



Annual Report 2020

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AWA at a glance

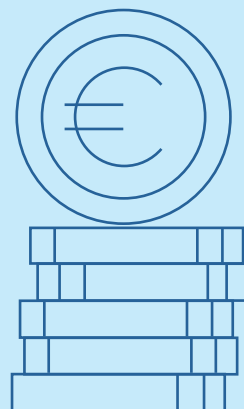
AWA is a leading consulting firm in Intellectual Property (IP). We work with clients from all around the world, ranging from early-stage startups to international, well-known brands with vast patent portfolios.

Our clients view IP as a key strategic asset helping them to thrive in competitive markets. With our legal, technical and business expertise, we do our very best to help them make a successful business out of their brands, ideas, and innovations. In addition to AWA's IP consultants in Europe and Asia, our extensive global partner network enables us to offer our clients the right quality, and the best solutions, in all markets.

NET SALES IN 2020 TOTALLED

€86

MILLION (SEK 900 MILLION)



100%

COMPLETELY OWNED BY THE EMPLOYEES



OUR MANAGERS ARE 65:35 WOMEN AND MEN

THE AVERAGE AGE IS

43

 YEARS

OVER

370

EMPLOYEES

170 + 45 + 30 = 245

PATENT ATTORNEYS

ATTORNEYS AT LAW

OTHER IP EXPERTS

IP CONSULTANTS



19

OFFICES IN 8 JURISDICTIONS

BELGIUM, CHINA, DENMARK, HONG KONG, NETHERLANDS, NORWAY, SWEDEN AND SWITZERLAND

4,300

CLIENTS IN ALMOST 60 COUNTRIES.



OVER

80

EUROPEAN PATENT ATTORNEYS

OVER

30

EUROPEAN TRADEMARK OR DESIGN ATTORNEYS



OVER

15

OF OUR EUROPEAN PATENT ATTORNEYS HOLD A DIPLOMA IN EUROPEAN PATENT LITIGATION

A Strong Year: All-time high, Geographical Expansion, and Growth in our major markets

2020 was another historic year for AWA. Net Sales increased by 7% from 840 MSEK to 900 MSEK and the profit before tax increased by 30% to 63 MSEK. We have a strong development in our domestic markets and our recent expansions into Belgium and Switzerland have been very successful. AWA Asia continues to grow, and our international sales have doubled during the last 5 years. Autumn 2020 we expanded our geographical foothold as we opened our first offices in Oslo, Norway and Geneva, Switzerland. Combined, AWA is now present in eight jurisdictions across two continents, with 19 offices and over 370 employees. In addition to our local offices, we also have an extensive preferred partner network throughout the world.



From a business perspective, 2020 was a year when the market for IP services was very strong, we saw an increased interest from clients and prospects which is mirrored in our financial statements. The strong results in combination with all restrictions that affected our spending, has put AWA in a robust financial situation that opens up for substantial investments in both Digital transformation, People and Processes that will have a fundamental impact on our future growth. We are grateful for our loyal clients who have kept on investing in Intellectual Property through times of uncertainty. Looking forward we see a high level of ambition and faith in the future

among our clients and I am very impressed by how well both our clients and our employees have managed to do the best out of the COVID-19 situation.

AWA continues to go from strength to strength when it comes to international recognition and rankings. For the second year in a row, we took home the Scandinavian IP Firm of the Year at the Managing IP Awards as well as the Trademark Prosecution Firm of the Year in Denmark. The Financial Times listed AWA as one of Europe's Leading Patent Law Firms with recognition for services in six industrial sector expertise areas. Managing IP, World Trademark Review, Intellectual Asset Management, The Legal 500, Asian Legal Business, Leaders League, and Chambers and Partners all recognized and recommended our firm in multiple jurisdictions. 45 of our colleagues also received at least one individual recognition from these publications. Dot-keeper, our Domains branch, was recognized as a DI Gasell company for the second year in a row. In addition to this, both Denmark and Sweden received Great Place to Work® certifications last year.

Based on a long history of delivering top-quality services and keeping our client's long-term business benefits in focus, the AWA brand holds a strong position in the Scandinavian markets, and for me, it has been a true privilege and honour to onboard this great firm with its rich and long history. As a company that has grown from a local Scandinavian firm - to a truly international Group in a short period, we are now ready to embark on a strategic journey where we, as one AWA, will make investments in our people, processes, and digital transformation of our operations - building a Group-wide solid foundation for future growth.

I look to the future with confidence and end the year by expressing a big and heartfelt thank you to all our dedicated employees for a fantastic job.

