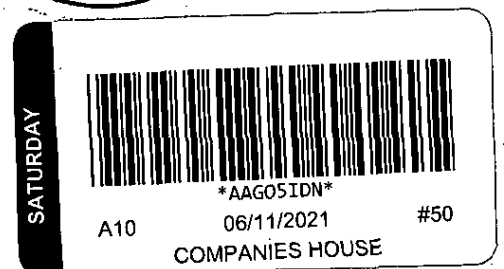
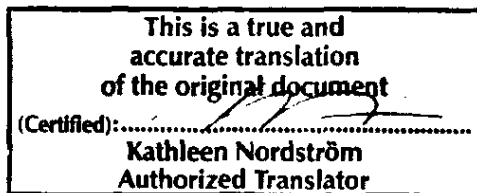


Annual Report
and
Consolidated accounts
for
KRY International AB
556967-0820

Financial year
2020





Directors' Report

Directors' Report

The Board of Directors and the Managing Director of the Kry International AB Group ("Kry") hereby present the annual report and consolidated financial statements for the 2020 financial year. This annual report has been prepared in Swedish krona (SEK). The company and the Group introduced IFRS during the year. The comparative information in the report has been restated in accordance with IFRS unless otherwise indicated; please refer to Note 32, where necessary. Kry's head office is located in Stockholm, Sweden.

Description of the business and future developments

Kry was founded with the goal of building better and more accessible healthcare for all. Today, we offer patients both digital and physical primary care, on equal terms throughout the year, safe, hassle-free and with short waiting times.

During the year, the Group conducted operations in Sweden, Norway and Germany under the Kry brand. The Livi brand was used to conduct operations in France and the UK. Kry provided physical healthcare at its healthcare centres in Skåne and further established itself in Stockholm, Östergötland and Halland through acquisitions. Kry also offered PCR tests for COVID-19 at a physical clinic in Oslo.

In August 2020, Kry acquired Helsa Vårdutveckling Sverige AB and its subsidiaries: Helsa Primärvård Sverige AB, which delivers primary care through 14 physical healthcare centres in the Stockholm, Östergötland, Halland and Skåne regions, and Helsa Specialistvård Sverige AB, which is currently inactive.

Kry was providing physical primary care at a total of 18 sites in Sweden by the end of the year.

MJog Limited, with operations in the UK, was acquired in October 2020. MJog has developed a messaging service that is used by 70% of all general practitioner clinics in the UK.

The Group's operations in the UK have now expanded from being focused exclusively on publicly funded healthcare in 2019 to also include partnerships with companies and private patients as well as subscriptions for the use of its technological platform as of 2020.

In France, there has been a positive trend of a considerable increase in demand for the company's services.

At Kry/Livi, clinicians, programmers, designers and product owners work in partnership to develop healthcare. Kry/Livi currently (March 2021) employs approximately 2,000 doctors, nurses and psychologists. As of March 2021, the company has facilitated more than 3,000,000 patient appointments.

We believe in bringing care closer to the patient and that everyone should have access to quality care, and in this respect, we know that our work has just begun. By responding to patient demand and adapting in the face of challenges, being determined about necessary transformations and with the vision to be the first choice for all patients, we are continuing our journey towards better healthcare for everyone.

Significant events after the end of the financial year

In January 2021, Kry opened a new physical healthcare centre in Sickla, in the Stockholm region. Kry is also leasing temporary locations in the Stockholm, Västra Götaland and Skåne regions to offer PCR tests and vaccinations.

On 5 January 2021, the subsidiary DMS Medical AB was merged with Digital Medical Supply Sweden AB as part of consolidating all care provider operations in Sweden into one company.

A new share issue totalling EUR 225 million was carried out in April 2021, with new investors and some existing investors participating.

Risks and risk management

Financial risks

The Group and Parent Company are exposed to financial risks through their operations. As such, they work proactively to identify and manage these risks.

Exchange rate risk can arise in the translation of held assets and liabilities, subsidiaries' foreign net assets in SEK and in the sale and purchase of foreign currency.

Credit risk may occur if a party to a transaction is unable to fulfil its agreed commitment, thereby causing a loss for the counterparty. The credit risk of the Parent Company and Group is low based on the business model and customers.

Though the spread of the COVID-19 infection is considerable in the company's current operating countries and there is some uncertainty about future transmission of the disease, the company has concluded that the effect of COVID-19 will not have a material impact on the Group's financial position or liquidity.

Business and operational risks

The business-related operational risks are connected with the daily operations and comprise, for example, regulatory healthcare-based risks, contract and other legal risks, technical risks, production risks, development risks and the risk that operations could result in damage to property or persons. In addition, risks occur that are attributable to IT and information security.

Given the company is part of a publicly funded care system in Sweden, France and the UK, policy decisions that lead to changes in regulations and legislation can have a significant impact on the company as well as on all private companies in the healthcare sector.

Kry continually monitors business intelligence to quickly identify changes in its business environment, to assess risks and opportunities, and to adapt its operations based on both business and operational risks. The company works continually on risk analysis and developing safety procedures.



Environmental impact

Kry continues to work on its environmental policy and with a specific focus on how its employees should relate to environmental matters. This approach is highly valued by employees, customers and suppliers. The Group's ambition is that the environment is to be protected as far as it is technically possible and financially reasonable. Through the digital care conducted by the Group, the need for transport is eliminated, which would otherwise have been required for attending physical healthcare centres and other relevant places. The goal is to reduce environmental impact and continuously develop our environmental work, primarily in the areas considered to be most important for our operations. Neither Kry International AB nor any of its subsidiaries conduct operations that are subject to permits or reporting in accordance with the Swedish Environmental Code.

Ownership and Group structure

Owners of Kry International AB as of 31 December 2020 with holdings corresponding to more than 10% of the votes and shares in the company:

Creandum IV L.P
Index Ventures VIII (Jersey), L.P
Ontario Limited

Kry International AB is the Parent Company of the Group and owns and controls 100% of the outstanding shares in the wholly owned subsidiaries Digital Medical Supply Sweden AB and MJog Limited, and 100% of the outstanding shares in the dormant company Medical Supply Sweden AB.

Digital Medical Supply Sweden AB owns and controls 100% of the shares in DMS Medical AB, Helsa Vårdutveckling Sverige AB, Digital Medical Supply Norway AS, DMS Digital Medical Supply Germany GmbH, Digital Medical Supply France SARL and Digital Medical Supply UK Ltd, as well as in the dormant company Digital Medical Supply Spain S.L. Digital Medical Supply Sweden AB also controls Actions Coordonnées de Santé (ACS) together with its subsidiary Digital Medical Supply France SARL.

Parent Company

The Parent Company's business consists of developing the "Kry/Livi" technical platform and providing services to the Group companies, including platform licences for service, management, marketing and branding.

Sales in the Parent Company have grown at the same pace as the increase in its subsidiaries' operations, thereby making the licensing of platforms and brands possible. The Parent Company's costs have increased at the same rate as its sales, driven by a 100% increase in the average number of employees compared with the preceding year as well as an increase in external costs.



Group

There was a robust increase in demand across the company's markets during the year, which contributed to increased sales in combination with the two acquisitions of Helsing Vardutveckling AB and MJog Limited in the second half of 2020.

Multi-year review (kSEK), Group

	2020*	2019*	2018*	2017*	2016*
Net sales	780,926	358,941	234,227	99,686	14,512
Loss after financial items	-843,928	-350,009	-250,681	-73,731	-10,784
Equity assets ratio (%)	58	88	86	87	86

*) 2020 and 2019 according to IFRS, other years according to K3

Parent Company	2020	2019	2018	2017	2016
Net sales	110,800	56,448	33,144	13,306	2,668
Loss after financial items	-582,421	-299,528	-206,089	-79,986	-17,817
Equity assets ratio (%)	81	97	92	93	90

Proposed appropriation of profits

The Board of Directors proposes that the available profits (SEK):

accumulated loss	-589,404,078
share premium reserve	2,312,481,200
loss for the year	-582,420,935
	<hr/>
	1,140,656,187

be carried forward	1,140,656,187
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The Group's and the Parent Company's performance and financial position are presented in the following income statements, balance sheets, cash flow statements and accompanying notes.



Consolidated income statement

	Note	1 Jan 2020 31 Dec 2020	1 Jan 2019 31 Dec 2019
Net sales	4	780,926	358,941
Other operating income	5	443	38
Total income		781,369	358,980
Operating expenses			
Cost of services sold		-647,047	-244,828
Other external expenses	6	-478,819	-227,114
Personnel costs	7	-393,407	-210,533
Depreciation/amortisation and impairment of tangible and intangible assets	8	-62,289	-35,510
Other operating expenses		0	-603
Total operating expenses		-1,581,561	-718,588
Operating loss		-800,191	-359,609
Profit/loss from financial items			
Financial income	10	1,013	15,232
Financial expenses	11	-44,750	-5,632
Total financial items		-43,737	9,600
Loss after financial items		-843,928	-350,009
Loss before tax		-843,928	-350,009
Tax	19	-137	461
Loss for the year		-844,065	-349,547



	1 Jan 2020 31 Dec 2020	1 Jan 2019 31 Dec 2019
Consolidated statement of comprehensive income		
Loss for the year	-844,065	-349,547
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange rate differences	23,748	-1,369
Other comprehensive income for the year, after tax	23,748	-1,369
Total comprehensive income for the year	-820,317	-350,916
<i>Total comprehensive income for the year attributable to</i>		
<i>KRY International AB's shareholders</i>	-820,317	-350,916
Non-controlling interests	0	0



Consolidated balance sheet

ASSETS		31 December 2020	31 December 2019	1 January 2019
Non-current assets				
<i>Intangible assets</i>				
Capitalised software development expenditures	12	33,868	17,532	7,603
Intangible assets related to acquisitions	13	66,383	0	0
Goodwill	14	229,761	3,437	0
		330,012	20,969	7,603
<i>Tangible assets</i>				
Equipment, tools, fixtures and fittings	8	75,793	35,965	6,744
Right-of-use assets	9	119,616	115,477	5,907
		195,410	151,442	12,651
<i>Financial assets</i>				
Other non-current holdings of securities		0	129	0
Other non-current receivables	16	3,975	1,103	2,669
Deferred tax assets	25	1,657	0	0
		5,632	1,232	2,669
Total non-current assets		531,054	173,643	22,924
Current assets				
<i>Current receivables</i>				
Trade receivables	18	43,165	5,031	2,462
Other receivables		20,289	13,323	6,862
Prepaid expenses and accrued income	17	108,521	39,021	28,850
Total current receivables		171,976	57,375	38,174
Cash and bank	28	662,619	1,433,469	481,478
Total current assets		834,595	1,490,843	519,652
TOTAL ASSETS		1,365,649	1,664,486	542,576



	31 December 2020	31 December 2019	1 January 2019
EQUITY AND LIABILITIES			
<i>Equity attributable to shareholders in the Parent Company</i>			
Share capital	189	139	139
Other contributed capital	2,310,146	2,158,631	809,647
Reserves	24,092	344	0
Other equity, including loss for the year	-1,535,736	-691,671	-340,755
Equity attributable to shareholders in the Parent Company	798,691	1,467,443	469,032
Total equity	798,691	1,467,443	469,032
<i>Non-current liabilities</i>			
Convertible loan	30 121,337	0	0
Non-current lease liabilities	24 81,200	86,284	0
Deferred tax liability	19,885	0	0
Other liabilities	11,675	0	0
Total non-current liabilities	234,097	86,284	0
<i>Current liabilities</i>			
Trade payables	115,690	21,982	32,568
Current lease liabilities	24 33,955	24,754	0
Current tax liabilities	6,993	3,308	1,167
Other liabilities	46,297	14,354	10,322
Accrued expenses and deferred income	20 129,926	46,362	29,487
Total current liabilities	332,861	110,760	73,544
TOTAL EQUITY AND LIABILITIES	1,365,649	1,664,486	542,576



