company's approval of the products. Delivery does not occur until the products have been sent to the specified location, the risks of obsolescence and loss have been transferred to the wholesale company and either the wholesale company has approved the products in accordance with the sales agreement, the terms of approval have expired, or the group has objective evidence that all approval criteria have fulfilled.
In the wholesale market, pharmaceuticals are often sold with a quantity discount and customers have the right to return products. Sales revenues are reported based on the

price stated in the sales agreement, net after estimated quantity discounts and returns at the time of the sale. Gathered experience is used to assess and reserve for discounts and returns. No financing component is deemed to exist as the sale takes place with a credit period of a maximum of 60 days, which is in accordance with market practice.
See also Note 2 Estimates and assessments

Taxes

The Group's total income tax includes tax to be paid or received for the current year, adjustments for previous years' current tax and changes in deferred tax. The current tax cost is calculated based on the tax rules that are decided on the balance sheet date or in practice decided in the countries where the parent company's subsidiaries are active and generate taxable income. For items reported in the income statement, related tax effects are also reported in the income statement. Tax effects of items that are reported directly against equity are reported against equity. Deferred tax is calculated based on temporary differences between reported and taxable values of assets and liabilities. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and tax rules decided on the balance sheet date. If the calculations lead to a deferred tax asset arising, this is reported as an asset only if it is probable that it will be realized.

Intangible assets

Development costs

Expenses incurred in development projects attributable to own generation of generic products are reported as intangible assets, provided that the probability of future economic benefit and economic life is assessed as high. An intangible asset is reported only to the extent that the product can be sold in existing markets and resources are available to complete the development. Only the costs that are directly attributable to the development of the new product are capitalized.
Other development expenses that do not meet these conditions are reported as costs when they arise. Development expenses that have previously been reported as an expense are not reported as an asset in a subsequent period. Capitalized development costs will be amortized over the useful life, which is estimated to be 10–15 years, according to the linear method.

Licenses and market approvals

Expenses incurred in own development projects of generic products are reported as intangible assets, provided that the probability of future economic benefit and economic life is assessed as high. An intangible asset is reported only to the extent that the product can be sold in existing markets and resources are available to complete the development. Only the costs that are directly attributable to the development of the new product are capitalized.
Other development expenses that do not meet these conditions are reported as costs when they arise. Development expenses that have previously been reported as an expense are not reported as an asset in a subsequent period. Capitalized development costs will be amortized over the useful life, which is estimated to be 10–15 years, according to the linear method.

Software and trademarks

Acquired software licenses are capitalized based on acquisition and implementation fees. The fees are amortized on a straight-line basis over the useful life, which is 4-10 years.

Impairment of intangible Assets

Intangible assets are tested for possible impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable, but at least once a year. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are separately identifiable cash flows (cash-generating units), which typically consists of a license right or in-house developed product and associated market approval for a specific geographic market.

Tangible fixed assets

Tangible fixed assets mainly comprise equipment and computers and are reported at acquisition value less accumulated depreciation. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset. Additional expenses for improvements in the assets' performance, in addition to the original level, increase the asset's carrying amount. All other forms of repairs and maintenance are reported as expenses in the income statement during the period in which they arise. Tangible fixed assets are amortized on a straight-line basis over the assets' estimated useful life, which amounts to 3–5 years.

Impairment of non-current assets

On each balance sheet date, the Group assesses whether there is any indication that a fixed asset has decreased in value. If this is the case, the Group assesses the asset's recoverable amount. Recoverable value refers to the higher of an asset's fair value, less costs to sell, and its value in use. The value in use consists of the present value of the estimated future cash flows attributable to the asset. The asset is written down by the amount to which the asset's carrying amount exceeds the recoverable amount. The discount rates reflect the cost of capital and other financial parameters in the country or region where the asset is used.

Leasing agreement

Leasing agreements are reported in accordance with IFRS 16. Bluefish applies the relief rules regarding short-term leasing agreements and leasing agreements where the underlying asset is of low value. Expenses that arise in connection with these leasing agreements are reported on a straight-line basis over the leasing period as operating expenses in the income statement. At the conclusion of an agreement, Bluefish determines whether the agreement is, or contains, a leasing agreement based on the substance of the agreement. An agreement is, or contains, a leasing agreement if the agreement leaves the right to decide for a certain period on the use of an identified asset in exchange for compensation.

Leasing liabilities

Leasing liabilities are initially valued at the present value of the leasing fees that have not been paid at the commencement date. The balance sheet items other long-term liabilities and other current liabilities include these liabilities.
The leasing period is determined as the non-cancellable period together with periods to extend or terminate the agreement if Bluefish are reasonably sure of exercising those options. When assessing the leasing period when there are opportunities for extension and termination, both business strategy and contract-specific conditions are considered to determine whether the Group is reasonably safe to exercise the options.
Leasing payments include fixed payments (after deduction of any benefits in connection with the signing of the leasing agreement), variable leasing fees that depend on an index or a price, and amounts that are expected to be paid according to residual value guarantees.
The lease payments also include the exercise price of an option to purchase the underlying asset or penalties payable upon termination if Bluefish is reasonably certain to exercise these options. Variable leasing fees that are not due to an index or a price are reported as an expense in the period to which they are attributable.
For present value calculation of leasing payments, the implicit interest rate is applied in the agreement if it can be easily determined, in other cases the marginal borrowing interest rate is used for the leasing agreement. After the commencement date of a lease, the lease liability increases to reflect the interest on the lease liability and decreases with the lease payments paid. In addition, the lease liability is revalued because 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 reports usufruct assets in the balance sheet at the commencement date of the leasing agreement. The usufruct assets are included in the balance sheet on the line for property, plant and equipment.
Rights of use are valued at acquisition value after deductions for accumulated depreciation and any write-downs and adjusted for revaluations of the lease liability. The acquisition value includes the initial value reported for the attributable leasing liability, initial direct expenses, any advance payments made on or before the commencement date of the leasing agreement after deduction of any incentives received, and an estimate of any restoration costs.
Provided that Bluefish are not reasonably certain that they will take over ownership of the underlying asset at the end of the lease, the asset is amortized on a straight-line basis over the shorter of the lease term and the useful life.

Inventories

Inventories are valued at the lower of cost and net realizable value. The acquisition value is calculated by applying the weighted average method and includes expenses that have arisen in connection with the acquisition and transport of the inventory assets. The net sales value is the estimated sales price in operating activities, less applicable variable sales costs. Impairment of inventories takes place within the framework of normal business operations and is reported in the cost of goods sold. See also Note 2 Estimates and assessments.

Financial instruments

Financial instruments are reported in the balance sheet when the Group becomes a party in accordance with the instrument's contractual terms. A claim is taken up when the company has performed and there is a contractual obligation for the counterparty to pay. A debt is taken up when the counterparty has performed and there is a contractual obligation to pay. The business model for which the financial asset or liability was acquired or entered, and the nature of the contractual cash flows are decisive for the classification. The Group has financial assets and liabilities that are classified in the following categories:

a) financial assets at accrued acquisition value
b) financial liabilities at accrued acquisition value

Purchases and sales of financial assets are reported on the business day - the date on which the Group commits to buy or sell the asset. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership. During the financial year or the comparative year, the Group did not have any financial instruments that are valued at fair value, either through profit or loss or other comprehensive income.

Financial assets measured at amortised cost

Financial assets classified at accrued acquisition value are initially valued at fair value with the addition of transaction costs. After the first reporting opportunity, the assets are valued according to the effective interest method. Assets classified at accrued acquisition value are held according to the business model to collect contractual cash flows that are only payments of capital amounts and interest on the outstanding capital amount. Assets in this category are classified as current assets if they are expected to be settled within twelve months, otherwise they are classified as non-current assets.

Financial assets valued at accrued acquisition value are covered by reserves for expected credit losses. Impairment losses on credit losses are made forward-looking and a loss provision is made when there is an exposure to credit risk, usually at the first reporting date. Expected credit losses reflect the present value of all deficits in cash flows attributable to losses either for the next 12 months or for the expected remaining maturity of the financial instrument, depending on asset class and on credit deterioration since the first reporting date.

Financial liabilities measured at amortised cost

Financial liabilities reported at accrued acquisition value are initially valued at fair value including transaction costs. After the first reporting occasion, they are valued at accrued acquisition value according to the effective interest method. Financial liabilities shall be divided into current and non-current liabilities. A financial liability shall be classified as current if it:

is due for payment within twelve months from the balance sheet date, or
is expected to be paid within the normal course of the company's business cycle.
All other financial liabilities must be classified as long-term.

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 blocked funds that are not included in cash and cash equivalents.

Share capital

Ordinary shares are classified as equity. Transaction expenses that can be directly attributed to the issue of new shares or options are reported, net after tax, in equity as a deduction from the issue proceeds.

Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the day-to-day operations from suppliers. Accounts payable are classified as current liabilities if they fall due within a year or earlier. If not, they are recognized as long-term liabilities. Accounts payable are initially reported at fair value and thereafter at accrued acquisition value with application of the effective interest method.

Borrowing

Borrowings are initially reported at fair value, net of transaction costs. Borrowing is then reported at accrued acquisition value and any difference between the amount received (net after transaction costs) and the repayment amount is reported in the income statement distributed over the loan period, applying the effective interest method. This amount is reported as a liability at accrued acquisition value until the liability ceases through conversion or redemption. The remaining part of the amount received is attributed to the option part. This is reported in equity, net after tax. Overdraft credit (inventory credit) and invoice credit are reported as borrowing among current liabilities in the balance sheet.

Other liabilities

Other liabilities are classified as current liabilities if they fall due within a year or earlier. If not, they are recognized as long-term liabilities. Other liabilities mainly consist of liabilities that have arisen in connection with the purchase of license rights. Payment of license rights takes place at agreed milestones, usually depending on the process of market approval. Other liabilities are initially reported at fair value and thereafter at accrued acquisition value with application of the effective interest method.

Parent company

The parent company's annual report has been prepared in accordance with the Annual Accounts Act (1995: 1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. RFR 2 means that the parent company must apply all IFRS, and statements approved by the EU as far as this is possible within the framework of the Annual Accounts Act and regarding the connection between accounting and taxation. The recommendation states which exceptions from IFRS, and additions are to be made. The difference between the Group's and the Parent Company's accounting principles is shown below.

The stated accounting principles for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial reports.

Subsidiary

Shares and participations in subsidiaries are reported at acquisition value after deductions for any write-downs. The acquisition value includes acquisition-related costs and any additional purchase consideration. Dividends received are reported as financial income.

When there is an indication that shares and participations in subsidiaries have decreased in value, a calculation is made of the recoverable amount. If this is lower than the carrying amount, a write-down is made. Impairment losses are reported in the items Profit from participations in Group companies.

Group contributions and shareholder contributions

Group contributions that have been provided or received by the Parent Company, for the purpose of minimizing the Group's total tax, are reported in accordance with the alternative rule as appropriations.

Shareholder contributions provided by the parent company are reported in shares and participations and tested for impairment in accordance with the above.

Tangible fixed assets

Tangible fixed assets in the Parent Company are reported at acquisition value after deductions for accumulated depreciation and any write-downs in the same way as for the Group, but with additions for 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 reported as an expense on a straight-line basis over the leasing period, and that usufruct assets and leasing liabilities are not included in the parent company's balance sheet. However, identification of a leasing agreement is made in accordance with IFRS 16, i.e., that an agreement is, or contains, a leasing agreement if the agreement leaves the right to decide for a certain period on the use of an identified asset in exchange for compensation.

Remuneration to employees

Bluefish only has defined contribution pension plans. The company's obligations regarding contributions to defined contribution plans are reported as an expense in the income statement at the rate at which they are earned by the employees' performing services for the company for a period.

Funds for development expenditures

Companies that capitalize development expenses in their balance sheet must set aside the corresponding amount in a restricted fund within equity. The fund is dissolved at the same rate as the company makes depreciation or write-downs on the capitalized development costs. The fund will also be dissolved in connection with the company selling the asset.

Note 2 Estimates and judgements

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

The description of accounting principles indicates the areas where assessments and calculations need to be made. Considering the Group's operations, the management of Bluefish Pharmaceuticals considers that the most important of these relate to revenue recognition, accounting of inventories and review of impairment requirements for intangible fixed assets.

Net sales

The company's gross sales consist of the number of packages delivered during a specific period at the price prevailing in each market. According to the prevailing practice in the pharmaceutical industry, gross sales are covered by various deductions, which include discounts and deductions to authorities, wholesalers, and health insurance companies, as well as returns. These deductions represent assessments of the related liabilities, which in turn requires the company to make an estimate regarding the effect on sales for a certain reporting period. For reporting net sales, deductions are thus made for these estimates from gross sales. The assessment of the need for such a deduction is made for each individual transaction. There is usually a time lag of several months from the time of the estimate of the deduction and the final recognition of the obligation. Net sales in turn represent our best estimate of the revenue that will be received.

Deductions for discounts and returns

Discounts arise when the Group has an agreement with an indirect customer, such as a purchasing organization or a health insurance company, to sell products at a price that is lower than what is 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 that corresponds to our estimate of the discount that is attributable to a particular sale. Reserves for estimated discounts are calculated using a combination of factors, including terms for individual contracts, historical experience, and expected product growth. When we sell an item on the wholesale market where the customer has the right to return products, a reserve is estimated for estimated returns that are based on expected changes in market conditions and the product's remaining durability. The scope of returns is limited and often takes place within the same month.

In some markets, the company offers cash discounts to encourage customers to pay on time. Cash discounts are reserved at the time of invoicing and corresponding deductions are made from gross sales.

The company adjusts the reserves for deductions from gross sales regularly to reflect actual values. To evaluate the adequacy of the reserves, the company uses internal and external estimates of inventory levels, actual discount invoices received and the time delay from the sale of goods to the receipt of such discount invoice.

Inventory obsolescence

The company's purchases of new goods are based on expected sales volumes and prices. In most markets, wholesalers require a remaining shelf life of at least six months for all deliveries. Based on historical sales and forecast volumes, the company makes continuous assessments of whether there is a risk of impairment due to too short a 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 a cost of goods sold. Reconciliation against actual destruction of inventories takes place on an ongoing basis.

Intangible assets

The Group's intangible assets mainly consist of license rights, market approval and products under development. All intangible assets are tested continuously with regard to impairment. The Group then assesses whether there is any indication that an asset has decreased in value. Assessment of whether there is an indication is based on the asset's forecast contribution to the result. If the asset's contribution to the result is low, the Group makes an assessment of the asset's recoverable amount. Recoverable value refers to the higher of an asset's fair value, less costs to sell, and its value in use. In most cases, the necessary market information is lacking to estimate the fair value of the asset. Thus, the value in use is used to assess the value of the asset. 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 development, forecast sales and margins, future tax rates, and discount rates. The discount rate used in the present value calculation of the expected future cash flows is the currently weighted capital costs (WACC) determined within the Group. With respect to the comprehensive assumptions, actual cash flows may deviate significantly from the values obtained from the forecast cash flows. In cases where the asset's carrying amount exceeds the recoverable amount, the asset is written down by the corresponding amount. All write-downs are reported immediately in the income statement. Intangible fixed assets relating to the company's development projects for which development is interrupted are examined for impairment at the end of the year and are depreciated at their fair value (which is usually zero).

Income taxes

Deferred tax assets are calculated on the basis of estimated future utilization of accumulated consolidated loss carryforwards. Deferred tax assets relating to loss carryforwards are not reported as an asset for the time being.

The war in Ukraine

The war in Ukraine is not considered to have any immediate impact on Bluefish and has not to date affected the supply chain of medicines. As Bluefish is dependent on our subcontractors, we receive regular updates on the situation. Neither Ukraine nor Russia are direct raw material suppliers to Bluefish subcontractors and the impact of the war on our delivery capacity is currently very limited. The company has no direct connections or supply to these countries. If a general shortage of raw materials occurs in the world, side effects on the pharmaceutical industry and Bluefish cannot be ruled out

Note 3 Financial risk management

Through its operations, the Group is exposed to a variety of financial risks: currency risk, interest rate risk in cash flows and fair values, credit risk, liquidity risk and capital risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on the Group's financial results.
Risk management is managed by a central finance department in accordance with policies established by the Board. The finance function identifies, evaluates, and hedges financial risks in close collaboration with the Group's operating units. The Board draws up written policies both for the overall 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 excess liquidity.

Currency risk

The Group operates internationally and is exposed to currency risks that arise from various currency exposures, especially regarding the euro. Currency risk arises through future business transactions, reported assets and liabilities and net investments in foreign operations.
If the Swedish krona had weakened / strengthened by 10 percent in relation to the euro with all other variables constant, the effect on the reported value of assets and liabilities as of 31 December 2021 would have been SEK 4,643 thousand (2,478) higher / lower, to mostly because of gains / losses on translation of receivables and liabilities in euros.
As of the balance sheet date, unrealized exchange rate losses of SEK -8,008 thousand (-9,507) have been recognized in the income statement.

Interest rate risk regarding cash flows and fair values

As the Group does not hold any significant interest-bearing assets, the Group's revenues and cash flow from operating activities are essentially independent of changes in market interest rates.
The Group's interest rate risk arises through long-term borrowing. Borrowing with variable interest rates exposes the Group to interest rate risk regarding cash flow. Borrowing with a fixed interest rate exposes the Group to interest rate risk regarding fair value. The operating credit, the stock credit, runs with a variable interest rate. Other liabilities to credit institutions run at a fixed interest rate. The fair value of these corresponds to the reported amounts because the discounting effect is insignificant, and the credit risk has not changed significantly since the loans were taken out.