Thor Mosaker

CEO of the AWA Group and AWA Sweden



OUR MISSION

Our expertise in Intellectual Property supports the companies of today in building the prosperity of tomorrow

OUR VISION

We will be the first choice in IP for clients and dedicated people everywhere by developing the market – together

OUR CORE VALUES

Courage – Openness – Passion

OUR PROMISE

We create intellectual prosperity

Group financial summary

Amounts in thousands of euros	2020	2019	2018	2017	2016	
<i>Average exchange rate acc. to Swedish Central Bank</i>	10,4867	10,5892	10,2567	9,6326	9,4704	
<i>Closing day rate acc. to Swedish Central Bank</i>	10,0375	10,4336	10,2753	9,8497	9,5669	
Income statement						
Net sales	85,778	79,306	69,579	68,468	65,669	
Profit after financial income and expense	5,970	4,535	3,750	3,271	3,245	
Profit for the year	4,605	3,365	2,777	2,370	2,307	
Balance sheet						
Cash and bank balances	4,740	3,854	1,719	2,100	2,802	
Other assets	28,455	30,236	21,767	21,058	20,239	
Total assets	33,195	34,090	23,486	23,158	23,041	
Equity	15,311	13,546	12,350	12,303	12,925	
Other liabilities	17,884	20,543	11,136	10,855	10,117	
Total equity and liabilities	33,195	34,090	23,486	23,158	23,041	
Key figures						
Profit margin, %	(1)	7.0	5.7	5.4	4.8	4.9
Equity/assets ratio, %	(2)	41	40	48	47	51
Number of employees, FTEs	(3)	325	313	276	267	255

Definitions

- (1) Profit after financial income and expense in per cent of net sales
- (2) Equity after proposed share dividend in per cent of balance sheet total reduced by proposed share dividend
- (3) Full-time equivalents

Annual report and consolidated financial statements of AWA Holding AB

Corporate id no. 556388-3940

The Board of Directors and Chief Executive Officer of AWA Holding AB herewith submit the annual report and consolidated financial statements for the financial year 1/1/2020–31/12/2020.

All amounts in SEK unless otherwise stated. Amounts in parentheses relate to the previous year.

ADMINISTRATION REPORT

Nature and specialisation of the operations

AWA Holding AB is parent company to the wholly owned subsidiaries AWA Sweden AB, AWA Benelux S.A. (previously Pronovem OVM S.A.), AWA Denmark A/S, AWA Norway AS, Awapatent GmbH (under liquidation), and AWA IPro AB. AWA Benelux S.A. in turn owns 100% of AWA Switzerland S.A. (previous Pronovem Swiss AG). The previous company Pronovem Marks S.A. has merged with AWA Benelux S.A. AWA Holding AB also owns 77.5% of the Hong Kong-based company AWA Asia Ltd., which in turn owns 100% of the Chinese company AWA IP (Beijing) Co., Ltd.

The companies within the Group conduct consulting operations in the fields of intellectual property rights and marketing law, and offer services relating to the establishment, defence, commercialisation and management of intellectual property rights, as well as providing general advice on intellectual property rights, marketing law and associated matters.

The Group has operations in Sweden, Denmark, Norway, Belgium, Switzerland, Hong Kong, and China.

Ownership

The company is entirely employee owned. On 31 December 2020, 50% (51%) of all employees were shareholders.

The largest shareholders (including the holdings of related parties, where relevant) were:

	Number of shares	Share, %
Awanti Foundation	11,910	4.76%
Urban Lind	8,330	3.33%
Caroline Bergö	6,250	2.50%
Ole Bokinge	6,250	2.50%
Fabian Edlund	6,250	2.50%
Ai-Leen Lim	6,250	2.50%
Joacim Lydén	6,250	2.50%
Magnus Ungsten	6,250	2.50%
Niklas Mattsson	6,250	2.50%
Lars Nilsson	6,250	2.50%
Christian Winblad	6,250	2.50%
Linlin Zheng	6,250	2.50%

Significant events during the financial year

On 1 March, Thor Mosaker took over as CEO of the company.

In August, the new subsidiary AWA Norway was established with an office in Oslo.

During the year, AWA took several measures to mitigate the risks associated with the ongoing coronavirus pandemic. Despite the pandemic, the group overall achieved a very strong result in 2020. AWA is continuing to monitor the developments carefully.