Consolidated statement of changes in equity

	Share capital	Other contributed capital	Reserves	Retained earnings, incl. loss for the year	Total equity
Opening equity					
1 Jan 2019 in accordance with K3	139	809,647	0	-340,755	469,032
Introduction of IFRS, Note 32	—	—	—	—	—
1 Jan 2019 in accordance with IFRS	139	809,647	0	-340,755	469,032
Loss for the year				-349,547	-349,547
Other comprehensive income					
<i>Items that may later be reclassified to profit or loss:</i>					
Translation differences			344	-1,369	-1,025
Other comprehensive income			344	-1,369	-1,025
Comprehensive income for the year					
<i>Transactions with shareholders in their role as owners:</i>					
Ongoing new share issue		1,346,007			1,346,007
Issued warrants		2,976			2,976
Closing equity, 31 December 2019	139	2,158,631	344	-691,671	1,467,443
Loss for the year				-844,065	-844,065
Other comprehensive income					
<i>Items that may later be reclassified to profit or loss:</i>					
Translation differences			23,748	0	23,748
Other comprehensive income	0	0	23,748	0	23,748
Comprehensive income for the year					
<i>Transactions with shareholders in their role as owners:</i>					
New share issue	50	138,733			138,783
Ongoing new share issue		4,648			4,648
Issued warrants		1,716			1,716
Share-based incentive plans		6,418			6,418
Closing equity, 31 December 2020	189	2,310,146	24,092	-1,535,736	798,691



Total contributed capital in the 2020 new share issue amounted to kSEK 138,733. The new share issue, which on the reporting date had not been registered with the Swedish Companies Registration Office, totalled kSEK 4,648. The number of shares at 31 December 2020 amounted to 3,788,192, with a quota value of SEK 0.05, distributed by class of shares as follows: 1,289,002 ordinary shares, 800,000 Class A preference shares, 452,966 Class B preference shares, 500,136 Class C preference shares, 594,131 Class D1 preference shares and 151,957 Class D2 preference shares.

Consolidated cash flow statement

	Note	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
Operating activities			
Loss after financial items		-844,065	-350,009
Reversal of depreciation	8	62,289	34,731
Adjustment for financial items not paid/received		38,523	-13,588
Income tax paid		0	461
Cash flow from operating activities before changes in working capital		-743,254	-328,405
Changes in working capital			
Change in current receivables		-101,957	-19,786
Change in current liabilities		203,380	12,376
Cash flow from operating activities		101,423	-7,409
Investing activities			
Investments in non-current assets	8	-70,743	-54,040
Acquisition of operations		-135,471	0
Cash flow from investing activities		-206,214	-54,040
Financing activities			
New share issue		143,431	1,346,007
Issued/repurchased warrants		1,666	-20,790
Repayment of lease liability		-29,153	2,976
Cash flow from financing activities		115,945	1,328,193
Cash flow for the year		-732,100	938,339
Cash and cash equivalents at the beginning of the year		1,433,469	481,478
Exchange rate differences		-38,750	13,652
Cash and cash equivalents at year-end	28	662,619	1,433,469



Parent Company income statement

	Not e	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
Net sales	4	110,800	56,448
Other operating income		0	37
Total income		110,800	56,485
Operating expenses			
Cost of services sold		-5,113	-2,492
Other external expenses	6	-439,241	-237,387
Personnel costs	7	-209,922	-122,126
Amortisation of non-current assets	8	-12,144	-6,094
Other operating expenses		0	-671
Total operating expenses		-666,420	-368,768
Operating loss		-555,620	-312,284
Profit/loss from financial items			
Interest income and similar profit/loss items	10	4,780	13,649
Interest expenses	11	-31,580	-894
Total financial items		-26,800	12,755
Loss after financial items		-582,421	-299,528
Appropriations			
Group contributions received		0	34,087
Group contributions paid		0	0
Loss before tax		-582,421	-265,441
Loss for the year		-582,421	-265,441



Parent Company balance sheet

		31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditure for development and similar	12	32,043	15,783
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	8	20,131	19,873
<i>Financial assets</i>			
Participations in Group companies	15, 23	199,765	6,300
Receivables from Group companies		629,027	234,776
		828,792	241,076
Total non-current assets		880,965	276,733
Current assets			
<i>Current receivables</i>			
Trade receivables		25	24
Receivables from Group companies		144	0
Other receivables		7,601	10,475
Prepaid expenses and accrued income	17	17,755	11,331
		25,525	21,829
<i>Cash and bank</i>	28	546,712	1,351,660
Total current assets		572,237	1,373,489
TOTAL ASSETS		1,453,202	1,650,222



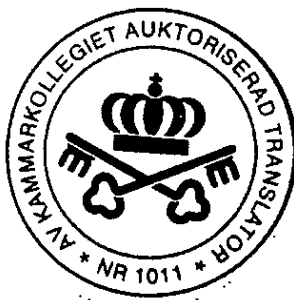
EQUITY AND LIABILITIES		31 Dec 2020	31 Dec 2019
Equity	26		
<i>Restricted equity</i>			
Share capital		189	139
Share capital not registered		4,648	1,349,747
Fund for development expenses		30,618	15,305
		35,456	1,365,192
<i>Non-restricted equity</i>			
Share premium reserve		2,307,833	804,308
Retained earnings		-589,404	-307,271
Loss for the year		-582,421	-265,442
		1,136,008	231,595
Total equity		1,171,464	1,596,787
Non-current liabilities			
Convertible loan		121,337	0
Current liabilities			
Trade payables		66,631	15,044
Liabilities to Group companies		41,934	10,620
Current tax liabilities	19	3,796	2,498
Other liabilities		9,914	5,175
Accrued expenses and deferred income			
	20	38,125	20,098
Total current liabilities		160,401	53,435
TOTAL EQUITY AND LIABILITIES		1,453,202	1,650,222



Parent Company statement of changes in equity

Opening equity

	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Loss for the year	Total
Opening equity, 1 Jan 2019	139	7,125	805,072	-84,002	-215,089	513,246
Ongoing new share issue			1,346,007			1,346,007
Issued warrants			2,976			2,976
Appropriation of profits as resolved by the AGM				-215,089	215,089	0
Transfer of fund for development expenses		8,180		-8,180		0
Loss for the year					-265,442	-265,442
Closing equity, 31 December 2019	139	15,305	2,154,055	-307,271	-265,442	1,596,787
Opening equity, 1 January 2020	139	15,305	2,154,055	-307,271	-265,442	1,596,787
New share issue	50		138,480			138,530
Ongoing new share issue			4,648			4,648
Issued warrants			15,298			15,298
Appropriation of profits as resolved by the AGM				-265,442	265,442	0
Transfer of fund for development expenses		15,313		-15,313		0
Merger difference, Note 33				-1,378		-1,378
Loss for the year					-582,421	-582,421
Closing equity, 31 December 2020	189	30,618	2,312,481	-589,404	-582,421	1,171,464





Parent Company cash flow statement

	Note	31 Dec 2020	31 Dec 2019
Cash flow statement			
Operating activities			
Loss after financial items		-582,421	-299,529
Adjustment for financial items not paid/received	8.11	38,836	-7,494
Tax paid	19	0	0
Cash flow from operating activities before changes in working capital		-543,585	-307,024
Cash flow from changes in working capital			
Change in trade receivables		-1	568
Change in current receivables		-3,695	-14,347
Change in trade payables		51,587	-12,500
Change in current liabilities		55,379	22,030
Cash flow from operating activities		103,271	-4,249
Investing activities			
Investments in intangible assets	12	-22,892	-11,465
Investments in tangible assets	8	-5,769	-20,887
Investments in financial assets	22	-193,465	1,467
Group contributions received (paid)		0	34,087
Non-current loans to Group companies	14	-394,251	-151,173
Cash flow from investing activities		-616,377	-147,970
Financing activities			
New share issue		143,178	1,348,929
Loans raised		121,337	0
Issued warrants		15,298	818
Cash flow from financing activities		279,813	1,349,747
Cash flow for the year		-776,878	890,504
Cash and cash equivalents at the beginning of the year		1,351,660	447,567
Exchange rate differences		-28,070	13,588
Cash and cash equivalents at year-end	28	546,712	1,351,660



Notes

Accounting and valuation policies

Note 1 General information

Kry International AB (the “company”, or “Kry”), Corp. Reg. No. 556967-0820, is a limited company registered in Sweden with its head office in Stockholm. The address of the headquarters Torsgatan 21, SE-113 21 Stockholm, Sweden. The company and its subsidiaries (the “Group”) began their operations to promote more equitable, accessible healthcare. Today, Kry offers healthcare on equal terms every day of the year in Sweden, Norway, the UK, France and Germany.

Note 2 Significant accounting policies – Group

Basis for preparation of the financial statements

The Kry AB Group’s consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The consolidated financial statements have been prepared using the cost method except with regard to the remeasurement of financial assets that can be sold, as well as financial assets and liabilities (including derivatives) measured at fair value through profit or loss.

The preparation of the financial statements requires the Board and Group Management to make estimates and assessments that impact profit or loss, the statement of comprehensive income and the statement of financial position, as well as disclosures provided such as contingent liabilities. The actual outcome may differ from these assessments under different assumptions or other conditions. Those areas that include a high degree of assessment, that are complex or where assumptions and estimates are of material importance for the consolidated accounts include the assessment of future cash flows that, for example, form the basis for the measurement of goodwill, right-of-use assets and contract portfolios, the measurement of deferred tax receivables attributable to loss carryforwards, the measurement of trade receivables and assessments of disputes and the need for provisions for them.

The accounting policies described below have, with the exceptions described separately, been applied consistently for all periods presented in the consolidated financial statements. Moreover, the Group’s accounting policies have been consistently applied by the Group companies, and as regards associates as needed through adaptation to the Group’s policies.

Changes in accounting policies and disclosures

(a) Introduction of IFRS

The Group previously applied the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board for large companies, and in 2020 transitioned to the application of IFRS. IFRS is applied as of 1 January 2019 and the comparative information for 2019 has been restated in accordance with IFRS. The transition to IFRS and the changes this has led to are reported in Note 32.

(b) Standards, amendments and interpretations of existing standards that have not yet entered force and were not applied in advance by the Group

The following standards and interpretations of existing standards have been published and are obligatory for the Group's reporting for financial years beginning 1 January 2021 or later, but have not been applied in advance.

Introduction and effects of new and revised IFRS that enter force in 2021

On 1 January 2021, phase 2 of the changes in IFRS 9 Financial instruments pertaining to the Interest Rate Benchmark (IBOR) reform entered force. Phase 2 clarifies how the effects on the financial statements as a consequence of the IBOR reform are to be reported, including the effects of changes in contractual cash flows or hedging relationships that could arise as a consequence of the IBOR reform. The changes ensure that the IBOR reform will not have any impact on the consolidated financial statements.

