

Registered number: 11182659

INNOVATION HOLDCO LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



INNOVATION HOLDCO LIMITED

COMPANY INFORMATION

Directors	R W Bostock J Heilmann
Registered number	11182659
Registered office	Investcorp House 48 Grosvenor Street London United Kingdom W1K 3HW
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

INNOVATION HOLDCO LIMITED

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INNOVATION HOLDCO LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report on the group for the year ended 31 December 2021.

Review of the business

Innovation Holdco Limited own 79.2% (2020: 79.2%) of Sanolium Group Holding AB.

Sanolium Group Holding AB own 100% of the Cambio Group, a product and service group in the area of E-health. Cambio is one of the largest providers of medical records systems in the Nordic region with users at hospitals, health centres and specialist units. The vision consists of comprehensive IT support for the entire health care system and the group's products being sold mainly under the Cosmic brand.

There are also related business segments in the group. Cambio Viva provides IT support for municipalities' documentation regarding work processes and work flows in care and health care and medical treatment. Cambio CDS provides computerised support for clinical decisions that combines patient-specific data with regulations based on medical evidence to capture risk factors and provide the best possible care for the patient.

The Cambio Group's business model is mainly based on the sale of licences, maintenance and product-related consultancy services.

Future Developments

The Sanolium group, with its ownership of Cambio, is in a strong position in the E-health market. The growth potential is considered to be extremely good both in Sweden and internationally.

Section 172 (1) Statement

The directors have acted in a way they consider, in good faith, promotes the success of the group for the benefit of its members as a whole, and in doing so have given regard to (amongst other matters):

Business Relationships

The group, Cambio, continually develops strategies to maintain and grow our client base and further improve relationships with our suppliers.

With respect to suppliers the group's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal trade practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

INNOVATION HOLDCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Our People

The group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, shareholders, communities, and society as a whole. People are at the heart of delivering quality services both internally and externally. For our business to continue to succeed we continually manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible.

Community, Charity and Environment

The group has a strong commitment to the communities where we are located, to collaborate in the development of the territories close to all the group companies. In this respect, we strive to maintain a good long-term relationship with the people of each territory, and to be respectful of their rights, culture, and traditions.

In 2015, the 2030 universal agenda was adopted for how countries should work for sustainable development in the next decade. The group is committed to complying with regulations related in the regions or countries in which we operate.

Culture and Values

The group endeavours to maintain the highest levels of confidentiality and good business ethics at all times. We employ fair and honest methodologies and ensure that our staff are aware of and comply with all relevant legislation, statutory codes and internal quality systems.

Shareholders

The management is committed and openly engaged with our shareholders. The shareholders and their representatives are actively engaged in understanding our strategy, culture, people and the performance of our shared objectives for the short, medium and longer terms.

Principal risk and uncertainties

The group's operations expose it to a number of financial risks such as currency risk, interest risk, credit risk, cash flow risk and liquidity risk. The group endeavours to minimise potential adverse effects on the group's financial results.

The aim of the group's finance operations is to:

- ensure that the group is able to meet its payment obligations;
- manage financial risks;
- ensure access to finance as necessary; and
- optimise the group's net financial income.

The Board of Directors is ultimately responsible for the exposure, management and monitoring of the group's risks. The frameworks for financial risk management are established by the Board of Directors and are revised annually. The Board of Directors has delegated responsibility for day-to-day risk management to the CEO, who has in turn delegated it to the CFO. The Board of Directors is able to decide on temporary deviations from the established frameworks.

INNOVATION HOLDCO LIMITED
GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management policies

Currency risk

The group operates internationally and therefore is exposed to currency risks arising from various currency exposures. Currency risk arises from future transactions, in particular payment outflows, and assets and liabilities recognised in a currency other than the company's functional currency, known as transaction exposure. The group's exposure to currency risk consists primarily of the fact that transactions between subsidiaries take place in other currencies. The group does not use derivative instruments at present.

Credit risk

Credit risk applies to financial instruments such as trade receivables. Policies and procedures exist to ensure the management of trade receivables minimises as far as is reasonably practicable the group's exposure to credit risk.

Liquidity risk

The group monitors cash flow as part of its day to day control procedures.

Cashflow risk

The group's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they become due. The risk is mitigated through budgeting and forecasts and a regular review of cash requirements.

Key performance indicators

Gross margin is the main key financial performance indicator of the business. Gross margin was 91.5% (2020: 92.4%) which was in line with budgeted expectations.

Environment

Innovation Holdco Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities.

This report was approved by the board and signed on its behalf by:



R W Bostock
Director

Date: 9th September 2022

INNOVATION HOLDCO LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

These results, together with the comparative results and information, have been determined and presented under International Accounting Standards ("ISA's") as adopted by the United Kingdom.

Strategic report note

The review of the business, principal risks and uncertainties, financial risk management policies, future developments and key performance indications are not shown in the directors' report as they are shown in the strategic report in accordance with S414C (11) of the Companies Act 2006.

Principal activity

The group's principal activity is to produce and service E-health software.

Results and dividends

The consolidated profit for the year after taxation amounted to SEK 13,198,000 (2020: loss of SEK 45,204,000).

Dividends declared during the year totalled SEK Nil (2020: SEK Nil). The directors do not recommend the payment of a final dividend (2020: SEK Nil).

Directors

The directors of the company during the year and to the date of approval of these financial statements were:

R W Bostock
J Heilmann – appointed 1 September 2021
A Davis – resigned 1 September 2021

Anti Slavery Act 2015

The products and services delivered by the group are sourced from a broad range of both local and national suppliers. These supplier relationships are sourced and managed by the dedicated internal operational and management team of the group.

The group have defined policies on legislation, child labour, conditions of employment, wages and benefits, health and safety and the environment. These policies have recently been updated to include our policy on anti-slavery and zero tolerance of human trafficking.

The group undertake all reasonable and practical steps to ensure that standards are being implemented throughout Innovation's own operational and administrative business, along with that of our suppliers, in addition to local legislation and regulation compliance. Any instances of non compliance will be assessed on a case by case basis with appropriate remedial action where required.

The group will only trade with those who fully comply with this policy or are taking verifiable steps towards full compliance. The statement is approved and will be reviewed on a timely basis by the full Board of Directors pursuant to section 54(1) of the modern Slavery Act.