Development of the operations, position and profit

The Group

(MSEK)	2020	2019	2018	2017	2016
Net sales	899.5	839.8	713.7	659.5	621.9
Profit/loss after financial income and expense	62.6	48.0	38.5	31.5	30.7
Profit for the year	48.3	35.6	28.5	22.8	21.9
Balance sheet total	333.2	355.7	241.3	228.1	220.4
Equity/assets ratio ⁽¹⁾	41%	40%	48%	47%	50%
Dividend per share, SEK ⁽²⁾	110	95	85	100	100
Dividend ratio ⁽³⁾	57%	67%	75%	110%	114%
Profit margin ⁽⁴⁾	7.0%	5.7%	5.4%	4.8%	4.9%
Return on equity ⁽⁵⁾	32%	27%	24%	20%	19%
Average number of employees	325	313	276	267	255

¹⁾ Equity after proposed dividend as a per cent of balance sheet total reduced by proposed dividend.

²⁾ Number of shares: 250,000.

³⁾ Proposed dividend as a per cent of profit for the year.

⁴⁾ Profit/loss after financial income and expense as a per cent of net sales.

⁵⁾ Profit/loss after financial income and expense decreased by 21.4% tax as a per cent of equity. Tax rate in previous years was 22%.

Parent company

(MSEK)	2020	2019	2018	2017	2016
Profit/loss after financial income and expense	13.5	1.9	4.5	6.3	46.9
Profit for the year	37.5	18.1	28.5	30.5	73.6
Balance sheet total	147.8	159.4	96.6	98.6	97.8
Equity/assets ratio ⁽¹⁾	57%	52%	86%	78%	71%
Group contributions, received	30.0	20.0	30.0	30.0	33.3
Net liability to subsidiaries	26.8	44.3	10.9	16.4	20.9

¹⁾ Equity after proposed share dividend in per cent of balance sheet total reduced by proposed share dividend.

Significant events after the end of the financial year

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

Significant risks and uncertainty factors

In addition to that mentioned above regarding the coronavirus pandemic, the company is exposed to different types of risks through its operations. The principal financial risks are considered to be market risks, credit risks, liquidity risks, financing risks and currency risks. **Market risks** arise as a result of fluctuations in prices and exchange rates. **Credit risks** refer to the risk that a counterparty will not fulfil its obligations. The Group is exposed to credit risks on accounts receivable. The Group's clients are subject to credit control on an ongoing basis, with information on clients' financial positions obtained from credit rating agencies.

Liquidity risks refer to the risk that liquidity will not be available to meet payment obligations. **Financing risk** is defined as the risk that financing cannot be obtained. The availability of immediate financing is assured through unutilised bank overdraft facilities.

As the Group operates internationally, it is exposed to a variety of **currency risks**. The Group did not hedge its payment flows during the financial year, since the flows in accounts receivable and accounts payable are largely in balance. Exposures in foreign subsidiaries are not hedged.

Another type of risk that the Group is exposed to is **regulatory risk**. The patent office industry is constantly exposed to risks related to amendments to laws, rules and conventions within intangible rights.

Sustainability Report

In accordance with Chapter 6, section 11 of the Annual Accounts Act, the Group has chosen to prepare the statutory Sustainability Report separate from the Annual Report. The Sustainability Report has been submitted to the auditor at the same time as the Annual Report. The Sustainability Report is available at www.awa.com. This sustainability report includes Awa Holding AB and its subsidiaries.

Expected future development

The Group's overriding goal continues to be to maintain and develop its leading position in Scandinavia and achieve a corresponding leading position in its other European home markets. It is also the Group's goal to achieve a leading position on the Chinese market among non-Chinese companies and agents.

Proposed appropriation of profit (SEK)

The following profit is at the disposal of the annual general meeting:

Profit carried forward	55,862,149.35
Profit for the year	37,540,235.15

93,402,384.50

The Board of Directors proposes that

is distributed to shareholders	27,500,000.00
is carried forward	65,902,384.50

93,402,384.50

Group contributions of SEK 30,000,000 (TSEK 20,000) were received from subsidiaries.

The Board of Directors' statement on the proposed dividend

The Board of Directors proposes that SEK 27,500,000 be distributed as dividend, which is equivalent to SEK 110 per share. The dividend will be paid on 17 May 2021. The Board of Directors considers that the proposed dividend is justified for both the company and the Group in the light of the demands which the nature, scope and risks of the operations impose on the size of the company's and the Group's equity, as well as the company's and the Group's consolidation requirements, liquidity and position in general.

For the profit and position of the parent company and the Group in general, refer to the following profit and loss account, balance sheet, statement of equity, statement of cash flows as well as notes.

