BLUEFISH
PHARMACEUTICALS

ANNUAL REPORT 2022/2023

CEO comments

The past year

As we put the past year behind us, we can conclude that we have had a challenging year in many ways. We have worked hard to limit the loss of sales after the pandemic and reduce cost increases for raw materials and transports. We ended the year positively with strong sales growth in Q4 2022 and the first four months of 2023. Unfortunately, the gross margin was too low for the full year to show a positive result.
Our strong development in terms of volume, the number of packages sold, continued to increase. We continued to have a high availability of our products during throughout the period, a prerequisite for long-term, profitable, and sustainable growth.

During the year, Gerald Engström further increased his holding in the company via Färna Invest, thereby securing future investments.
Bluefish, as a subsidiary of Färna Invest, will from the financial year 2022/23 adapt its financial year to Färna Invest. Hence, the company's financial year, January 2022-April 2023, has been extended to 16 months.
All figures in this report refer to the group for the financial year 2022/23, 16 months, unless otherwise stated. The comparison is with the financial year 2021, 12 months, unless otherwise stated.

Operating result

Sales revenue 540 MSEK (386), an increase of 40% for the extended financial year January 2022 to April 2023, 16 months, compared to the financial year 2021, 12 months. On average, a revenue increase of 5% per month. Germany and the Nordics have contributed most of the sales growth during the year. The currency effect on sales is estimated at 2% or 8 MSEK. Gross profit increased by 19% compared to 2021 and landed at 210 MSEK for 2022/2023 (176).
The gross margin decreased by 7 percentage points to 39% (46%) mainly due to a lower-than-expected margin in Germany.
Operating expenses increased to 269 MSEK (186), an average increase of 9% per month. We have actively increased our investments in Poland and Ireland to realise the market potential.
During the year, we experienced increased costs for penalty fees from customers in connection with non-deliveries in Germany.
-The full result for the year SEK -93.8 million (-21), which includes currency effects corresponding to SEK 23.9 million (-4.0).

Own products and investments

Our work on developing our own generic products continues at an accelerated pace. We mainly focus on products within the Central Nervous System, Oncology, Cardiovascular Diseases, and Diabetes. During the extended financial year, we have launched 7 new products.

The Bluefish proprietary products already launched, Hydroxyzine (antihistamine) and Anagrelide (antiplatelet), have been successful and clearly demonstrate the potential for proprietary products. Currently, we are actively developing 11 new products.

In the latter part of 2023, we will launch a new product, Melatonin, in most of our markets. In total, we have doubled the investment budget for development and in-licensing projects compared to the previous year and during the first months of the year we also initiated the launch of our OTC portfolio starting in Ireland. This investment will strengthen our position and profitability and provide us with new forms of co-operation.

In parallel, we also work actively to strengthen our position in existing markets through in-licensing and distribution partnerships.

Future prospects

Over the past year, we have established and driven three focus areas in the business: accelerating and strengthening the product portfolio, improving cost control and becoming more asset light. These three focus areas will significantly strengthen our company and create growth opportunities for many years to come.

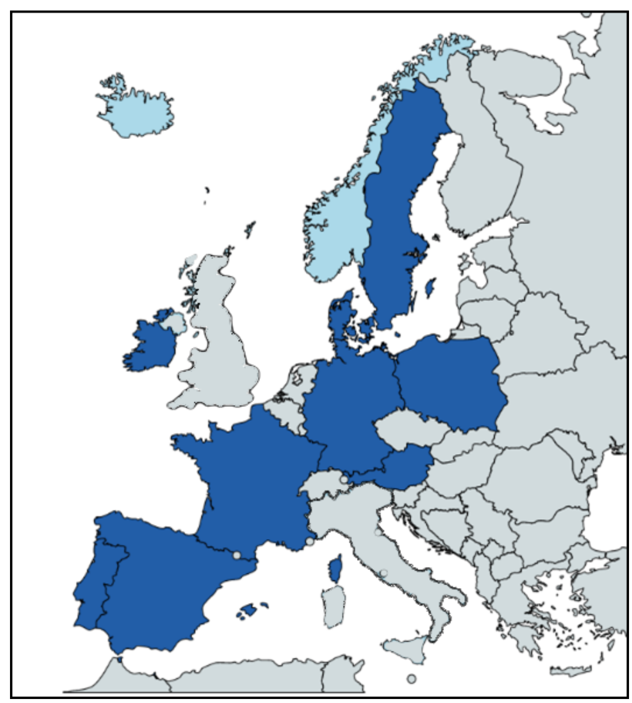
With the easing of pandemic restrictions, the market dynamics changed significantly during the year and products such as antibiotics were in strong demand again. This will give us an increase in revenue with a good margin already in 2023. We will also see a better price picture for several of our products in Sweden and Poland during the year, where authorities have intervened and actively adjusted the price to avoid product shortages in the market.

The main concern in our business continues to be the penalties that arise when our products are not available for sale for short periods of time. This applies especially to the German market. We have lowered the risk level in our new contracts to minimise the penalties going forward.

To summarise, we see good conditions for long-term and profitable growth, and we are well positioned to meet the current need for generic medicines in the EU. We have the experience and driving force to supply the market with qualitative and cost-effective medicines in the coming years.

Stockholm July 2023

Erik Ekman CEO



Management

Erik Ekman

President and CEO since May 2022
Employee and member of the management team since 2017
Born in 1972

Work experience:

Global Business Change Lead, AstraZeneca,
Director Turbuhaler, AstraZeneca AB
Associate Director Nexium/Losec
Lead ERP, AstraZeneca AB
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, UK

Shareholding in Bluefish: 130 000
Options: 200 000[1]

Fredrik Sehlstedt

CFO since April 2023.
Employee and member of the management team since March 2023
Born in 1974

Work experience:

Senior Consultant, HR&F Connect AB
Head Financial Planning & Analysis Nordic, Bristol Myers Squibb
Finance Director Nordic, Celgene
Head Finance Oncology Nordic, Novartis
Head Business Planning & Analysis Pharmaceuticals Nordic, Novartis
Project Manager Finance, Svenska Statoil AB

Education:

Business Administration and Economics, Uppsala University

Shareholding in Bluefish: -
Options: -

Katrin Lindahl

COO since May 2022
Employee and member of the management team since May 2022
Born in 1973

Work experience:

Regional Head of Quality Control, Astra Zeneca
Director Sterile Production, China Operations, Astra Zeneca
QA Manager Sterile production, Astra Zeneca
Associate Director Aseptic production Sweden Operations, Astra Zeneca
Project Director, Global Supply Chain, Astra Zeneca
QA Executive, Global Quality, Astra Zeneca

Education:

Postgraduate Certificate in Process Business Management, Warwick University
PhD Pharmaceutical Sciences, Microbiology, Swedish Agricultural University
Master in Pharmaceutical Biosciences, Uppsala University

Shareholding in Bluefish: -
Options: -

1) See note 9

Ingrid Smerdova

Business Development Manager since 2023
Employee and member of the management team since 2023
Born in 1965

Work experience:

Adamed Czech republic s.r.o, Adamed Slovakia s.r.o. - Managing Director
Polpharma ZF, General Manager of the Czech Republic & Slovak Republic organisation
Valeant Inc, General Manager of the Czech Republic organisation
Teva Pharmaceuticals CR, s.r.o. - Prague, Czech Republic, Commercial Director CR.
Krka Slovak Republic - Sales and Marketing Director Slovak Republic
Pfizer H.C.P. Slovak Republic - Sales Manager

Education:

PharmDr. - Pharmaceutical Faculty University of Comenius - Bratislava, Slovak Republic, clinical pharmacologists
MCE Brussels - Leading Business, Situation Leadership and 8 step coaching, B2B marketing
Krauthammer -top management skills training, negotiation skills, sales excellence

Shareholding in Bluefish: -
Options: -.

Vivekanand Sundaramurthy

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

Work 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: -
Options: 100 000[1]

Astha Sehgal

Head of HR since 2020
Employed and member of the management team since 2020
Born in 1984

Work 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: -
Options: 100 000[1]

1) See note 9

Board of Directors

Gunilla Spongh

Chairman of the Board since December 2021 Board member since 2021

Born in 1966

Education:

MSc in Industrial Engineering and Management. Linköping University

Other directorships:

Board member: AQ group, Byggmax, Consivo group, Lernia, Meds, Momentum group, OptiGroup, ViaCon and Systemair.

Shareholding in Bluefish: -

Options: 100 000[1]

Gerald Engström

Board member since 2010 Chairman of the Board (2010-2019, 2021)

Born in 1948

Education:

Certified upper secondary school engineer, Studies in Business Administration, Stockholm University

Other directorships:

Chairman of the Board of Systemair AB, RVM Systems AB and Färna Invest AB

Board member: Hanza AB and Anker Andersen AS, Denmark

Shareholding in Bluefish:

100 027 527[2]

Options: -

Eva Sjökvist Saers

Board member since 2020

Born in 1962

Education:

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

Other directorships:

Chairman of the Board: Swelife, Dicot AB

Board member: Alligator Bioscience AB, Apoex AB, Coegin Pharma AB and Oxcia AB.

Shareholding in Bluefish: -

Options: 50 000[1]

Berit Lindholm

Board member since 2021

Born in 1965

Education:

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

Other directorships:

Chairman of the Board: EPSI Holding Sweden AB

Board member: Swedish Chamber of Commerce India and Swedish Quality Index AB,

Shareholding in Bluefish: 70 000

Options: 150 000[1]

List of shareholders as of 30 April 2023

Shareholders	Total number of shares	Total number of votes	Capital share	Share of voting rights
Färna Invest AB2)	100 027 572	100 027 572	92,68%	92,68%
Others	7 895 756	7 895 756	7,32%	7,32%
Total	107 923 328	107 923 328	100,00%	100,00%

1) See note 9

2) Refers to Färna Invest AB and relatives of the Gerald Engström family.

Management report

The Board of Directors and CEO of Bluefish Pharmaceuticals AB (publ), corporate identity number 556673 - 9164, submit the following annual report and consolidated financial statements for the financial year 2022/23. All figures refer to the Group for the financial year 2022/23, 16 months, unless otherwise stated. The comparison is, unless otherwise stated, with the financial year 2021, 12 months.

The group consists of 13 (13) companies as of 30 April 2023. The parent company of the group is Bluefish Pharmaceuticals AB.

Bluefish, as a subsidiary of Färna Invest, will from 2022 adapt its financial year to Färna Invest. Hence, the company's financial year has been extended to 16 months to align with their financial year which is 1 May to 30 April.

Bluefish operations

Bluefish strives to make quality medicines available to more people. We create value across the entire pharmaceutical value chain, from product development to manufacturing and marketing of generic medicines. We offer a marginal product portfolio consisting of a wide range of high-quality generic medicines. It is part of our long-term strategy to maintain and expand the product range of off-patent volume products.

Bluefish products originate from a generic substance with well-documented safety and efficacy. Our strategy to develop products based on well-known substances results in a product range with significant market potential.

Bluefish has established an efficient market organisation based on extensive local knowledge and market awareness to optimise business opportunities and growth in each market. Bluefish conducts its main operations in 11 European countries. Bluefish also has some export operations to countries outside Europe and a subsidiary in India whose focus is on maintaining and refining the Group's product portfolio.

Bluefish is constantly working to identify new growth opportunities in selected market segments but also in new markets. During the year, Bluefish in Sweden moved to smaller premises at the same address and the lease in India was renewed, see Note 12.

The Group’s earnings and financial position

Net sales and earnings

Net sales during the extended financial year 2022/23, 16 months, amounted to SEK 540.1 million (385.5), an increase of 40 per cent compared to the financial year 2021, 12 months. On average, an increase in turnover of 5% per month.

With a cost of goods sold of SEK 330.6 million (209.2), gross profit amounted to SEK 209.5 million (176.3), corresponding to a gross margin of 38.8 per cent (45.7) for the period. Currencies have had a positive effect on net sales in 2022/23, corresponding to SEK 8.4 million (-0.1).

Operating expenses in 2022/23 amounted to SEK 269.1 million (185.5), of which depreciation and impairment accounted for SEK 32.1 million (25.5). On average, an increase in operating expenses of 9% per month.

EBITDA amounted to SEK -27.5 million (17.6) in 2022/23. Currencies have influenced EBITDA during the period by the equivalent of SEK 2.0 million (-1.2). The deterioration in earnings in 2022/23 compared to 2021 is mainly explained by margin pressure in Germany in particular. Some supply disruptions also meant that Bluefish was affected by increased overheads.

Net financial items totalled SEK -30.5 million (-9.7) during the year, which includes interest expenses for bank loans and operating credits as well as negative currency effects. The sharp increase compared with the previous year is explained by higher borrowing, higher interest rates and a weaker Swedish krona against the euro.

The net loss for the period amounted to- SEK 93.8 million (-21.0), which includes currency effects corresponding to- SEK 23.9 million (-4.0). The largest negative impact on the currency effect is the revaluation of discount provisions made in euros.

In 2022, the Group discovered that previous rebate provisions had been incorrectly calculated in 2019 and 2020. As a result, net sales have been overestimated and the related rebate provision underestimated. Adjustment has been made with negative 39.4 MSEK in 2019 and 6.3 MSEK in 2020, totalling 45 MSEK. This correction has affected the opening balances of assets, liabilities, and equity for the comparative year 2021, see note 4.