Credit risk

Credit risk is managed at Group level. Credit risk arises through receivables from banks and financial institutions as well as credit exposures to wholesalers, including outstanding receivables and agreed transactions. The credit risk in accounts receivable is relatively limited in view of the fact that the Group's customer base is dispersed and mainly consists of large customers. Customers are subject to credit review and the balance of receivables is monitored on an ongoing basis. Only banks and financial institutions that have received the lowest credit rating of AAA from independent valuers are accepted. The Group's main bank as of the balance sheet date was Skandinaviska Enskilda Banken AB (publ), SEB. As of December 31, 2021, the Group's balance with SEB amounted to SEK 94,820 thousand (37,902) of the Group's total balance of SEK 100,837 thousand (47,621). If wholesalers have been credit-rated by independent valuers, these assessments are used. In cases where there is no independent credit assessment, a risk assessment is made of the customer's creditworthiness where his financial position is taken into account, as well as previous experience and other factors. Individual risk limits are determined based on internal or external credit assessments in accordance with the limits set by the Board. The use of credit limits is monitored regularly.
Bluefish has an agreement with SEB on an operating credit that will meet the company's increased need for working capital. As of 31 December 2021, the operating credit includes SEK 112 million with the Nordic warehouse as collateral. The company also has an agreement with SEB on a long-term loan of SEK 36.2 million as of last December, which is repaid with SEK 14.5 million per year and has a final maturity date of 30 June 2024. The loans with SEB are conditional on an ownership and dividend clause and on the Group maintaining available liquidity of at least SEK 5 million, a consolidation rate at Group level of at least 15%, that the parent company's equity in relation to the share capital may not be less than 1.2 and that Net debt / EBITDA must not exceed 3.0 (and must not exceed 2.5 at the maturity of the bank loan). All conditions have been met in 2021.

Liquidity risk

Cash flow forecasts are prepared regularly. The Group's central finance department closely monitors rolling forecasts for the Group's liquidity reserve to ensure that the Group has sufficient cash to meet the needs of current operations, while at the same time retaining sufficient space on agreed credit facilities that are not utilized.
The table below analyses the Group's financial liabilities, broken down by the time remaining on the balance sheet date until the contractual maturity date. The amounts stated in the table are the contractual, undiscounted cash flows.
The warehouse credit and the invoice credit do not take any interest into account as the interest rate is difficult to estimate due to fluctuations in the debt between the months. The operating credit signed with SEB is an ongoing agreement that runs as long as there is a Nordic warehouse to pledge with a notice period of 3 months for both parties. According to the agreement with SEB, the Nordic warehouse may be pledged to a value of 65 percent of AIP (Apotekens Inköps Pris).

	Less than 1 year	Between 1 and 2	Between 2 and 5	More than 5 years
As of 31 December 2021,				
Inventory credit	112 205	-	-	-
Liabilities to credit institu-	14 500	14 500	7 250	-
Accounts payable and other liabilities	73 209	-	-	-
Leasing liability	3 952	340	-	-
As of 31 December 2020,				
Inventory credit	87 160	-	-	-
Invoice discounting	10	-	-	-
Liabilities to credit institu-	14 500	14 500	21 250	-
Accounts payable and other liabilities	72 537	-	-	-
Leasing liability	4 100	3 493	-	-

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 to keep capital costs down. 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 equivalens.

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

	2021	2020
Total borrowings	148 455	137 920
Less cash and cash equivalents	-100 837	-47 621
Net debt	47 618	90 299
Total equity	88 697	108 168
Debt/equity ratio	54%	83%

Note 4 Revenue from contracts with customers

Net sales are distributed across geographic markets as follows:

Group

2021	Goods for the period	Tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic	Northern Europe	Southern Europe	Nordic region	Northern Europe	Southern Europe	Rest of the world	Northern Europe	Southern Europe	
Revenue per geographic market	94 675	122 120	23 715	13 857	11 845	1 741	8 604	105 849	3 093	385 500
When revenue is recognised										
At one point in time	94 675	122 120	23 715	13 857	11 845	1 741	8 604	105 849	3 093	385 500
Over time	-	-	-	-	-	-	-	-	-	-
	94 675	122 120	23 715	13 857	11 845	1 741	8 604	105 849	3 093	385 500

2020	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 Europe	Southern Europe	
Revenue per geographic market	120 229	113 046	43 987	11 352	14 551	963	14 274	92 289	3 727	414 418
When revenue is recognised										
At one point in time	120 229	113 046	43 987	11 352	14 551	963	14 274	92 289	3 727	414 418
Over time	-	-	-	-	-	-	-	-	-	-
	120 229	113 046	43 987	11 352	14 551	963	14 274	92 289	3 727	414 418

Parent Company

2021	Goods for the period	Tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic	Northern Europe	Southern Europe	Nordic region	Northern Europe	Southern Europe	Rest of the world	Northern Europe	Southern Europe	
Revenue per geographic market	94 675	112 899	23 029	13 857	11 845	1 741	8 604	101 454	2 874	370 979
When revenue is recognised										
At one point in time	94 675	112 899	23 029	13 857	11 845	1 741	8 604	101 454	2 874	370 979
Over time	-	-	-	-	-	-	-	-	-	-
	94 675	112 899	23 029	13 857	11 845	1 741	8 604	101 454	2 874	370 979

2020	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 Europe	Southern Europe	
Revenue per geographic market	120 229	105 463	40 331	11 352	14 551	963	14 274	88 655	3 249	399 066
When revenue is recognised										
At one point in time	120 229	105 463	40 331	11 352	14 551	963	14 274	88 655	3 249	399 066
Over time	-	-	-	-	-	-	-	-	-	-
	120 229	105 463	40 331	11 352	14 551	963	14 274	88 655	3 249	399 066

Note 5 Geographic distribution of net sales

Net sales are distributed across geographic markets as follows:

Group	2021	2020
Nordic region	108 532	131 581
Southern Europe	28 549	48 676
Northern Europe	239 815	219 887
Rest of the world	8 604	14 274
Total	385 500	414 418

Parent Company	2021	2020
Nordic region	108 532	131 581
Southern Europe	28 019	41 293
Northern Europe	225 824	211 919
Rest of the world	8 604	14 274
Total	370 979	399 066

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

Note 6 Remuneration to auditors

Group	2021	2020
Remuneration to auditors EY		
Audit engagement 1) Ernst & Young (EY)	407	1 239
Audit engagement 2) Grant Thornton (GT)	463	
Audit services other than audit engagement	-	169
Tax advice GT	11	
Tax advice EY	564	250
Total	1 445	1 658
Other auditors		
Audit engagement1)	36	197
Auditing work other than audit engagement	255	237
Tax advice	45	29
Total	336	463
	1 782	2 121

Parent Company	2020	2019
Remuneration to auditors EY		
Audit engagement 1) Ernst & Young (EY)	407	1 239
Audit engagement 2) Grant Thornton (GT)	300	
Audit services other than audit engagement	-	169
Tax advice GT	11	
Tax advice EY	564	250
Total	1 282	1 658

Other auditors

Audit engagement1)	230	214
Total	230	214
Sum	1 512	1 872

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.
2) For 2020 Ernst & Young was selected auditor and for 2021 Grant Thornton.

Note 7 Employees and employee benefit expenses

Average number of employees

Group	2021		2020	
	Average number of employees	Of which men	Average number of employees	Of which men
Sweden	22	29 %	30	27%
France	2	50 %	2	56%
Portugal	3	72 %	3	55%
Spain	3	66 %	4	50%
India	74	68 %	71	67%
Germany	5	0 %	4	0%
Poland	10	61 %	10	60%
Ireland	3	67 %	3	67%
Austria	3	33 %	2	46%
Total	124	57 %	129	54%

Parent Company	2021		2020	
	Average number of employees	Of which men	Average number of employees	Of which men
Sweden	22	29 %	30	27%
France	2	50 %	2	56%
Total	24	31 %	32	29%

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

Parent Company	2021		2020	
	Board and CEO	Other employees	Board and CEO	Other employees
Sweden	2 687	18 473	2 426	20 299
Other countries	-	1 918	-	1 091
Total Parent Company	2 687	20 391	2 426	21 390

Subsidiaries	2021		2020	
	Board and CEO	Other employee	Board and CEO	Other employee
India	-	11 175	-	9 599
Other countries	-	21 783		13 891
Total subsidiaries	-	32 958	-	23 490
Total Group	2 687	53 349	2 426	44 881

Salaries, other remuneration, and payroll overhead

	2021		2020	
	Salaries and renumertion[1]	Payroll overhead	Salaries and renumertion[1]	Payroll overhead
Parent Company	23 078	7 160	23 816	6 977
(of which pension expenses)1)		(2 447)		(2 203)
Subsidiaries	32 958	3 628	23 490	2 584
(of which pension expenses)1)		(0)		(0)
Total Group	56 036	10 788	47 307	9 562
(of which pension expenses)1)		(2 447)		(2 203)

1) Of the Group’s and Parent Company’s pension expenses, SEK 524 (302) thousand relates to the Group's Board and CEO.
The Group has only defined contribution pension plans. Pension expenses relate to the cost which affects the earnings for the year.
Bonus payments are a part of salaries to senior executives of SEK 2 640 (2 486) thousands.
See also note 32.