Going concern

After making enquiries into future trading forecasts and cash requirements the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the group has adequate resources to meet all obligations and continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the directors report and financial statements.

INNOVATION HOLDCO LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Accounting Standards (ISAs) as adopted by the United Kingdom (UK) and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard and applicable laws including FRS 101 Reduced Disclosure Framework). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards for the company accounts and ISA's for the group accounts have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Employee involvement

Employees are involved on a regular basis in discussions related to their specific interests and staff are encouraged to take an active interest in all aspects of the group's performance. The group seeks to train and develop all staff to continually improve product knowledge and customer service.

Disabled employees

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promoting of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedure makes it clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedure also requires that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the group is offered where appropriate.

Political and charitable donations

The group made political donations of SEK Nil (2020: SEK Nil). The group made charitable donations of SEK Nil (2020 SEK: Nil).

Future developments

Information on likely future development in the business have been included in the Strategic Report on page 1.

INNOVATION HOLDCO LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Research and development

The group invests in research and development activities appropriate to the size and nature of its operations with the aim of supporting the future development of the group.

Post balance sheet events

Subsequent to the year end, the group issued a new bond for 300,000,000 SEK which is due for repayment in September 2024 and carry a floating interest rate of STIBOR 3m plus 4.25%.

Streamlined Energy Carbon Reporting (SECR)

The group is considered a low energy user given that the UK carbon usage is below the de minimis threshold of 40,000 kWh and as such, is exempt from reporting under the SECR regulations.

Directors' indemnities

The group has granted the directors with qualifying third-party indemnity provisions within the meaning given to the term by sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the company and of any company within the group. Such indemnities were in force throughout the financial year and will remain in force.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf by:



R W Bostock

Director

Date: 9th September 2022

INNOVATION HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNOVATION HOLDCO LIMITED

Opinion

We have audited the financial statements of Innovation Holdco Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Statement of Net Debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards (ISAs) as adopted by the United Kingdom. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with ISAs as adopted by the United Kingdom;
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INNOVATION HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNOVATION HOLDCO LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

INNOVATION HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNOVATION HOLDCO LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, International Accounting Standards (ISAs) as adopted by the United Kingdom in respect of the consolidated financial statements, United Kingdom Generally Accounting Practice (UK GAAP) in respect of the parent company financial statements and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following;

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- designing our audit procedures to respond to our risk assessment;
- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- performed analytical procedures to identify any unusual or unexpected transactions;
- performed review of component auditor's work;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias: and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing for bias, including the valuation of goodwill.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

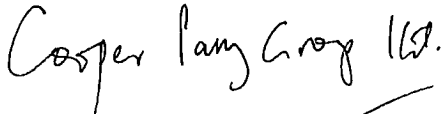
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

INNOVATION HOLDCO LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNOVATION HOLDCO LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Melanie Hopwell (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 9 September 2022

INNOVATION HOLDCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

(amounts in thousands of SEK)

	Note	2021	2020
Revenue	3	895,935	686,045
Cost of sales		(76,413)	(52,258)
Gross profit		819,522	633,787
Other external expenses		(155,966)	(104,121)
Employee costs	6	(463,393)	(404,789)
Depreciation and impairment of tangible assets, intangible assets and right of use assets		(153,235)	(146,288)
Operating profit/(loss)	4	46,928	(21,411)
Finance income	8	5,930	2,101
Financial charges	8	(32,784)	(26,664)
Profit/(loss) before tax		20,074	(45,974)
Income tax	9	(6,876)	770
Total profit/(loss) for the year		13,198	(45,204)
<i>Profit/(loss) for the year attributable to owners of the parent</i>		10,299	(36,329)
<i>Profit/(loss) for the year attributable to non-controlling interests</i>		2,899	(8,875)
Other comprehensive income			
<i>Other comprehensive income that will subsequently be reclassified to profit/loss for the year</i>			
Exchange rate differences in the translation of foreign operations		256	1,349
Total comprehensive income/(expense) for the financial year		13,454	(43,855)
<i>Profit/(loss) for the year attributable to owners of the parent</i>		10,502	(35,251)
<i>Profit/(loss) for the year attributable to non-controlling interests</i>		2,952	(8,604)

The notes on pages 18 to 39 form part of these financial statements.

INNOVATION HOLDCO LIMITED

REGISTERED NUMBER: 11182659
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

<i>(amounts in thousands of SEK)</i>			
	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets	12	1,964,393	1,986,128
Property, plant and equipment	10	23,441	18,116
Right of use assets	11	33,477	50,606
Non-current financial assets		3,411	3,229
Amounts owed by related parties	24	1,017	-
Total non-current assets		2,025,739	2,058,079
Current assets			
Trade receivables	14	129,199	76,392
Other receivables	15	168,929	89,360
Cash and cash equivalents	16	415,206	402,946
Total current assets		713,334	568,698
TOTAL ASSETS		2,739,073	2,626,777
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	17	-	-
Share premium	17	1,101,800	1,101,800
Profit and loss account	17	(69,215)	(79,717)
Total shareholders' equity attributable to owners of the parent		1,032,585	1,022,083
Non-controlling interests	18	104,993	102,029
Total shareholders' equity		1,137,578	1,124,112
Non-current liabilities			
Bond loans	19	498,224	497,574
Lease liabilities	11	22,909	33,017
Pension obligations		15,335	15,269
Deferred tax liabilities	21	334,207	329,253
Provisions	22	35,845	33,492
Total non-current liabilities		906,520	908,605
Current liabilities			
Trade payables and other payables	20	694,975	594,060
Total current liabilities		694,975	594,060
TOTAL EQUITY AND LIABILITIES		2,739,073	2,626,777

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R W Bostock

Director

Date: 9th September 2022

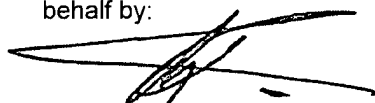
The notes on pages 18 to 39 form part of these financial statements.