None of the other published standards or interpretations that are obligatory for the Group for the 2021 financial year are deemed to have any impact on the consolidated financial statements.

Introduction and effects of new and revised IFRS that enter force in 2022 or later

The effects on the consolidated financial statements of standards and interpretations that are obligatory for the Group for the 2022 financial year or later have yet to be evaluated.

Consolidated accounts

(a) Subsidiaries

Subsidiaries are all those companies (including companies for specific purposes and other units) in which the Group has the right to formulate financial and operational strategies in a manner that normally accompanies shareholding or similar totalling more than half of the voting rights. The existence and effect of potential voting rights that it is currently possible to exercise or convert is taken into account in assessing whether the Group exercises a controlling influence over another company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. All transactions with partners in subsidiaries are recognised based on the substance of these transactions.

Earnings attributable to shareholders in subsidiaries where they operate are equated with other forms of variable remuneration and are therefore recognised as personnel costs in profit or loss. These shareholders' portion of the net assets in the Group are recognised in the consolidated statement of financial position as a non-controlling interest, since settlement of the liability is subject to resolution by the general meeting of shareholders.

The acquisition method is used in accounting for the Group's acquisition of subsidiaries. The cost of an acquisition consists of the fair value of the assets provided as remuneration, equity instruments issued and liabilities that either arose or were assumed on the transfer date. Identifiable assets acquired, liabilities and contingent liabilities assumed, and any non-controlling interests in a business combination are initially measured at fair value at the acquisition date.

The excess consisting of the difference between the cost and the fair value of the identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill. If the cost is less than the fair value of the subsidiary's assets, liabilities and contingent liabilities acquired, the difference is recognised directly in profit or loss.

Conditional purchase considerations are recognised at fair value on the acquisition date and classified as liabilities that are thereafter remeasured through profit or loss. For every acquisition, non-controlling interests in the business acquired can be measured either at fair value or at the proportional



share of the acquired business's net assets that are held as a non-controlling interest. All acquisition-related transaction costs are expensed. These costs are recognised in the consolidated income statement under Other external costs.

Intercompany transactions and balance-sheet items and unrealised gains and losses on transactions between Group companies are eliminated. Where applicable, the accounting policies of subsidiaries have been amended to guarantee a consistent application of the Group's policies.

(b) Transactions with partners in non-controlling interests

The Group handles transactions with non-controlling interests as transactions with the Group's shareholders. In the case of acquisitions from non-controlling interests, the difference between the consideration paid and the actual acquired portion of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses on sales to non-controlling interests are also recognised in equity.

When the Group ceases to have a controlling or significant interest, any retained interest in the entity is restated at fair value and the change in carrying amount is recognised in profit or loss. The fair value is used as the initial carrying amount and forms the basis for the subsequent recognition of the retained interest as an associate, joint venture or financial asset. Any amounts previously recognised in other comprehensive income in respect of the divested entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Foreign currency translation

(a) Functional currency and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Swedish kronor (SEK), Kry International AB's functional currency and the Group's reporting currency.

(b) Transactions and balance-sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates applying at the transaction date or the date when the items were restated. Foreign exchange gains and losses arising from such transactions and on translation of monetary assets and liabilities in foreign currency at closing rates are recognised in profit or loss. The exception is when the transactions constitute hedges and meet the conditions for hedge accounting of cash flows or of net investments, in which case any gains losses are recognised in other comprehensive income. Foreign exchange gains and losses attributable to loans and cash and cash equivalents are recognised in profit or loss as other financial items. All other foreign exchange gains and losses are recognised in the item Other operating expenses or alternately Other operating income in profit or loss.

Changes in fair value for securities in foreign currencies, which are classified as financial assets that can be sold, are allocated among translation differences attributable to changes in the original cost of the security and other changes in the carrying amount of the security. Translation differences attributable to changes in amortised cost are recognised in profit or loss.

Translation differences for non-monetary financial assets and liabilities, such as shares measured at fair value through profit or loss, are recognised in profit or loss as part of gains or losses in fair value. Translation differences for non-monetary financial assets such as shares classified as financial assets that can be sold are transferred to the fair value reserve through other comprehensive income.



(c) Group companies

The earnings and financial position of all Group companies that have a functional currency that is different to the reporting currency are translated to the Group's reporting currency as follows:

- (a) assets and liabilities for each of the balance sheets are translated at the closing rate;
- (b) revenue and expenses for each of the income statements are translated at the average exchange rate (provided that this average rate is a reasonable approximation of the accumulated effect of the rates prevailing on the transaction date; otherwise revenue and expenses are translated at the rate on the transaction date); and
- (c) all translation differences that arise are recognised in other comprehensive income and accumulated in the translation reserve in equity.

Upon consolidation, translation differences that arise as a consequence of the translation of net investments in foreign operations and borrowing, and other currency instruments that have been identified as hedges of such investments, are recorded in other comprehensive income. Upon disposal of a foreign operation, either in full or in part, the translation differences recognised in other comprehensive income are recorded in profit or loss and recognised as a part of capital gains or losses.

Goodwill and fair value adjustments arising from the acquisition of a foreign business are treated as assets and liabilities in this business and translated at the closing rate.

Classification of assets and liabilities

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

Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and any accumulated impairment. Depreciation is based on historical cost and the estimated useful life.

Straight-line depreciation is used for all asset types as shown below:

- leasehold installations 20–40% per year, or over the term of the lease
- computers and peripherals 20–40% per year
- other office machinery and office inventory 20–40% per year

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its estimated recoverable amount.

Any gain or loss on the divestment is determined by comparing the sales income and the carrying amount, and is recognised in Other operating income or Other operating loss.





Intangible assets

(a) Goodwill

The amount by which the consideration, any non-controlling interest and the fair value of previous shareholdings at the acquisition date exceed the fair value of identifiable net assets acquired is recognised as goodwill. Goodwill on acquisitions of subsidiaries is recognised as intangible assets. Goodwill is tested annually to identify any impairment requirements and is recognised at cost less accumulated impairment. Impairment of goodwill is not reversed. Gains and losses on the disposal of an entity include the remaining carrying amount of goodwill relating to the entity sold.

In conjunction with any impairment testing, goodwill is allocated among the cash-generating units or groups of cash-generating units, established in accordance with the Group's business segments, that are expected to benefit from the business combination in which the goodwill arose.

No deferred tax is taken into account pertaining to consolidated goodwill.

(b) Customer relationships

Contract portfolios and the associated customer relationships in conjunction with a business combination are identified in the acquisition analysis and recognised as a separate intangible asset. Customer relationships that arose in conjunction with business combinations are measured at fair value. The determination of fair value is built on a measurement model that is based on discounted cash flows. The measurement is based on turnover rate and the return on the portfolio acquired, on the acquisition date. In this model, a special cost or required return in the form of a contributory asset charge is paid for the assets that are claimed in order for the intangible asset to generate a return. The cash flow is discounted by the weighted average cost of capital (WACC), which is adjusted with regard to the local interest rate levels in the countries where the acquisitions took place. The useful life of the contract portfolios and the associated customer relationships are based on the turnover rate of the portfolios acquired, deemed to be five years, which corresponds to an annual amortisation rate of 20%. The amortisation is recognised in profit or loss under Amortisation.

A deferred tax liability is to be calculated, based on the local tax rate, for the difference between the carrying amount and the taxable amount for the intangible asset. The deferred tax liability is to be reversed over the same period in which the intangible asset is amortised, which results in the effect of the amortisation of the intangible asset being neutralised as regards the full tax rate pertaining to earnings after tax. The deferred tax liability is initially recognised through a corresponding increase in goodwill.

(c) Own development work

Internally-generated intangible assets are recognised using the capitalisation model. This means that *estimated* expenses relating to the production of an internally generated intangible asset are capitalised and amortised over the estimated useful life of the asset. Capitalised expenditures are primarily personnel costs. The useful life is five years.

Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill, are not depreciated but tested for impairment annually. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. When testing for impairment, assets are grouped at the lowest level where separate cash flows (cash-generating units) are identifiable. For assets other than financial assets and goodwill that were previously impaired, an impairment test is carried out at each balance sheet date to determine if a reversal is required.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and corresponds to the amounts received from the sale of goods or services less discounts, returns and VAT.

The Group recognises revenue when it can be reliably measured, it is probable that future financial benefits will accrue to the company and particular criteria have been met for each one of the Group's operations as described below.

Revenue from external customers comes primarily from remuneration for digital or physical healthcare, either from appointments held or from providing healthcare services to users on behalf of county councils, regions or other customers.

Revenue is recognised for the main revenue types using the methods indicated below.

Digital and physical healthcare via visits conducted

Point in time for recognition: Revenue from healthcare is recognised in the period in which the healthcare service is performed, and is recognised as revenue allocated over the period in which the revenue accrues.

Measurement of revenue: Recognition takes place at the contractual prices upon invoicing, and at the end of the reporting period as needed for healthcare services that have not been invoiced.

In the Group, revenue from consultations through partners is recognised in a gross amount, meaning that the Group recognises the full revenue amount and the partner's share as a deductible cost item.

Fixed capitation remuneration per listed patient (capitation received from county councils, regions or other customers)

Point in time for recognition: Revenue from healthcare is recognised in the period in which the healthcare service is performed, and is recognised as revenue allocated over the period in which the revenue accrues.

Measurement of revenue: Fixed revenue per listed patient, and certain variables that are estimated at the end of each reporting date.

Interest income is recognised as revenue using the effective interest method. When the value of a receivable in the loan receivables and trade receivables category is impaired, the Group reduces the carrying amount to the recoverable amount, based on estimated future cash flows, discounted using the original effective interest rate for the instrument, and continues to unwind the discount as interest income.

Interest income on impaired loan receivables and trade receivables is recognised at the original effective interest rate. Dividend income is recognised when the right to receive payment has been established.



Assistance and grants

Like other employers, Kry is entitled to various government and municipal personnel-related assistance and grants. This assistance could pertain, for example, to education, employment or work time reduction. All assistance and grants are recognised in profit or loss as cost reductions in the same period as the corresponding underlying cost.

Financial assets

Financial assets are recognised when the Group becomes a party to the financial instrument's contractual conditions. Financial assets are derecognised from the balance sheet when the rights to receive cash flows from the instrument have expired or been transferred and the Group has transferred all the material risks and benefits associated with ownership.

The Group's financial assets consist primarily of cash and cash equivalents, as well as trade receivables, and are classified in accordance with IFRS 9.

Kry classifies its financial assets in the following three categories:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

The classification is based on the Group's intent in holding the financial instruments. The classification of the financial assets is established upon initial recognition.

Financial assets recognised at fair value through profit or loss Financial assets measured at fair value are financial assets that have definite or definable payments and are not listed in an active market. Financial assets measured at fair value are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Trade receivables, which are a part of financial assets in this category, are recognised at the amount at which they are expected to be received. Kry has created a collective model for recognising credit losses attributable to trade receivables, since the company's trade receivable are considered as having the same credit properties. The model is tested yearly to see whether any changes are to be made. Expected and confirmed credit losses are recognised as operating expenses. For more information, refer to Note 18.

Financial assets measured at amortised cost

Cash in hand and bank balances are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances through the Group's cash pool. Unutilised bank overdraft facilities are not included in cash and cash equivalents.