Consolidated income statement

Amounts in SEK	Note	2020	2019
Operating income			
Net sales	3	899,524,224	839,792,356
Other operating income	4	1,145,050	172,629
Total operating income		900,669,274	839,964,985
Operating expense			
Other external expense	5,13	-469,351,786	-449,641,772
Personnel costs	6	-354,227,710	-334,249,983
Depreciation/amortisation of tangible and intangible assets	12	-9,751,637	-7,477,494
Other operating expense		-4,048,424	0
Total operating expense		-837,379,557	-791,369,249
Operating profit/loss		63,289,717	48,595,736
Profit/loss from financial income and expense			
Profit/loss from participations in associates and joint ventures	7	154,060	154,060
Other interest income and similar income	8	82,684	81,421
Interest expense and similar expenses	9	-925,920	-813,482
Net financial income and expense		-689,176	-578,001
Profit/loss after financial income and expense		62,600,541	48,017,735
Tax on profit for the year	11	-14,308,871	-12,385,802
PROFIT/LOSS FOR THE YEAR		48,291,670	35,631,933
Attributable to:			
Shareholders of the parent company		45,960,893	32,920,968
Minority interests		2,330,777	2,710,965

Consolidated balance sheet

Amounts in SEK	Note	31 Dec 2020	31 Dec 2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		8,829,563	4,589,796
Goodwill		29,678,949	34,577,618
Ongoing projects for intangible assets		102,400	4,729,377
Total intangible assets		38,610,912	43,896,791
Tangible assets			
Accrued expenses on leased property	12	621,278	856,397
Equipment		7,055,729	8,345,837
Total tangible assets		7,677,007	9,202,234
Financial assets			
Participations in associates and joint ventures	15	2,250,000	2,250,000
Other non-current receivables	17	2,832,870	2,464,621
Total financial assets		5,082,870	4,714,621
Total non-current assets		51,370,789	57,813,646
CURRENT ASSETS			
Current receivables			
Accounts receivable - trade		174,665,509	197,432,432
Accumulated uninvoiced income	18	18,631,608	21,951,446
Current tax assets		7,446,061	13,391,839
Other receivables		19,251,445	12,328,136
Prepaid expenses and accrued income	19	14,251,386	12,548,948
Total current receivables		234,246,009	257,652,801
Cash and bank balances	21	47,580,852	40,210,358
Total current assets		281,826,861	297,863,159
TOTAL ASSETS		333,197,650	355,676,805

Amounts in SEK	Note	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES			
EQUITY			
Share capital (250,000 shares)		2,500,000	2,500,000
Other paid-up capital		547,479	547,479
Other equity including profit for the year		147,656,515	131,217,614
Equity attributable to the parent company's shareholders		150,703,994	134,265,093
Minority interests		2,980,609	7,070,531
Total equity		153,684,603	141,335,624
PROVISIONS			
Provisions for pensions, PRI		480,440	532,780
Other provisions for pensions		3,700	3,700
Deferred tax liability	16	430,375	461,508
Total provisions		914,515	997,988
NON-CURRENT LIABILITIES			
Liabilities to credit institutions	21	2,500,000	7,500,000
Other non-current liabilities		10,026,998	13,340,288
Total non-current liabilities		12,526,998	20,840,288
CURRENT LIABILITIES			
Liabilities to credit institutions	21	8,138,661	49,349,851
Advance payments from customers		2,843,671	3,397,667
Accounts payable – trade		41,097,329	33,980,332
Current tax liabilities		5,307,245	3,466,583
Other current liabilities	21	27,784,994	26,512,860
Accrued expenses and deferred income	20	80,899,634	75,795,612
Total current liabilities		166,071,534	192,502,905
TOTAL EQUITY AND LIABILITIES		333,197,650	355,676,805

Consolidated statement of changes in equity

Equity attributable to the parent company's shareholders

Amounts in SEK	Share capital	Other paid-up capital	Other equity including profit/loss for the year	Total equity attributable to the parent company's shareholders	Minority interests	Total equity
Opening balance on 1 January 2019	2,500,000	543,612	118,952,649	121,996,261	4,900,999	126,897,260
Profit for the year			32,920,968	32,920,968	2,710,965	35,631,933
Translation differences		3,867	593,998	597,865	183,006	780,871
Transactions with minority owners	0	0	0	0	-724,440	-724,440
Total changes in value	0	3,867	33,514,966	33,518,833	2,169,531	35,688,364
Transactions with owners:						
Dividend to owners			-21,250,000	-21,250,000	0	-21,250,000
Total transactions with shareholders	0	0	-21,250,000	-21,250,000	0	-21,250,000
CLOSING BALANCE ON 31 DECEMBER 2019	2,500,000	547,479	131,217,615	134,265,094	7,070,530	141,335,624

Share capital 250,000 shares at a quota value of SEK 100.