INNOVATION HOLDCO LIMITED
REGISTERED NUMBER: 11182659
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

<i>(amounts in thousands of SEK)</i>	Note	2021	2020
ASSETS			
Non-current assets			
Investment in subsidiaries	13	1,090,393	1,090,350
Amounts owed by related parties	26	1,017	-
Total non-current assets		1,091,410	1,090,350
Current assets			
Current receivables	15	1,190	1,190
Cash and cash equivalents	16	206	1,886
Total current assets		1,396	3,076
TOTAL ASSETS		1,092,806	1,093,426
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	17	-	-
Share premium	17	1,101,800	1,101,800
Profit and loss account	17	(9,626)	(8,885)
Total shareholders' equity attributable to owners of the parent		1,092,174	1,092,915
Current liabilities			
Trade and other payables	20	632	511
Total current liabilities		632	511
TOTAL EQUITY AND LIABILITIES		1,092,806	1,093,426

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was SEK 741,000 (2020: SEK 1,050,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R W Bostock
Director

Date: 9th September 2022

The notes on pages 18 to 39 form part of these financial statements.

INNOVATION HOLDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

(amounts in thousands of SEK)	Share capital	Share premium reserve	Profit and loss account	Share-holders' equity attributable to owners of the parent	Non-controlling interests	Total share-holders' equity
Balance as of 1 January 2020	-	1,101,800	(44,466)	1,057,334	110,531	1,167,865
Transactions with shareholders:						
Other reserves movement on acquisition	-	-	-	-	102	102
Total transactions with shareholders	-	-	-	-	102	102
Comprehensive expense for the year:						
Foreign exchange movement	-	-	1,078	1,078	271	1,349
Loss for the year	-	-	(36,329)	(36,329)	(8,875)	(45,204)
Total comprehensive expense for the year:	-	-	(35,251)	(35,251)	(8,604)	(43,855)
Balance as of 31 December 2020	-	1,101,800	(79,717)	1,022,083	102,029	1,124,112
Transactions with shareholders:						
Other reserves movement on acquisitions:	-	-	-	-	12	12
Total transactions with shareholders:	-	-	-	-	12	12
Comprehensive income for the year:						
Foreign exchange movement	-	-	203	203	53	256
Profit for the year	-	-	10,299	10,299	2,899	13,198
Total comprehensive income for the year:	-	-	10,502	10,502	2,952	13,454
Balance as of 31 December 2021	-	1,101,800	(69,215)	1,032,585	104,993	1,137,578

The notes on pages 18 to 39 form part of these financial statements.

INNOVATION HOLDCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

<i>(amounts in thousands of SEK)</i>	Share capital	Share premium reserve	Profit and loss account	Total shareholders' equity
Balance as at 1 January 2020	-	1,101,800	(7,835)	1,093,965
Comprehensive expense for the year:				
Loss for the year	-	-	(1,050)	(1,050)
Total comprehensive expense for the year	-	-	(1,050)	(1,050)
Balance as at 31 December 2020	-	1,101,800	(8,885)	1,092,915
Comprehensive expense for the year:				
Loss for the year	-	-	(741)	(741)
Total comprehensive expense for the year	-	-	(741)	(741)
Balance as at 31 December 2021	-	1,101,800	(9,626)	1,092,174

The notes on pages 18 to 39 form part of these financial statements

INNOVATION HOLDCO LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

(amounts in thousands of SEK)

	Note	2021	2020
Profit/(Loss) after tax		13,198	(45,204)
Adjustments for:			
Amortisation/depreciation:			
- Amortisation of intangible assets	12	126,203	143,747
- Depreciation of property, plant and equipment	10	7,622	6,508
- Depreciation of right-of-use assets	11	17,040	17,335
Loss on sale of property, plant and equipment		-	1,416
Loss on sale of right-of-use assets		2,730	-
Loss on disposal of intangible assets		524	-
Tax charge/(credit)	9	6,876	(770)
Financial income	8	(5,930)	(2,101)
Cash flow from operating activities before changes in net working capital			
(Increase)/Decrease in trade receivables		(136,103)	34,596
Increase/(Decrease) in trade payables		114,984	(16,277)
Interest and other financial charges paid	8	32,784	26,664
Tax paid		(4,219)	(9,306)
Cash generated from operating activities		175,709	156,608
Net additions to intangible assets	12	(105,917)	(47,870)
Net additions to property, plant and equipment	10	(12,288)	(9,905)
Net additions to right of use assets	11	(2,731)	(41,775)
Increase in other financial assets		(129)	(399)
Bank interest received	8	5,930	2,101
Cash used in investing activities		(115,135)	(97,848)
Interest paid		(31,044)	(25,358)
Interest paid on lease liabilities	11	(870)	(1,306)
Repayment of lease liabilities	11	(19,554)	(18,704)
New lease liabilities	11	1,880	41,775
Capital contribution		-	102
Transactions with non-controlling interests		-	2,082
Cash used in financing activities		(49,588)	(1,409)
Net increase in cash and cash equivalents		10,986	57,351
Effect of exchange fluctuations on cash and cash equivalents		1,274	6,641
increase in cash and cash equivalents		12,260	63,992
Cash and cash equivalents at beginning of year		402,946	338,954
Cash and cash equivalents at end of year		415,206	402,946

The notes on pages 18 to 39 form part of these financial statements.

INNOVATION HOLDCO LIMITED
CONSOLIDATED STATEMENT OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

<i>(amounts in thousands of SEK)</i>	At 1 January 2021	Cash flows	Non-cash movements	New leases	At 31 December 2021
Cash and cash equivalents					
Cash at bank	402,946	10,986	1,274	-	415,206
Total cash and cash equivalents	402,946	10,986	1,274	-	415,206
Borrowings					
Bond loan due within one year	-	(50,000)		-	(50,000)
Bond loan due after one year	(497,574)	(650)	-	-	(498,224)
Lease liabilities due within one year	(18,042)	6,696	-	-	(11,346)
Lease liabilities due after one year	(33,017)	11,988	-	(1,880)	(22,909)
Total borrowings	(548,633)	(31,966)	-	(1,880)	(582,479)
Total	(145,687)	(20,980)	-	(1,880)	(167,273)

The notes on pages 18 to 39 form part of these financial statements.

INNOVATION HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 General information

Innovation Holdco Limited is a private company limited by shares that is incorporated, domiciled, and registered in England and Wales. The address of its registered office is shown on the company information page and the principal place of business is shown in note 13. The principal activity of the group is to produce and service E-health software.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Accounting Standards (ISAs) as adopted by the United Kingdom and as issued by the International Accounting Standards Board (IASB), and the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice). The consolidated accounts have been prepared under the historical cost convention. The consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards.