Cash & cash equivalents and financing

Cash and cash equivalents at the end of the period amounted to 35.7 MSEK compared to 100.8 MSEK at the beginning of the year January 2022.

Cash flow from operating activities amounted to SEK -12.9 million (54.3) for 2022/23, of which changes in working capital accounted for SEK -95.7 million (-67.8). The item varies mainly with the size and speed of Bluefish's customers invoicing discounts received in the German operations. The change in working capital is partly due to a negative impact on accounts receivable and payable. This has been partly compensated by a reduction in inventory levels, thanks to a more normalised logistics flow after previous disruptions due to the pandemic and an optimisation of inventory levels in line with the company's set targets.

Cash flow from investing activities amounted to -16.6 MSEK (-9.5) during the period, of which investments in intangible assets, such as product development, licences, and market approvals, amounted to -15.8 MSEK (-9.3).

Cash flow from financing activities during 2022/23 amounted to SEK -43.9 million (7.1), which is mainly a net effect of the amortisation of a long-term loan and an increase in the working capital facility. As of 30 April 2023, the total available bank credit amounted to SEK 173.4 million (148.2), of which the utilised bank credit was SEK 113.6 million (148.5).

Shareholder's equity and equity ratio

Equity for the Group amounted to SEK -41.6 million at the end of the period compared with SEK 42.1 million at the beginning of the year, January 2022. This corresponds to SEK -0.39 (0.39) per share. The equity ratio is negative with -7.7% at the end of the period compared to 7.4% per cent at the beginning of the year.

Multi-year review 2020-2022/23

MSEK	2022/2023 16 months	2021 12 months	2020 12 months
Net turnover	540,1	385,5	406,6
Gross profit	209,5	176,3	202,0
Gross margin	38,8%	45,7%	49,7%
EBITDA	-27.5	17,6	63,4
Result before tax	-90,2	-19,0	28,2
Cash flow from operating activities	-12,9	54,3	37,2
Cash flow from investing activities	-16,6	-9,5	-20,3
Earnings per share, SEK	-0,87	-0,19	0.24
Equity per share, SEK	-0,39	0,39	0,58
Solidity	-7,7%	7,4%	12,4%
Number of employees at the end of the period	131	122	118

For definitions of key figures, see page 40.

The work of the Management Board

The Board held thirteen meetings during the period. An Annual General Meeting was held on 19 May 2022, where it was decided to re-elect Gunilla Spongh as Chairman of the Board and Gerald Engström, Berit Lindholm and Eva Sjökvist Saers as ordinary members of the Board. At the end of the year, the Board thus consisted of the Chairman and three ordinary members.

Shareholders

During the financial year, Färna Invest with relatives of the Engström family increased its shareholding from 84.50% to 92.68%. In February 2022, Färna took over 0.6 million shares, so-called "Tag and Drag along", which Färna/Serendipity purchased. In April 2022, Färna bought 0.6 million shares in a deal brokered by ABG Sundal Collier. In May 2022, a private individual sold 0.5 million shares and Skirner sold 2.9 million shares to Färna. Färna acquired 4.2 million shares from Varenne in June 2022.

Financing

In June 2020, the company took out a bank loan with SEB of SEK 58 million with a four-year term and amortisation. Färna Invest, the company's largest shareholder, has provided a bank guarantee for part of the loan. As of 30 April 2023, the loan amounted to SEK 18.1 million. The company also has a working capital credit with security in inventory that at the end of the period amounted to SEK 127 million, of which SEK 67 million was utilised at the end of the period. In addition, there is an account credit of EUR 2.5 million, which was fully utilised at the end of the period.

The COVID-19 pandemic is over

The World Health Organisation (WHO) declared in May 2023 that the COVID-19 pandemic is no longer an international health threat. For about 3 years, the pandemic has made the situation difficult for many people and industries. The pharmaceutical industry was mainly affected in logistics flows and in sales, where in the first phase of the pandemic it led to a large stock build-up both internally at Bluefish but above all at external stakeholders such as distributors and pharmacies with or without the influence of local authorities. During the final phase of the pandemic, logistics flows have normalised and there has been a local reduction in stock levels with less safety stock. Bluefish managed to minimise the negative impact on the availability of medicines thanks to proactive business strategy decisions, but we can observe slightly lower sales in some markets as stock levels have been reduced.

Product development

The company conducts product development in the form of new generic formulations. To ensure continued good sales growth and profitability, the development of new products is a prioritised area. The development work is focused on products that the company has identified as creating long-term value. During the 2022/23 financial year, Bluefish invested SEK 8.3 million (1.7) in drug development, excluding costs for registration, side effect management and quality assurance. During the period, several new development projects were initiated to strengthen the product portfolio. Currently, the company has 11 products in an active development phase. A proprietary product with great market potential is Melatonin. We expect it to be launched at the end of 2023, depending on the length of the approval process in the different countries. In 2024 and beyond, the launch of several proprietary products will follow.

In addition to self-developed launches, we are also increasing the pace of licensing more products and other forms of external collaboration to generate increased sales and gross margin.

Environmental work and work environment

The company has prepared a sustainability report for 2022/23 that is submitted as a separate report and is available on the company's website. Bluefish continues to work with the UN's global goals to run the company in a sustainable and responsible manner 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, control of suppliers and improving the gender balance among our managers.

Bluefish strives to comply with all work environment-related laws and regulations and to minimise harmful environmental impact in our operations. We want to offer all our employees a safe and secure working 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, Bulgaria, Turkey, and India. All sites are audited at regular intervals by the company's quality department to ensure compliance with GMP (Good Manufacturing Practice) regulations as well as local regulations and regulatory requirements regarding the environment.

Parent company

Bluefish Pharmaceuticals AB is the parent company of the Bluefish Pharmaceuticals Group. Net sales during the 2022/23 financial year totalled SEK 545.1 million (371), of which intra-group sales amounted to SEK 253.3 million (177.6). Operating profit amounted to SEK -1.6 million (-18.1) and net financial items to SEK -39 million (-9.8). The sharp decline in net financial items is mainly explained by net currency effects of SEK -25.9 million (-2.7) and increased interest expenses for bank loans of SEK -4.1 million (-3.7) and intra-group loans of SEK -8.9 million (-2.5). The parent company's cash and cash equivalents as of 30 April 2023 amounted to SEK 1.3 million compared to SEK 11.2 million at the beginning of the financial year. The parent company's equity as of 30 April 2023 amounted to SEK 11 million (36.2). During the year, the parent company received a capital contribution of SEK 15.5 million from Färna Invest.

Future outlook

For the financial year 2023/24, the company estimates that sales growth and profitability will improve compared to the previous year. Sales growth will mainly 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 following risks and uncertainties.

The company estimates that the negative equity ratio is short-term, and that results will improve in the coming year. The financial position and ability to pay is good, since both short-term and long-term financing is secured. Bluefish fulfils all its obligations towards suppliers, banks and other third parties on time and without remarks.

Risks and uncertainties

Bluefish faces many different risks and uncertainties that could adversely affect our business. The company keeps abreast of changes in the business environment and evaluates their short- and long-term consequences and works as far as possible to ensure an adequate supply of medicines.

The main business and financial risks that could have a significant negative impact on the business or the results of the business are described below.

Environmental factors

To date, the war in Ukraine has not affected the supply chain of pharmaceuticals. Neither Ukraine nor Russia are direct suppliers of raw materials to Bluefish subcontractors and the impact of the war on our ability to supply is currently very limited. The company has no direct connections or supplies to these countries. If a general shortage of raw materials occurs in the world, consequential effects on the pharmaceutical industry and Bluefish cannot be excluded.

The Swedish krona has continued to weaken against the euro. The company is negatively affected as purchases of goods are made in euros and a significant part of the company's short-term provisions, discounts, are in euros as the base currency. This is partly compensated by the fact that sales are made in certain markets in euros.

Changes in market conditions

In several markets where Bluefish operates, there is strong price competition. With changed market conditions compared to what was assumed when evaluating the business opportunity, there is a risk that sales cannot be made at market conditions. The above means that there is a risk of impairment of both investments and inventories. To be able to manage changing market conditions, it is an advantage to be a flexible organisation with quick decision-making paths.

Bluefish also works with several different partners, with whom continued co-operation and development cannot be guaranteed. With broken partnerships, delays or cancelled sales may occur.

The development of generic medicines is a complex, risky and time-consuming process, with each project facing the risk of failure or delay due to a number of 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 costs are not recovered.

Supply chain

Bluefish has no in-house production, so the company cooperates with contract manufacturers for pharmaceutical production. In the manufacture of pharmaceuticals, shortages and delays in deliveries can occur, both due to changed conditions in terms of raw material deliveries, lack of resources, priorities, etc. or events of a force majeure nature. Delays in deliveries can lead to delayed or non-existent sales, penalties for late delivery, and impairment of inventories.

Changes in government decisions

It cannot be ruled out that the regulatory approval process at authority level may change regarding requirements concerning details, the scope of documentation or other matters. Such regulatory decisions may result in increased costs and delays in projects or lead to projects being cancelled. Bluefish is also exposed to regulatory decisions regarding the necessary permits to commercialise pharmaceuticals. Regulatory changes regarding pricing and discounting of pharmaceuticals or changed conditions for a certain pharmaceutical prescription may also affect the result. Changed regulatory decisions can affect regular plans for distribution and lead to delays or excluded sales. Bluefish employees have good knowledge of the regulatory framework and, to prevent surprises regarding regulatory changes, Bluefish employees frequently collect information regarding updates on ongoing investigations by the authorities.

Legislation and regulations

Failure to comply with applicable laws and regulations may result in civil and/or criminal proceedings and governmental sanctions. Bluefish is primarily responsible for product liability regarding quality and safety, competition law, environmental issues, employment, work environment/health and safety and tax issues. A negative outcome of disputes and/or government investigations can lead to significant liability claims. To counteract negligence, a strong culture of ethics and compliance has been created within the company. All employees in the company undergo a training programme at induction, which includes knowledge of laws and regulations, and thereafter regular update training.
The risk of product liability claims is partly limited by product liability insurance but can never be eliminated as the scope and amount of coverage is limited.

Dependence on key people

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

Financial risks

Bluefish regularly communicates future financial expectations. All such statements are forward-looking and are based on assumptions and judgements. Failure to successfully implement our business and operational strategies could prevent us from achieving our financial goals and expectations and could in turn cause a material adverse effect on our business, results of operations or financial condition, including the ability to raise capital and maintain existing credit. For a detailed account of financial risks, such as currency risk, interest rate risk, credit risk, liquidity risk and capital risk, see note 3.

Proposal for the appropriation of the company's earnings

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

SEK	
Share premium reserve	374 090 547
Retained earnings	-371 586 056
Profit for the year	-40 671 635
Total	-38 167 144

The Board of Directors and the CEO propose that the accumulated loss of SEK 38,167,144 be carried forward. The Board of Directors proposes that no dividend be paid for the financial year 2022/23. Regarding the Group's and the parent company's results and position at the end of the financial year, as well as financing and capital utilisation during the financial year, please refer to the following income statements and balance sheets, specifications and changes in equity, cash flow statements, accounting and valuation principles and notes. The annual report and consolidated financial statements present amounts in SEK thousand unless otherwise stated. In some cases, rounding has taken place, which means that tables and calculations do not always add up.

Income statement
Group

kSEK	Need	2023/2022 16 months	2021 12 months
Net sales	2, 5, 6	540 097	385 500
Cost of goods sold		-330 580	-209 238
Gross profit		209 517	176 262
Selling expenses		-143 295	-92 986
Administration costs		-45 525	-29 126
Development costs		-80 329	-63 401
Operating result	6-12	-59 632	-9 251
Financial income	14	10 616	5 675
Financial expenses	15	-41 154	-15 398
Financial items - net		-30 538	-9 724
Result before tax		-90 170	-18 974
Income tax	16	-3 636	-1 978
Profit for the year attributable to the parent company's shareholders		-93 806	-20 952

Statement of comprehensive income

kSEK	2023/2022 16 months	2021 12 months
Profit (loss) for the year	-93 806	-20 952
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translation differences	-5 436	1 482
Total other comprehensive income	-5 436	1 482
Comprehensive income for the year	-99 242	-19 470

The entire amount of the comprehensive income for the year is attributable to the shareholders of the parent company.