Financial assets that are measured at fair value through other comprehensive income

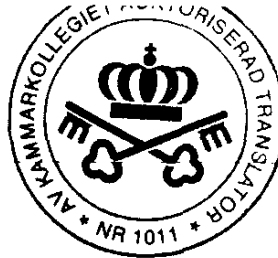
The Group has no financial assets that are measured at fair value through other comprehensive income.

Financial liabilities

Financial liabilities mainly comprise trade payables and liabilities. The financial liabilities that are not covered by hedge accounting are measured and recognised at amortised cost using the effective interest method. Direct costs in conjunction with raising loans are included in the cost. When the bank overdraft facility is utilised, it is included in financial liabilities.

Financial liabilities in foreign currencies are translated at the closing rate.





Borrowings

Borrowings are initially measured at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the repayment amount is recognised in profit or loss over the period of the borrowing using the effective interest method. Apart from financial lease liabilities, the Group had no borrowings at 31 December 2019 or 2020.

Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Lease liabilities

On the date the contract was signed, the company had measured the lease liability at the present value of the lease fees that had not been paid at that time. The lease fees are discounted using property yields or the estimated implicit interest rate of the asset. Changes in the discount rate impact the scope of the liability and interest rate costs attributable to the liability. A new discount rate is set when a new contract is added, when an extension option is activated and when there is a change in the scope of the rental agreement.

Earnouts

Earnouts are recognised at fair value based on the estimated outcome of contractual clauses in share transfer agreements on the date of acquisition. On every reporting date, the financial liability is measured at fair value, and any changes are recognised against profit or loss under Other external costs.

Hedging of net investments

The share of profit or loss in a hedging instrument that is deemed to be an effective hedge is recognised in other comprehensive income. The gain or loss attributable to the ineffective portion is recognised immediately in profit or loss under Other financial items. Accumulated gains and losses in equity are recognised in profit or loss when the foreign operations are fully or partly divested.

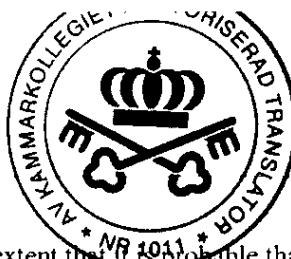
Receivables in foreign currency that comprise a portion of the company's net investments in foreign subsidiaries are also measured at the closing rate. Exchange rate differences on these changes are eliminated from profit or loss and recognised directly in Other comprehensive income.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity.

The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance sheet date in those countries where the Parent Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised using the balance sheet method for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not recognised, however, if it is incurred as a result of a transaction which constitutes the initial recognition of an asset or liability that is not a business combination and at the time of the transaction affects neither the recognised earnings nor the taxable profit. Deferred income tax is calculated by applying tax rates (and tax laws) that have been enacted or announced at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.



Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be wholly or partially offset.

Deferred tax is calculated for temporary differences on participations in subsidiaries and associates, except when the time at which the temporary difference is reversed can be decided by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to the same taxation authority and pertain to the same tax subject or various tax subjects, where there is an intention to settle the balances on a net basis.

Employee benefits

(a) Pension obligations

The Group companies have different pension plans. These pension plans are normally financed through payments to insurance companies or nominee registered funds, in which the payments are determined based on periodic actuarial calculations. The Group has defined-contribution pension plans. Defined-contribution pension plans are post-employment benefit plans under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In defined-contribution pension plans, the Group pays contributions to publicly or privately managed pension schemes on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as personnel costs when they fall due. Prepaid contributions are recognised as an asset to the extent that cash repayments or reductions of future payments may accrue to the benefit of the Group.

(b) Termination benefits

Termination benefits are paid when an employee's employment has been terminated by the Group before the normal time of retirement or when an employee accepts voluntary redundancy in exchange for such compensation. The Group recognises severance pay when it is demonstrably obligated either to dismiss employees in accordance with a detailed formal plan without right to rescission or to provide compensation in the event of dismissal as the result of an offering made to encourage voluntary redundancy. Benefits expiring more than 12 months after the end of the reporting period are discounted to present value.

(c) Bonus plans

The Group recognises a liability and a cost for bonuses based on a formula that takes into account the gain that can be attributed to the Parent Company's shareholders after certain adjustments. The Group recognises a provision when there is a legal obligation, or a constructive obligation owing to previous practice.

Share-based remuneration

The Group offers share-based remuneration in the form of a company share option plan for employees in the UK company, free shares in the French company, and warrants and/or employee stock options (under an employee stock option plan, or ESOP) for programme participants in the other companies. The share-based remuneration was issued at market value in conjunction with the start of the programme. The underlying share was valued by a third party based on the Monte Carlo method.

Other contributed capital is credited in conjunction with the issuance of share-based remuneration. When the options are exercised, the company issues new shares. Payments received less any directly attributable transaction costs are credited to share capital (quota value) and other contributed capital when the options are exercised.

Provisions

Provisions for restructuring costs and legal requirements are recognised when the Group has a legal or constructive obligation arising from past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably calculated. Provisions for restructuring include costs for termination of leases and for redundancy compensation. No provisions are made for future operating losses.

If a number of similar obligations exist, the probability that an outflow of resources will be required is determined for the settlement of the group of obligations as a whole. A provision is recognised even if the probability of an outflow with respect to any one item included in the same class of obligations is small.

Provisions are measured at the present value of the amount expected to be required to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the provision. The increase in the provision as time elapses is recognised as interest expense.

Leases

A lease under IFRS 16 Leases is a contract that transfers the right to control the use of an identifiable asset over a period of time in exchange for remuneration. Kry's analysis shows that the majority of the contracts classified as leases under IFRS 16 pertain to premises and a small number of other office assets. Kry has used the grandfather clause to not include low-value assets under SEK 50,000 and leases shorter than 12 months. Leases pertaining to properties normally run for three years, and leases pertaining to office equipment for one year. Leases for properties normally also contain one or more options to extend. Since exercising an option to extend requires a new investment decision, the IFRS 16 calculation is covered by the option to extend only when a decision on continued operation has been made. Variable costs such as property tax, VAT and other variable property costs such as maintenance, electricity, heat, water and so on are excluded from the lease liability calculation to the extent that the costs can be separated from the lease.

The calculation of the lease liability (present value of future lease fees) attributable to properties uses the yield for public sector properties as a discount rate in order to reflect the implicit interest rate of the asset. The yield requirement differs among various geographical areas, which is why Kry's leases have been categorised based on their geographic location. The majority of Kry's leases contain some form of indexing, normally the consumer price index. Right-of-use assets recognised under IFRS 16 contain only the value of discounted leases that have begun to be used. Moreover, the commitments are longer than 12 months and have a fixed rent as opposed to a variable rent.





Right-of-use assets

Right-of-use assets are recognised at cost in conjunction with the signing of the lease. After the cost date, the right of use is recognised at discounted value. Depreciation takes place straight-line over the useful life of the lease.

The estimated useful lives are:

Asset	No. of years
Properties	1 5
Office assets	1 3

Impairment testing and recognition of impairment take place in the same manner as for tangible assets. Gains and losses on disposals are determined by comparing sales proceeds with carrying amounts, and are recognised in profit or loss as other operating income or expense

Convertibles/Convertible loans

Convertible loans are tied to interest-bearing securities (debt instruments), which can be converted to shares after a certain amount of time according to a predetermined conversion rate.

Convertible loans are issued at their nominal value, and issued convertible debt instruments that are converted to shares are equal to a new share issue, which entails a dilution of the number of shares in the limited company as new shares are created.

Convertible loans are composite financial instruments that comprise a bond portion and an equity portion (option), where the value of the bond portion is calculated by the convertible debt instrument's cash flow being discounted using the market rate of interest for a corresponding debt instrument that is not convertible, and where the equity portion comprises the residual value.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The recognised cash flow includes only transactions involving inflows and outflows of cash.

In addition to cash assets, the company classifies the following as cash and cash equivalents: available balances with banks and other credit institutions and short-term liquid investments that are listed on a marketplace and have a maturity shorter than three months from the acquisition date. Changes to restricted funds are recognised in the investing activities.

Parent Company accounting policies

Kry International AB, the Parent Company, applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR2 requires that the Parent Company apply the same accounting policies as the Group, IFRS, where suitable and apart from the cases indicated below. The Parent Company does not apply IFRS 2, IFRS 9 or IFRS 16. In all other cases, refer to the Group's accounting policies for the recognition and measurement of financial instruments in Note 30.

Basis for preparation of the financial statements: The Parent Company's financial statements are presented in SEK. The financial statements have been prepared using the cost method, which entails recognising investments at cost and expensing dividends. Impairment tests are conducted annually, and impairment is recognised if the decline in value is assumed to be permanent.

Shares and participations: Shares in subsidiaries are recognised at cost less impairment. The cost includes acquisition-related costs and any earnouts. The investments are tested for impairment annually, or when there is a risk that the carrying amount of the investment is higher than the recoverable amount.

Untaxed reserves: Untaxed reserves are recognised in gross amounts in the balance sheet, including the deferred tax liability attributable to the reserves.

Appropriations: Changes in untaxed reserves are recognised as appropriations in profit or loss. Group contributions are recognised as appropriations.

Group contributions: Received and paid Group contributions are recognised as appropriations.

Definitions of key performance indicators

Net sales

Main operating income, invoiced expenses, incidental revenue and revenue adjustments.

Profit/loss after financial items

Profit/loss after financial items and expenses, but before tax.

Equity assets ratio (°)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

Note 3 Significant estimates and assessments

The Group makes estimates and assumptions about the future. By definition, the estimates for accounting purposes resulting from these seldom correspond to actual results. Estimates and assumptions that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities in coming financial years are described below.

Consolidation

In preparing the consolidated accounts, an assessment is made concerning which subsidiaries and units the Parent Company has control over, either through ownership or through another method of exercising influence and having control over the respective consolidated units. Consolidation takes place based on this assessment. For further information on consolidated units, refer to Note 15.

Acquisition of subsidiaries operations

The measurement of identifiable assets and liabilities in conjunction with acquisitions of subsidiaries or operations entails measuring the items in the balance sheet of the acquired company, as well as items such as customer relationships that were not subject to reporting in the balance sheet of the acquired company, at fair value. Normally, there are no listed prices for the assets and liabilities to be measured, which means that various measurement techniques must be applied. These measurement techniques are built on several different assumptions. For a company with leases such as Kry, non-current assets are a key item in the balance sheet that can be difficult to measure, since they are recognised at market value in the acquisition analysis. This was done using historical information on occupancy rates, estimated useful life and price levels. In cases where the assumptions used will differ from the outcomes, an impairment requirement may arise.



Measurement of trade receivables

Trade receivables are measured at fair value. Fair value is impacted by several assessments, of which the single most important is credit risk, and thereby any potential need for reserves for doubtful receivables.

Impairment tests for goodwill

The Group conducts annual impairment tests on goodwill. Recoverable amounts for cash-generating units are determined by calculating the value in use, which requires making certain assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the growth rate.

Accounting policies under IFRS 16

Option to extend: Leases for properties normally also contain one or more options to extend. Since exercising an option to extend requires a new investment decision, the IFRS 16 calculation is covered by the option to extend only when a decision on continued operation has been made.

Discount rate:

When calculating the lease liability (the present value of future lease fees), Kry's leases have been categorised based on their geographic locations. Changes in the discount rate impact the scope of the liability and interest rate costs attributable to the liability. A new discount rate is set when a new contract is added, when an extension option is activated and when there is a change in the scope of the rental agreement.