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Note 7 Employees and employee benefit expenses (cont.)

REMUNERATION AND OTHER BENEFITS TO THE BOARD, CEO AND OTHER SENIOR EXECUTIVES

2021	Period	Basic salary/ Directors' fee 1)	Pension expenses	Total
		-	-	-
Chairman, member, Gerald Engström	1 January – 31 December	-	-	-
Chairman, member, Gunilla Spongh	19 May – 31 December	125	-	125
Member, deputy, Eva Sjökvist Saers	1 January – 31 December	100	-	100
CEO, member, deputy, Berit Lindholm	1 January – 31 December	2 462	524	2 986
Other senior executives		5 574	940	6 514
Total		8 261	1 464	9 725

The composition of the board during the year is described in the Director's report.
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.

The salary cost includes bonuses that have been paid to executives of SEK 729 thousand (1 125).

2020	Period	Basic salary/ Directors' fee	Pension expenses	Total
Chairman, Erika Kjellberg Eriksson	1 January – 31 December	-	-	-
Member, Gerald Engström	1 January – 31 December	-	-	-
Member, Karl Karlsson	1 January - February	-	-	-
Member, Eva Sjökvist Saers	20 May – 31 December	50	-	50
CEO Berit Lindholm	1 January – 31 December	2 376	302	2 677
Other senior executives		7 797	568	8 365
Total		10 223	870	11 092

SHAREHOLDINGS OF THE BOARD AND SENIOR EXECUTIVES

2021-12-31	Shares	Holding, %	Votes, %
Gunilla Spongh, chairman	-	-	-
Member, Gerald Engström1)	91 197 408	84,50	84,50
Member, Eva Sjökvist Saers	-	-	-
CEO, Berit Lindholm	70 000	0,06	0,06

1) Privately or via the company

2020-12-31	Shares	Holding, %	Votes, %
Chairman, Erika Kjellberg Eriksson	-	-	-
Member Gerald Engström,1)	51 171 152	52,92	52,92
Member Eva Sjökvist Saers			
CEO, Berit Lindholm	-	-	-

1) Privately or via the company

GENDER BREAKDOWN IN THE BOARD AND MANAGEMENT

Group	2021	2020
Board of Directors		
Men	1	1
Women	3	2
Total	4	3
CEO and senior executives		
Men	4	5
Women	3	2
Total	7	7

Note 8 Options plan

Since the start of Bluefish Pharmaceuticals, there has been an effort to allow employees to take part in the future development of the business, among other things through the opportunity to acquire shares in the company. The allotment of options is determined by the Board, or the committee appointed by the Board, taking into account, among other things, the employee's performance, position within the Group and significance for the Group. The purpose of the option program is to create conditions for retaining and recruiting competent personnel within the Group. At the Annual General Meeting on June 21, 2017, a decision was made to implement an incentive program through the issue of warrants. At the Annual General Meeting on 19 May 2021, a decision was made to extend the program by the last day for redemption until 2023-06-30. As of December 31, 2021, 1,850,000 options have been granted. Below is an account of the option program that is ongoing in the Group. Outstanding options as of December 31, 2021:

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	2023-06-30	7,00	2 000 000	1 850 000	1 850 000

Option plan 2018-2023

At the Annual General Meeting on June 21, 2017, it was decided that an international option program would be introduced for the Group's employees. The option program means that call options that are closely linked to the Group can be granted call options, which entitle the holder to acquire shares in Bluefish Pharmaceuticals AB.

The options are granted at an exercise price corresponding to the estimated market value of Bluefish Pharmaceuticals' share at the time of the issue. The options can be exercised from the date of registration with the Swedish Companies Registration Office until and including 30 June 2023.

As of December 31, 2021, the company's employees held a total of 1,850,000 options, which corresponds to 1,850,000 shares in accordance with the option program.

Of these, 825,000 options have been granted to senior executives, see pages 4–6. The options are not associated with any terms of employment, the employee can keep the options after termination of employment.

Options	2021	2020
Outstanding as of 1 January	900 000	900 000
Allocated during the period	1 025 000	-
Exercised during the period	-100 000	-
Returned during the period	-	-
Outstanding as of 31 December	1 850 000	900 000
Exercisable as of 31 December	150 000	1 100 000

Valuation parameters

For employees who have received options for payment of compensation of less than fair value, the difference between the amount paid and the fair value at the time of allotment is expensed on the service that entitles employees to allotment of options.

The value of employees' service attributable to the fair value of granted options has been reported in the income statement in an amount of SEK 0 (0).

The fair value of allotted warrants is assessed on the day of the allotment using the binomial model, Black-Scholes, which considers the conditions that apply to the allotment. Valuation is performed by independent valuation institutes.

The following table indicates the input data used in the model at the time of issue for each program.

Issue date, option plan 2017-2023	
Anticipated volatility (%)	30
Weighted risk-free rate (%)	0,0
The option's exercise price (SEK)	7
Anticipated term of the option (years)	2
Fair value of the option (SEK)	0,00

Note 9 Allocation of costs by nature of expense

Group	2021	2020
Costs of goods sold	209 238	204 618
Other external expenses	91 834	76 552
Employee benefit expenses	66 824	62 075
Depreciation/amortisation and impairment loss on assets	26 855	32 234
Total	394 751	375 479
Parent Company	**2021**	**2020**
Costs of goods sold	209 238	204 618
Other external expenses	127 954	103 851
Employee benefit expenses	30 238	34 706
Depreciation/amortisation and impairment loss on assets	21 628	26 281
Total	389 058	369 457

Note 10 Depreciation/amortisation and impairment loss

Group	2021	2020
Depreciation, amortisation and impairment by type of asset:		
Licenses	6 287	3 800
Pharmaceutical approvals	12 664	14 544
Development projects	3	0
Completed development projects	2 135	5 365
Other intangible assets	421	2 209
Equipment and computers	918	1 159
Right of use Assets	4 427	5 157
Total	26 855	32 234

Depreciation, amortisation and impairment by function:		
Selling expenses	2 240	6 112
Administration costs	1 737	1 446
Development costs	22 878	24 676
Total	26 855	32 234

Parent Company	2021	2020
Depreciation, amortisation and impairment by type of asset:		
Licenses	6 287	3 800
Pharmaceutical approvals	12 664	14 544
Development projects	3	0
Completed development projects	2 144	5 365
Other intangible assets	421	2 209
Equipment and computers	109	365
Total	21 628	26 283

Depreciation, amortisation and impairment by function:		
Selling expenses	3	864
Administration costs	125	796
Development costs	21 500	24 623
Total	21 628	26 283

Note 11 Leasing

Group	2021-12-31		
Right-of-use Assets	Office space	Motor Vehicles	Total
Carrying amount of beginning of period	6 784	569	7 353
Revaluation of agreements	612	88	701
Depreciation	-4 188	-240	-4 427
Translation difference for the year	176	330	506
Carrying amount at end of period	3 384	748	4 132

Maturity analysis for leasing liabilities is included in Note 3 together with the current maturity analysis for other liabilities.
The total cash flow for leasing during 2021 is SEK 3,427 thousand (7,499).
The total leasing cost in 2021 is SEK 4,629 thousand (6,063), including amortization of SEK 4,427 thousand (5,157), interest expenses on leasing liabilities of SEK 106 thousand (429) and costs relating to low-value assets and short-term leasing agreements of SEK 96 thousand (117).

Parent Company

The total leasing cost for 2021 is SEK 2,217 (2,275) thousand, including office rent of SEK 2,121 (2,158) thousand and other leasing costs of SEK 96 (117) thousand. Future total minimum lease payments for non-cancellable operating leases are as follows:

Parent Company	2021	2020
Within one year of balance sheet date	1 576	1 719
Between 2-5 years from balance sheet date	-	1 576
Total	1 576	3 295

Note 12 Purchases and sales within the Group

Of the total operating expenses for the financial year,12 percent (8) was purchases from Group companies.
Of the total net sales for the financial year, 48 percent (46) was sales to Group companies.