Balance sheet
Group

kSEK	Need	2023-04-30	2021-12-31
ASSETS	2, 9, 23		
Non-current assets			
Intangible assets	11, 18	96 566	102 432
Property, plant, and equipment	11, 12, 19	29 592	6 439
Financial assets	21	3 131	1 392
Total non-current assets		129 290	110 263
Current assets			
Inventories	22	172 528	228 260
Accounts receivable	24	140 891	115 088
Tax receivables	24	694	570
Receivables from Färna Invest	24	15 500	0
Other receivables	24	37 320	9 667
Prepaid expenses and accrued income	24	8 815	2 498
Restricted cash	30	0	965
Cash and cash equivalents		35 680	100 837
Total current assets		411 429	457 885
TOTAL ASSETS		540 718	568 148
EQUITY AND LIABILITIES	2, 3, 23		
Equity capital			
Share capital	25,4	21 584	21 584
Other contributed capital		405 101	405 100
Reserves		-8 517	-3 081
Retained earnings including profit (loss) for the year		-459 817	-381 511
Total equity		-41 649	42 092
Non-current liabilities			
Borrowings	26	3 625	21 750
Leasing liabilities	12, 27	22 227	340
Other non-current liabilities	12, 27	272	358
Total non-current liabilities		26 123	22 448
Current liabilities			
Accounts payables		40 460	73 209
Tax liabilities		1 333	715
Borrowings	26	109 930	126 705
Other current liabilities	12, 27	5 456	3 952
Leasing liabilities	12, 27	9 975	8 376
Current provisions	28,4	353 654	268 681
Accrued expenses and deferred income	29	35 436	21 969
Total current liabilities and provisions		556 244	503 607
TOTAL EQUITY AND LIABILITIES		540 718	568 148

Consolidated statement of changes in equity Group

SHAREHOLDERS OF THE PARENT COMPANY

kSEK	Note	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Closing equity as of 31 December 2020		21 584	405 100	-3 699	-314 819	108 167
Correction of errors in 2019 and 2020	4			-864	-45 741	-46 604
Adjusted opening equity on 1 January 2021		21 584	405 100	-4 563	-360 560	61 561
Profit (loss) for the year		-	-	-	-20 952	-20 952
Translation differences		-	-	1 482	-	1 482
Total other comprehensive income, net of tax		-	-	1 482	-	1 482
Total comprehensive income		-	-	1 482	-20 952	-19 470
Total transactions with shareholders		-	-	-	-	
Closing equity as of 31 December 2021		21 584	405 100	-3 081	-381 511	42 092
Opening equity as of 1 January 2022		21 584	405 100	-3 081	-381 511	42 092
Profit (loss) for the year		-	-	-	-93 806	-93 806
Translation differences		-	-	-5 436		-5 436
Total other comprehensive income, net of tax		-	-	-5 436		-5 436
Total comprehensive income		-	-	-5 436	-93 806	-99 242
Capital contributions			-		15 500	15 500
Total transactions with shareholders	-	-			15 500	15 500
Closing equity as of 30 April 2023		21 584	405 100	-8 517	-459 817	-41 649

Cash flow statement
Group

kSEK	Need	2023/2022 16 months	2021 12 months
Operating activities			
Operating profit (loss)		-59 632	-9 251
Interest paid		-4 556	-9 517
Interest income		202	306
Taxes paid		-3 179	-872
Adjustments for items not included in the cash flow etc.	31	149 968	141 494
Cash flow from operating activities before changes in working capital		82 803	122 160
Cash flow from changes in working capital			
Inventories		37 254	-54 100
Operating receivables		-73 915	4 826
Operating liabilities		-59 076	-18 558
Cash flow from operating activities		-12 934	54 329
Investment activities			
Acquisition of intangible assets	18	-15 789	-9 262
Acquisition of property, plant and equipment	19	-899	-190
Change in other investing activities		39	-
Cash flow from investing activities		-16 649	-9 451
Financing activities			
Repayment of loans	26	-18 125	-14 500
Issued overdraft facility (inventory credit)	26	-16 775	25 000
Payment of lease liabilities	27	-8 979	-3 427
Repayment of invoice credit	26		-10
Other cash flow from financing activities		-	45
Cash flow from financing activities		-43 879	7 108
Cash flow for the year		-73 462	51 986
Cash and cash equivalents at the beginning of the year		101 802	48 586
Exchange rate difference in cash and cash equivalents		7 340	1 230
Cash and cash equivalents at year-end		35 680	101 802

Income statement
Parent company

kSEK	Need	2022/2023 16 months	2021 12 months
Net sales	2, 5, 6	545 069	370 979
Cost of goods sold		-330 580	-209 238
Gross profit/loss		214 489	161 741
Selling expenses		-91 955	-87 518
Administration costs		-44 094	-27 773
Development costs		-79 993	-64 529
Operating profit (loss)	7-13	-1 552	-18 079
Financial income	14	11 041	5 516
Financial expenses	15	-50 160	-15 324
Financial items - net		-39 119	-9 808
Profit (loss) before tax		-40 672	-27 887
Income tax	16	-	-
Profit (loss) for the year		-40 672	-27 887

Statement of comprehensive income

kSEK	2022/2023 16 months	2021 12 months
Profit (loss) for the year	-40 672	-27 887
Other comprehensive income		
Items that may be reclassified to profit or loss for the year	-	-
Total other comprehensive income	-	-
Comprehensive income for the year	-40 672	-27 887

Balance sheet
Parent company

kSEK	Need	2023-04-30	2021-12-31
ASSETS	2, 23		
Non-current assets			
Intangible assets	11, 18	93 974	99 685
Property, plant, and equipment	11, 19	71	16
Participations in Group companies	20	8 842	8 842
Other non-current liabilities	21	1 116	-
Total non-current assets		104 002	108 543
Current assets			
Inventories	22	172 528	228 260
Accounts receivable	24	68 302	38 765
Receivables from group companies	24	207 254	26 257
Tax receivables	24	694	570
Receivables from Färna Invest	24	15 500	0
Other receivables	24	5 989	5 093
Prepaid expenses and accrued income	24	5 407	1 164
Restricted cash	30	-	965
Cash and cash equivalents		1 330	11 201
Total current assets		477 005	312 275
TOTAL ASSETS		581 007	420 818
EQUITY AND LIABILITIES	2, 3		
Equity			
Share capital	25	21 585	21 585
Fund for development expenditures		27 600	17 849
Total restricted equity		49 185	39 433
Unrestricted equity	34		
Share premium reserve		374 091	383 842
Retained earnings		-371 586	-359 199
Profit (loss) for the year		-40 672	-27 887
Total unrestricted equity		-38 167	-3 244
Total equity		11 018	36 189
Non-current liabilities			
Borrowings	26	3 625	21 750
Other non-current liabilities	27	272	358
Total non-current liabilities		3 897	22 108
Current liabilities			
Accounts payable		37 963	13 474
Liabilities to group companies		392 355	200 634
Borrowings	26	109 930	126 705
Other current liabilities	27	7 869	7 257
Accrued expenses and deferred income	29	17 975	14 451
Total current liabilities		566 092	362 521
TOTAL EQUITY AND LIABILITIES		581 007	420 818

Statement of changes in equity
Parent company

	RESTRICTED EQUITY		UNRESTRICTED EQUITY		
kSEK	Share capital	Fund for development projects	Share premium reserve	Retained earnings	Total equity
Opening equity on 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 of	-	-	-	-	-
Total comprehensive income	-	-	-	-27 887	-27 887
Transactions with shareholders 2021					
Transfer of fund for development expenditure	-	629	-629	-	-
Closing equity as of 31 December 2021	21 584	17 849	383 842	-387 086	36 189
Opening equity as of 1 January 2022	21 584	17 849	383 842	-387 086	36 189
Profit (loss) for the year				-40 672	-40 672
Total other comprehensive income, net of					
Total comprehensive income				-40 672	-40 672
Transactions with shareholders 2022/23					
Capital contributions				15 500	15 500
Transfer of fund for development expenditure		9 751	-9 751		-
Closing equity as of 30 April 2023	21 584	27 600	374 091	-412 258	11 018

Cash flow statement
Parent company

kSEK	Need	2022/2023 16 months	2021 12 months
Operating activities			
Operating profit (loss)		-1 552	-18 079
Interest paid		-5 276	-9 806
Interest income		34	-
Taxes received/paid		-124	474
Adjustments for items not included in cash flow	31	10 292	38 233
Cash flow from operating activities before changes in working capital		3 374	10 822
Cash flow from changes in working capital			
Inventories		37 254	-54 100
Operating receivables		-236 616	37 819
Operating liabilities		234 996	-4 585
Cash flow from operating activities		39 008	-10 043
Investment activities			
Acquisition of intangible assets	18	-16 010	-9 017
Acquisition of property, plant and equipment		-88	-
Cash flow from investing activities		-16 098	-9 017
Financing activities			
Repayment of loans	26	-18 125	-14 500
Issued overdraft facility (inventory credit)	26	-16 775	25 000
Repayment of invoice credit	26		-10
Other cash flow from financing activities		-	45
Cash flow from financing activities		-34 900	10 535
Cash flow for the year		-11 990	-8 526
Cash and cash equivalents at the beginning of the year		12 166	20 694
Exchange rate difference in cash and cash equivalents		1 154	-2
Cash and cash equivalents at year-end		1 330	12 166

Note 1 Accounting policies

General information

Bluefish Pharmaceuticals AB (publ) (the Parent Company) and its subsidiaries (together the Group) develop and market generic pharmaceuticals through a network of independent wholesalers and pharmacies. The Parent Company is a limited liability company registered and domiciled in Stockholm. The address of the head office is Gävlegatan 22, 113 30 Stockholm. The Board of Directors approved these consolidated financial statements for publication on 5 July 2023.

Basis of preparation for the financial statements

The consolidated accounts for the Bluefish Pharmaceuticals Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 and the Swedish Annual Accounts Act have also been applied. The consolidated accounts have been prepared according to the cost method unless otherwise stated below. The parent company's accounts have been prepared in accordance with the same accounting principles as for the Group, except for what is described in the section on the 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 statements are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest thousand.

Fixed assets and long-term liabilities consist essentially of values that are expected to be recovered or paid after more than 12 months from the balance sheet date.

The preparation of financial statements in conformity with IFRS requires management to make certain key judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. The areas involving a high degree of judgement, complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2. Estimates and judgements and are reviewed regularly. Changes in estimates are recognised in the period the change is made if the change affects only that period, or in the period the change is made and future periods if the change affects both the current and future periods.

The accounting policies set out below have been applied consistently to all years presented, unless otherwise stated below. The Group's accounting policies have been applied consistently to the reporting and consolidation of subsidiaries. Certain comparative figures have been reclassified to conform to the presentation in the current annual report. Where the reclassification relates to material amounts, a separate disclosure is provided.

New or amended accounting standards in the financial year 2022/2023

No new or updated accounting standards and interpretations effective for the financial year beginning 1 January 2022 have had any significant impact on the Group's or the Parent Company's financial statements.

Not applicable standards

Bluefish does not apply IFRS 8, Operating Segments, which IFRS allows for unlisted companies.

Consolidation principles

Subsidiaries are companies that are under the controlling influence of Bluefish Pharmaceuticals AB. Controlling influence means directly or indirectly a right to shape a company's financial and operational strategies, which normally means that the parent company owns more than 50 per cent of the voting rights for all shares and participations. When assessing whether a controlling influence exists, potential voting shares that are currently possible to utilise or convert are taken into account. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the group. They are excluded from the consolidated financial statements from the date on which control ceases.

The acquisition method is used to account for the Group's business combinations. The consideration for the acquisition of a subsidiary is the fair value of the assets transferred and liabilities incurred by the Group from previous owners of the acquired company.

The purchase price also includes the fair value of any assets or liabilities resulting from a contingent consideration arrangement. Identifiable acquired assets and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the amount by which the total consideration and fair value of non-controlling interests exceeds the fair value of identifiable assets acquired and liabilities assumed. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recognised directly in the income statement.

Intra-group receivables and liabilities, income and expenses and unrealised gains and losses arising from intra-group transactions between group companies are eliminated in full when preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

Foreign currency translation

Transactions in foreign currency have been translated into the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are valued at the closing rate. Exchange rate differences that arise are recognised in profit or loss for the period. The consolidated financial statements are prepared in Swedish kronor (SEK), which is the parent company's functional and presentation currency.

The balance sheets of foreign subsidiaries have been translated into SEK at the closing rate. Income statements have been translated at the average exchange rate for the year. The translation difference arising from the currency translation is recognised in other comprehensive income.

Non-monetary assets are recognised in the functional currency of the activity in which they were originally recognised. This applies even if the asset is subsequently transferred to an operation within the group with a different functional currency. Translation into the reporting currency is done in the same way as for foreign subsidiaries.

Use exchange rates in relation to the group's reporting currency (SEK):

		Average price		Balance sheet price	
Country	Currency	2022/2023	2021	2023	2021
		16 months	12 months	30 April	31 December
Denmark	DKK	1,4485	1,3641	1,5191	1,3753
Euroland	EUR	10,7782	10,1449	11,3228	10,2269
India	INR	0,1281	0,1160	0,1258	0,1216
Norway	NOK	1,0418	0,9980	0,9646	1,0254
Poland	PLN	2,3001	2,2228	2,4721	2,2279

On disposal of all or part of a foreign operation, the exchange differences previously recognised in other comprehensive income are recognised in profit or loss for the period as part of the gain or loss on disposal.

Proceeds

Net sales are revenue from the delivery of goods, after deducting discounts and returns, excluding value added tax. Sales of goods are recognised when a Group company has delivered goods to the customer, the economic benefits and risks associated with the goods have essentially been transferred to the customer, and when payment of associated receivables is reasonably certain. Bluefish revenue is recognised in accordance with IFRS 15 Revenue from Contracts with Customers. According to IFRS 15, revenue should be recognised when the customer gains control of the goods or services sold. Bluefish's revenue essentially consists of revenue from the sale of goods and the performance obligation is fulfilled at a point in time.