Note 4
Revenue –
Group

	2020	2019
Primary healthcare	761,895	358,941
Other	19,031	0
Total revenue	780,926	358,941

Sales by geographic market

	Sweden	Norway	France	UK	Germany	Elimination	Group
2020	1,115,162	15,614	73,902	58,271	6,124	-488,148*	780,926
2019	390,706	11,360	9,796	23,930	36	-76,848*	358,980

* Elimination attributable to internal invoicing of fees for servicing, brands and technological platform.

The Group's revenue arises through performing healthcare services digitally or in person, based on appointments held, or providing healthcare services to users on behalf of county councils, regions or other customers. Payment depends on the individual services and can take place either directly at the appointments held or via invoicing in arrears. The credit term depends on the geographical market and can be up to 30 days. Kry has agreements with counterparties that run for several years. At the reporting date, there were no agreements in which the performance obligations for service will be recognised in coming periods, but based on existing agreements services may be subordinated that could lead to future revenue.

Note 5 Other operating income

Group

	2020	2019
Exchange rate differences	0	38
Recovered trade receivables	34	0
Other remuneration	410	0
	443	38

Parent Company

	2020	2019
Exchange rate differences	0	37
	0	37



Note 6 Auditors' fees

Group



	2020	2019
Audit engagement	1,259	899
Tax advisory services	1,407	1,450
Other services	249	0
	2,915	2,349

Audit engagement refers to the audit of the annual accounts and accounting records and the Board of Directors' and Managing Director's administration, other tasks that the Company's auditors are required to perform as well as advice or other assistance occasioned by observations made in the course of such audits or the performance of such other tasks.

Parent Company

Öhrlings PricewaterhouseCoopers AB	2020	2019
Audit engagement	335	348
Tax advisory services	1,382	1450
Other services	249	0
	1,966	1,798

Note 7 Employees and personnel costs

Group

Average number of employees

	2020		2019	
	Average number of employees	Percentage men	Average number of employees	Percentage men
Sweden	1,133	30%	257	47%
Norway	14	37%	3	33%
UK	202	39%	26	54%
Germany	26	50%	5	60%
France	44	47%	25	56%
Group total	1,419	32%	316	48%



Gender distribution of Directors and other senior executives

	31 Dec 2020		31 Dec 2019	
	Number on the balance sheet date	Percentage men	Number on the balance sheet date	Percentage men
Board members	6	83%	6	83%
Managing Director and other senior executives	7	57%	5	60%

	2020	2019
Salaries and other benefits		
Board and Managing Director	7,965	3,773
- of which bonus and other variable remuneration	0	0
Other employees	289,450	181,081
- of which bonus and other variable remuneration	1,038	79
	297,416	184,854
Social security expenses		
Pension costs for the Board and Managing Director	888	539
Pension costs for other employees	17,412	9,552
Other statutory and contractual social security contributions	78,659	44,541
	96,959	54,632
Less personnel costs capitalised as development expenditure	-21,487	-11,465
Total salaries, benefits, social security expenses and pension costs	372,887	228,021

Managing Director

The contract between the company and the Managing Director is terminable with four months' notice by either party.

Share option and other related programmes

Employees of the Group's companies are offered the chance to participate in incentive plans.

The company's first incentive plan, a warrant programme, was exercised by programme participants in 2020. The exercise period for the company's second incentive plan, a warrant programme, ran from 1 January to 31 March 2021, and programme participants exercised their warrants during this period.

On 6 September 2018, the company decided to start three programmes that would run in parallel. These programmes consist of a company share option plan for employees in the UK company, free shares in the French company, and warrants for programme participants in the other companies. The free shares will be transferred to employees four years after allocation, and the other programmes have an exercise period from 1 October to 31 December 2022. Related instruments in the programmes have been issued at market value. The underlying share was valued by a third party based on the Monte Carlo method. The total exercise price for acquiring shares in the programmes was kSEK 87,658.

In the event that the value of the underlying share exceeds the exercise price at the end of the tenor, social security contributions will be paid on the full value that falls due for payment upon the exercise date for the company share option plan and free shares. Accrued social security contributions are recognised on a regular basis from the date that the value is determined. No accrued cost arose during the financial year.

On 18 March 2020, the company decided to start four programmes that would run in parallel. These programmes consist of a company share option plan for employees in the UK company, free shares in the French company, warrants for a small number of employees in the Parent Company and an employee stock option programme (ESOP) for programme participants in the other companies. The free shares will be transferred to employees four years after allocation, and the other programmes have an exercise period from 1 April to 30 June 2024. The total exercise price for acquiring shares in the programmes will be kSEK 145,636. The options were issued at market value in conjunction with the start of the programme. The underlying share was valued by a third party based on the Monte Carlo method.

Based on the estimated market value at 31 December 2020, 350,014 shares would be issued. The table below shows the share options allocated.

	2020 No. of share options	2019 No. of share options
At 1 January	435,758	269,540
Allocated during the year	74,976	179,730
Repurchased during the year	-6,172	-13,512
Matured during the year	-150,958	0
At 31 December	353,604	435,758



The outstanding warrants allocated at year-end have the following maturity dates and exercise prices

Allocation date	Maturity	Total exercise price (SEK)	Share options 31 December 2020	Share options 31 December 2019
2016	2020	22,386	0	150,958
2017	2021	65,455	103,800	105,070
2018	2022	213,204	174,828	179,730
2020	2024	150,493	74,976	0
Total			353,604	435,758
Remaining weighted average contract period for outstanding options at end of period			3 years	2.3 years

Parent Company

	2020	2019
Average number of employees		
Women	121	56
Men	148	80
	269	136
Salaries and other benefits		
Board and Managing Director	7,965	3,773
Other employees	148,115	86,974
	156,080	90,747
Social security expenses		
Pension costs for the Board and Managing Director	888	539
Pension costs for other employees	11,328	6,394
Other statutory and contractual social security contributions	51,065	29,618
	63,280	36,551
Less personnel costs capitalised as development expenditure	-21,487	-11,465
Total salaries, benefits, social security expenses and pension costs	197,873	115,834

Managing Director

The contract between the company and the Managing Director is terminable with four months' notice by either party



Note 8 Tangible assets

Group	2020	2019
Equipment	19,725	5,203
Opening cost	20,762	18,719
Purchases	0	-4,196
Reclassifications	20,173	0
Added through acquisitions	60,660	19,725
Closing accumulated cost	-2,824	-185
Opening depreciation	0	25
Reclassifications	-21,991	-2,664
Depreciation for the year	-24,815	-2,824
Closing accumulated depreciation		
Construction in progress	25,219	2,390
Opening cost	27,512	18,525
Purchases	0	4,303
Reclassifications	7,624	0
Added through acquisitions	60,356	25,219
Closing accumulated cost	-6,154	-664
Opening depreciation	0	0
Reclassifications	-14,253	-5,491
Depreciation for the year	-20,408	-6,155
Closing accumulated depreciation		
Closing carrying amount	75,793	35,965
Parent Company	2020	2019
Equipment	9,243	78
Opening cost	1,179	9,165
Purchases	10,422	9,243
Closing accumulated cost	-420	-9
Opening depreciation	-2,419	-411
Depreciation for the year	-2,839	-420
Closing accumulated depreciation		



Construction in progress	2020	2019
Opening cost	14,112	2,390,169
Purchases	4,590	11,722
Closing accumulated cost	18,703	14,112
Opening depreciation	-3,063	-664
Depreciation for the year	-3,093	-2,399
Closing accumulated depreciation	-6,156	-3,063
Closing carrying amount	20,131	19,873

Note 9 Right-of-use assets

Group

	2020	2019
Introduction of IFRS	0	5,907
Opening right-of-use assets	138,456	5,907
Additional right-of-use assets	35,648	132,548
Exchange rate differences	-541	1
Closing accumulated cost	173,563	138,456
Opening depreciation	-22,979	0
Depreciation for the year	-31,108	-22,985
Exchange rate differences	141	6
Closing accumulated depreciation	-54,087	-22,979
Closing carrying amount	119,616	115,477



Note 10 Interest income and similar profit/loss items

Group

	2020	2019
Other interest income	4	0
Exchange rate differences	1,009	15,232
	1,013	15,232

Parent Company

	2020	2019
Interest income from Group companies	3,868	2,242
Interest income	0	0
Exchange rate differences	912	11,407
	4,780	13,649

Note 11 Interest expenses and similar profit/loss items

Group

	2020	2019
Exchange losses	37,186	0
Other interest expenses	2,881	870
Interest expenses, leases	4,683	4,762
	44,750	5,632

Parent Company

	2020	2019
Exchange losses	28,070	0
Other interest expenses	3,510	894
	31,580	894



Note 12 Capitalised expenditure for development and similar – Group

The following expenses pertain to personnel costs for the company's ongoing development of the technical platform.

	31 Dec 2020	31 Dec 2019
Opening cost	24,591	10,649
Purchases	21,819	12,009
Added through acquisitions	6,004	2,277
Closing accumulated cost	52,414	24,935
Opening amortisation	-7,403	-3,665
Amortisation for the year	-11,143	-3,739
Closing accumulated amortisation	-18,546	-7,403
Closing carrying amount	33,868	17,532

Parent Company

The following expenses pertain to personnel costs for the company's ongoing development of the technical platform.

	31 Dec 2020	31 Dec 2019
Opening cost	22,113	10,649
Purchases	23,965	11,464
Closing accumulated cost	46,078	22,113
Opening amortisation	-6,330	-3,046
Amortisation for the year	-7,706	-3,284
Closing accumulated amortisation	-14,036	-6,330
Closing carrying amount	32,043	15,783



Note 13 Acquired intangible assets – Group

	31 Dec 2020	31 Dec 2019
Opening cost	0	0
Added through acquisitions	68,464	0
Closing accumulated cost	68,464	0
Opening amortisation	0	0
Amortisation for the year	-2,081	0
Closing accumulated amortisation	-2,081	0
Closing carrying amount	66,383	0

Specification of intangible assets related to acquisitions

	31 Dec 2020	31 Dec 2019
Renting rights	536	0
Technological assets	5,798	0
Trademarks	828	0
Customer relationships	59,221	0
Total carrying amount, goodwill	66,383	0



Note 14 Goodwill

Group



	31 Dec 2020	31 Dec 2019
Opening cost	3,437	0
Added through acquisitions	226,324	3,437
Closing accumulated cost	229,761	3,437
Opening impairment	0	0
Impairment for the year	0	0
Closing accumulated impairment	0	0
Closing carrying amount	229,761	3,437

Impairment testing of goodwill

Goodwill is tested for impairment annually. The test is conducted based on the financial position as at 31 December every year. The value in use is measured as expected future cash flows based on the financial plans developed in each cash-generating unit.

Kry's goodwill is attributable mainly to the acquisitions of Helsa and MJog, which were completed in the second half of 2020. During the time they have been included in the Group, no development has taken place that deviated from the documentation that formed the basis of the decision for the acquisition. For this reason, impairment tests attributable to the goodwill from these acquisitions were not carried out in 2020. Instead, testing will be carried out once these units have been part of the Group for at least 12 months. The operations are monitored and governed on the basis of digital and physical healthcare by country as well as licensing of platforms, where acquisitions are made for the purpose of supporting growth in these areas and individual acquisitions are integrated, which is why the Group's cash-generating units are Kry's operations in the respective countries

Specification of goodwill – Group

SEK	31 Dec 2020	31 Dec 2019
Sweden	177,020	3,437
UK	52,741	0
Total carrying amount, goodwill	229,761	3,437

Since goodwill is essentially attributable to acquisitions for the year, where no impairment tests have been carried out in accordance with the above, Kry has no information to submit pertaining to impairment tests of goodwill in 2020.