The financial statements are prepared in Swedish Krona (SEK) which is also the group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated. The financial statements are for the year ended 31 December 2021 (2020: year ended 31 December 2020).

The preparation of financial statements in compliance with IAS requires the use of certain critical accounting estimates. It also requires group management to exercise its judgement in applying the group's accounting policies. The areas where significant judgement and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The principal accounting policies adopted in the presentation of the consolidated financial statement are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated:

1.3 Basis of consolidation

The consolidated financial statements incorporate the results of Innovation Holdco Limited and all of its subsidiary undertakings. The acquisition method of accounting was used to consolidate all subsidiary companies. Results of subsidiaries acquired or disposed of during a period are included in the consolidation from the date of acquisition or up to the date of disposal.

The acquisition method is used for recognition of the group's business combinations. The purchase sum for the acquisition of a subsidiary consists of the fair value of assets and liabilities transferred. The purchase sum also includes the fair value of all assets or liabilities resulting from an agreement on a conditional purchase sum. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Acquisition-related costs are recognised as an expense when they arise.

Intra group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The parent company has taken the exemption of S. 408 of the Companies Act 2006 not to present its individual Statement of Comprehensive Income and related notes that form part of the financial statements.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies *(continued)*

1.4 Going concern

The group reported a total comprehensive profit for the financial year of SEK 13,454,000 (2020: loss of SEK 43,855,000). At the Balance Sheet date, the group had strong net assets and a significant cash balance of SEK 415,206,000 (2020: SEK 402,946,000).

Cambio provides business critical software which is used by healthcare professionals on a daily basis. The group has continued to trade well post year end.

The directors have prepared forecasts and concluded that the group will continue to trade for a period of at least 12 months from the date of signing these financial statements within the existing funding facilities and as a result the financial statements have been prepared on the going concern basis.

1.5 Revenue

Under IFRS 15, revenue is recognised when the customer obtains control over the goods or services sold and is thus able to use the goods or services and obtain the benefit. The group's revenues consist of licensing revenues, maintenance, consulting revenues and other revenues.

Licensing revenues

The group recognises licensing revenues from the sale of standard licenses when written agreements have been signed by the customer and when delivery has taken place. The group also recognises revenues relating to strategic development projects within the revenue category of licensing revenues. These usually begin with a feasibility study and the revenue is recognised when that study has been completed. When the feasibility study has led to a development project, the revenue is recognised at the rate of performance of the assignment.

Maintenance

Revenue from maintenance contracts is invoiced annually in advance. The revenue is recognised on a straight-line basis over the contract period since the customer receives the benefits on an ongoing basis.

Consultancy revenue

Many of the group's service assignments are carried out on an open account and the consultancy revenues are recognised as the customer receives the benefit of the service.

Other revenues

Other revenues consist of selling-on costs such as consultancy fees, travel expenses and third-party products.

1.6 Property, plant and equipment

Property, plant and equipment is measured at purchase cost, less accumulated depreciation and any impairment losses. Cost includes all expenses directly incurred to make an asset ready for its intended use, as well as any dismantling and removal costs that will be incurred as a consequence of contractual obligations to restore the asset to its original condition.

Costs incurred for ordinary or scheduled maintenance and repairs are charged directly to the Statement of Comprehensive income as incurred. Costs incurred for expanding, upgrading or improving freehold or leasehold structures are capitalised to the extent that they qualify for separate classification as assets or part of an asset.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies *(continued)*

1.6 Property, plant and equipment *(continued)*

Depreciation is charged on a straight-line basis at rates that make it possible to depreciate the assets in full over their useful lives.

Depreciation on assets in order to allocate their historical cost down to the estimated residual value over the estimated useful life is carried out on a straight-line basis as follows:

	Depreciation rate
Land and buildings	20 & 50 years
Equipment	3 - 5 years

The useful lives and net book values of items of property, plant and equipment are reviewed and adjusted, where necessary, at the time of the preparation of the financial statements.

1.7 Leases

The group's leases mainly relate to essential office premises and equipment, company cars and rental of a test environment. Lease terms are negotiated on a biannual basis and contain a wide range of different terms and conditions.

The leases are recognised as right-of-use assets and a corresponding liability on the date on which the leased asset is available for use by the group (note 11). Each lease payment is distributed between repayment of the debt and financial expense. The financial expense must be distributed over the leasing period so that an amount corresponding to a fixed interest rate on the liability recognised during each period is attributed to each accounting period.

Right-of-use assets are made subject to depreciation on a straight-line basis over the useful life of the asset or the length of the lease, whichever is the shorter. The leases run for a fixed period of 1-3 years, though an option to extend or terminate the contract exists.

Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Lease payments are discounted at the marginal interest rate on loans.

The assets with a right of use are measured at historical cost and include the initial measurement of the lease liability, any payments made at or before the time when the leased asset is made available to the lessee less any incentives received, any initial direct costs and restoration costs.

Lease fees attributable to short-term leases and leases for which the underlying asset is of low value are recognised as an expense on a straight-line basis over the lease period. Short-term leases are contracts with a lease period of 12 months or less. Leases for which the underlying asset is of low value relate essentially to office equipment.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (*continued*)

1.8 Intangible assets

Research and development

The group develops and offers health care information systems including related services. All expenses that are directly related to the development and testing of identifiable and unique products controlled by the group are recognised as intangible assets when the following criteria have been met:

- it is technically possible to complete the product or process so it can be used;
- the group's intention is to complete the product and use or sell it;
- the conditions for using or selling the product exist;
- the way in which the product is likely to generate future economic benefits can be demonstrated;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenses associated with the product during its development can be reliably calculated.

Research expenditure is expensed when it is incurred. Development costs that were expensed in previous financial years are not recognised as an asset in subsequent financial years. Retained development costs are recognised as intangible assets and are made subject to depreciation from the moment when the asset is ready for use. The useful life amounts to 5 years.

Goodwill

Goodwill arises upon acquisition of a subsidiary. It refers to the amount by which the purchase sum, any non-controlling interest in the acquired company and the fair value at the date of acquisition of previous equity interests in the acquired company exceed the fair value of identifiable acquired net assets. In order to test impairment requirements, the goodwill that was acquired is allocated to cash-generating units that are expected to benefit from synergies from the acquisition.