The Group markets and sells a range of generic pharmaceutical products primarily in the wholesale market. Sales of goods are recognised as revenue when a group company has delivered products to a wholesaler, the wholesaler has the discretion to choose the sales channel and price for the product and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler and either the wholesaler has approved the products in accordance with the sales contract, the conditions for approval have expired or the group has objective evidence that all criteria for approval have been met.

In the wholesale market, pharmaceutical preparations are often sold at a quantity discount and customers have the right to return products. Sales revenue is recognised based on the price specified in the sales contract, net of estimated quantity discounts and returns at the time of sale. Cumulative experience is used to assess and reserve discounts and returns. No financing component is deemed to exist as sales are made with a maximum credit period of 60 days, which is in line with

market practice.
See also note 2 Estimates and judgements.

Taxes

The Group's total income tax expense includes tax payable or receivable in respect of the current year, adjustments in respect of previous years' current tax and changes in deferred tax.
The current tax expense is calculated based on the tax rules enacted or substantively enacted at the balance sheet date in the countries where the parent company's subsidiaries operate and generate taxable income.
For items recognised in the income statement, the related tax effects are also recognised in the income statement. Tax effects of items recognised directly in equity are recognised in equity.
Deferred tax is calculated based on temporary differences between the recognised and taxable values of assets and liabilities.
The measurement of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and tax rules enacted at the balance sheet date. If the calculations lead to the creation of a deferred tax asset, it is recognised as an asset only if it is probable that it will be realised.

Intangible assets

Development costs

Expenses incurred in development projects related to the in-house development of generic products are recognised as intangible assets provided that the probability of future economic benefit and economic life is high. An intangible asset is recognised only to the extent that the product can be sold in existing markets and resources are available to complete the development. Only those costs that are directly attributable to the development of the new product are capitalised.
Other development expenditure that does not meet these conditions is recognised as an expense when incurred. Development expenditure previously recognised as an expense is not recognised as an asset in a subsequent period. Capitalised development costs will be amortised over their useful life, which is estimated to be 10-15 years, using the straight-line method.

Licence rights and market authorisation

Acquired licence rights and related market approval are capitalised. Market approval consists of expenses for registration of licences with authorities and directly attributable expenses. Licences and costs for obtaining market approval are recognised at cost less accumulated amortisation.
Licence rights and marketing authorisations have a finite useful life and are amortised over this period, which is estimated to be 10-15 years, using the straight-line method.

Software and licences

Acquired software licenses are capitalized based on acquisition and implementation fees. The expenditure is amortised over the useful life, which is 4-10 years.

Impairment of intangible assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, but at least once a year.
An impairment loss is recognised 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. To assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units), which typically consist of a license right or proprietary product and related marketing approval for a specific geographical market.

Tangible fixed assets

Tangible fixed assets are mainly equipment and computers and are recognised at cost less accumulated depreciation. Cost includes expenditure directly attributable to the acquisition of the asset.
Additional expenditure to improve the performance of the assets, beyond the original level, increases the carrying amount of the asset. All other forms of repairs and maintenance are recognised as expenses in the income statement in the period in which they are incurred. Property, plant, and equipment are depreciated on a straight-line basis over the estimated useful life of the assets, which is 3-5 years.

Impairment of non-current assets

The Group assesses at each balance sheet date whether there is any indication that a non-current asset is impaired. If so, the Group assesses the asset's recoverable amount. A recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use. Value in use is the present value of the estimated future cash flows attributable to the asset. The asset is impaired by the amount by which the asset's carrying amount exceeds its recoverable amount. The discount rates reflect the cost of capital and other financial parameters in the country or region where the assets are utilised.

Leasing contracts

Leases are recognised in accordance with IFRS 16. Bluefish applies the relief rules for short-term leases and leases where the underlying asset is of low value. Expenses arising in connection with these leases are recognised on a straight-line basis over the lease period as operating expenses in the income statement.
Upon entering into an agreement, Bluefish determines whether the agreement is, or contains, a lease based on the substance of the agreement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Leasing liabilities

Lease liabilities are initially measured at the present value of the unpaid lease payments at the commencement date. The balance sheet items other long-term liabilities and other short-term liabilities include these liabilities.
The lease term is determined as the non-cancellable period together with periods to extend or terminate the agreement if Bluefish is reasonably certain to exercise those options. In assessing the lease term when there are extension and cancellation options, both business strategy and contract-specific conditions are considered to determine whether the Group is reasonably certain to exercise the options.
Lease payments include fixed payments (after deducting any benefits associated with signing the lease), variable lease payments that depend on an index or price, and amounts expected to be paid under residual value guarantees.
The lease payments also include the exercise price of an option to purchase the underlying asset or penalties payable on termination if Bluefish is reasonably certain to exercise those options. Variable lease payments that do not depend on an index or price are recognised as an expense in the period to which they relate.
For the present value calculation of lease payments, the interest rate implicit in the contract is used if it can be easily determined, otherwise the incremental borrowing rate of the lease is used. After the commencement date of a lease, the lease liability is increased to reflect the interest on the lease liability and decreased by lease payments made. In addition, the lease liability is remeasured because of lease modifications, changes in the lease term, changes in lease payments or changes in the judgement to purchase the underlying asset.

Access rights Assets

Bluefish recognises right-of-use assets in the balance sheet at the commencement date of the lease. The right-of-use assets are included in the balance sheet on the line for property, plant and equipment.
Right-of-use assets are measured at cost less accumulated depreciation and any impairment losses and adjusted for revaluations of the lease liability. Cost includes the initial value recognised for the related lease liability, initial direct costs, any prepayments made on or before the commencement date of the lease after deducting any incentives received, and an estimate of any restoration costs.
Provided that Bluefish is not reasonably certain that it will take ownership of the underlying asset at the end of the lease, the right-of-use asset is amortised 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 realisable value. Cost is calculated by applying the weighted average method and includes expenses incurred in acquiring and transporting the inventory assets. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Write-downs of inventories are made in the normal course of business and are recognised in cost of sales. See also note 2 Estimates and judgements.

Financial instruments

Financial instruments are recognised in the balance sheet when the group becomes a party to the contractual terms of the instrument. A receivable is recognised when the company has performed and there is a contractual obligation for the counterparty to pay. A liability is recognised 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 incurred, and the nature of the contractual cash flows are critical to classification. The Group has financial assets and liabilities classified in the following categories:

a) Financial assets at amortised cost
b) Financial liabilities at amortised cost

Purchases and sales of financial assets are recognised on the trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group has not held any financial instruments measured at fair value through profit or loss or other comprehensive income during the financial year or the comparative year.

Financial assets measured at amortised cost

Financial assets classified at amortised cost are initially measured at fair value plus transaction costs. After initial recognition, the assets are measured using the effective interest method. Assets classified at amortised cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the outstanding principal amount. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current assets.

Financial assets measured at amortised cost are subject to provisions for expected credit losses. Impairment for credit losses is recognised prospectively and a loss allowance is established when there is exposure to credit risk, usually at initial recognition. Expected credit losses reflect the present value of any shortfall in cash flows attributable to losses for either the next 12 months or the expected remaining life of the financial instrument, depending on the asset class and on credit deterioration since initial recognition.

Financial liabilities measured at amortised cost

Financial liabilities recognised at amortised cost are initially measured at fair value, including transaction costs. After initial recognition, they are measured at amortised cost using 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:

- falls due for payment within 12 months of the balance sheet date; or
- is expected to be paid within the normal course of the entity's operating cycle.

All other financial liabilities should be classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and other short-term investments with a maturity date within three months of the date of acquisition. Bank guarantees are restricted to funds that are not included in cash and cash equivalents.

Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or options are recognised, net of tax, in equity as a deduction from the issue proceeds.

Accounts payables

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if they fall due within one year or less. If not, they are recognised as long-term liabilities. Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Borrowing

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently carried at amortised cost and any difference between the amount received (net of transaction costs) and the amount to be repaid is recognised in the income statement over the period of the borrowing, using the effective interest method. Working capital loans are recognised as borrowings under current liabilities in the balance sheet.

Other liabilities

Other liabilities are classified as current liabilities if they fall due within one year or less. If not, they are recognised as long-term liabilities.

Other liabilities consist mainly of liabilities incurred in connection with the purchase of licence rights. Payment of licence rights is made at agreed milestones, usually depending on the market approval process.

Other liabilities are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Parent company

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

The accounting policies stated for the parent company have been applied consistently to all periods presented in the parent company's financial statements.

Subsidiaries

Shares and participations in subsidiaries are recognised at cost less any impairment losses. The acquisition value includes acquisition-related costs and any additional purchase considerations. Dividends received are recognised as financial income. When there is an indication that shares and participations in subsidiaries are impaired, the recoverable amount is calculated. If this is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the item Income from participations in group companies.

Group contributions and shareholder contributions

Group contributions made or received by the parent company, to minimise the group's total tax, are accounted for under the alternative rule as appropriations.

Shareholder contributions made by the parent company are recognised in shares and participations and tested for impairment as above.

Tangible fixed assets

Property, plant, and equipment in the parent company are recognised at cost less accumulated depreciation and any impairment losses in the same way as for the Group, but with the addition of any revaluations.

Leasing contracts

The rules on accounting for leases under IFRS 16 are not applied in the parent company. This means that lease payments are recognised as an expense on a straight-line basis over the lease term, and that right-of-use assets and lease liabilities are not included in the parent company's balance sheet. However, the identification of a lease is made in accordance with IFRS 16, i.e., an agreement is, or contains, a lease if the agreement transfers the right to control the use of an identified asset during a certain period in exchange for compensation.

Employee benefits

Defined contribution pension plans

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

Development expenditure fund

Companies that capitalise development costs in their balance sheet must set aside the corresponding amount in a restricted fund within equity. The fund is released at the same rate as the entity amortises or impairs the capitalised development costs. The fund will also be released when the entity disposes of the asset.

Rectification of errors in the financial statements

Misstatements in the financial statements may arise from, for example, incorrect application of accounting policies or generally accepted accounting principles, identification, measurement, performance, or disclosure of items. Errors detected in the current accounting period are corrected before the financial statements are finalised. Material errors discovered in prior periods are adjusted and reported in the next financial statements. The correction is made by adjusting the opening balance of assets, liabilities and equity in the earliest accounting period presented by the accounting error. Adjustments are also made to the comparative figures presented for the previous periods where accounting errors were made.

Note 2 Estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Given the uncertainty associated with these estimates, actual results may differ from such assumptions and judgements, which could affect the Group's consolidated financial statements.
The description of the accounting policies indicates the areas where judgements and estimates need to be made. Given the nature of the Group's operations, the management of Bluefish Pharmaceuticals considers the most significant of these to be revenue recognition, inventory accounting and impairment testing of intangible 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.
In accordance with pharmaceutical industry practice, gross sales are subject to various deductions, which include rebates and discounts to governments, wholesalers, and health insurers and returns. These deductions represent estimates of the related obligations, which in turn require the company to make an estimate of the effect on sales for a particular reporting period. Thus, for the purpose of recognising net sales, these estimates are deducted from gross sales. The assessment of the need for such a deduction is made on a transaction-by-transaction basis.
Typically, there is a time lag of several months between the estimation 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 arrangement with an indirect customer, such as a purchasing organisation or a health insurance company, to sell products at a price lower than that 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 recognises such discounts by reducing gross sales by an amount equal to our estimate of the discount attributable to a particular sale. Reserves for estimated discounts are calculated using a combination of factors, including the terms of individual contracts, historical experience, and expected product growth.
When we sell a product on the wholesale market where the customer has the right to return products, a provision is recognised for estimated returns based on expected changes in market conditions and the remaining shelf life of the product. The volume of returns is limited and often occurs 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 a corresponding deduction is made from gross sales.
The Company regularly adjusts the reserves for deductions from gross sales 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 lag from the sale of goods to the receipt of such discount invoices.

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 projected volumes, the Company continuously assesses whether there is a risk of impairment due to a short shelf life of the product, or in cases where the market price has changed, and the product can no longer be sold at a profit. Such estimates for obsolescence are recognised as the cost of goods sold. Reconciliation with actual destruction of inventories is performed on an ongoing basis.

Intangible assets

The Group's intangible assets consist mainly of license rights, market approvals and products under development.
All intangible assets are continuously tested for impairment. The Group assesses whether there is any indication that an asset is impaired. The assessment of whether there is an indication is based on the asset's projected contribution to earnings. If the asset's contribution to earnings is low, the Group assesses the asset's recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In most cases, the necessary market information to estimate the fair value of the asset is not available. Thus, the value in use is used to assess the value of the asset. This is the present value of the estimated future cash flows attributable to the asset. The estimated value in use reflects assumptions about market developments, projected sales and margins, future tax rates, and the discount rate. The discount rate used in the present value calculation of the expected future cash flows is the current weighted average cost of capital (WACC) established within the Group. Given the extensive assumptions, actual cash flows may differ significantly from the values obtained from the projected cash flows.
In cases where the carrying amount of the asset exceeds its recoverable amount, the asset is written down by a corresponding amount. All impairment losses are recognised immediately in profit or loss. Intangible assets relating to the Company's development projects for which development is discontinued are reviewed for impairment upon completion and are amortised to their fair value (which is usually zero).