Equity attributable to the parent company's shareholders

Amounts in SEK	Share capital	Other paid-up capital	Other equity including profit/loss for the year	Total equity attributable to the parent company's shareholders	Minority interests	Total equity
Opening balance on 1 January 2020	2,500,000	547,479	131,217,615	134,265,094	7,070,530	141,335,624
Profit for the year			45,960,893	45,960,893	2,330,777	48,291,670
Translation differences		0	-3,825,306	-3,825,306	-336,608	-4,161,914
Total changes in value	0	0	42,135,587	42,135,587	1,994,169	44,129,756
Transactions with shareholders:						
Dividend to owners			-23,750,000	-23,750,000	0	-23,750,000
Transactions with minority owners			-1,946,687	-1,946,687	-6,084,090	-8,030,777
Total transactions with shareholders	0	0	-25,696,687	-25,696,687	-6,084,090	-31,780,777
CLOSING BALANCE ON 31 DECEMBER 2020	2,500,000	547,479	147,656,515	150,703,994	2,980,609	153,684,603

Share capital 250,000 shares at a quota value of SEK 100.

Consolidated statement of cash flows

Amounts in SEK	Note	2020	2019
OPERATING ACTIVITIES			
Operating profit/loss		63,289,717	48,595,736
Adjustments for items not included in the cash flow:			
Depreciation/amortisation		9,682,515	7,477,494
Other items not affecting cash flow		-455,976	140,667
Received interest and similar income		236,744	235,481
Paid interest and similar expenses		-925,920	-813,482
Paid income tax		-6,224,533	-12,406,757
Cash flow from operating activities before changes in working capital		65,602,547	43,229,139
Cash flow from changes in working capital			
Decrease(+)/increase(-) of other current receivables		14,910,669	-22,214,235
Decrease(-)/increase(+) of other current liabilities		14,817,784	16,951,840
Cash flow from operating activities		95,331,000	37,966,744
Investing activities			
Acquisitions of subsidiaries		-2,498,474	-40,603,445
Transactions with minority owners		-5,396,090	-726,000
Acquisition of intangible assets		-1,877,593	-5,279,654
Acquisition of tangible assets		-2,215,825	-4,932,971
Settlement of financial assets		-496,104	95,339
Cash flow from investing activities		-12,484,086	-51,446,731
FINANCING ACTIVITIES			
Change in liabilities to credit institutions		-5,000,000	43,917,509
Interest-bearing liabilities		-41,211,190	0
Other non-current liabilities		-3,313,290	13,340,288
Dividend paid		-23,750,000	-21,250,000
Cash flow from financing activities		-73,274,480	36,007,797
Cash flow for the year		9,572,434	22,527,810
Cash and cash equivalents at start of year		40,210,358	17,661,423
Exchange rate difference in cash and cash equivalents		-2,201,940	21,125
Cash and cash equivalents at end of year	21	47,580,852	40,210,358

Parent company's income statement

Amounts in SEK	Note	2020	2019
Operating income			
Net sales		0	0
Other operating income	4	647,962	172,629
Total operating income		647,962	172,629
Operating expense			
Other external expense	5	-3,080	-48,255
Personnel costs	6	-946,913	-954,453
Total operating expense		-949,993	-1,002,708
Operating profit/loss		-302,031	-830,079
Profit/loss from financial income and expense			
Profit/loss from interests in Group companies	7	15,395,803	4,190,529
Profit/loss from participations in associates and joint ventures	7	154,060	154,060
Interest expense and similar expenses	9	-1,720,396	-1,574,869
Net financial income and expense		13,829,467	2,769,720
Profit/loss after financial income and expense		13,527,436	1,939,641
Balance sheet appropriations	10		
Group contribution received		30,000,000	20,000,000
Profit before tax		43,527,436	21,939,641
Tax on profit for the year	11	-5,987,201	-3,798,310
PROFIT/LOSS FOR THE YEAR		37,540,235	18,141,331

Parent company's balance sheet

Amounts in SEK	Note	31 Dec 2020	31 Dec 2019
ASSETS			
NON-CURRENT ASSETS			
Financial assets			
Participations in Group companies	14	145,302,769	151,455,152
Participations in associates and joint ventures	15	2,250,000	2,250,000
Total financial assets		147,552,769	153,705,152
Total non-current assets		147,552,769	153,705,152
CURRENT ASSETS			
Current receivables			
Current tax assets		0	5,266,999
Other receivables		0	5,960
Total current receivables		0	5,272,959
Cash and bank balances		218,618	465,939
Total current assets		218,618	5,738,898
TOTAL ASSETS		147,771,387	159,444,050