Each unit to which the goodwill has been allocated corresponds to the lowest level in the group at which the goodwill in question is monitored in internal controls. Goodwill is currently monitored in the group as a whole since the group is considered to constitute one cash-generating unit/one segment.

Goodwill is tested for impairment annually or more frequently if events or changes in conditions indicate a possible reduction in value. The carrying amount of the cash-generating unit to which goodwill is attributed (the group as a whole) is compared to the recoverable amount, which is the value in use or the fair value minus selling costs, whichever is the higher. Any impairment is recognised immediately as an expense and is not reversed.

The types of assets identified by the group in connection with acquisitions in the financial year are customer relationships, trademarks and technology. Trademarks are considered to have infinite useful lives and are tested annually for impairment.

Trademarks, technology and customer contracts

Separately acquired trademarks and technologies are shown at historical cost. Trademarks, technology and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at a cost less accumulated amortisation and impairment losses.

1.9 Impairment of property, plant and equipment, intangible assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine if there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that impairment losses recognised in prior years may no longer exist or may have decreased.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies *(continued)*

1.10 Investment in subsidiaries

Investments in subsidiaries are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the Consolidated Statement of Comprehensive Income and the value of the investment is reduced accordingly.

1.11 Financial instruments

The group's financial assets and liabilities consist of the following items: trade receivables, earned licencing revenue, other receivables, accrued revenues, cash and cash equivalents, bond loans, lease liabilities, trade payables, other liabilities and accrued expenses.

Initial recognition

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual terms of the instrument. Purchase and sale of financial assets and liabilities is recognised on the business day, i.e. the date on which the group undertakes to purchase or sell the asset. At initial recognition, financial instruments are recognised at fair value plus transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities such as fees and commissions.

Financial assets — classification and valuation

The group classifies and values its financial assets in the category of amortised. The classification of investments in debt instruments depends on the group's business model for managing financial assets and the contractual terms for the assets' cash flows.

Financial assets valued at amortised cost

Assets held for the purpose of collecting contractual cash flows and where those cash flows consist of only principal and interest are valued at amortised cost. The carrying amount of these assets is adjusted according to any expected loan losses. The group's financial assets valued at amortised cost consist of the items of trade receivable, earned licencing revenue, other receivables, accrued revenues and cash and cash equivalents.

Financial liabilities — classification and valuation

After initial recognition, the group's financial liabilities are valued at amortised cost applying the effective interest method. Financial liabilities consist of bond loans, lease liabilities, trade payables, other liabilities and accrued costs.

1.12 Trade receivables

Trade receivables are amounts attributable to customers relating to sold services provided as part of ongoing business activities. Trade receivables are classified as current assets. Trade receivables are initially recognised at the transaction price. The group holds the accounts receivable for the purpose of collecting contractual cash flows. Thus, at subsequent accounting dates, trade receivables are valued at amortised cost applying the effective interest method.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated Statement of Cash Flows can be reconciled to the related items in the consolidated reporting position as shown above.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies *(continued)*

1.14 Borrowings

The group's borrowings consist of bond loans. Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently recognised at amortised cost and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in the Statement of Comprehensive Income distributed over the period of the borrowing, applying the effective interest method.

1.15 Trade payables

Trade payables are financial instruments and relate to obligations to pay for goods and services acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if they fall due within one year.

1.16 Employee benefits

Short-term payments to employees

Liabilities for salaries and payments, including non-monetary benefits and paid absences, which are expected to be settled within 12 months from the end of the financial year are recognised as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The liability is recognised as an obligation regarding payments to employees in the consolidated Statement of Financial Position.

Pension obligations

The group mainly has defined-contribution pension plans. A defined-contribution pension plan is a pension plan under which the company pays fixed contributions to a separate legal entity. The group has no legal or constructive obligation to pay further fees if this legal entity has insufficient assets to make all payments to employees associated with the employees' service during the current or previous periods. The contributions are recognised as personnel expenses in the Statement of Comprehensive Income when they fall due. There is also a pension obligation within the group in the form of endowment insurance. Premiums paid are recognised partly as a financial fixed asset and partly as a provision.

1.17 Current and deferred taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies *(continued)*

1.17 Current and deferred taxes *(continued)*

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

1.18 Foreign currency transactions

Functional currency and presentation currency

The various subsidiaries in the group have the local currency as their functional currency since that has been defined as the currency used in the primary economic environment in which each unit is mainly active. The consolidated financial statements are in Swedish Kronor (SEK), which is the parent company's functional currency and the group's presentation currency.

Transactions and Statement of Financial Position items

Transactions in foreign currencies are translated to the functional currency at the exchange rates in force on the transaction date. Exchange gains and losses resulting from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currencies at the exchange rate on the Statement of Financial Position date are reported in the operating profit/loss and in the Statement of Comprehensive Income.

Translation of foreign group companies

The results and financial position of all group companies that have a functional currency other than the presentation currency are translated to the group's presentation currency. Assets and liabilities for each of the Statement of Financial Positions are translated from the functional currency of the foreign business to the group's presentation currency at the Statement of Financial Position date. Revenues and expenses for each of the Statement of Comprehensive Incomes are translated to Swedish Kronor at the average rate applying at the moment of each transaction. Exchange differences arising on currency conversion of foreign businesses are recognised in Other Comprehensive Income and are carried forward to reserves in equity.

1.19 Non-controlling interests

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to noncontrolling interest in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the group.

1.20 IFRS Accounting standards, amendments and interpretations not yet applicable and adopted

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IFRS 3 Business Combinations;
- Amendments to IFRS Practice Statement 2 Making Materiality Judgements;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- Amendments to IAS 12 Income Taxes

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transaction.

INNOVATION HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Key judgements in applying accounting policies and key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key judgements

Goodwill

The group investigates on a yearly basis the need of impairment corrections in accordance with the accounting principle described in note 1.8. Replacement values for cash generating units are determined by calculating useful value which requires some assumptions. The calculation is based on cash flow-forecasts established by management for the coming five years. Cashflow beyond the five year period is extrapolated with a growth rate judged as reasonable given subsidiary specific data.

Key sources of estimation and uncertainty

Below is a list of the items that, with reference to the group, require greater subjectivity when making estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the group's financial results.