Income taxes

Deferred tax assets are calculated based on the estimated future utilisation of accumulated consolidated tax losses. Deferred tax assets relating to loss carryforwards are not recognised as assets until further notice.

The war in Ukraine

The war in Ukraine has not had and is not expected to have any immediate impact on Bluefish and has to date not affected the supply chain of pharmaceuticals. Neither Ukraine nor Russia are direct suppliers of raw materials to Bluefish's subcontractors and the impact of the war on Bluefish's supply capacity is limited. Nor does the company have any direct connections or supplies to these countries. If a general shortage of raw materials occurs in the world, consequential effects on the pharmaceutical industry and Bluefish cannot be ruled out.

Inflation and interest rates

An increased level of inflation will over time lead to higher purchase prices and distribution costs, as well as sales and administration costs. Normally, pharmaceutical prices are regulated at a maximum price with little scope for upward adjustment. We are actively reviewing our price and discount strategy to compensate for margin pressure as much as possible.
The rise in interest rates over the past year has meant that our financing costs have and will continue to increase in line with our financing needs.

Note 3 Financial risk management

Through its activities, the Group is exposed to a variety of financial risks: currency risk, cash flow and fair value interest rate risk, credit risk, liquidity risk and capital risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.
Risk management is handled by the central finance department according to policies established by the Board of Directors. The finance function identifies, evaluates, and hedges financial risks in close co-operation with the Group's operational units. The Board of Directors establishes written policies both for overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, particularly in respect of the euro. Currency risk arises from future business transactions, recognised assets and liabilities and net investments in foreign operations.
If the Swedish krona had weakened/strengthened by 10 per cent in relation to the euro with all other variables constant, the effect on the carrying amount of assets and liabilities as at 30 April 2023 would have been SEK 7,174 thousand (4,643) higher/lower, mainly as a result of gains/losses on translation of receivables and liabilities in euro.
At the balance sheet date, unrealised exchange rate losses of SEK -4,005 thousand (-8,008) were recognised 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 income and cash flows from operating activities are essentially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Floating rate borrowings expose the Group to cash flow interest rate risk. Fixed-rate borrowings expose the Group to fair value interest rate risk. All loans during and at the end of the period carry variable interest rates.

Credit risk

Credit risk is managed at group level. Credit risk arises from balances with banks and financial institutions and credit exposure to wholesalers, including outstanding receivables and contracted transactions. The credit risk in trade receivables is relatively limited considering that the Group's customer base is diversified and mainly consists of large customers. Customers are subject to credit checks and the balance of receivables is monitored on an ongoing basis. Only banks and financial institutions with a minimum credit rating of AAA by independent evaluators are accepted. The Group's main bank on the balance sheet date was Skandinaviska Enskilda Banken AB (publ), SEB. As of 30 April 2023, the Group's balance with SEB amounted to SEK 30,245 thousand (94,820) of the Group's total balance of SEK 35,680 thousand (100,837). If wholesalers have been credit rated by independent appraisers, these ratings are used. In cases where no independent credit assessment is available, a risk assessment of the customer's creditworthiness is made, taking into account their financial position, as well as past experience and other factors. Individual risk limits are set based on internal or external credit assessments in accordance with the limits set by the Board of Directors. The use of credit limits is monitored regularly.
Bluefish has an agreement with SEB on working capital credits to meet the company's increased need for working capital. As of 30 April 2023, the working capital credits include SEK 155 million with the Nordic and German stocks as collateral. The company also has an agreement with SEB for a long-term loan of SEK 18.1 million at the end of April, which is amortised by SEK 14.5 million per year and has a final maturity date of 30 June 2024. The credits with SEB are conditional on ownership and dividend clauses and Färna Invest AB has provided a guarantee for these credits.

Liquidity risk

Cash flow forecasts are prepared regularly. The Group's central treasury department closely monitors rolling forecasts of the Group's liquidity reserve to ensure that the Group has sufficient cash resources to meet the needs of its operating activities while maintaining sufficient headroom in undrawn committed credit facilities on an ongoing basis.

The table below analyses the Group's financial liabilities, broken down by the time remaining at the balance sheet date until the contractual maturity date. The amounts shown in the table are the contractual undiscounted cash flows.
The operating credits do not take into account any interest as the interest rate is difficult to estimate due to fluctuations of the debt between months. The operating credits signed with SEB are ongoing agreements that run as long as there is a Nordic stock to pledge with a notice period of 3 months for both parties. Under the agreements with SEB, the Nordic stock may be pledged at a value of 65 per cent of the AIP (Apotekens Inköps Pris). The utilisation rate of the overdraft facility shall not exceed 50% of the book inventory in Germany.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5	More than 5 years
As of 30 April 2023				
Inventory credit	67 128	-	-	-
Account credit	28 032			
Liabilities to credit institutions	14 500	3 625		-
Accounts payable and other liabilities	40 460	-	-	-
Leasing liabilities	5 456	4 445	17 781	-
As of 31 December 2021				
Inventory credit	112 205	-	-	-
Account credit	-	-	-	-
Liabilities to credit institutions	14 500	14 500	7 250	-
Accounts payable and other liabilities	73 209	-	-	-
Leasing liabilities	3 952	340	-	-

The Board of Directors and CEO continuously monitor the company's forecasting work and assess that the Group's forecast cash flow is secured for the next 12 months and that it meets the liquidity needs of the business and allows the company to fulfil its business plan.

Capital risk

The Group's capital structure objectives are to safeguard the Group's ability to continue as a going concern so that it can continue to generate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep the cost of capital down.
To maintain or adjust the capital structure, the group may issue new shares or sell assets to reduce liabilities.
In line with other companies in the sector, the Group assesses capital based on the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings (comprising the short-term borrowings and long-term borrowings items in the consolidated balance sheet) less cash and cash equivalents.

The debt/equity ratio at the end of the financial year was as follows:

	2023-04-30	2021-12-31
Total borrowing	113 555	148 455
Less cash and cash equivalents	-35 680	-100 837
Net debt	77 875	47 618
Total equity	-41 649	42 093
Debt/equity ratio	negative	>1

Note 4 Correction of errors

In 2022, the Group discovered that previous rebate provisions had been incorrectly calculated in 2019 and 2020. As a result, net sales have been overstated and the related rebate provision understated. The errors have been corrected by restating each of the relevant items in the financial statements for previous periods. The following tables summarise the impact on the Group's consolidated financial statements.

Impact of error correction:

	31 December 2019			31 December 2020		
	As previously reported	Adjustment	As recalculated	As previously reported	Adjustment	As recalculated
Total assets	489,178		489,178	501,818		501,818
Current liabilities	129,982	39,429	169,411	138,676	46,605	185,281
Others	277,495		277,495	254,974		254,974
Total liabilities	407,477	39,429	446,906	393,650	46,605	440,255
Total equity capital	81,701	-39,429	42,272	108,168	-46,605	61,563
Net turnover	379,897	-39,429	340,468	414,418	-7,176	407,242
Income tax	-2,115		-2,115	-2,824		-2,824
Others	-381,635		-381,635	-378,416		-378,416
Profit / loss	-3,853	-39,429	-43,282	33,178	-7,176	26,002
Total comprehensive income	-2,968	-39,429	-42,397	26,466	-7,176	19,290

Note 5 Revenue from contracts with customers

Net sales are broken down by geographical markets as follows:

Group

2022/2023 16 months	Goods for the period	Sales in tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic	Northern Europe	Southern Europe	Nordic	Northern Europe	Southern Europe	Rest of the world	Northern Europe	Southern Europe	
Revenue per geographic market	130 265	136 959	25 037	24 268	4 919	496	13 545	200 122	4 486	540 097
When revenue is recognised										
At one point in time	130 265	136 959	25 037	24 268	4 919	496	13 545	200 122	4 486	540 097
Over time	-	-	-	-	-	-	-	-	-	-
	130 265	136 959	25 037	24 268	4 919	496	13 545	200 122	4 486	540 097

2021 12 months	Goods for the period	Sales in tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic	Northern Europe	Southern Europe	Nordic	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	-	-	-	-	-	-	-	-	-	-
	Goods for	Goods	Goods	Good	Goods	Goods	Goods	Goods	Goods	Goods

Parent company

2022/2023 16 months	Goods for the period	Sales in tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic	Northern Europe	Southern Europe	Nordic	Northern Europe	Southern Europe	Rest of the world	Northern Europe	Southern Europe	
Revenue per geographic market	130 265	156 609	22 299	24 268	4 919	496	13 545	188 816	3 852	545 069
When revenue is recognised										
At some point	130 265	156 609	22 299	24 268	4 919	496	13 545	188 816	3 852	545 069
Over time	-	-	-	-	-	-	-	-	-	-
	130 265	156 609	22 299	24 268	4 919	496	13 545	188 816	3 852	545 069

2021 12 months	Goods for the period	Sales in tenders		Direct sales to customers				Traditional sales		Total revenue
	Nordic	Northern Europe	Southern Europe	Nordic	Northern Europe	Southern Europe	Rest of the world	Northern Europe	Southern Europe	
Revenue by geographical 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 some point	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

Note 6 Geographic distribution of net sales

Net sales are broken down by geographical markets as follows:

Group	2022/2023 16 months	2021 12 months
Nordic region	154 533	108 532
Southern Europe	30 018	28 549
Northern Europe	342 001	239 815
Rest of the world	13 545	8 604
Total	540 097	385 500

Parent company	2022/2023 16 months	2021 12 months
Nordic region	154 533	108 532
Southern Europe	26 647	28 019
Northern Europe	350 345	225 824
Rest of the world	13 545	8 604
Total	545 069	370 979

The geographical market for net sales is determined by the location of the customer.
Due to a higher-than-expected discount level in Germany for certain goods, sales have been lower than the cost of goods sold. Since the parent company's sales in Northern Europe consist largely of intra-group sales, this has resulted in the parent company's sales in Northern Europe being higher than the Group's sales in Northern Europe.

Note 7 Remuneration of auditors

Group	2022/2023 16 months	2021 12 months
Remuneration of auditors		
Audit engagements[1] Ernst & Young (EY)[2]	-	407
Audit assignments[1] Grant Thornton (GT)[2]	825	463
Audit services other than the audit engagement	806	-
Tax advice GT	185	11
Tax consultancy EY	-	564
Total	1 816	1 445
Other auditors		
Audit assignments[1]	59	36
Audit services other than the audit engagement	400	255
Tax advice	19	45
Total	478	336
Total	2 294	1 782

Parent company	2022/2023 16 months	2021 12 months
Remuneration of auditors		
Audit engagements[1] Ernst & Young (EY)[2]	-	407
Audit assignments[1] Grant Thornton (GT)[2]	825	300
Audit services other than the audit engagement	806	-
Tax advice GT	185	11
Tax consultancy EY	-	564
Total	1 816	1 282
Other auditors		
Audit services other than the audit engagement	375	230
Total	375	230
Total	2 191	1 512

1) "Audit engagement" refers to the fee for the statutory audit, i.e. the work necessary to produce the audit report, and "audit advice" provided in connection with the audit engagement.
2) For the financial year 2020, Ernst & Young was elected auditor and for 2021 Grant Thornton.

Note 8 Employees and employee benefit expense

Average number of employees

Group	2022/2023 16 months		2021 12 months	
	Average number	Of which men	Average number	Of which men
Sweden	21	26%	22	29 %
France	3	64%	2	50 %
Portugal	-	-	3	72%
Spain	3	54%	3	66%
India	78	65%	74	68%
Germany	5	3%	5	0%
Poland	12	51%	10	61%
Ireland	3	60%	3	67%
Austria	3	33%	3	33%
Total	128	53%	125	57%

Parent company	2022/2023 16 months		2021 12 months	
	Average number of	Of which men	Average number of	Of which men
Sweden	21	28%	22	29 %
France	3	67%	2	50%
Total	24	33%	24	31%

Salaries and allowances by country and between directors and other employees

Parent company	2022/2023 16 months		2021 12 months	
	Board of Directors and	Others employees	Board of Directors	Other employees
Sweden	4 195	22 536	2 687	18 473
Other countries	-	3 509	-	1 918
Total parent company	4 195	26 046	2 687	20 391

Subsidiaries	2022/2023 16 months		2021 12 months	
	Board of Directors and	Others employees	Board of Directors	Other employees
India	-	18 136	-	11 175
Other countries	-	24 261		21 783
Total subsidiaries	-	42 397	-	32 958
Total Group	4 195	68 443	2 687	53 349

Salaries, other remuneration and social security costs

	2022/2023 16 months		2021 12 months	
	Salaries& remuneration[1]	Payroll overhead	Salaries& remuneration[1]	Payroll overhead
Parent company	30 241	9 680	23 078	7 160
(of which pension costs)1)	(2 554)		(2 447)	
Subsidiaries	42 397	4 466	32 958	3 628
(of which pension costs)1)				(0)
Total Group	72 638	14 146	56 036	10 788
(of which pension costs)1)	(2 554)		(2 447)	

1) Of the Group's and Parent Company's pension costs, SEK 713 thousand (524) relates to the Board of Directors and CEO. The Group only has defined contribution pension plans. Pension cost refers to the cost that affected the profit for the year. The salary cost includes bonuses paid of SEK 505 thousand (2,640). See also note 33.