Note 13 Financial income

Group	2021	2020
Interest income on current bank deposits	306	116
Exchange gains	5 369	222
Other financial income	-	10
Total	5 675	348

Parent Company	2021	2020
Intra-Group interest income	147	288
Exchange gains	5 369	224
Other financial income	-	10
Total	5 516	522

Note 14 Financial expenses

Group	2021	2020
Interest expenses bank loans	3 719	3 060
Convertible debt (note 25)	-	2 384
Discounted interest, convertible debt	-	2 182
Leasing (note 11)	106	429
Other interest expenses	784	46
Other financial expenses	2 717	-658
Currency	8 072	-4 607
Total	15 398	3 285

Parent Company	2021	2020
Interest expenses bank loans	3 717	2 946
Convertible debt (note 25)	-	2 834
Discounted interest, convertible debt	-	2 182
Intra-group interest costs	2 459	2 156
Other interest expenses	189	10
Other financial expenses	886	735
Currency	8 072	-4 607
Total	15 324	6 256

Note 15 Income tax

Group	2021	2020
Current tax	-1 999	-2 830
Deferred tax	22	5
Total	-1 978	-2 824

Current tax		
Deferred tax	-18 974	23 876
Tax at the current tax rate	3 909	-5 109
Effect of foreign tax	-777	-3 068
Tax effect of:		
Non-deductible expenses	-18	393
Non-taxable income	-	-
Unrecognised tax assets for loss carry forwards	- 5 112	4 955
Tax on profit for the year according to the income statement	-1 999	-2 830

Parent Company	2021	2020
Current tax	-	-
Deferred tax	-	-
Total	-	-

Current tax		
Profit (loss) before tax	-27 887	23 876
Tax under the prevailing tax rate, 21.4%	5 745	-5 109
Tax effect of:		
Non-deductible expenses	-632	155
Non-taxable income	-	-2
Unrecognised tax assets for loss carry forwards	-5 112	4 957
Tax on profit for the year according to the income statement	-	-

Loss carryforward

Group	2021	2020
Unlimited in time	347 851	323 034
Total	347 851	323 034

Parent Company	2021	2020
Unlimited in time	336 682	311 865
Total	336 682	311 865

Of the Group's total loss carryforwards, SEK 323,034 thousand (323,034) is Group contribution blocked deficits. The loss carryforwards were reduced in 2020 by SEK 65.7 million in the Group and by SEK 63.5 million in the Parent Company due to a change in ownership.
Swedish tax loss carryforwards can be used indefinitely.

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

Earnings per share before dilution are calculated by dividing the earnings attributable to the parent company's shareholders by the weighted average number of outstanding ordinary shares during the period. For the calculation of earnings per share after dilution, the weighted average number of outstanding ordinary shares is adjusted for the dilution effect of all potential ordinary shares. Until June 2020, the parent company had convertible debentures that could lead to a dilution effect. Issued options, see Note 8, have not been calculated to give any dilution effect in 2021 or 2020.

	2021	2020
Profit (loss) for the year attributable to the shareholders of the Parent Company	-20 952	33 191

Earnings per share, SEK		
Basic	-0.19	0,31
Diluted 1)	-0.19	0,31

Average number of shares, thousands		
Basic	107 923	107 923
Convertible debt	-	-
Options	-	-
Diluted	107 923	107 923

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

2021-12-31

Group	Development projects	Completed development projects	Licenses	Pharmaceutical approvals	Other intangible assets	Total
Opening cost	11 500	15 035	58 590	167 704	13 929	266 758
Acquisitions	1 550	860	-99	3 204	0	5 515
Adjustment to prior-year acquisitions	-1 051	-1 352	-1	-1 942	1	-4 345
Reclassification / adjustment	-	559	-	4 216	-	5 399
Outgoing acquisition values	11 999	15 102	58 490	173 182	13 930	273 327
Incoming depreciation and write-downs	-1 084	-6 708	-27 203	-102 103	-10 978	-148 076
Depreciation	-	-1 515	-4 851	-15 365	-421	-22 152
Write-downs	-3	-629	-1 436	-4 106	-	-6 174
Adjustment to prior-year acquisitions	-	1 352	-	6 807	-	8 159
Adjustment	-	-	-	-2 028	-	-2 652
Closing depreciation and write-downs	-1 087	-7 500	-33 490	-116 795	-11 399	-170 895
Carrying amount at the end of the period	10 912	7 602	25 000	56 387	2 531	102 432
As of 31 December						
Cost	11 999	15 102	58 490	173 182	13 930	273 327
Accumulated amortisation and impairment	-1 087	-7500	-33 490	-116 795	-11 399	-170 895
Carrying amount at end of period	10 912	7 602	25 000	56 387	2 531	102 432

Internally generated research and development costs that were capitalized during the year amount to SEK 2,537 thousand (4,595). The amount has been reported under drug approvals and development projects. During the year, SEK 9,262 thousand (19,966) was paid in cash for the year's acquisitions of intangible fixed assets.
Impairment has been made of assets in cases where the asset's carrying amount exceeds the recoverable amount. The recoverable amount of an asset is compared with the carrying amount to assess any need for impairment. The recoverable amount of an asset is the higher of value in use and fair value less costs to sell. The value in use is the present value of the future cash flows that an asset is expected to generate through continued use in the business. Intangible assets are tested at least annually regarding any need for impairment or when there is an indication that gives rise to testing. Impairment has been made with the corresponding amount. All losses due to impairment are reported immediately in the income statement. Intangible fixed assets relating to the company's development projects for which development is interrupted are examined for impairment at the end of the year and are depreciated at their fair value, which is usually zero. Total write-downs for license rights, drug approvals and development projects during the year amount to SEK 6,174 thousand (6,623).

Note 17 Intangible assets (cont.)

2020-12-31

Group	Development projects	Completed development projects	Licenses	Pharmaceutical approvals	Other intangible assets	Total
Incoming acquisition values	8 129	12 767	49 170	159 057	12 019	241 766
Acquisitions	3 257	916	8 967	8 277	1 910	23 327
Adjustment of previous years' acquisitions	1 051	-	-	1 943	-	2 994
Reclassification	-937	1 352	453	-1 573	0	-705
Outgoing acquisition values	11 500	15 035	58 590	167 704	13 929	267 382
Incoming depreciation and write-downs	-1 084	- 1 343	-22 953	-87 646	-8 769	-122 418
Depreciation	0	-4 013	-3 041	-11 788	-453	-19 295
Write-downs	0	- 1 352	-759	-2 756	-1 756	-6 623
Sales / Disposals	0	0	-450	87		-363
Closing depreciation and write-downs	-1 084	-6 708	-27 203	-102 103	-10 978	-148 700
Carrying amount at the end of the period	10 416	8 327	31 387	65 601	2 951	118 682
As of December 31st						
Acquisition value	11 500	15 035	58 590	167 704	13 929	267 382
Accumulated depreciation and write-downs	-1 084	-6 708	-27 203	-102 103	-10 978	-148 700
Carrying amount at the end of the period	10 416	8 327	31 387	65 601	2 951	118 682

2021-12-31

Parent Company	Development projects	Completed development projects	Licenses	Pharmaceutical approvals	Other intangible assets	Total
Opening cost	9 365	15 035	58 588	169 969	11 968	264 925
Acquisitions	1 550	860	-100	3 205	-	5 515
Adjustment to prior-year acquisitions	-	-1 352	-	-	-	-1 352
Outgoing acquisition values	10 915	14 453	58 488	173 174	11 968	269 088
Incoming depreciation and write-downs	-	-6 708	-27 202	-106 310	-9 016	-149 236
Depreciation	-	-1 515	-4 851	-15 365	-421	-22 152
Write-downs	-3	-629	-1 436	-4 106	-	-6 174
Adjustment to prior-year deprecations		1 352		6 807		8 159
Closing depreciation and write-downs	-3	-7 500	-33 489	-118 974	-9 437	-169 403
Carrying amount at the end of the period	10 912	7 043	24 999	54 200	2 531	99 685
As of 31 December						
Cost	10 915	14 543	58 488	173 174	11 968	269 088
Accumulated depreciation and write-downs	-3	-7500	-33 489	-118 974	-9 437	-169 403
Carrying amount at end of period	10 912	7 043	24 999	54 200	2 531	99 685

2020-12-31

Parent Company	Development projects	Completed development projects	Licenses	Pharmaceutical approvals	Other intangible assets	Total
Opening cost	6 108	12 767	49 169	161 777	10 058	239 878
Acquisitions	3 257	916	8 967	8 277	1 910	23 327
Reclassification / adjustment	-	1 352	452	-85	-	1 719
Outgoing acquisition values	9 365	15 035	58 588	169 969	11 968	264 924
Incoming depreciation and write-downs	-	-1 343	-22 952	-91 853	-6 807	-122 955
Depreciation	-	-4 013	-3 041	-11 788	-453	-19 295
Write-downs	-	-1 352	-759	-2 756	-1 756	-6 623
Sales/Disposals	-	-	-450	87	-	-363
Closing depreciation and write-downs	-	-6 708	--27 202	-106 310	-9 016	-149 236
Carrying amount at the end of the period	9 365	8 327	31 386	63 659	2 952	115 688
As of 31 December						
Cost	9 365	15 035	58 588	169 969	11 968	264 924
Accumulated depreciation and write-downs	-	-6 708	-27 202	-106 310	-9 016	-149 236
Carrying amount at end of period	9 365	8 327	31 386	63 659	2 952	115 688