Parent company's balance sheet, continued

Amounts in SEK	Note	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital (250,000 shares)		2,500,000	2,500,000
Statutory reserve		500,000	500,000
Total restricted equity		3,000,000	3,000,000
Non-restricted equity			
Profit/loss carried forward		55,862,149	61,470,818
Profit/loss for the year		37,540,235	18,141,331
Total non-restricted equity		93,402,384	79,612,149
Total equity		96,402,384	82,612,149
NON-CURRENT LIABILITIES			
	21		
Liabilities to credit institutions		2,500,000	7,500,000
Other non-current liabilities		10,026,998	13,340,288
Total non-current liabilities		12,526,998	20,840,288
CURRENT LIABILITIES			
Liabilities to credit institutions	21	5,000,000	5,000,000
Liabilities to group companies		26,754,924	44,273,469
Current tax liabilities		2,073,571	0
Other current liabilities	21	5,013,510	6,670,144
Accrued expenses and deferred income	20	0	48,000
Total current liabilities		38,842,005	55,991,613
TOTAL EQUITY AND LIABILITIES		147,771,387	159,444,050

The parent company's statement of changes in equity

Amounts in SEK	Restricted equity		Non-restricted equity		Total equity
	Share capital	Statutory reserve	Profit/loss carried forward	Profit/loss for the year	
Opening balance on 1 January 2019	2,500,000	500,000	54,246,695	28,474,123	85,720,818
Allocation of profit of previous year			28,474,123	-28,474,123	0
Profit/loss for the year				18,141,331	18,141,331
Total changes in value	0	0	28,474,123	-10,332,792	18,141,331
Transactions with owners:					
Dividend to owners			-21,250,000		-21,250,000
Total transactions with shareholders	0	0	-21,250,000	0	-21,250,000
CLOSING BALANCE ON 31 DECEMBER 2019	2,500,000	500,000	61,470,818	18,141,331	82,612,149

Share capital 250,000 shares at a quota value of SEK 100.

Amounts in SEK	Restricted equity		Non-restricted equity		Total equity
	Share capital	Statutory reserve	Profit/loss carried forward	Profit/loss for the year	
Opening balance on 1 January 2020	2,500,000	500,000	61,470,818	18,141,331	82,612,149
Allocation of profit of previous year			18,141,331	-18,141,331	0
Profit/loss for the year				37,540,235	37,540,235
Total changes in value	0	0	18,141,331	19,398,904	37,540,235
Transactions with owners:					
Dividend to owners			-23,750,000		-23,750,000
Total transactions with shareholders	0	0	-23,750,000	0	-23,750,000
CLOSING BALANCE ON 31 DECEMBER 2020	2,500,000	500,000	55,862,149	37,540,235	96,402,384

Share capital 250,000 shares at a quota value of SEK 100.

Parent company's statement of cash flows

Amounts in SEK	2020	2019
OPERATING ACTIVITIES		
Operating profit/loss	-302,031	-830,079
Adjustments for items not included in the cash flow:		
Dividend received	154,060	154,060
Paid interest and similar expenses	-1,720,396	-1,574,869
Paid income tax	1,353,369	-6,072,200
Cash flow from operating activities before changes in working capital	-514,998	-8,323,088
Cash flow from changes in working capital		
Decrease(+)/increase(-) of other current receivables	5,960	-1
Decrease(-)/increase(+) of other current liabilities	10,776,821	78,424,465
Cash flow from operating activities	10,267,783	70,101,376
INVESTING ACTIVITIES		
Acquisitions of subsidiaries	-2,320,038	-60,080,947
Investments in other financial assets	8,472,422	0
Cash flow from investing activities	6,152,384	-60,080,947
FINANCING ACTIVITIES		
Borrowings	-5,000,000	7,500,000
Change non-current liabilities	-3,313,290	0
Dividend received	15,395,803	4,190,529
Dividend paid	-23,750,000	-21,250,000
Cash flow from financing activities	-16,667,487	-9,559,471
Cash flow for the year	-247,320	460,958
Cash and cash equivalents at start of year	465,939	4,981
Cash and cash equivalents at end of year	218,619	465,939

Notes

NOTE 1 – GENERAL DISCLOSURES

AWA Holding AB, CIN 556388-3940, is a limited company registered in Sweden with its registered office in Malmö. The address of the head office is Matrosgatan 1, 200 71 Malmö, Sweden. The company and its subsidiaries' ("the Group's") operations comprise consulting operations in the fields of intellectual property rights and marketing law, and offer services relating to the establishment, defence, commercialisation and management of intellectual property rights, as well as providing general advice on intellectual property rights, marketing law and associated matters.