Note 8 Employees and employee benefit expense (continued)

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

2022-23	Period	Salary/remuneration [1)]	Pension cost	Total
Gerald Engström, Member	1 January 2022 - 30 April	-	-	-
Gunilla Spongh, Chair, Member	1 January 2022 - 30 April	400	-	400
Eva Sjökvist Saers. member, deputy member	1 January 2022 - 30 April	200	-	200
Berit Lindholm, Executive Director, Member	CEO until 30 April 2022 1 January 2022 - 30 April	1 283	188	1 471
Erik Ekman, Executive Director	1 May 2022 - 30 April	2 312	525	2 837
Other senior executives		6 883	1 117	8 000
Total		11 078	1 830	12 908

The composition of the Board of Directors during the year is shown under the heading 'Work of the Board of Directors' in the Directors' Report.

In the event of the termination of the CEO's employment by the company, a severance payment of 6 months is payable. In the event of termination by the CEO, a fixed salary is paid during the 6-month notice period. The salary cost includes bonuses paid to senior executives of SEK 515 thousand (729).

2021	Period	Salary/remuneration	Pension cost	Total
Erika Kjellberg Eriksson, Chair, Member	1 January - 23 June	-	-	-
Gerald Engström, Chairman, Member	1 January - 31 December	-	-	-
Gunilla Spongh, Chair, Member	19 May - 31 December	125	-	125
Eva Sjökvist Saers. member, alternate	1 January - 31 December	100	-	100
Berit Lindholm, Executive Director, Member	1 January - 31 December	2 462	524	2 986
Other senior executives		5 574	940	6 514
Total		8 261	1 464	9 725

Shareholdings of the Board of Directors and senior executives

2023-04-30	Stocks	Ownership in per cent	Votes in per cent
Gunilla Spongh, President	-	-	-
Gerald Engström, Member [1)]	100 027 571	92,68	92,68
Eva Sjökvist Saers, Member	-	-	-
Berit Lindholm, Member	70 000	0,06	0,06
Erik Ekman, Executive Director	130 000	0,12	0,12

2021-12-31	Stocks	Ownership in per cent	Votes in per cent
Erika Kjellberg Eriksson, President	-	-	-
Gerald Engström, Chairman, Member [1)]	91 197 408	84, 50	84,50
Eva Sjökvist Saers, Member	-	-	-
sBerit Lindholm, Executive Director	70 000	0,06	0,06

1) Private or through a company

Gender balance in the board and management

Group	2022/2023	2021
Board of Directors		
Men	1	1
Women	3	3
Total	4	4
CEO and other senior executives		
Men	3	4
Women	3	3
Total	6	7

Note 9 Options plan

Since the start of Bluefish Pharmaceuticals, there has been an endeavour to allow employees to participate in the future development of the business, including through the possibility of acquiring shares in the company. The allocation of options is determined by the Board of Directors, or a committee appointed by the Board of Directors, taking into account, among other things, the employee's performance, position within the Group and importance to the Group. The purpose of the share option programme is to create conditions for retaining and recruiting competent personnel within the group. The Annual General Meeting on 21 June 2017 decided to implement an incentive programme by issuing warrants. At the Annual General Meeting on 19 May 2021, it was decided to extend the programme with a deadline for redemption to 30 June 2023. As of 30 April 2023, 1,850,000 options have been allocated. Below is an account of the option programme that is ongoing in the Group. Outstanding options as of 30 April 2023:

Series	Date of issue	Deadline for redemption	Exercise price of options	Total programme	Outstanding options	The number of shares may 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 21 June 2017, it was decided to introduce an international option programme for the Group's employees. The option programme means that persons closely associated with the Group can be allocated call options, which entitle the holder to acquire shares in Bluefish Pharmaceuticals AB.
The options are granted with an exercise price corresponding to the estimated market value of the Bluefish Pharmaceuticals share at the time of issue. The options can be exercised from the date of registration with the Swedish Companies Registration Office up to and including 30 June 2023.
As of 30 April 2023, the company's employees held a total of 1,850,000 options, corresponding to 1,850,000 shares under the option scheme.
Of these, 700 000 options have been granted to senior executives, see pages 4-6.

Options	2022/2023	2021
Outstanding on 1 January	1 850 000	900 000
Allocated during the period	-	1 025 000
Exercised during the period	-	-100 000
Returned during the period	-	-
Outstanding on 30 April / 31 December	1 850 000	1 850 000
Unallocated on 30 April / 31 December	150 000	150 000

Valuation parameters

For employees who have received options against payment of a consideration less than the fair value, the difference between the amount paid and the fair value at the grant date is expensed on the service that entitles employees to the grant of options.
The value of employee service relating to the fair value of options granted has been recognised in the income statement in the amount of SEK 0 (0).
The fair value of warrants granted is assessed at the date of grant using the Black-Scholes binomial model, which considers the terms and conditions of the grant. The valuation is carried out by an independent valuation institute.

The following table indicates the inputs used in the model at the time of release of each programme.

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

Note 10 Allocation of costs by nature of expense

Group	2022/2023 16 months	2021 12 months
Cost of goods sold	330 580	209 238
Other external costs	150 275	91 834
Employee benefit expenses	86 784	66 824
Depreciation/amortisation and impairment loss on assets	32 090	26 855
Total	599 729	394 751

Parent company	2022/2023 16 months	2021 12 months
Cost of goods sold	330 580	209 238
Other external costs	153 832	127 954
Employee benefit expenses	39 921	30 238
Depreciation/amortisation and impairment loss on assets	22 288	21 628
Total	546 622	389 058

Note 11 Depreciation and impairment

Group	2022/2023 16 months	2021 12 months
Depreciation, amortisation and impairment by type of asset:		
Licences	4 109	6 287
Pharmaceutical approvals	15 853	12 664
Development projects	922	3
Completed development projects	810	2 135
Other intangible assets	561	421
Equipment and computers	1 265	918
Right of use Assets	8 570	4 427
Total	32 090	26 855
Depreciation, amortisation and impairment by function		
Selling expenses	4 291	2 240
Administration costs	1 705	1 737
Development costs	26 093	22 878
Total	32 090	26 855

Parent company	2022/2023 16 months	2021 12 months
Depreciation, amortisation and impairment by type of asset:		
Licences	4 109	6 287
Pharmaceutical approvals	15 853	12 664
Development projects	922	3
Completed development projects	810	2 144
Other intangible assets	561	421
Equipment and computers	34	109
Total	22 289	21 628
Depreciation, amortisation and impairment by function:		
Selling expenses	0	3
Administration costs	330	125
Development costs	21 959	21 500
Total	22 289	21 628

Note 12 Leasing

Group — 2023-04-30

Right-of-use Assets	Office space	Motor Vehicles	Total
Opening value	3 384	748	4 132
New and reassessed contracts	26 865	1 058	27 923
Depreciation and amortisation	-7 443	-1 127	-8 570
Translation differences	3 897	182	4 079
Closing value	26 704	861	27 565

The maturity analysis for lease liabilities is included in note 3 together with the current maturity analysis for other liabilities.
The total cash flow for leasing in 2023 is SEK 8,979 thousand (3,427).
The total lease expense in 2023 is SEK 8,942 thousand (4,629), including depreciation of SEK 8,570 thousand (4,427), interest expenses on lease liabilities of SEK 372 thousand (106) and expenses relating to low-value assets and short-term leases of SEK 88 thousand (96). The increase in right-of-use leases from SEK 3,384 thousand to SEK 26,704 thousand is explained by a new lease in Sweden and an extension of a lease in India.

Parent company

The total leasing cost for 2023 is SEK 3,364 (2,217) thousand including office rent of SEK 3,276 (2,121) thousand and other leasing costs of SEK 88 (96) thousand.

Note 13 Purchases and sales within the Group

Of the parent company's operating expenses during the financial year, 5 per cent (12) relate to purchases from group companies.
Of the parent company's net sales for the financial year, 47 per cent (48) relate to sales to group companies.

Note 14 Financial income

Group	2022/2023 16 months	2021 12 months
Interest income on current bank deposits	202	306
Exchange gains	10 414	5 369
Total	10 616	5 675

Parent company	2022/2023 16 months	2021 12 months
Interest income on current bank deposits	34	-
Intra-group interest income	593	147
Exchange gains	10 414	5 369
Total	11 041	5 516

Note 15 Financial expenses

Group	2022/2023 16 months	2021 12 months
Interest charges on bank loans	4 086	3 719
Leasing (note 11)	372	106
Other interest expenses	224	784
Other financial expenses	117	2 717
Currency	36 355	8 072
Total	41 154	15 398

Parent company	2022/2023 16 months	2021 12 months
Interest charges on bank loans	4 087	3 717
Intra-group interest expenses	8 947	2 459
Other interest expenses	35	189
Other financial expenses	735	886
Currency	36 355	8 072
Total	50 160	15 324

Note 16 Income tax

Group	2022/2023 16 months	2021 12 months
Current tax	-3 645	-1 999
Deferred tax	8	22
Total	-3 636	- 1 978

Current tax

Reported profit before tax	-90 170	-18 974
Tax at the applicable rate	18 575	3 909
Effect of foreign tax	3,028	-777
Tax effect of:		
Non-deductible expenses	-2935	-18
Non-taxable income	-	-
Unrecognised tax assets relating to tax loss carry-forwards	-15 023	- 5 112
Tax on profit or loss according to income statement	3 645	-1 999

Parent company	2022/2023 16 months	2021 12 months
Current tax	-	-
Deferred tax	-	-
Total	-	-

Current tax

Reported profit before tax	-40 672	-27 887
Tax at current rate 20.6% (21.4)	8 378	5 745
Tax effect of:		
Non-deductible expenses	-2 935	-632
Non-taxable income	-1	-
Unrecognised tax assets relating to tax loss carry-forwards	-5 443	-5 112
Tax on profit or loss according to income statement	-	-

Tax loss carry-forwards

Group	2022/2023 16 months	2021 12 months
Unlimited time	374 278	347 851
Total	374 278	347 851

Parent company		
Unlimited time	363 109	336 682
Total	363 109	336 682

Of the Group's total loss carryforwards, SEK 323,034 thousand (323,034) are 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 losses can be utilised for an unlimited period.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities. There are no deferred tax assets for the financial year. The deferred tax liability for the Group is due to a temporary difference resulting from the adjustment under IFRS 16 Leases during the financial year.

Note 17 Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. To calculate diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted for the dilutive effect of all potential ordinary shares. Issued options, see note 9, have not been calculated to have any dilutive effect since they were issued in 2018.

	2022/2023 16 months	2021 12 months
Profit (loss) for the year attributable to the shareholders of the Parent Company	-93 806	-20 952
Basic	-0.87	-0.19
Diluted 1)	-0.87	-0.19
Average number of shares, thousands		
Basic	107 923	107 923
Convertible debt	-	-
Options	-	-
Diluted	107 923	107 923

Note 18 Intangible assets

2023-04-30

Group	Development projects	Completed development projects	Licences	Pharmaceutical approvals	Other intangible assets	Total
Opening cost	11 999	15 102	58 490	173 182	13 930	272 703
Acquisitions	7 831	-	1 427	7 982	-	17 240
Adjustments for the year according to the consolidated table	493	-	-	4 216	-	4 709
Adjustment of previous years' acquisitions	- 1 086	-558	-	-	-	-1 644
Scrapping for the year	-	-	-169	-1 049	-	-1 218
Closing acquisition values	19 237	14 544	59 748	184 331	13 930	291 790
Opening depreciation and amortisation	-1 087	-7 500	-33 490	-116 795	-11 399	-170 271
Depreciation and amortisation	-	-810	-3042	-11 362	-561	-15 775
Impairments	-922	-	-1 067	-4 491	-	-6 480
Adjustment of previous years'	1 084	-	-	-2 187		-1 103
Sales/scrapping			82	439	-	521
Adjustments for the year according to				-2 116		-2 116
Outgoing depreciation and amortisation	-925	-8 310	-37 517	-136 512	-11 960	-195 224
Carrying amount at end of period	18 312	6 234	22 231	47 819	1 970	96 566
As of 30 April						
Acquisition value	19 237	14 544	59 748	184 331	13 930	291 790
Accumulated depreciation and	-925	-8 310	-37 517	-136 512	-11 960	-195 224
Carrying amount at end of period	18 312	6 234	22 231	47 819	1 970	96 566

Internally generated research and development costs capitalised during the year amount to SEK 10,575 thousand (2,537). The amount has been recognised under drug approvals and development projects. During the year, SEK 15,789 thousand (9,262) was paid in cash for the year's acquisitions of intangible assets.