Note 15 Specification of participations in Group companies

Group

Name	Share of capital	Share of voting rights	Number of shares
Digital Medical Supply Sweden AB	100%	100%	1,000
Medical Supply Sweden AB	100%	100%	500
Helsa Vårdutveckling Sverige AB	100%	100%	3,300,000
Helsa Primärvård Sverige AB	100%	100%	1,000
Helsa Specialistvård Sverige AB	100%	100%	2,500
Digital Medical Supply Spain SL	100%	100%	3,000
Digital Medical Supply Norway AS	100%	100%	30,000
DMS Digital Medical Supply Germany GmbH	100%	100%	25,000
Digital Medical Supply France SARL	100%	100%	
Actions Coordonnées de Santé, ACS (formerly Digisanté) *	100%	67%	
Digital Medical Supply UK Ltd **	100%	100%	1
MJog	100%	100%	332,204
DMS Medical AB	100%	100%	500

Name	Corp. Reg. No.	Domicile	Equity	Profit/loss
Digital Medical Supply Sweden AB	559051-2702	Stockholm	54	-100,889
Medical Supply Sweden AB	559145-0191	Stockholm	48	-1
Helsa Vårdutveckling Sverige AB	556681-4157	Stockholm	62,791	11,660
Helsa Primärvård Sverige AB	556665-8364	Stockholm	55,235	0
Helsa Specialistvård Sverige AB	556234-3888	Stockholm	5,141	0
Digital Medical Supply Spain SL	B87678421	Spain	-6,435	-52
Digital Medical Supply Norway AS	918106030	Norway	-25,351	-8,462
DMS Digital Medical Supply Germany GmbH	HRB192856B	Germany	-33,862	-29,609
Digital Medical Supply France SARL	830543088	France	-69,849	-59,631
Actions Coordonnées de Santé, ACS (formerly Digisanté) *	841464357	France	-24,366	-23,292
Digital Medical Supply UK Ltd **	11126560	UK	-115,180	-73,215
DMS Medical AB	556943-7279	Stockholm	50	-7,624
MJog	2313464	UK	33,471	2,152

*) is a non-profit association that operates healthcare centres in France. Two of the Parent Company's subsidiaries are founding members along with a third party. The association is being consolidated into the Group's financial statements based on the fact that the Group has control over the operation, though membership does not grant the right to a dividend which is why any profits are entered as liabilities. Kry's other transactions with the association are eliminated in the consolidated accounts. Sales and earnings in the association totalled SEK 50 million (7) and SEK -16 million (-7.5). Transactions between the rest of the Group and the association consisted of invoicing totalling SEK 14 million (0.5), which has been eliminated.

**) The company is exempt from statutory local audits under Paragraph 479A of the UK Companies Act 2006, since a parent company guarantee has been issued in accordance with UK accounting regulations (Paragraph 479C, UK Companies Act 2006). The company is included in the audit of the financial statements for the Kry Group.

Parent Company

Name	Share of equity	Share of voting rights	No. of shares	Carrying amount
Digital Medical Supply Sweden AB	100%	100%	1,000	103,100
Medical Supply Sweden AB	100%	100%	500	50
MJog Limited	100%	100%	332,204	96,615
				199,765

Name	Corp. Reg. No.	Domicile	Equity	Profit/loss
Digital Medical Supply Sweden AB	559051-2702	Stockholm	54	-100,889
Medical Supply Sweden AB	559145-0191	Stockholm	48	-1
MJog Limited	2313464	UK	33,471	2,152

Note 16 Other non-current receivables

Group

	31 Dec 2020	31 Dec 2019
Opening cost	1,103	2,669
Additional receivables	2,872	0
Less receivables	0	-1,566
Closing accumulated cost	3,975	1,103
Closing carrying amount	3,975	1,103

Parent Company

	31 Dec 2020	31 Dec 2019
Opening cost	0	2,667
Less receivables	0	-2,667
Closing accumulated cost	0	0
Closing carrying amount	0	0



Note 17 Prepaid expenses and accrued income

Group

	31 Dec 2020	31 Dec 2019
Accrued income	84,585	33,443
Prepaid insurance premiums	1,784	1,388
Prepaid software licences	7,308	104
Other prepaid expenses	14,845	4,085
	108,521	39,021

Parent Company

	31 Dec 2020	31 Dec 2019
Prepaid rent	6,516	6,418
Prepaid insurance premium	1,593	1,357
Prepaid software licences	6,225	104
Other prepaid expenses	3,421	3,452
	17,755	11,331



Note 18 Trade

receivables – Group



	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Trade receivables	45,022	5,031
Accrued income	84,585	33,443
Provision for doubtful trade receivables	-1,858	0
Total trade receivables and contract assets	127,749	38,474
Deferred income	0	0
Total contract liabilities	0	0

**Trade
receivables**

	Not mature	Mature between 1–90 days	Mature between 91–180 days	Mature >180 days	Total
31 Dec 2020					
Trade receivables	30,043	9,864	4,080	1,034	45,022
Accrued income	55,601	10,617	10,655	7,711	84,585
Total trade receivables	85,644	20,482	14,736	8,746	129,607
31 Dec 2019					
Trade receivables	5,031	0	0	0	5,031
Accrued income	26,755	6,689	0	0	33,443
Total trade receivables	31,785	6,689	0	0	38,474



Changes in loss allowance

	2020	2019
	Loss allowance	Loss allowance
Opening balance, 1 January	0	0
Increase in loss allowance recognised in profit or loss	-1,857	0
Closing balance, 31 December	-1,857	0

The following table describes the risk profile for trade receivables based on the Group's reserve matrix. Since historically there have not been any significant differences in losses among various customers, no distinction has been made within the Group's customer base pertaining to the loss allowance.

Loss allowance

	Not mature	Mature between 1-90 days	Mature between 91-180 days	Mature >180 days	Total
31 Dec 2020					
<i>Expected loss level</i>					
Amount recognised for trade receivables gross	0	761	61	1,034	1,857
Amount recognised for accrued income gross	0	0	0	0	0
Loss allowance	0	761	61	1,034	1,857

	Not mature	Mature between 1-90 days	Mature between 91-180 days	Mature >180 days	Total
31 Dec 2019					
<i>Expected loss level</i>					
Amount recognised for trade receivables gross	0	0	0	0	0
Amount recognised for accrued income gross	0	0	0	0	0
Loss allowance	0	0	0	0	0

All contract liabilities for service obligations in relation to customers recognised as of 31 December 2019 had been fulfilled at the end of 2020. It is estimated that all contract liabilities recognised at 31 December 2020 will be fulfilled before 31 December 2021.

The Kry Group invoices in accordance with market practice in each country where contractual services are often invoiced in the current month or in arrears. Payment terms are generally between 10 and 30 days. The Group's capacity for invoicing and following up on payments has not been affected by the prevailing circumstances of the pandemic, except for the operations in France where invoicing has been severely delayed in certain areas. The company feels that this has not affected the cost of credit losses for the year.

Note 19 Current and deferred tax

Group

The Group has taxable loss carryforwards of approximately SEK 1,484 million (641), and no deferred tax liability attributable to this has been recognised. There is no maturity date related to these loss carryforwards.

	31 Dec 2020	31 Dec 2019
Tax on profit/loss for the year		
Current tax	-486	0
Adjustment for prior years	0	0
Change in deferred tax pertaining to temporary differences	349	461
Total recognised tax	-137	461



Parent Company

Loss carryforwards not recognised as deferred tax assets amounted to SEK 1,140 million (561).

Reconciliation of effective tax

	2020		2019	
	%	Amount	%	Amount
Recognised profit/loss before tax		-582,421		-265,442
Tax according to current tax rate	21.40	124,638	21	56,805
Non-deductible expenses	-0.07	-399	0	-788
Non-taxable revenue	0.00	1	0	2
Other fiscal adjustments	21.40	0	22	0
Recognition of asset pertaining to prior years' loss carryforwards		120,019		64,000
Loss carryforwards where the tax value is no longer recognised as an asset	21.40	-244,259	22	-120,019
Recognised effective tax	0.00	0	0	0

Note 20 Accrued expenses and deferred income

Group

	31 Dec 2020	31 Dec 2019
Accrued salaries and holiday pay	56,187	21,475
Accrued social security contributions	19,307	7,788
Accrued consultancy costs	10,644	5,204
Other accrued expenses	43,788	11,895
	129,926	46,362

Parent Company

	31 Dec 2020	31 Dec 2019
Accrued salaries and holiday pay	21,923	10,009
Accrued social security contributions	6,846	3,145
Other accrued expenses	9,356	6,944
	38,125	20,098

Note 21 Intra-Group purchases and sales

Parent Company

	2020	2019
Percentage of total purchases during the year from other companies in the Group	7%	8%
Share of total sales during the year to other Group companies	100%	100%



Not 22

Acquisitions –

Group

In 2020, the Group acquired Helsa Vårdutveckling Sverige AB with its wholly owned subsidiaries Helsa Primärvård Sverige AB and Helsa Specialistvård Sverige AB, as well as MJog Limited in the UK. Helsa Vårdutveckling AB and its subsidiaries were acquired on 31 August 2020, and MJog Limited was acquired on 20 October 2020.

Hello Shim AB and Bergus Care AB (name changed to DMS Medical) were acquired in 2019. In total, the acquisitions resulted in goodwill of SEK 225 million in 2020 and SEK 4 million in 2019. Information regarding these acquisitions is presented below.

Helsa Vårdutveckling Sverige AB

Helsa Vårdutveckling Sverige AB ("Helsa") began operations in 2006 and has two wholly owned subsidiaries: Helsa Primärvård Sverige AB and Helsa Specialistvård Sverige AB. Helsa is one of Sweden's largest privately owned health and medical care companies, conducting primary care in 14 healthcare centres with 500 employees. 100% of the shares in Helsa were acquired by Digital Medical Supply Sweden AB on 31 August 2020.

MJog Limited

On 20 October 2020, Kry International AB acquired 100% of the shares in MJog Limited, which operates in the UK. MJog has developed a messaging service that is used by 70% of all general practitioner clinics. The company has operated in the health and medical care sector since 2005.

DMS Medical AB (name change from Bergus Care AB)

100% of the shares in DMS Medical AB were acquired by Digital Medical Supply Sweden AB on 26 April 2019. DMS Medical operates a physical healthcare centre in Nyköping, Sweden, which provides publicly funded healthcare under a Swedish Public Procurement Act contract with Region Sörmland.

Hello Shim AB

In April 2019, Kry International AB acquired 100% of the shares in Hello Shim AB, which has developed a psychology app for the purpose of increasing the mental well-being of users through brief, therapeutic conversations with a chatbot. The company was merged with the Parent Company on 17 January 2020.