Note 18 Property, plant and equipment

Group	2021-12-31			2020-12-30		
	Equipment and computers	Rights of use	Total	Equipment and computers	Rights of use	Total
Incoming acquisition values	25 639	20 173	45 812	25 594	19 553	45 147
Adjustment of opening balances	-1 738	-	-1 738	-	-	-
Acquisitions	169	701	870	45	620	665
Outgoing acquisition values	24 071	20 874	44 945	25 639	20 173	45 812
Depreciation	-22 821	-12 819	-35 641	-21 033	-6 390	-27 423
Adjustment of opening balances	1 974		1 974			
Depreciation	-918	-4 427	-5 345	-1 159	-5 157	-6 316
This year's translation differences		506	506	-629	-1 271	-1 900
Closing depreciation	-21 764	-16 740	-38 505	-22 821	-12 819	-35 640
Carrying amount at the end of the period	2 307	4 134	6 439	2 818	7 354	10 172

Rights of use per underlying asset class are stated in Note 11

Parent Company	2021-12-31	2020-12-31
Equipment and computers		
Incoming acquisition values	5 004	5 004
Outgoing acquisition values	5 004	5 004
Depreciation	-4 878	-4 514
Depreciation according to plan	-109	-365
Closing depreciation	-4 987	-4 878
Carrying amount at the end of the period	16	125

Note 19 Participations in Group companies

	2021-12-31	2020-12-31
Book value at beginning of the year	15 680	15 680
Subsidiaries repurchase of shares	-6 838	-
Book value at year end	8 842	15 680

Subsidiaries	Corporate registration number	Registered office	Share of equity/ votes (%)	Book value 2021	Book value 2020
Bluefish Pharmaceuticals Pvt Ltd	U02423KA2006PTC049950	Bangalore, India	100	7 840	14 678
Bluefish Pharma Incentive AB	556731–3704	Stockholm, Sweden	100	100	100
Bluefish Pharma SLU	B-64813389	Madrid, Spain	100	29	29
Bluefish Pharma GmbH	HRB 87206	Griesheim, Germany	100	232	232
Bluefish Pharma GmbH	FN326026a	Vienna, Austria	100	375	375
Bluefish Pharma Sp. z o. o.	1070015289	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	556618–5210	Stockholm, Sweden	100	50	50
Bluefish Pharma Ltd	608058	Dublin, Ireland	100	0	0
Menta3 Pharmaclub S.L.	B-88506019	Madrid, Spain	100	32	32
Bluefish Pharma Holding Ltd (under liquidation)	C 50712	Malta	100	0	0
Total book value				8 842	15 680

Note 20 Other non-current assets

Group	2021-12-31	2020-12-31
Opening amount	1 196	1 458
Other non-current securities holdings	73	-
Net change for receivables	-	-42
Exchange rate differences for the year	122	-220
Carrying amount at year-end	1 392	1 196

Other non-current receivables primarily consist of rent deposits.

Parent Company	2021-12-31	2020-12-31
Opening amount	-	41
Net change for receivables	-	-41
Carrying amount at year-end	-	-

Note 21 Inventories

Group/Parent Company	2021-12-31	2020-12-31
Finished products	223 020	179 654
Goods in transit	5 240	12 118
Total	228 260	191 772

Obsolescence reserve amounts to SEK 10 701 (16 646) thousand.
Inventory impairment is primarily related to discontinued products and products with such a short shelf life that they cannot be sold. Impairment loss for the year is SEK 17 612 (16 088) thousand. See Note 30.

Note 22 Financial instruments by category

Group	Financial assets at amortised cost	Total
2021-12-31		
Assets in the Balance sheets		
Accounts receivable and other receivables	121 972	121 972
Cash and cash equivalents	101 802	101 802
Total	223 774	223 774
2020-12-31		
Assets in the Balance sheet		
Accounts receivable and other receivables	114 299	114 299
Cash and cash equivalents	48 586	48 586
Total	162 885	162 885

Group	Financial liabilities at amortised cost	Total
2021-12-31		
Liabilities in the balance sheet		
Borrowings	137 920	137 920
Account's payables and other liabilities excluding non-financial liabilities	236 751	236 751
Total	374 671	374 671
2020-12-31		
Liabilities in the balance sheet		
Borrowings	137 920	137 920
Account's payables and other liabilities excluding non-financial liabilities	236 751	236 751
Total	374 671	374 671

Financial instrument

Financial instruments are reported in the balance sheet when the Group becomes a party in accordance with the instrument's contractual terms. A claim is taken up when the company has performed and there is a contractual obligation for the counterparty to pay. A debt is taken up when the counterparty has performed and there is a contractual obligation to pay. The business model for which the financial asset or liability was acquired or entered into, and the nature of the contractual cash flows are decisive for the classification. The Group has financial assets and liabilities that are classified in the following categories:

- Financial assets at accrued acquisition value
- Financial liabilities at accrued acquisition value

Purchases and sales of financial assets are reported on the business day, i.e., the date on which the Group undertakes to buy or sell the asset. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership. During the financial year or the comparative year, the Group did not have any financial instruments that are valued at fair value, either through profit or loss or other comprehensive income.

Note 23 Accounts receivable and other receivables

Group	2021-12-31	2020-12-31
Accounts receivable	116 671	111 326
Less: reserve for expected credit losses	-1 660	-
Accounts receivable - net	115 011	111 326
Other receivables (incl. Tax receivables)	12 735	16 977
Total Other receivables	12 735	16 977
Total Accounts receivable and other receivables	127 746	128 303

Parent Company	2021-12-31	2020-12-31
Accounts receivable	38 879	54 811
Less: reserve for expected credit losses	-114	-
Accounts receivable - net	38 765	54 811
Receivables from Group companies	26 257	40 461
Other receivables (incl. Tax receivables)	6 827	4 579
Total Other receivables	33 084	45 040
Total Accounts receivable and other receivables	71 849	99 851

The Parent Company's and the Group's confirmed customer losses during the year amounted to SEK 0 thousand (0).
As of December 31, 2021, the Group's accounts receivable amounting to SEK 24,299k (68,763) were due. Of overdue accounts receivable, SEK 1,660 thousand (0) is reserved as doubtful as of February 2. The creditworthiness is considered good and there is no need for any further impairment. The overdue receivables pertain to a few customers who have not previously had any payment difficulties.
Customer losses, regarding expected credit losses from accounts receivable, are reported with consideration taken of various possible failures that may lead to the Group not being able to receive the amount that is due in accordance with the original payment terms. Indicators that a trade receivable can be considered uncertain are whether the customer has significant financial difficulties, whether there is a probability that the debtor will go bankrupt or undergo financial reconstruction or that payment is non-existent or delayed (more than 30 days). The size of the customer loss consists of the difference between the asset's carrying amount and the present value of the estimated future cash flow, discounted at the original effective interest rate. Loss deductions on accounts receivable are always valued at an amount that corresponds to the life of the expected credit loss (ECL).

The age analysis of these accounts receivable is shown below:

Group	2021-12-31	2020-12-31
Less than 30 days	16 037	54 041
Older than 30 days	8 262	14 721
	24 299	68 763

Parent Company	2021-12-31	2020-12-31
Less than 30 days	10 144	13 037
Older than 30 days	7 065	8 964
	17 209	22 002

Overdue invoices in the Group amount to SEK 24,299 (68,763) thousand as of December 31, 2021. Of these invoices, SEK 16,556 thousand have been paid as of February 2, 2022, after which outstanding amounts amounted to SEK 7,744 thousand, compared with SEK 57,784 thousand paid as of last March 2021, after which the outstanding amount was SEK 10,979 thousand.
Overdue invoices in the Parent Company amount to SEK 17,209 thousand (22,002) as of December 31, 2021. Of these invoices, SEK 11,480 thousand have been paid as of February 2, 2022, after which outstanding amounts amounted to SEK 5,729 thousand, compared with SEK 14,430 thousand paid as of last March 2021, after which the outstanding amount was SEK 7,572 thousand. The Group assesses that the credit quality for outstanding receivables is high, and that there is no significant credit reserve in addition to the receivables that are individually reserved for.

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 2021, the Parent Company's share capital was SEK 21,585 thousand. The total number of shares amounts to 107,923,328. As of 31 December 2021, all shares carry 1 vote and a quotient value of SEK 0.20.