An impairment loss has been recognised for assets where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is compared with the carrying amount to assess any impairment. An asset's recoverable amount is the higher of value in use and fair value less costs to sell. 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 for impairment or when there is an indication that requires testing. An impairment loss has been recognised in the corresponding amount. All losses due to impairment are recognised immediately in profit or loss. Intangible assets relating to the company's development projects for which development is discontinued are reviewed for impairment upon completion and are amortised to their fair value, which is usually zero. For already commercialised products, the impairment risk is very low as the assumptions in the analysis are conservative. Sales growth is assumed to be 5% in years 1-3 and 3% in years 4-10 with the same development for cost of goods sold. Even with an assumption of a weighted average cost of capital (WACC) of up to 15%, the risk of significant impairment is very low. Total impairments for licence rights, drug approvals and development projects during the year amount to SEK 6,480 thousand (6,174).

Note 18 Intangible assets (continued)

2021-12-31

Group	Ongoing in-house development	Proprietary products	Licence rights	Medicines authorisations	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	-	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		-2 028
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
On 31 December						
Cost	11 999	15 102	58 490	173 182	13 930	273 327
Accumulated depreciation and impairment	-1 087	-7 500	-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

2023-04-30

Parent company	Ongoing in-house development	Proprietary products	Licence rights	Pharmaceutical authorisations	Other intangible assets	Total
Opening acquisition values	10 915	14 534	58 489	173 174	11 968	269 089
Acquisitions	7 831	-	1 427	7 982	-	17 240
Adjustment of previous years' acquisitions		-	-	-	-	-
Sales/disposals	-	-	-169	-1 049		-1 218
Closing acquisition values	18 746	14 543	59 747	180 107	11 968	285 111
Opening depreciation and amortisation	-3	-7 500	-33 489	-118 974	-9 437	-169 403
Depreciation and amortisation	-	-810	-3 042	-11 362	-561	-15 775
Impairments	-922	-	-1 067	-4 491	-	-6 480
Adjustment of previous years' depreciation and amortisation			82	439	-	521
Outgoing depreciation and amortisation	-925	-8 310	-37 516	-134 388	-9 988	-191 137
Carrying amount at end of period	17 821	6 233	22 321	45 719	1 970	93 974
As of 30 April						
Acquisition value	18 746	14 543	59 747	180 107	11 968	285 111
Accumulated depreciation and impairment	-925	-8 310	-37 516	-134 388	-9 988	-191 137
Carrying amount at end of period	17 821	6 233	22 321	45 719	1 970	93 974

2021-12-31

Parent company	Ongoing in-house development	Clear development projects	Licence rights	Pharmaceutical authorisations	Other intangible assets	Total
Opening acquisition values	9 365	15 035	58 588	169 969	11 968	264 925
Acquisitions	1 550	860	-100	3 205	-	5 515
Adjustment of depreciation of previous years	-	-1 352	-	-	-	-1 352
Closing acquisition values	10 915	14 543	58 488	173 174	11 968	269 088
Opening depreciation and amortisation	-	-6 708	-27 202	-106 310	-9 016	-149 236
Depreciation and amortisation	-	-1 515	-4 851	-15 365	-421	-22 152
Impairments	-3	-629	-1 436	-4 106		-6 174
Sales/scrapping		1 352		6 807		8 159
Outgoing depreciation and amortisation	-3	-7 500	-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
On 31 December						
Acquisition value	10 915	14 543	58 488	173 174	11 968	269 088
Accumulated depreciation and impairment	-3	-7 500	-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

Note 19 Property, plant and equipment

Group	2023-04-30			2021-12-30		
	Equipment and computers	Rights of use	Total	Equipment and computers	Access rights	Total
Opening acquisition values	24 071	20 874	44 945	25 639	20 173	45 812
Currency adjustment of opening balances	1 802	-	1 802	-1 738	-	-1 738
Acquisitions	899	27 923	28 822	169	701	870
Translation differences for the year		4 079	4 079			
Closing acquisition values	26 771	52 876	79 647	24 071	20 874	44 945
Opening depreciation and amortisation	-21 764	-16 740	-38 505	-22 821	-12 819	-35 641
Currency adjustment of opening balances	-868	-1	-869	1 974		1 974
Depreciation and amortisation	-1 265	-8 570	-9 835	-918	-4 427	-5 345
Translation differences for the year	-847		-847		506	506
Outgoing depreciation and amortisation	-24 744	-25 311	-50 055	-21 764	-16 740	-38 505
Carrying amount at end of period	2 027	27 565	29 592	2 307	4 134	6 439

Rights of use by underlying asset class are shown in note 11.

Parent company	2023-04-30	2021-12-31
Equipment and computers		
Opening acquisition values	5 004	5 004
Acquisitions	88	
Closing acquisition values	5 092	5 004
Opening depreciation and	-4 987	-4 878
Amortisation according to plan	-34	-109
Outgoing depreciation and	-5 021	-4 987
Carrying amount at end of period	71	16

The carrying amount of property, plant, and equipment at the end of the period consists of SEK 2,027 (2,307) thousand for equipment and computers and SEK 27,565 (4,134) thousand for rights of use (see Note 12).

Note 20 Participations in group companies

	2023-04-30	2021-12-31
Book value at the beginning of the year	8 842	15 680
Subsidiaries repurchase of shares	-	-6 838
Book value at year-end	8 842	8 842

Subsidiaries	Organisation number	seats	Share of capital/voting rights (%)	Book value 2023-04-30	Book value 2021-12-31
Bluefish Pharmaceuticals Pvt Ltd	U02423KA2006PTC049950	Bangalore, India	100	7 840	7 840
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 (in liquidation)	C 50712	Malta	100	0	0
Total book value				8 842	8 842

Note 21 Other non-current assets

Group	2023-04-30	2021-12-31
Opening amount	1 392	1 196
Other non-current securities holdings	-	73
Net change in receivables	12	-
Other long-term deposits	1 116	-
Exchange rate differences for the year	611	122
Carrying amount at year-end	3 131	1 392

Other long-term receivables consist mainly of deposits for rent.

Parent company	2023-04-30	2021-12-31
Opening value	-	-
'Other long-term deposits	1 116	-
Carrying amount at year-end	1 116	-

Note 22 Inventories

Group/ Parent company	2023-04-30	2021-12-31
Finished products	162 260	223 020
Goods in transit	10 269	5 240
Total	172 528	228 260

The obsolescence reserve amounts to SEK 10,533 thousand (10,701).
The inventory write-down refers mainly to expired goods, and goods with too short a shelf life to be sold. The impairment amounts to SEK 18,477 thousand (17,612) for the year. See note 31.

Note 23 Financial instruments by category

Group	Financial assets at amortised cost	
2023-04-30		**Total**
Assets in the balance sheet		
Trade and other receivables	164 570	164 570
Cash and cash equivalents	35 680	35 680
Total	200 250	200 250
2021-12-31		
Assets in the balance sheet		
Trade and other receivables	121 972	121 972
Cash and cash equivalents	101 802	101 802
Total	223 774	223 774

Group	Financial liabilities at amortised cost	
2023-04-30		**Total**
Liabilities in the balance sheet		
Borrowing	109 930	109 930
Trade and other payables excluding non-financial liabilities	444 379	444 379
Total	554 309	554 309
2021-12-31		
Liabilities in the balance sheet		
Borrowing	148 455	148 455
Accounts payable and other liabilities excluding non-financial liabilities	308 329	308 329
Total	456 784	456 784

Financial instruments

Financial instruments are recognised in the balance sheet when the group becomes a party to the contractual terms of the instrument. A receivable is recognised when the company has performed and there is a contractual obligation for the counterparty to pay. A liability is recognised 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 incurred, and the nature of the contractual cash flows are critical to classification. The Group has financial assets and liabilities classified in the following categories:

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

Purchases and sales of financial assets are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group has not held any financial instruments measured at fair value through profit or loss or other comprehensive income during the financial year or the comparative year.

Note 24 Account and other receivables

Group	2023-04-30	2021-12-31
Accounts receivable	141 920	116 671
Less: reserve for expected credit losses	-1 028	-1 660
Accounts receivable - net	140 891	115 011
Claim on majority owner Färna Invest	15 500	
Other receivables (incl. Tax receivables)	46 829	12 735
Total other receivables	62 329	12 735
Total Accounts and other receivables	203 221	127 746

Parent company	2023-04-30	2021-12-31
Accounts receivable	68 302	38 879
Less: reserve for expected credit losses	0	-114
Accounts receivable - net	68 302	38 765
Receivables from group companies	207 254	26 257
Claim on majority owner Färna Invest	15 500	
Other receivables (incl. Tax receivables)	12 091	6 827
Total other receivables	234 845	33 084
Total Accounts and other receivables	303 146	71 849

The Parent Company's and the Group's confirmed bad debt losses during the year totalled SEK 0 thousand (0).
As of 30 April 2023, the Group's trade receivables amounting to SEK 34,516 thousand were overdue, compared with SEK 24,299 thousand on 31 December 2021. Of overdue trade receivables, SEK 0 thousand remains reserved as doubtful as of 2 June. The creditworthiness is good and there is no further need for impairment. The overdue receivables relate to a few customers who have not previously had any payment difficulties.
Bad debt losses relating to expected credit losses from trade receivables are recognised considering various possible defaults that may result in the Group not being able to collect the amount due according to the original payment terms. Indicators that a trade receivable may be considered doubtful are if the customer has significant financial difficulties, if there is a probability that the debtor will enter bankruptcy or financial reorganisation, or if payment is not made or is delayed (more than 30 days). The amount of the bad debt is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Loss allowances on trade receivables are always measured at an amount equal to the expected credit loss (ECL) lifetime.
At the end of April 2023, Bluefish received a shareholder contribution of SEK 15.5 million from majority owner Färna Invest. The contribution is conditional, which means that repayment can only be made from funds available for-profit distribution according to the Swedish Companies Act.

The ageing analysis of these trade receivables is shown below:

Group	2023-04-30	2021-12-31
Less than 30 days	31 533	16 037
Older than 30 days	2 983	8 262
	34 516	24 299

Parent company	2023-04-30	2021-12-31
Less than 30 days	28 171	10 144
Older than 30 days	1 016	7 065
	29 187	17 209

Overdue invoices in the Group amount to SEK 34,516 thousand on 30 April 2023, compared with SEK 24,299 thousand as of 31 December 2021. Of these invoices, SEK 11,483 thousand has been paid as of 2 June 2023, after which the outstanding amount amounted to SEK 23,033 thousand, compared with SEK 16,556 thousand paid as of 20 January 2022, after which the outstanding amount was then SEK 7,744 thousand.

Overdue invoices in the parent company amount to SEK 29,187 thousand on 30 April 2023 compared with SEK 17,209 thousand as of 31 December 2021. The increase in overdue invoices less than 30 days is mainly due to overdue invoices for distributor Tamro of SEK 14 million. Of these invoices, SEK 8,207 thousand has been paid as of 2 June 2023, after which the outstanding amount amounted to SEK 20,980 thousand, compared with SEK 11,480 thousand paid as of 2 February 2022, after which the outstanding amount was SEK 5,729 thousand. The Group assesses that the credit quality of outstanding receivables is high, and that no significant credit reserve exists in addition to the receivables that are individually reserved for.

Note 25 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 number of shares shall be no less than 45,000,000 and no more than 180,000,000. As of 30 April 2023, the share capital in the parent company amounts to SEK 21,585 thousand. The total number of shares amounts to 107,923,328. All shares as of 30 April 2023 have the equivalent of 1 vote and a quota value of SEK 0.20.

	Number of shares
As of 31 December 2021	107 923 328
As of 30 April 2023	107 923 328

Note 26 Borrowings

Group	2023-04-30	2021-12-31
Long-term borrowing		
Bank loans	3 625	21 750
Carrying amount	3 625	21 750
Short-term borrowing		
Inventory credit	67 128	112 205
Account credit	28 302	-
Bank loans	14 500	14 500
Carrying amount	109 930	126 705
Total carrying amount of borrowings	113 555	148 455

Parent company	2023-04-30	2021-12-31
Long-term borrowing		
Bank loans	3 625	21 750
Carrying amount	3 625	21 750
Short-term borrowing		
Inventory credit	67 128	112 205
Account credit	28 302	-
Bank loans	14 500	14 500
Carrying amount	109 930	126 705
Total recognised value of borrowings	113 555	148 455

Group	2023-04-30	2021-12-31
Opening value	148 455	137 920
Change in inventory credit	-45 077	25 045
Change in bank overdraft	28 302	
Change in invoice credit		-10
Change in bank loans	-18 125	-14 500
Discounted interest on convertible bonds		-
Repayment of previous convertible debt		-
Closing value	113 555	148 455

Parent company	2023-04-30	2021-12-31
Opening value	148 455	137 920
Change in inventory credit	-45 077	25 045
Change in bank overdraft	28 302	
Change in invoice credit		-10
Change in bank loans	-18 125	-14 500
Discounted interest on convertible debt		-
Repayment of previous convertible debt		-
Closing value	113 555	148 455

(a) Inventory credit, operating credit

Since November 2011, Bluefish has had an agreement with SEB on a working capital credit to meet the company's increased need for working capital. In 2022, the inventory credit was renegotiated and expanded by SEK 15 million. The warehouse credit includes SEK 127 million with the Nordic warehouse as collateral. The maximum number of months that a mortgaged product may be included in the mortgage base is 18 months. According to the agreement with SEB, the Nordic stock may be pledged at a value of 65 per cent of the AIP (Apotekens Inköps Pris). The warehouse credit is classified as a short-term loan with a maturity of up to 12 months as this loan is considered an overdraft.
The warehouse 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. Although the loan is classified as a short-term debt, both Bluefish and SEB consider the co-operation to be long-term.
In 2022, an overdraft agreement was signed with SEB. The account credit amounts to EUR 2.5 million but is limited to 50% of the book value of inventory for Germany.