NOTE 2 – ACCOUNTING AND VALUATION PRINCIPLES

The Group and the company apply the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general advice and guidelines, BFNAR 2012:1 Annual report and consolidated financial statements ("K3"). The accounting principles have not changed compared to the previous year.

Consolidated financial statements

The consolidated financial statements cover the parent company AWA Holding AB and the companies over which the parent company directly or indirectly has a controlling influence (subsidiary). Controlling influence entails an entitlement to structure another company's financial and operational strategies with the aim of obtaining financial benefits. During the assessment of whether controlling influence exists, the holding of financial instruments which are potentially qualified to vote should be taken into account as well as financial instruments which, without delay, can be utilised or converted to equity instruments qualified to vote. It should also be considered whether the company, through an agent, has the opportunity to control the operations. Controlling influence normally exists when the parent company directly or indirectly has shares which represent more than 50% of the votes.

A subsidiary's income and expense are included in the consolidated financial statements as of the timing of the acquisition up until the time the parent company no longer has a controlling influence over the subsidiary. See the section Business combinations below for reporting of acquisition and transfer of subsidiary.

The accounting principles for the subsidiary conform to the Group's accounting principles. All intra-group transactions, dealings and unrealised gains and losses attributable to intra-group transactions have been eliminated during the preparation of the consolidated financial statements.

Business combinations

Business combinations are recognised in accordance with the acquisition method.

The purchase price of the business combination is measured at the fair value at the time of acquisition, which is calculated as the total of fair values on the acquisition date for paid assets, accrued or assumed liabilities as well as issued equity instruments and expenses which are directly attributable to the business combination. Examples of expenses are transaction costs. The purchase price includes contingent consideration, provided that on the acquisition date it is likely that the purchase price will be adjusted at a later date and that the amount can be estimated in a reliable manner. The acquisition value of the acquired entity is adjusted on the balance sheet date and when the final purchase price has been

determined, however no later than one year after the acquisition date.

The identifiable acquired assets and assumed liabilities are recognised at fair value on the acquisition date with the following exceptions:

- pension commitments are determined in accordance with K3, Chapter 28 Employee benefits,
- deferred tax assets and deferred tax liabilities are determined in accordance with K3, Chapter 29 Income taxes,
- liabilities for share-related benefits are determined in accordance with K3, Chapter 26 Share-related benefits,
- intangible assets without an active market, as well as
- contingent liabilities which are measured in accordance with K3, Chapter 21 Provisions, contingent liabilities and contingent assets.

A provision which refers to expenses of restructuring of the acquired entity's operations is included in the acquisition analysis only to the extent the acquired entity already before the acquisition date fulfils the conditions for recognising a provision.

Goodwill and negative goodwill

In a business combination where the sum of the purchase price, fair value of the minority's participations and fair value on the acquisition date of previous shareholdings exceeds the fair value on the acquisition date of identifiable acquired net assets, the difference is recognised as goodwill in the consolidated balance sheet. If the difference is negative, the value of identifiable assets and liabilities should be reconsidered. Negative goodwill which corresponds to expected future losses is taken up as income as the losses are incurred. Negative goodwill which corresponds to the fair value of non-monetary assets is dissolved in the profit and loss account during the assets' remaining weighted average useful life. The share of negative goodwill which exceeds the identifiable non-monetary assets' fair value is recognised directly in the profit and loss account. Also see the section Goodwill below.

Goodwill

Goodwill comprises the difference between the acquisition value and the Group's share of the fair value of an acquired subsidiaries' identifiable assets and liabilities on the acquisition date. On the acquisition date, goodwill is recognised at acquisition value and after the first accounting date it is measured at the acquisition value less deductions for depreciation and any write-downs. Goodwill is amortised over the expected useful life, which according to the description in Note 12 is estimated to be 10 years.

On each balance sheet date, the company assesses whether there is any indication of that the goodwill value is lower than the carrying amount. If there is such an indication, the company calculates the recoverable amount of goodwill and prepares a write-down review.

During reviews of the write-down requirement, goodwill is distributed among the cash generative entities which are expected to benefit from the acquisition. If the recoverable amount of a cash generative entity is determined at a lower value than the carrying amount, the amount of write-down is distributed, first the carrying amount of goodwill attributable to the cash generative entity is reduced, and then the carrying amount of other assets in proportion to the carrying amount of each asset in the entity is reduced.