SEK	Total acquisitions, 2020		Total acquisitions, 2019	
	Helsa	MJog	Fair value acquired	Fair value acquired
Non-current assets	92,999	35,037	128,036	2,031
Customer relationships	34,600	26,079	60,679	0
Software	451	8,642	9,094	1,711
Tangible assets	11,502	316	11,818	320
Right-of-use assets	44,962	0	44,962	0
Other non-current receivables	1,483	0	1,483	0
Current assets	56,037	5,388	61,425	1,300
Trade receivables	12,033	799	12,832	59
Other current receivables and prepaid costs accrued income	9,425	485	9,910	974
Cash and cash equivalents	34,579	4,104	38,682	267
	0	0	0	0
Non-current liabilities	-31,281	-24,156	-55,436	678
Deferred tax liability	-7,404	-12,481	-19,885	0
Interest-bearing liabilities	-23,876	0	-23,876	0
Other non-current liabilities	0	-11,675	0	678
	0	0	0	0
Current liabilities	-71,882	-11,485	-83,367	938
Trade payables	-16,092	-221	-16,313	120
Current tax liabilities	0	-2,070	-2,070	1
Current lease liabilities	-17,689	0	-17,689	0
Other current liabilities and accrued costs/deferred income	-38,101	-9,194	-47,295	813
Identifiable assets and liabilities, net	45,872	4,785	50,657	4,947
			0	0
Goodwill arising from acquisitions	172,683	52,741	225,424	4,216
Total purchase consideration	199,879	94,274	294,153	4,500
Less: purchase consideration not yet paid/payment by debt instruments *	-120,000	-11,675	-131,675	0
Less: acquired cash and cash equivalents	-34,579	-4,104	-38,682	-229
Net cash flow from business combinations	45,300	78,496	123,796	4,233

* For purchase consideration not paid, refer to Convertibles in Note 30

The acquisition analyses above are preliminary 12 months after the acquisition date.

The fair value of receivables acquired (which consist primarily of trade receivables) total SEK 22.7 million (1).

Contractual gross amounts total SEK 12.8 million, which means that no impairment requirement was deemed to exist upon the acquisition. The gross amount and carrying amount are identical.

Goodwill that arose in conjunction with the acquisition is attributable primarily to future potential customers in a growing industry, as well as the company's personnel including a smoothly functioning organisation. These benefits have not been recognised separately from goodwill since they do not meet the criteria for the recognition of identifiable intangible assets. No portion of the goodwill is deductible for tax purposes.

Acquisition costs totalled approximately SEK 5 million in 2020 and are recognised under other external costs in the consolidated statement of comprehensive income.

The impact of the acquisitions on consolidated earnings

Approximately SEK 147 million of the Group's revenue is attributable to business combinations in 2020, which contributed approximately SEK 2.3 million to the Group's operating profit (after depreciation of surplus values).

If the acquisitions had been included as of 1 January 2020, they would have contributed approximately SEK 496 million to the Group's revenue and approximately SEK 11 million to the Group's operating profit (after depreciation of surplus values).

Note 23 Participations in Group companies

Parent Company

	31 Dec 2020	31 Dec 2019
Opening cost	6,300	5,100
Acquisitions	193,465	1,200
Closing accumulated cost	199,765	6,300
Closing carrying amount	199,765	6,300





Note 24 Lease liabilities

Group

Changes in lease liability

	31 Dec 2020	31 Dec 2019
Opening balance	111,038	0
Additional leases	33,643	131,822
Interest	4,683	4,762
Less repayments	-33,788	-25,546
Less concluded contracts	0	0
Exchange rate differences	-420	0
Closing balance	115,155	111,038

Included in the balance sheet on the following lines:

Current lease liabilities	33,955	24,754
Non-current lease liabilities	81,200	86,284
Total	115,155	111,038

Maturity

	31 Dec 2020	31 Dec 2019
Maturity		
Within 1 year	5,536	15,048
Later than 1 year but within 5 years	6,537	38,068
Later than 5 years	0	5,078
Total	12,073	58,194

In 2019, the Group began to apply the new standard IFRS 16 Leases, which means that finance leases no longer exist.

Details about the right-of-use asset and costs of leases are provided in Note 2, and interest rate costs in Note 11 as well as Note 32 on the transition to IFRS. Moreover, it can be noted that the majority of Kry's leases grant certain rights to extension of the leases.

Kry is of the opinion that short-term leases of two to three months that are subsequently extended are expected to continue for three years, and it is expected that short-term leases linked to other leases with an option to extend will be extended to correspond to the lease period for the associated premises. For other leases, no financial incentive is deemed to exist for the application of options to extend, which is why they are not taken into account in the financial statements.

Under IFRS 16, the discount rate must correspond to the implicit interest rate of the asset. Since the Kry Group is financed by equity, there is no average borrowing cost to apply. The leases that Kry has that are to be recognised under IFRS 16 pertain to leases of properties, primarily office properties, and certain other office assets. The following policies have been used to determine the discount rate:

Discount rate, leases of premises: Since there is no average interest rate on loans, the direct property yield requirement has been used as an estimate for the implicit interest rate. For properties in Class A locations in Stockholm, the direct yield requirement according to Swefa's Swedish Property Market report was 3.5 4.75%. An average, meaning 4.125%, was used. This discount rate has also been judged suitable for application to leases in other countries where we operate.

Other leased assets: As a template, an average discount rate of 2% has been applied to other leased assets.

Note 25 Deferred tax assets

Group



Change in deferred tax assets

	Loss carryforwards	Pension provision	Provisions	Right-of-use assets	Other	Total
2020						
Opening balance	0	0	0	0	0	0
Changes through profit or loss						0
Acquisitions					847	847
Currency translation						0
Other				809		809
Closing balance	0	0	0	809	847	1,657
2019						
Opening balance	0	0	0	0	0	0
Changes through profit or loss						0
Acquisitions						0
Currency translation						0
Other						0
Closing balance	0	0	0	0	0	0



Note 26 Appropriation of profit or loss

Parent Company

31 Dec 2020

Proposed appropriation of profits

The Board of Directors proposes that the available profit (in SEK):

accumulated loss	-589,404,078
share premium reserve	2,312,481,200
loss for the year	-582,420,935
	<hr/>
	1,140,656,187
be carried forward	1,140,656,187

Note 27 Pledged assets –

Group

There were no pledged assets in the Group for 2020.

Parent Company

	31 Dec 2020	31 Dec 2019
Chattel mortgage	0	0
	0	0

Note 28 Cash and cash equivalents

Cash and cash equivalents totalled kSEK 662,619 (1,433,469) in the Group and kSEK 546,712 (1,351,660) in the Parent Company.

Note 29 Risks and risk management

Financial risks

The Group and the Parent Company are exposed to financial risks through their operations. The Parent Company's Board of Directors has determined how financing operations are to be carried out in the Parent Company and the Group. A brief account is provided below of the Parent Company's and Group's exposure to and management of the most common financial risks.

Exchange rate risk can arise in the translation of Group companies' and associates' foreign net assets in SEK and on sales and purchases in foreign currency. The Parent Company and the Group do not normally apply exchange rate hedging for either the carrying amounts of foreign net assets or for sales and purchases in foreign currency. Sales and purchases in the local subsidiaries occur primarily in the company's local currency, which entails limited exchange rate risk. The local currencies included are SEK, EUR, GBP and NOK. The Parent Company continually analyses cash flow, and in 2021 will work actively with exchange rate hedging of foreign net assets in order to reduce currency risk.

The following exchange rates were applied in preparing the consolidated accounts and the rest of this Annual Report.

The following closing rates (against SEK) at 31 December 2020 have been applied:

EUR	10.0361
NOK	0.9569
GBP	11.1639

The following average rates for 2020 (against SEK) have been applied:

EUR	10.1583
NOK	0.9603
GBP	11.3006

The following closing rates (against SEK) at 31 December 2019 have been applied:

EUR	10.4568
NOK	1.06069
GBP	12.2706

The following average rates for 2019 (against SEK) have been applied:

EUR	10.5931
NOK	1.0476
GBP	12.3490

Credit risk may occur if a party to a transaction is unable to fulfil its agreed commitment, thereby causing a loss for the counterparty. The Parent Company's and Group companies' investment regulations are continually revised, and the general policy is to minimise credit risk.

Liquidity risk is the risk that the Group's companies will be unable to satisfy their capital requirements or fulfil their payment obligations as a result of insufficient liquidity, or will encounter difficulties in raising external loans (refinancing risk). The Parent Company and Group companies invest available cash and cash equivalents in financial instruments with a high degree of liquidity and low credit risk.

Business and operational risks

The primary operational risks and uncertainties that could impact the company's performance are related to political decisions that could have an influence on companies that pursue publicly funded healthcare. Since the company is part of a publicly funded healthcare system in Sweden, France and the UK, policy decisions that lead to changes in regulations and legislation could have a significant impact on the company as well as on all private companies in the healthcare sector.



The company continually monitors business intelligence to quickly identify changes in its business environment, to assess risks and opportunities, and to adapt its operations to the changed business environment. The political situation in the respective markets is routinely evaluated.

The company competes for occupational groups that are attractive in several industries among competitors, other private companies and in public healthcare. The company endeavours to attract the best talents in the market and endeavours to offer a stimulating, enriching work environment with a market-based remuneration model.



Note 30 Financial instruments by category

– Group

	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Total
31 Dec 2020			
<i>Assets in balance sheet</i>			
Trade receivables	0	43,166	43,166
Other current receivables	0	18,125	18,125
Accrued income	0	84,585	84,585
Cash and cash equivalents	0	662,619	662,619
Total	0	808,494	808,494

	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Total
31 Dec 2020			
<i>Liabilities in balance sheet</i>			
Convertible loan *	0	121,337	121,337
Other non-current liabilities	0	11,675	11,675
Trade payables	0	115,690	115,690
Other current liabilities	0	46,297	46,297
Accrued expenses	0	117,703	117,703
Total **	0	412,701	412,701

On 31 August 2020, the company issued a convertible loan of SEK 120 million. The loan has a term of three years and an interest rate of 5%. For the first year, the convertible is interest-free. The interest rate cost of SEK 1.3 million is based on the total value of the convertible and is allocated over the total term.

** Of these liabilities, 279,689 falls due for payment within one year and 133,012 falls due for payment within one to three years

	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Total
31 Dec 2019			
<i>Assets in balance sheet</i>			
Trade receivables	0	5,031	5,031
Other current receivables	0	13,323	13,323
Accrued income	0	33,443	33,443
Cash and cash equivalents	0	1,433,469	1,433,469
Total	0	1,485,266	1,485,266

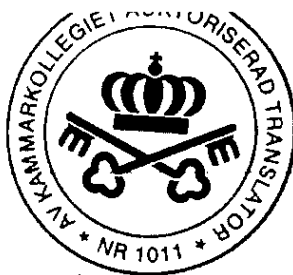
	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Total
31 Dec 2019			
<i>Liabilities in balance sheet</i>			
Convertible loan	0	0	0
Other non-current liabilities	0	0	0
Trade payables	0	21,982	21,982
Other current liabilities	0	14,354	14,354
Accrued expenses	0	46,362	46,362
Total	0	82,698	82,698

Currency risk

Amounts in local currency

31 Dec 2020	SEK	NOK	GBP	EUR	USD
Current assets	197,642	11,385	1,886	57,483	0
Liabilities	327,634	6,694	1,564	31,070	627
Net exposure	-129,992	4,692	321	26,413	-627
31 Dec 2019					
Current assets	81,318	4,331	2,076	133,258	0
Liabilities	6,850	1,746	343	710	0
Net exposure	74,467	2,585	1,733	132,548	0





Parent Company

On 31 August 2020, the company issued a convertible loan of SEK 120 million. The loan has a term of three years and an interest rate of 5%. For the first year, the convertible is interest-free. The interest rate cost of SEK 1.3 million is based on the total value of the convertible and is allocated over the total term.