	Total shares
As of 31 December 2020	107 923 328
As of 31 December 2021	107 923 328

Note 25 Borrowings

Group	2021-12-31	2020-12-31
Long-term borrowings		
Bank loan	21 750	36 250
Carrying amount	21 750	36 250
Short-term borrowings		
Inventory credit	112 205	87 160
Invoice discounting	-	10
Bank loans	14 500	14 500
Carrying amount	126 705	101 670
Total carrying amount of borrowings	148 455	137 920

Parent Company	2021-12-31	2020-12-31
Long-term borrowings		
Bank loan	21 750	36 250
Carrying amount	21 750	36 250
Short-term borrowings		
Inventory credit	112 205	87 160
Invoice discounting	-	10
Bank loans	14 500	14 500
Carrying amount	126 705	101 670
Total carrying amount of borrowings	148 455	137 920

Group	2021-12-31	2020-12-31
Opening amount	137 920	152 694
Change in inventory credit	25 045	14 660
Change in invoice discounting	-10	-7 365
Change in bank loan	-14 500	36 250
Discounted interest on convertible debt	-	2 182
Repayment of prior convertible debt	-	-60 500
Closing amount	148 455	137 920

Parent Company	2021-12-31	2020-12-31
Opening amount	137 920	149 703
Change in inventory credit	25 045	14 660
Change in invoice discounting	-10	-4 374
Change in bank loan	-14 500	36 250
Discounted interest on convertible debt	-	2 182
Repayment of prior convertible debt	-	-60 500
Closing amount	148 455	137 920

(a) Inventory credit, operating credit

Bluefish has had an agreement with SEB since November 2011 on an operating credit that will meet the company's increased need for working capital. In 2021, the credit was renegotiated, whereby the invoice credit was terminated, and the inventory credit was increased by SEK 25 million. The operating credit includes SEK 112 million with the Nordic warehouse as collateral. According to the agreement with SEB, the Nordic warehouse may be pledged to a value of 65 percent of AIP (Apotekens Inköps Pris). The credit is classified as a short-term loan with a term of up to 12 months, as this loan is to be regarded as an overdraft facility. The operating credit with SEB is an ongoing agreement that runs as long as there is a Nordic warehouse to pledge with a notice period of 3 months for both parties. Even if the loan is classified as a current liability, both Bluefish and SEB consider the collaboration to be long-term.

Group/ Parent Company	2021-12-31	2020-12-31
Inventory credit		
Granted inventory credit	112 000	87 000
Utilised inventory credit	112 205	-87 160
Granted, unutilised inventory credit	-205	-160
Invoice credit		
Granted invoice credit	-	10 000
Utilised invoice credit	-	-10
Granted, unutilised invoice credit	-	9 990
Total granted, non-utilised facility	-205	9 830

(b) Bank loans and other loans

In June 2020, the company took out a bank loan of SEK 58 million with SEB, for which Färna Invest has a guaranteed commitment of SEK 27 million. The loan has an interest rate of 2.75%, is repaid quarterly with SEK 3.625 million and has a final maturity on 30 June 2024. Färna Invest is paid an annual compensation of 1% for the guaranteed commitment.
The fair value of short-term borrowing corresponds approximately to its carrying amount, as the discount factor is not significant. See note 3.

(c) Financial covenants

The financing with SEB, operating credit and bank loans, is conditional on an ownership and dividend clause and with the Group maintaining an available liquidity of at least SEK 5 million, a consolidation rate at group level of at least 15%, that the parent company's equity in relation to share capital is not less than 1.2 and Net debt / EBITDA does not exceed 3.0 (and may not exceed 2.5 at the maturity of the bank loan).

Note 26 Other liabilities, non-current and current

Group	2021-12-31	2020-12-31
Maturity, within one year of balance sheet date (Note 11)	16 790	16 501
Maturity, between 1-5 years from balance sheet date (Note 11)	698	6 730
Total	17 488	23 231

Parent Company	2021-12-31	2020-12-31
Maturity, within one year of balance sheet date	11 718	11 260
Maturity, between 1-5 years from balance sheet date	358	3 237
Total	12 076	14 497

The liabilities mainly relate to expenses for the purchase of license rights and lease liabilities (Note 11). Final payment for the license rights takes place at agreed milestones, usually depending on the process for drug approval. The long-term lease liability for the Group is SEK 340 thousand (3,493) and the short-term lease liability is SEK 3,952 thousand (4,100) as of December 31, 2021 (see Note 11).
All interest is paid during 2021, no accrued interest can be reported as of December 31, 2021.
As the exchange rate for the EUR has increased during 2021, price adjustments are affected and have resulted in an accumulated exchange rate cost.

Note 27 Current provisions

Group	2021-12-31	2020-12-31
Provision for net sales deduction	222 077	138 676
Provision for returns	-	-
Total	222 077	138 676

Group	2021-12-31	2020-12-31
Opening balance	138 676	129 892
New provision	573 190	354 434
Amount used during the period	-489 020	-338 338
Reversal of unutilised amount	-3 386	-2 468
Translation difference for the year	2 617	-4 935
Closing balance	222 077	138 676

There are no short-term provisions in the parent company as of 31 December 2021.
The company's gross sales consist of the number of packages delivered during a specific period at the price prevailing in each market.
According to the prevailing practice in the pharmaceutical industry, gross sales are covered by various deductions, which include discounts and deductions to authorities, wholesalers, and health insurance companies, as well as returns. These deductions represent assessments of the related liabilities, which in turn requires the company to make an estimate regarding the effect on sales for a certain reporting period. For reporting net sales, deductions are thus made for these estimates from gross sales. The assessment of the need for such a deduction is made for each individual transaction.
There is usually a time lag of several months from the time of the estimate of the deduction and the final statement of the obligation. Net sales in turn represent our best estimate of the revenue that will be received. See note 2 and note 30.

Note 28 Accrued expenses and deferred income

Group	2021-12-31	2020-12-31
Accrued employee benefit expenses	4 997	3 384
Provision for price adjustments and penalty fees	335	63
Other accrued expenses	16 637	17 783
Total	21 969	21 230

Parent Company	2021-12-31	2020-12-31
Accrued employee benefit expenses	3 093	3 384
Provision for price adjustments and penalty fees	335	63
Other accrued expenses	11 023	14 143
Total	14 451	17 591

Note 29 Pledged assets and contingent liabilities

Group	2021-12-31	2020-12-31
Pledged assets		
Bank guarantees	965	965
Inventories	71 314	26 607
Accounts receivable	-	24
Chattel mortgage	30 000	30 000
Total	102 279	57 596
Contingent liabilities	none	none

Parent Company	2021-12-31	2020-12-31
Pledged assets		
Bank guarantees	965	965
Inventories	71 314	26 607
Accounts receivable	-	24
Chattel mortgage	30 000	30 000
Total	102 279	57 596
Contingent liabilities	none	none

Values for pledged inventories and accounts receivable refer to utilized credit in relation to the asset's book value. The pledged inventory value has increased during 2021 in connection with the expansion of the overdraft facility (inventory credit), see Note 25. The bank guarantees are blocked funds that are not included in cash and cash equivalents.

Note 30 Supplementary disclosures to the cash flow statement

Group	2021	2020
Adjustment for items not included in cash flow		
Depreciation/amortisation and impairment of tangible and intangible assets	26 855	32 319
Inventory impairment	17 612	16 088
Impairment of accounts receivable	-1 136	-
Change in net sales deduction [1]	94 670	13 628
Unrealised exchange differences	3 800	-7 002
Total	141 800	55 033

Parent Company	2021	2020
Adjustment for items not included in cash flow		
Depreciation/amortisation and impairment of tangible and intangible assets	21 627	26 282
Impairment of accounts receivable	-1 136	-
Inventory impairment	17 612	16 088
Change in net sales deduction	131	-8 655
Total	38 234	33 715

1) See also note 2 and note 27. The amount varies with the size and frequency of the invoicing from counterparties.

Note 31 Events after the balance-sheet date

The war in Ukraine, which began in February 2022, has so far not significantly affected Bluefish's operations. Going forward, the risks are judged above all to be a shortage of raw materials and disruptions in supply chains that in a longer perspective can also affect the supply of medicines.

Note 32 Transactions with related parties

Transactions between Bluefish Pharmaceuticals AB and its subsidiaries, which are related companies 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 with SEB of a nominal SEK 58.0 million, of which the outstanding amount on 21-12-31 was SEK 36.2 million. Färna Invest has guaranteed this loan, see Note 25.

Remuneration to senior executives, see Note 7. Options granted to senior executives, see Note 8 and pages 4–6. The Parent Company's purchases and sales that constitute transactions with Group companies are set out in Note 12. The pricing of purchased goods and services to related companies has taken place on market terms. On December 31, 2021, the Parent Company's receivables from Group companies amounted to SEK 26.3 million (40.5) and liabilities to Group companies to SEK 200.6 million (170.4). Transactions with related parties are priced on market terms. Credit losses on receivables from Group companies amount to SEK 0 M (0) and future credit losses are expected to be insignificant.

The Parent Company's holdings of shares and participations in Group companies are shown in Note 19.

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	
Share premium reserve	383 841 276
Retained earnings	-359 199 197
Profit (loss) for the year	-27 886 859
Total	-3 244 780

The Board of Directors and the CEO propose that available funds, SEK –3,244,780 (25,271,907), are balanced in a new account.

The Board of Directors proposes that no dividend to be paid for the financial year 2021.