Leasing

When the length of a leasing contract is determined, all available information is regarded to decide whether there is an economic incentive to use an option to prolong the agreement or not. Leasing periods are reconsidered in accordance with new positions.

Capitalisation of own work

The group procures development of several systems to support in the operations of the business, the systems are reviewed in order to ensure the expense fulfils the requirements for capitalisation within the financial year. Distinguishing the research and development phase and determining whether requirements for the capitalisation of development costs are met and their subsequent amortisation requires judgement.

Tangible and intangible assets with finite lives

Tangible and intangible assets with finite lives are tested for impairment to determine if any indicators exist that the assets may have become impaired, and an impairment loss is recognised when indicators exist that difficulties may arise in recovering the net book value through use. Impairment testing requires management to exercise subjective judgement based on the information available within the group and from the market, as well as past experience. Moreover, when a potential impairment is identified, the group determines it using valuation techniques considered appropriate. The correct identification of indicators of potential impairment and estimates made to determine the impairment amount depend on factors that may change over time, affecting the assessments and estimates made by management.

Allowance for bad debts

The allowance for bad debts reflects management's best estimate of the losses that will be incurred on trade receivables. The estimate is based on the losses expected by the group, determined based on past experience with similar receivables, current and past overdue accounts, careful monitoring of credit quality and projections about economic and market conditions.

INNOVATION HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Key judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

Provisions for risks and charges

Provisions are posted for the risk of unfavourable outcome of legal and tax disputes. The values of provisions reflect management's best estimate at the reporting date. This estimate entails the adoption of assumptions that depend on factors that may change over time and which could therefore have significant effects compared with management's current estimates made in the preparation of the consolidated financial statements.

3. Revenue

The group revenue is split as follows:

<i>(amounts in thousands of SEK)</i>	2021	2020
License sales	87,471	97,149
Maintenance fees	444,676	418,975
Consultancy revenues	184,970	118,837
Other	178,818	51,084
Total	895,935	686,045

Revenues are analysed by geographical area in the following table:

<i>(amounts in thousands of SEK)</i>	2021	2020
Europe	874,893	664,233
United Kingdom	21,042	21,812
Total	895,935	686,045

4. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

<i>(amounts in thousands of SEK)</i>	2021	2020
Amortisation charges	126,203	143,747
Depreciation charges	7,622	6,508
Depreciation of right-of-use assets	17,040	17,335
Foreign exchange	3,560	407
Loss on sale of tangible fixed assets	-	1,416
Loss on sale of right-of-use assets	2,730	-
Loss on sale of intangible assets	524	-

INNOVATION HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Independent auditors' fees

<i>(amounts in thousands of SEK)</i>	2021	2020
Fees payable to the company's auditor for the audit of the company's annual accounts	415	352
Fees payable to the subsidiaries' auditor for the audit of the subsidiaries' annual accounts	1,314	784
Other non-audit services payable to the subsidiaries' auditor	3,112	3,355
Total	4,841	4,491

6. Employees

Staff costs, excluding directors remuneration, consists of:

<i>(amounts in thousands of SEK)</i>	2021	2020
Wages and salaries	342,116	294,075
Social security costs	84,203	76,531
Other pension costs	37,074	34,183
Total	463,393	404,789

The company incurred no staff costs and had no employees.

Employee numbers

The group's average headcount for the year ended 31 December 2021 is summarised as follows:

Average headcount	2021	2020
Administrative	27	26
Developers and support staff	743	749
Total	770	775

7. Remuneration of directors

The directors of the company received SEK Nil remuneration during the year (2020: SEK Nil). Their role within the company are deemed to be incidental to their wider role within the group and therefore the company bears no cost in relation to these directors. The directors are also directors of other group companies within which their remuneration is paid.

Key management personnel includes the directors of the parent company and directors of the subsidiary companies. They have the authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was SEK 29,840,000 (2020: SEK 22,464,000).

INNOVATION HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Financial income and charges

<i>(amounts in thousands of SEK)</i>	2021	2020
Interest income	853	227
Exchange rate differences	5,077	1,874
Finance income	5,930	2,101
Interest expenses	(25,214)	(24,855)
Exchange rate differences	(4,412)	-
Financing costs	(3,158)	(1,809)
Finance charges	(32,784)	(26,664)

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Income taxes

(amounts in thousands of SEK)

	2021	2020
Income taxes		
Current tax	1,922	18,081
Deferred tax	4,954	(18,851)
Total	6,876	(770)
Current tax		
Current tax in profit for the financial year	4,774	18,084
Adjustment for previous years	(2,852)	(3)
Total current tax	1,922	18,081
Deferred tax		
Other deferred tax	4,954	(18,851)
Total deferred tax	4,954	(18,851)

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

(amounts in thousands of SEK)

	2021	2020
Income taxes		
Profit/(Loss) before taxation	20,074	(45,974)
Tax on Profit/(Loss) at standard rate of corporation tax of 19% (2020: 19%)	3,814	(8,735)
Effects of:		
Deferred tax adjustments	(141)	(11)
Deferred tax not recognised	282	211
Impact of overseas tax rates	5,773	7,762
Adjustments in respect of prior periods	(2,852)	3
Total	6,876	(770)

The group's overseas tax rate is higher than those in the UK primarily because results earned in Sweden are taxed at a rate in excess of 21.4%.

Factors affecting future tax charges

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023 which was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted; or substantively enacted, at the Balance Sheet date. As such, the deferred tax rate applicable at 31 December 2021 is 25% and deferred tax has been re-measured at this rate.

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10. Property, plant and equipment

(amounts in thousands of SEK)

	Land and Buildings	Equipment	Total
Balance as of 01 January 2020	3,089	12,507	15,596
Additions	-	9,905	9,905
Disposals	-	(1,416)	(1,416)
Depreciation charge	(62)	(6,446)	(6,508)
Exchange gains	-	539	539
Balance as of 31 December 2020	3,027	15,089	18,116
Balance as of 01 January 2021	3,027	15,089	18,116
Additions	-	12,288	12,288
Exchange gains	-	768	768
Depreciation charge	(603)	(7,019)	(7,622)
Exchange losses	-	(109)	(109)
Balance as of 31 December 2021	2,424	21,017	23,441

The company has no property, plant and equipment.