Note 31 Related-party transactions

Members of the Parent Company's Board of Directors, the senior executives of the Group and immediate family members of these persons are considered related parties. Companies in which a significant portion of the votes are either directly or indirectly held by the aforementioned persons, or companies in which they can exercise a controlling interest, are also considered related parties.

For transactions with related parties, refer to Note 7.

Note 32 Transition to IFRS

As of 1 January 2019, the Kry AB Group ("Kry") applies the International Financial Reporting Standards (IFRS) as adopted by the EU, as well as RFR 1 Supplementary Accounting Rules for Groups, for its consolidated accounts. Kry previously applied the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board.

This reconciliation describes the translation of the financial statements that took place in 2019 in conjunction with the transition to IFRS.

IFRS 1 First-time Adoption of International Financial Reporting Standards contains rules for the transition from previously applied rules to IFRS. Kry complied with these regulations in its transition to IFRS. In certain cases, these transition regulations permit voluntary exemptions, which Kry has applied in the relevant cases as follows:

- in the transition to IFRS, a company may choose to apply the regulations in IFRS 3 (reworked) Business combinations, going forward from the transition date. Kry has chosen to utilise this opportunity, and thus did not translate previous acquisitions. Apart from the reallocation in equity, no differences arose in the transition to IFRS through the application of the transition regulations in IFRS 1.
- exchange rate differences were set to zero in the transition to IFRS.

The account presented below was made in accordance with the IFRS standards and interpretations currently in force. The key accounting policies according to IFRS, which constitute the accounting standards used in preparing Kry's financial statements and this reconciliation, are presented in Note 2. The figures in this document and the appurtenant tables are presented in SEK and have been individually rounded. Minor rounding errors may therefore occur.

Reconciliation of opening balance recognised at 1 January 2019

Kry has no IFRS adjustments in its opening balance apart from the introduction of IFRS 16 as noted below. A reconciliation of the change between the opening balance in accordance with previous accounting policies and IFRS is as follows (amounts in tables and other compilations have been individually rounded; minor rounding errors may therefore occur in the sums):

The Kry Group has a number of leases for premises and office equipment. According to IFRS, leases that are longer than 12 months and pertain to an asset with a value of more than USD 5,000 must be recognised as a right of use that is impaired over the term of the contract as a depreciation (and a related lease liability that at the signing of the contract corresponds to the right-of-use asset for which an interest expense is subsequently recognised). At the beginning of 2019, the Kry Group had a limited number of leases for a

period of more than 12 months since the Group intended to relocate in 2020. Upon the transition, there was therefore only a small number of leases for which the rent had already been paid in advance. This explains the adjustment above.

According to IFRS 16, there must be a discount rate in the transition to the standard corresponding to the average borrowing costs or the implicit interest rate of the asset. Since the Kry Group is financed by equity, there is no average borrowing cost to apply. The leases that Kry has that are to be recognised under IFRS 16 pertain to leases of properties, primarily office properties, and certain other office assets.

Discount rate, leases of premises: Since there is no average interest rate on loans, the direct property yield requirement has been used as an estimate for the implicit interest rate. For properties in Class A locations in Stockholm, the direct yield requirement according to Swefa's Swedish Property Market report was 3.5 4.75% in 2019. An average of 4.125% was therefore applied as the discount rate in conjunction with the transition to IFRS 16. This discount rate has also been judged suitable for application to leases in other countries where we operate.

Other leased assets: As a template, an average discount rate of 2% has been applied to other leased assets.

Reconciliation concerning 2019 accounts

The restatement of the 2019 accounts in accordance with previous accounting policies to IFRS is as follows:



Consolidated income statement

	2019 according to published annual report	IFRS adjustment	2019 restated to IFRS
Net sales	358,941		358,941
Other operating income	38		38
Total income	358,980	0	358,980
Operating expenses			0
Cost of services sold	-244,828		-244,828
Other external expenses	-252,722	25,608	-227,114
Personnel costs	-210,533		-210,533
Depreciation/amortisation and impairment of tangible and intangible assets	-12,525	-22,985	-35,510
Other operating expenses	-603		-603
Total operating expenses	-721,212	2,623	-718,588
Operating profit/loss	-362,232	2,623	-359,609
Profit/loss from financial items			
Profit from participations in Group companies	105		105
Result from other marketable securities and receivables that are non-current assets	1,539		1,539
Interest income and similar profit/loss items	13,588		13,588
Interest expenses	-870	-4,762	-5,632
Net financial income	14,362	-4,762	9,600
Loss after financial items	-347,870	-2,139	-350,009
Loss before tax	-347,870	-2,139	-350,009
Tax	0	461	461
Loss for the year	-347,870	-1,678	-349,547
<i>Parent Company's share of loss for the year</i>	<i>-347,870</i>	<i>-1,678</i>	<i>-349,547</i>



Consolidated balance sheet

	1 Jan 2019 according to published annual report	IFRS adjustment	Opening balance, 1 Jan 2019 according to IFRS
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditures for research and development initiatives and similar work	7,603		7,603
Goodwill			0
	7,603	0	7,603
<i>Tangible assets</i>			0
Equipment, tools, fixtures and fittings	6,744		6,744
Right-of-use assets	0	5,907	5,907
	6,744	5,907	12,651
<i>Financial assets</i>			
Other non-current holdings of securities	0		0
Other non-current receivables	2,669		2,669
	2,669	0	2,669
Total non-current assets	17,016	0	22,924
Current assets			
<i>Current receivables</i>			
Trade receivables	2,462		2,462
Receivables from associated companies			0
Other receivables	6,862		6,862
Prepaid expenses and accrued income	34,758	-5,907	28,850
Total current receivables	44,082	-5,907	38,174
<i>Cash and bank</i>	481,478		481,478
Total current assets	525,559	-5,907	519,652
TOTAL ASSETS	542,576	-5,907	542,576



EQUITY AND LIABILITIES

Equity

Equity attributable to shareholders in the Parent Company

Share capital	139		139
Other contributed capital	809,647		809,647
Reserves	0		0
Other equity, including loss for the year	-340,755		-340,755
Equity attributable to shareholders in the Parent Company	469,032	0	469,032
Total equity	469,032	0	469,032
Non-current liabilities			
Non-current lease liabilities	0		0
Total non-current liabilities	0		0
Current liabilities			
Trade payables	32,568		32,568
Current lease liabilities	0		0
Current tax liabilities	1,167		1,167
Other liabilities	10,322		10,322
Accrued expenses and deferred income	29,487		29,487
Total current liabilities	73,544	0	73,544
TOTAL EQUITY AND LIABILITIES	542,576	0	542,576

The restatement pertains to adjustment for previous operating leases that in accordance with IFRS 16 are to be recognised as right-of-use assets. These are impaired over the estimated lease period as a depreciation. Previous lease payments have thus been reversed. A lease liability corresponding to the right-of-use asset upon signing of the agreement is recognised as corresponding to the discounted value of future lease payments at an estimated interest rate. The interest rate is subsequently recognised as a financial expense. For further information, refer to the reconciliation of opening balance, Note 2 Accounting policies, Note 9 Right-of-use assets and Note 24 Lease liabilities. In addition, the Group implemented certain business combinations in 2019, refer to Note 22. Goodwill that arises through business combinations was impaired under previous accounting policies but this impairment has been reversed in the restatement above.



Other

Other impacts from the introduction of IFRS include a change in the presentation format of the financial statements and the introduction of a new report, Other comprehensive income. Moreover, the transition to IFRS has meant that the preparation of the Annual Report for 2020 will have additional disclosures in accordance with the disclosure requirements in IFRS. Kry is of the opinion, however, that no new information will be published but instead primarily further itemised and presented in comparison with the Annual Report for 2019.

Additionally, the Parent Company, Kry AB, applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities in preparing its Annual Report. The introduction of this new accounting standard does not impact the Parent Company's earnings or financial position.

Note 33 Merger

As of 17 January 2020, the previously wholly owned subsidiary Hello Shim AB, Corp. Reg. No. 556841-9088, has been merged with the Parent Company. The consolidated value of assets and liabilities that were assumed by the Parent Company on the date of the merger are as follows, in kSEK:

Intangible assets	1,405
Current receivables	81
Cash and cash equivalents	28
Merger difference that impacted equity	1,378

Note 34 Significant events after the end of the financial year – Group

In January 2021, Kry opened a new physical healthcare centre in Sickla, in the Stockholm region. Kry is also leasing temporary locations in the Stockholm, Västra Götaland and Skåne regions to offer PCR tests and vaccinations.

On 5 January 2021, the subsidiary DMS Medical AB was merged with Digital Medical Supply Sweden AB.

A new share issue totalling EUR 225 million was carried out in April 2021, with new investors and certain existing owners participating.

Parent Company

No significant events occurred after the end of the financial year.

Parent Company

No significant events occurred after the end of the financial year.



Stockholm, on the date specified in our signature.

Magnus Nilsson
Chairman

Fredrik Jung Abbou

Fredrik Cassel

Rikard Lindström

Maggie Fanari

Johannes Schildt
Managing Director

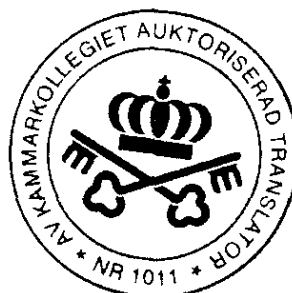
Martin Mignot

Our audit report was submitted on

Stockholm, on the date specified in our signature

Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public
Accountant





Auditor's report

To the general meeting of shareholders in KRY International AB, Corp. Reg. No. 556967-0820

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of KRY International AB for the year 2020.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Parent Company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2020 and 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 adopts the income statement and balance sheet for the Parent Company and the Group.

Basis for opinions

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

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

Responsibilities of the Board and the Managing Director

The Board and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board 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 and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a going concern and using the going concern basis of accounting. However, the going concern basis of accounting is not applied if the Board and the Managing Director 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,



individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the statutory annual report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board and the Managing Director of KRY International AB for the year 2020 and the proposed appropriation of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Directors' Report and that the members of the Board and the Managing Director be discharged from liability for the financial year.

A separate list of loans and collateral has been prepared pursuant to the Companies Act.

Basis for opinions

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

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

Responsibilities of the Board and the Managing Director

The Board of Directors is responsible for the proposal for the appropriation of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes, among other things, continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

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

- has undertaken any action or been guilty of any omission which can give rise to liability to the company
- has, in any other way, acted in conflict with the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance



with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriation of the company's profit or loss is not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the statutory annual report.

Stockholm, on the date specified in my electronic signature.

Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

Appendix 1

Audit exemption by UK subsidiaries

The UK registered subsidiary company of Digital Medical Supply UK Limited have taken the exemption available under Section 479A of the UK Companies Act 2006 relating to the audit of their individual financial statements.

KRY International AB has provided a guarantee to its UK subsidiary (Digital Medical Supply UK Limited), under Section 479C of the UK Companies Act 2006. This guarantee is relevant to the liabilities of the UK subsidiaries and it is the belief of the Directors that there is a low probability of the guarantee being used.