Group/ Parent company	2023-04-30	2021-12-31
Warehouse credit		
Authorised stock credit	127 000	112 000
Utilised inventory credit	67 128	112 205
Granted, unutilised stock credit	59 872	-205
Account credit 2,5MEUR, rate 230430		
Authorised overdraft	28 338	-
Utilised overdraft facility	28 302	-
Authorised, unused overdrafts	37	-
Total granted, unused credit	59 909	-205

(B) Bank loans and other borrowings

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 currently carries an interest rate of approximately 6%, is amortised quarterly by SEK 3.625 million and has a final maturity date of 30 June 2024.
The fair value of short-term borrowings approximates it carrying amount, as the discount factor is not significant; see note 3.

(C) Financial covenants

The financing with SEB, working capital credit and bank loans, is conditional on ownership and dividend clauses and utilisation of the account credit in relation to 50% of the book value of inventories in Germany. There are also some negative clauses.

Note 27 Other liabilities, non-current and current

Group	2023-04-30	2021-12-31
Maturity date, within one year from balance sheet data (note 12)	15 431	16 790
Maturity date, 1-5 years from balance sheet data (note 12)	22 498	698
Total	37 929	17 488

Parent company	2023-04-30	2021-12-31
Maturity date, within one year from the balance sheet	7 869	11 718
Maturity date, 1-5 years from balance sheet date	272	358
Total	8 141	12 076

The liabilities are mainly related to expenses for the purchase of licence rights and lease liabilities (note 12). Final payment for the licence rights is made at agreed milestones, usually depending on the drug approval process. The long-term lease liability for the Group is SEK 22,227 thousand (340) and the short-term lease liability is SEK 5,456 thousand (3,952) as of 30 April 2023 (see note 12).
All interest is paid in 2022/2023, there is no accrued interest to report as at 30 April 2023.
As the EUR exchange rate has increased in 2023, price corrections are affected and have resulted in an accumulated foreign exchange cost.

Note 28 Current provisions

Group	2023-04-30	2021-12-31
Provision for net sales deduction	353 654	268 681
Provision for returns	-	-
Total	353 654	268 681

Group	2023-04-30	2021-12-31
Opening balance	268 681	185 280
New provision	1 008 945	573 190
Amounts utilised during the period	-952 764	-489 020
Reversal of unutilised amount	-	-3 386
Translation difference for the year	28 791	2 617
Closing balance	353 654	268 681

There are no current provisions in the parent company as at 30 April 2023.
The company's gross sales consist of the number of packs delivered during a specific period at the price prevailing in each market.
In accordance with pharmaceutical industry practice, gross sales are subject to various deductions, which include rebates and discounts to governments, wholesalers, and health insurers and returns. These deductions represent estimates of the related obligations, which in turn require the company to make an estimate of the effect on sales for a particular reporting period. Thus, for the purpose of recognising net sales, these estimates are deducted from gross sales. The assessment of the need for such a deduction is made on a transaction-by-transaction basis.
Typically, there is a time lag of several months from the time of the offence. the estimate of the deduction and the final recognition of the obligation. Net revenue in turn represents our best estimate of the revenue that will be received. See note 2.

Note 29 Accrued expenses and deferred income

Group	2023-04-30	2021-12-31
Accrued staff costs	4 361	4 997
Accrued interest on expenditure	82	-
Reserve for price adjustment and penalties		335
Other accrued expenses	30 994	16 637
Total	35 436	21 969

Parent company	2023-04-30	2021-12-31
Accrued staff costs	3 295	3 093
Accrued interest on expenditure	82	-
Reserve for price adjustment and penalties		335
Other accrued expenses	14 598	11 023
Total	17 975	14 451

Note 30 Pledged assets and contingent liabilities

Group	2023-04-30	2021-12-31
Bank guarantees	-	965
Stocks of goods	86 484	71 314
Business mortgages	30 000	30 000
Total	116 484	102 279
Contingent liabilities	None	None

Parent company	2023-04-30	2021-12-31
Bank guarantees	-	965
Stocks of goods	86 484	71 314
Business mortgages	30 000	30 000
Total	116 484	102 279
Contingent liabilities	None	None

Values for pledged inventory and accounts receivable refer to utilised credit in relation to the book value of the asset. The pledged inventory value has increased in 2023 in connection with the extension of the overdraft facility (inventory credit), see note 26. The bank guarantees are blocked funds that are not included in cash and cash equivalents.

Note 31 Supplementary disclosures to the cash flow statement

Group	2022/2023	2021
Adjustments for items not included in cash flow		
Amortisation and impairment of intangible and tangible assets	32 090	26 855
Inventory impairment	18 477	17 612
Impairment of accounts receivable	115	-1 136
Change in provision for discounts[1)]	105 201	94 670
Unrealised exchange rate differences	-5 914	3 493
Total	149 968	141 494

Parent company	2022/2023	2021
Adjustments for items not included in cash flow		
Amortisation and impairment of intangible and tangible assets	22 288	21 627
Impairment of accounts receivable	115	-1 136
Inventory impairment	18 477	17 612
Unrealised exchange rate differences	-30 588	131
Total	10 292	38 234

1) See also Note 2 and Note 28. The item varies mainly with the size and speed of invoicing of discounts received by Bluefish contract customers.

Note 32 Events after the balance sheet date

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

A tax audit of the German subsidiary for the years 2018-2020 was finalised in May. The result was an adjustment of the results for 2019 and 2020 with a negative tax effect, totalling EUR 155 thousand.

In June, negotiations will take place with an insurance company for patients in Germany to regulate compensation for a Bluefish back-listed product, Urapidil. This negotiation will provide guidance for other similar agreements where compensation claims may be made against the company. As of 30 April, we have allocated EUR 885 thousand to cover compensation claims for the year 2022/23.

As of 31 May 2023, Färna Invest AB has issued a capital adequacy guarantee to Bluefish Pharmaceuticals AB for a maximum amount of SEK 150 million.

Note 33 Transactions with related parties

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

The company has a bank loan with SEB with a nominal value of SEK 58.0 million, of which the outstanding amount on 23 April 30 was SEK 18.1 million. This loan has been guaranteed by Färna Invest, see Note 26.
Remuneration to senior executives, see Note 8. Options granted to senior executives, see Note 9 and pages 4-6. The Parent Company's purchases and sales that constitute transactions with Group companies are shown in Note 13. The pricing of purchased goods and services to affiliated companies has been made on market terms. On 30 April 2023, the parent company's receivables from group companies amounted to SEK 207.3 million (26.3) and liabilities to group companies to SEK 392.4 million (200.6). Transactions with related parties are priced on market terms. Credit losses on receivables from group companies amount to SEK 0 million (O) and future credit losses are expected to be immaterial.

The parent company's holdings of shares and participations in group companies are shown in note 20.

Note 34 Appropriation of earnings

Proposal for the appropriation of the company's profits
The following profits are at the disposal of the Annual General Meeting:

SEK	
Share premium reserve	374 090 547
Retained earnings	-371 586 056
Profit (loss) for the year	-40 671 635
Total	-38 167 144

The Board of Directors and the CEO propose that the available funds, SEK -38 167 144 (-3 244 780), be carried forward.
The Board of Directors proposes that no dividend be paid for the financial year 202 2/23.

Definitions of key figures

Gross margin

Gross profit as a percentage of turnover.

Gross profit

Operating income less cost of goods sold.

EBIT

Profit before financial items and tax (Operating profit).

EBITDA

Operating result before depreciation, amortisation and impairment of tangible and intangible assets.

Equity per share

Equity per share divided by the number of shares.

Net turnover

Gross sales adjusted for discounts and returns.

Net debt

Interest-bearing long-term and short-term liabilities less cash at bank.

Earnings per share

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

Solidity

Equity divided by total assets.

The Board of Directors and the Chief Executive Officer certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and performance. The annual accounts have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the parent company's financial position.

The Administration Report for the Group and the Parent Company provides a true and fair view of the development of the Group's and the Parent Company's operations, financial position, and results, and describes significant uncertainties faced by the Parent Company and the companies included in the Group.

The income statements and balance sheets will be submitted to the Annual General Meeting for adoption.

Stockholm, 5 July 2023

Gunilla Spongh, Chairman of the Board

Gerald Engström, Member

Eva Sjökvist Saers, Member

Berit Lindholm, Member

Erik Ekman, Chief Executive Officer

Our audit report was issued on 5 July 2023.

Grant Thornton Sweden AB

Per Hedström, Authorised Public Accountant

Auditor's report

To the general meeting in Bluefish Pharmaceuticals AB (publ)
Org.nr. 556673-9164

Report on the annual accounts and consolidated accounts

Statements

We have audited the annual accounts and consolidated accounts of Bluefish Pharmaceuticals AB (publ) for 1 January 2022 - 30 April 2023.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 30 April 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 April 2023 and of its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for opinions

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

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

Information other than the annual report and consolidated accounts

This document also contains information other than the annual accounts and the consolidated accounts and can be found on pages 2-6. This other information is the responsibility of the Board of Directors and the Chief Executive Officer.

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

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

If, based on the work performed on this information, we conclude that the other information is materially misstated, we are required to report this. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Executive Director

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

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

Auditor's responsibilities

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

As part of an ISA audit, we exercise professional judgement and maintain professional scepticism throughout the audit. In addition:

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

- Obtain an understanding of the company's internal control relevant to our audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

- evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.

- we draw a conclusion on the appropriateness of the Board of Directors and the Managing Director using the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion on the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit. for the auditor's report. However, future events or conditions may cause a company or group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We are solely responsible for our opinions.

We must inform the board of directors of, among other things, the planned scope, focus and timing of the audit. We must also communicate significant audit findings, including any significant deficiencies in internal control that we have identified.

Report on other legislative and regulatory requirements

Statements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bluefish Pharmaceuticals AB (publ) for the period 1 January 2022 - 30 April 2023 and the proposed appropriations of the company's profit or loss. We to confirm that the general meeting addresses the loss as proposed in the administration report and discharges the members of the Board of Directors and the CEO from liability for the financial year.

Basis for opinions

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section "Auditor's responsibilities". We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Executive Director

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. When proposing a dividend, this includes, among other things, an assessment of whether the dividend is justifiable considering the requirements that the company's and the group's type of operations, scope, and risks place on the size of the company's and the group's equity, consolidation needs, liquidity, and position in general. The Board of Directors is responsible for the company’s organisation 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 organisation 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 to ensure that the company's accounting is fulfilled in accordance with the law and that the management of assets is handled in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thus our opinion on discharge from liability, is to obtain audit evidence to assess with reasonable assurance whether any member of the Board of Directors or the Managing Director is in any material respect responsible:

- has undertaken any action or been guilty of any omission which may give rise to liability to the company; or

- in any other way acted in violation of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to liability to the company, or that a proposed disposition of the company's profit or loss is not in accordance with the Swedish Companies Act. As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. The additional audit procedures performed are based on our professional judgement with reference to risk and materiality. This means that we focus the audit on such measures, areas and conditions that are material to the operations and where deviations and violations would have particular significance for the company's situation. We examine and test decisions made, basis for decisions, actions taken and other circumstances that are relevant to our opinion on discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

Stockholm, 5 July 2023

Grant Thornton Sweden AB

Per Hedström

Authorised Public Accountant

Information to shareholders

Upcoming reporting (Available upon request to info@bluefishpharma.com)

Interim report	Second quarter 2023	Around 15 August 2023
Interim report	Third quarter 2023	Around 15 November 2023
Interim report	Fourth quarter 2023	Around 15 February 2024
Interim report	First quarter 2024	Around 15 May 2024

Annual General Meeting

The Annual General Meeting will be held on Thursday 29 August 2023 at the offices of Bluefish Pharmaceuticals, Gävlegatan 22, Stockholm.

Shareholders who wish to participate in the meeting shall:

Be registered in the share register maintained by Euroclear Sweden AB on 21 August 2023, and notify the company of their participation.
Please register by email: henrik.sjostrand@bluefishpharma.com or by post to Bluefish Pharmaceuticals AB, Gävlegatan 22, 113 30 Stockholm.
Please mark the envelope "General Meeting".
You can also register by telephone on 08-519 116 00.

Enrolment

The notification and completed postal voting form must be received by Bluefish Pharmaceuticals no later than 21 August 2023 and include name, personal or corporate identity number, address, telephone number and shareholding. Shareholders represented by proxy shall issue a written authorisation for the proxy. If the authorisation is issued by a legal entity, a certified copy of the registration certificate for the legal entity shall be attached. The power of attorney and certificate of registration may not be issued earlier than one year before the meeting.

Registration

Shareholders whose shares are registered in the name of a nominee must, 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 no later than 21 August 2023.

Address

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Organisationsnummer: 556673-9164

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