As at 31 December 2021 the net book value of land was SEK 296,000 (2020: SEK 296,000)

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11. Leases

Leases held as right-of-use assets as at 31 December 2021 are as follows:

(amounts in thousands of SEK)

	Property	Company Cars	Test environment	Total
Balance as of 01 January 2020	24,936	365	865	26,166
Additions	38,732	2,383	660	41,775
Depreciation charge	(15,766)	(704)	(865)	(17,335)
Balance as of 31 December 2020	47,902	2,044	660	50,606
Balance as of 01 January 2021	47,902	2,044	660	50,606
Additions	2,731	-	-	2,731
Disposals	(3,403)	(540)	-	(3,943)
Depreciation charge	(15,680)	(700)	(660)	(17,040)
Depreciation on disposals	1,080	133	-	1,213
Exchange losses	(90)	-	-	(90)
Balance as of 31 December 2021	32,540	937	-	33,477

Lease liabilities at year end total:

(amounts in thousands of SEK)

	2021	2020
At 1 January	51,059	26,682
Additions	1,880	41,775
Finance costs on lease liabilities	870	1,306
Repayment of lease liabilities	(19,554)	(18,704)
At 31 December	34,255	51,059

(amounts in thousands of SEK)

	2021	2020
Due within one year	11,346	18,042
Due after more than one year	22,909	33,017
Total	34,255	51,059

No significant variable lease payments not included in the lease liability have been identified.

The amount recognised in the consolidated Statement of Comprehensive Income include:

(amounts in thousands of SEK)

	2021	2020
Depreciation expenses on right-of-use assets	17,040	17,335
Interest expense on lease liabilities	870	1,306

Contracted investments relating to rights-of-use assets at the end of the reporting period not yet recognised in the financial statements amount to SEK Nil (2020: SEK Nil).

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12. Intangible assets

Group

(amounts in thousands of SEK)

	Development	Customer contracts	Trademarks
Balance as of 01 January 2020	78,977	573,550	108,239
Additions	40,847	6,295	435
Amortisation charges	(12,430)	(43,431)	(20,494)
Exchange losses	-	-	-
Balance as of 31 December 2020	107,394	536,414	88,180
Balance as of 01 January 2021	107,394	536,414	88,180
Additions	105,350	-	-
Disposals	(43,605)	-	-
Exchange gains	48	-	-
Amortisation charges	(17,754)	(43,869)	-
Disposals	43,605	-	-
Exchange losses	(17)	-	-
Balance as of 31 December 2021	195,021	492,545	88,180

(amounts in thousands of SEK)

	Technology	Goodwill	Total
Balance as of 01 January 2020	918,100	373,519	2,052,385
Additions	293	31,202	79,072
Amortisation charges	(67,392)	-	(143,747)
Exchange losses	(1,582)	-	(1,582)
Balance as of 31 December 2020	849,419	404,721	1,986,128
Balance as of 01 January 2021	849,419	404,721	1,986,128
Additions	-	567	105,917
Disposals	-	(524)	(44,129)
Exchange gains	2,302	-	2,350
Amortisation charges	(64,580)	-	(126,203)
Disposals	-	-	43,605
Exchange losses	(3,258)	-	(3,275)
Balance as of 31 December 2021	783,883	404,764	1,964,393

The company has no intangible assets.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Investments in subsidiary undertakings

The company has investments of:

<i>(amounts in thousands of SEK)</i>	Shares in subsidiary undertakings
At 1 January 2021	1,090,350
Additions	567
Disposals	(524)
At 31 December 2021	1,090,393
Provision for impairment	
At 1 January 2021	-
Charge for the year	-
At 31 December 2021	-
Net book value as at 31 December 2021	1,090,393
Net book value as at 31 December 2020	1,090,350

The following are subsidiary undertakings at 31 December 2021 and have been included in the consolidated financial statements.

Company:	Country of incorporation:	Shareholding	Principal Activity:
Sanolium Group Holding AB	Sweden	79.2%	Production, servicing and maintenance of E-Health software.
*Sanolium Holding AB	Sweden	79.2%	Production, servicing and maintenance of E-Health software.
*Sanolium AB	Sweden	79.2%	Production, servicing and maintenance of E-Health software.
*Cambio Holding AB	Sweden	79.2%	Production, servicing and maintenance of E-Health software.
*Cambio Healthcare Welfare Systems AB	Sweden	79.2%	Production, servicing and maintenance of E-Health software.
*Cambio Welfare Systems AB	Sweden	79.2%	Production, servicing and maintenance of E-Health software.
*CDS AB		79.2%	Production, servicing and maintenance of E-Health software.
*Cambio Healthcare Systems A/S	Denmark	79.2%	Production, servicing and maintenance of E-Health software.
*Cambio Healthcare Systems Ltd	United Kingdom	79.2%	Production, servicing and maintenance of E-Health software.
*Cambio Software Engineering (Private) Ltd	Sri Lanka	79.2%	Production, servicing and maintenance of E-Health software.
*MittVaccin Sverige AB	Sweden	79.2%	Production, servicing and maintenance of E-Health software.

The group controls 79.2% of the voting rights and ordinary share capital of the subsidiary undertaking. The above company is incorporated and domiciled in Sweden.

* Indirectly held subsidiary undertakings through Sanolium Group Holding AB.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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13. Investments in subsidiary undertakings (continued)

The registered address of each of the subsidiaries is:

Name	Registered office
Sanolium Group Holding AB	Drottninggatan 89, 113 60 Stockholm
*Sanolium Holding AB	Drottninggatan 89, 113 60 Stockholm
*Sanolium AB	Drottninggatan 89, 113 60 Stockholm
*Cambio Holding AB	c/o Cambio Healthcare systems AB, Universitetsvägen 14, 583 30 Linköping
*Cambio Healthcare Welfare Systems AB	Universitetsvägen 14, 583 30 Linköping
*Cambio Welfare Systems AB	Urban Hjärnes väg 1A, 583 30 Motala
*CDS AB	Universitetsvägen 14, 583 30 Linköping
*Cambio Healthcare Systems A/S	Olof Palmes Allé 25B, 8200 Aarhus N
*Cambio Healthcare Systems Ltd	The Blade, 6 th Floor, Abbey Square, Reading, RG1 3BE
*Cambio Software Engineering (Private) Ltd	No. 520 R A De Mel Mawatha, Colombo 03, Sri Lanka
*MittVaccin Sverige AB	Nygatan 32, 703 61 Örebro, Sweden