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 (Operating profit/loss) l

EBITDA

Operating profit/loss before depreciation, amortisation 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 and returns

Net debt

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

Earnings per share

Profit for the period attributable to the parent company's shareholders divided by the average number of outstanding shares

Equity ratio

Equity divided by total assets

The Board 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, 22 April 2022

Gunilla Spongh
Chairman of the Board

Gerald Engström
Director

Eva Sjökvist Saers Director

Berit Lindholm CEO

Our audit report was submitted on 22 April 2022

Grant Thornton Sweden AB

Per Hedström Authorised Public Accountant

Auditor's report

To the Annual General Meeting of

Bluefish Pharmaceuticals AB (publ) Org.nr. 556673-9164

Report on the annual report and consolidated accounts

Statements

We have performed an audit of the annual accounts and consolidated accounts of Bluefish Pharmaceuticals AB (publ) for the year 2021.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and provides a true and fair view of the parent company's financial position as of 31 December 2021 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and provide a true and fair view of the Group's financial position as of 31 December 2021 and of its financial results and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The administration report is consistent with the other parts of the annual report and consolidated accounts.

We therefore recommend that the Annual General Meeting approve the income statement and balance sheet for the Parent Company and for the Group.

Basis for statements

We performed the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities in accordance with these standards are described in more detail in the section "Auditor's responsibilities". We are independent in relation to the Parent Company and the Group in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements.

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

Other information

The audit of the annual accounts and consolidated accounts for the year 2020 has been performed by another auditor who has submitted an audit report dated 12 May 2021 with unmodified statements in the Report on the annual accounts and consolidated accounts.

Information other than the annual report and console dated accounts

This document also contains information other than the annual report, and the consolidated financial statements and can be found on pages 2-6. The Board of Directors and the CEO are responsible for this other information. Our statement regarding the annual accounts and consolidated accounts does not include this information and we do not make a statement with confirmation regarding this other information.

In connection with our audit of the annual accounts and the consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is to a significant extent incompatible with the annual accounts and the consolidated accounts. In this review, we also consider the knowledge we otherwise acquired during the audit and assess whether the information otherwise appears to contain significant inaccuracies.

If we, based on the work that has been done regarding this information, conclude that the other information contains a material error, we are obliged to report this. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the President are responsible for preparing the annual accounts and consolidated accounts and for providing a true and fair view in accordance with the Annual Accounts Act and as regards the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the President are also responsible for the internal control that they deem necessary to prepare an annual report and consolidated accounts that do not contain any material errors, whether these are due to irregularities or mistakes.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the President are responsible for assessing the company's and the Group's ability to continue operations. They disclose, where applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation is not applied if the Board of Directors and the President intend to liquidate the company, cease operations, or have no realistic alternative to doing any of these.

Auditor's responsibility

Our goal is to achieve a reasonable degree of certainty as to whether the annual accounts and consolidated accounts do not contain any material inaccuracies, whether due to irregularities or mistakes, and to submit an audit report containing our statements. Reasonable assurance is a high degree of assurance but is no guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always detect a material error if one exists. Errors can occur due to irregularities or mistakes and are considered significant if they individually or together can reasonably be expected to influence the financial decisions that users make based on the annual accounts and consolidated accounts.

As part of an audit according to ISA, we use professional judgment and have a professionally skeptical attitude throughout the audit. In addition:

• we identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to irregularities or mistakes, design and perform audit procedures based on these risks, among other things, and obtain audit evidence that is sufficient and appropriate to form a basis for our statements. The risk of not detecting a material error due to irregularities is higher than for a material error due to error, as irregularities may include collusion, forgery, intentional omissions, incorrect information, or breach of internal control.

• we gain an understanding of the part of the company's internal control that is important for our audit to design audit measures that are appropriate in the circumstances, but not to comment on the effectiveness of the internal control.

• we evaluate the appropriateness of the accounting principles used and the reasonableness of the Board of Directors' and the President's estimates in the accounts and related information.

• we draw a conclusion about the appropriateness of the Board of Directors and the President using the assumption of continued operations in the preparation of the annual accounts and the consolidated accounts. We also draw a conclusion, based on the audited evidence obtained, as to whether there is any significant uncertainty factor relating to such events or conditions that may lead to significant doubts about the company's and the group's ability to continue operations. If we conclude that there is a significant uncertainty factor, we must draw attention in the audit report to the information in the annual accounts and consolidated accounts about the significant uncertainty factor or, if such information is insufficient, modify the statement on the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date for the audit report. However, future events or conditions may mean that a company and a group can no longer continue operations.

• we evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the information, and whether the annual accounts and consolidated accounts reflect the underlying transactions and events in a way that gives a true and fair view.

• we obtain sufficient and appropriate audit evidence regarding the financial information in the units or business activities within the group to make a statement regarding the consolidated accounts. We are responsible for the management, monitoring, and execution of the group audit. We are solely responsible for our statements.

We must inform the board of, among other things, the planned scope and focus of the audit and the time for it. We must also inform about significant observations during the audit, including any significant deficiencies in internal control that we have identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we also performed an audit of the Board of Directors' and the President's administration for Bluefish Pharmaceuticals AB (publ) for the year 2021 and of the proposed appropriations regarding the company's profit or loss. We recommend that the Annual General Meeting address the loss in accordance with the proposal in the Board of Directors' report and grant the members of the Board of Directors and the President discharge from liability for the financial year

Basis for opinions

We performed the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility according to this is described in more detail in the section "Auditor's responsibility". We are independent in relation to the Parent Company and the Group in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposed dispositions regarding the company's profit or loss. When proposing a dividend, this includes an assessment of whether the dividend is justifiable regarding the requirements that the company's and the group's business type, scope, and risks place on the size of the company's and the group's equity, consolidation needs, liquidity and other position. The board is responsible for the company organization and management of the company's affairs. This includes, among other things, continuously assessing the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, asset management and the company's financial affairs are otherwise controlled in a reassuring manner. The CEO shall manage the day-to-day administration in accordance with the Board's guidelines and instructions and, among other things, take the measures necessary for the company's accounting to be carried out in accordance with law and for the asset management to be handled in a secure manner.

Auditor's responsibility

Our goal regarding the audit of the administration, and thus our statement on discharge from liability, is to obtain audit evidence to be able to assess with a reasonable degree of certainty whether any board member or the CEO in any significant respect:

has taken any action or committed any negligence that may give rise to an obligation to pay compensation to the company or acted in any other way in violation of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal regarding the revision of the proposed dispositions of the company's profit or loss, and thus our statement on this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Swedish Companies Act.

Reasonable security is a high degree of security, but no guarantee that an audit performed in accordance with good auditing practice in Sweden will always detect measures or omissions that may give rise to liability for damages against the company, or that a proposal for dispositions of the company's profit or loss is not compatible with the Swedish Companies Act. As part of an audit in accordance with good auditing practice in Sweden, we use professional judgment and have a professionally sceptical attitude throughout the audit. The review of the administration and the proposal for dispositions of the company's profit or loss are mainly based on the audit of the accounts. The additional audit measures that are performed are based on our professional assessment based on risk and materiality. This means that we focus the review on such measures, areas and conditions that are significant to the business and where deviations and violations would have special significance for the company's situation. We review and examine decisions made, the basis for decisions, measures taken and other circumstances that are relevant to our statement of discharge. As a basis for our statement on the Board's proposal for dispositions regarding the company's profit or loss, we have examined whether the proposal is compatible with the Swedish Companies Act.

Stockholm 22 April 2022

Grant Thornton Sweden AB

Per Hedström

Authorised Public Accountant

Information to the shareholders

Future reports

Interim report	January – March	18 May 2022
Interim report	April – June	Approx. 30 August 2022
Interim report	July - September	Approx. November 30 2022
Interim report	October - December	Approx. 28 February 2023

Annual general meeting

The Annual General Meeting will be held on Thursday, May 19, 2022, as a postal voting meeting.

Shareholders who wish to participate at the annual general meeting must:

On the one hand, be entered in the share register kept by Euroclear Sweden AB on 11 May 2022, and on the other hand, notify your participation to the company.
Registration is by email: henrik.sjostrand@bluefishpharma.com or by post to Bluefish Pharmaceuticals AB, Gävlegatan 22, 113 30 Stockholm.
Mark the envelope "Annual General Meeting".
Registration can also be made by phone to 08519 116 00.

Notification

The notification and completed postal voting form must have been received by Bluefish Pharmaceuticals no later than 11 May 2022 and include name, personal or organization number, address, telephone number and shareholding. Shareholders who are represented by a proxy must issue a written power of attorney for the proxy. If the power of attorney has been issued by a legal entity, a certified copy of the registration certificate for the legal entity must be attached. Power of attorney and registration certificate may not be issued earlier than one year before the meeting.

Registration

Shareholders who have had their shares registered with a nominee must, in order to be entitled to participate in the Annual General Meeting, request that the shares be temporarily entered in the share register of Euroclear Sweden AB. Re-registration must be made by May 13, 2022.

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