14. Trade receivables

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020
Trade receivables	130,630	76,993
Less: provision for impairment of trade receivables	(1,431)	(601)
Total	129,199	76,392

At 31 December 2021 the analysis of trade receivables past due and not written down is as follows:

<i>(amounts in thousands of EUR)</i>	<30 days	30 – 60 days	61 – 90 days	91 – 120 days	>120 days	Total
31 December 2020	69,586	3,140	1,833	1,833	-	76,392
31 December 2021	100,869	25,457	3,130	(257)	-	129,199

15. Other current receivables

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020
Earned licensing revenues	135,154	56,014
Prepayments and accrued income	23,907	17,270
Other receivables	3,556	7,107
Income tax receivables	6,312	8,969
	168,929	89,360

The company had other receivables of 1,190,000 SEK in respect of transactions with non controlling interests (2020: 1,190,000 SEK).

INNOVATION HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. Cash and cash equivalents

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020	Company 2021	Company 2020
Bank balances	415,206	401,046	206	1,886
Equity funds	-	1,900	-	-
Total	415,206	402,946	206	1,886

17. Share capital and reserves

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020
3 Ordinary shares at SEK 10.44 per share	-	-
Total	-	-

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights and they do not confer any rights of redemption.

Share capital – The nominal value of allotted and fully paid up ordinary share capital.

Share premium account – Includes any premiums received on issue of share capital.

Profit and loss account – Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income.

Non-controlling interest – The cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income due to non-controlling interest parties.

18. Non-controlling interest

<i>(amounts in thousands of SEK)</i>	2021	2020
Brought forward	102,029	110,531
Capital contribution	12	102
Share of profit/(loss) for the year	2,952	(8,604)
Total	104,993	102,029

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19. Bond loans

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020
Bond loans, SEK, 5 year	500,000	500,000
Additions	50,000	-
Arrangement cost	(1,776)	(2,426)
Total	548,224	497,574

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020
Due within one year	50,000	-
Due after more than one year	498,224	497,574
Total	548,224	497,574

In September 2019, the group issued a senior secured bond for a total amount of SEK 500M. The bond has a variable coupon rate of Stibor 3M plus 4.25% and a maturity of five years, maturing in September 2024.

The loan terms contain specific conditions for the group's net liabilities. The group is below those conditions by some margin. The group has also taken out a credit facility of SEK 100M that has not yet been utilised. SEK 50M was utilised.

20. Trade and other payables

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020	Company 2021	Company 2020
Bond loans	50,000	-	-	-
Trade payables	8,266	15,008	66	16
Amounts due to related parties	38	38	38	38
Advance payments	39,909	32,466	-	-
Lease liabilities	11,346	18,042	-	-
Accruals and deferred income	551,520	493,473	528	457
Other liabilities	33,896	35,033	-	-
Total	694,975	594,060	632	511

Liabilities are secured by a rental guarantee for SEK 1,190,000 and floating charges of SEK 16,500,000.

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21. Deferred tax liabilities

Deferred tax liabilities as of 31 December 2021, are analysed as follows:

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020
<i>Balance brought forward</i>	329,253	348,104
<i>Charged/(Credited) to Statement of Comprehensive Income</i>	4,954	(18,851)
Total	334,207	329,253

<i>(amounts in thousands of SEK)</i>	Group 2021	Group 2020
Deferred tax on surplus value	281,166	294,822
Temporary differences	13,823	12,815
Deferred tax on capitalised development costs	39,218	21,616
Total	334,207	329,253

Deferred tax liabilities were booked according to the temporary timing differences between the statutory and the tax assets and liabilities.

22. Provisions

Provisions as of 31 December 2021, are analysed as follows:

<i>(amounts in thousands of SEK)</i>	Provisions
As at 31 December 2020	33,492
Charged in the year	2,353
Total	35,845

INNOVATION HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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23. Financial instruments

The table below lists the group's financial instruments, both assets and liabilities. Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. All other financial instruments are classified by the main group of instruments as defined in IFRS 9. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. For financial instruments measured at fair value, the levels in the fair value hierarchy are as shown below.

2021	Financial instruments at amortised cost SEK'000	Financial instruments at FVTPL SEK'000	Total SEK'000
Non-current assets			
Intangible fixed assets	-	-	-
Other non-current assets	3,411	-	3,411
Current assets			
Trade receivables	129,199	-	129,199
Other receivables	27,463	-	27,463
Cash and cash equivalents	415,206	-	415,206
Non-current liabilities			
Bond loans	-	(498,224)	(498,224)
Current liabilities			
Bond loans	-	(50,000)	(50,000)
Trade payables	-	(8,266)	(8,266)
Other current liabilities	-	(585,416)	(585,416)
Total	575,279	(1,141,906)	(566,627)

2020	Financial instruments at amortised cost SEK'000	Financial instruments at FVTPL SEK'000	Total SEK'000
Non-current assets			
Intangible fixed assets	-	-	-
Other non-current assets	3,229	-	3,229
Current assets			
Trade receivables	76,392	-	76,392
Other receivables	24,377	-	24,377
Cash and cash equivalents	402,946	-	402,946
Non-current liabilities			
Bond loans	-	(497,574)	(497,574)
Current liabilities			
Trade payables	-	(15,008)	(15,008)
Other current liabilities	-	(528,506)	(528,506)
Total	506,944	(1,041,088)	(534,144)

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24. Related party transactions

Related parties consist of all subsidiaries and senior executives in the group and their related parties. Transactions take place on market terms. Amounts due to parent company at year-end total SEK 38,000 (2020: SEK 38,000).

At the year end the group had a balance due from a related party of SEK 1,017,000. The loan is repayable in full on 30 June 2041 and interest is charged at 5% per annum.

25. Subsequent events

Subsequent to the year end, the group issued a new bond for 300,000,000 SEK which is due for repayment in September 2024 and carry a floating interest rate of STIBOR 3m plus 4.25%.

26. Controlling party

The company's parent undertaking and controlling party is Innovation Limited, a company incorporated in the Cayman Islands.

There is no ultimate parent undertaking or controlling party.