A disclosed write-down of goodwill is re-entered in a later period only if the write-down was the result of a specific external circumstance of an unusual nature which is not expected to be repeated and subsequent events have occurred which reverse the effects of this circumstance.

Income

Income is recognised at the fair value of the compensation which has been received or will be received, after deducting value-added tax, discounts, returns and similar deductions.

The Group's income mainly comprises:

Sales of services

Income from sales of services on current account is recognised as income in the period the work is performed and material is delivered or used.

Income from sale of services at fixed price is recognised with application of the so-called 'percentage of completion method'. This means that income and expenses are recognised in relation to the contract's stage of completion on the balance sheet date. The stage of completion is determined through a calculation of the relationship between the accrued contract costs for performed work on the balance sheet date and the estimated total contract costs. An expected loss for an official order is immediately recognised as a cost. When the outcome of an official order cannot be calculated in a reliable manner, revenue recognition only takes place by amounts which correspond to accrued contract costs which will probably be compensated by the purchaser. Contract costs are recognised as expenses in the period they are incurred.

Dividend and interest income

Dividend income is recognised when the owner's entitlement to receive payment has been determined.

Lease

In a finance lease, the economic risks and benefits associated with ownership of an asset are transferred in all essential respects from the lessor to lessee. Other leases are classified as operational leases. Subsidiaries hire vehicles from Handelsbanken Finans. This is done through finance leasing. In view of the fact that the value is insignificant for the Group as a whole, leasing is treated as operating leases in the financial statements.

Leasing fees for operational leases are expensed linearly over the leasing period.

Foreign currency

The parent company's accounting currency is Swedish kronor (SEK).

Translation of items in foreign currency

On each balance sheet date, monetary items in foreign currencies are translated at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are not translated. Exchange rate differences are recognised in operating profit/loss or as financial income and expense based on the underlying business transaction, in the period they arise, with the exception of hedging transactions that meet the criteria for hedge accounting of cash flows or net investments.

Translation of subsidiaries and foreign operations

During preparation of the consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated to Swedish kronor in accordance with the rate on the balance sheet date. Income and expense items are translated at average rates of exchange in the period, unless the rate of exchange has fluctuated significantly in the period, when the rate of exchange ruling on the transaction date is used instead. Potential translation differences which arise are recognised directly against equity.

When selling a foreign subsidiary, such translation differences are recognised in the profit and loss account as a part of the capital gain.

Goodwill and adjustments of fair value which arise during acquisition of a foreign business are addressed as assets and liabilities in this business and are translated to the rate on the balance sheet date.

Employee benefits

Employee benefits in the form of salaries, bonuses, paid holidays, paid sickness absence etc. as well as pensions are recognised as they are accrued. In terms of pensions and other benefits after the employment has ended, these are classified as defined contribution or defined benefit pension plans. The Group only has defined benefit pension plans in the form of payments to PRI under personal management. In accordance with the simplification rule in points 28.18-28.22, the pension liability is recognised in accordance with the amount data which is received from the independent company PRI. There are no other long-term employee benefits.

Defined contribution plans

For defined contribution plans for Alecta, the Group pays fixed fees to a separate independent legal entity and has no obligation to pay additional fees. The consolidated earnings are encumbered for costs in line with benefits being accrued, which normally does not coincide with the premium payment date.

Income taxes

The tax expense comprises the total of current tax and deferred tax.

Current tax

Current tax is calculated on the taxable profit for the period. The taxable profit differs from the recognised profit in the profit and loss account as it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses which are taxable or deductible in other periods. The consolidated current tax liability is calculated in accordance with the tax rates which apply on the balance sheet date.

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amount of assets and liabilities in the financial reports and the tax base which is used for calculation of the taxable profit. Deferred tax is recognised in accordance with the balance sheet liability method. Deferred tax liabilities are recognised for practically all taxable temporary differences, and deferred tax assets are recognised practically for all deductible temporary differences to the extent it is likely that the amounts can be used to offset future taxable profits. Deferred tax liabilities and deferred tax assets are not recognised if the temporary difference is attributable to goodwill.

The measurement of deferred tax is based on how the company, on the balance sheet date, expects to recover the carrying amount of the corresponding asset or regulate the measured value of corresponding debt. Deferred tax is calculated based on the tax rates and tax rules which have been determined before the balance sheet date.

Tangible assets

Tangible assets are recognised at the acquisition value less deduction for accumulated depreciation and any write-downs.

The acquisition value comprises of the purchase price, expenses which are directly attributable to the acquisition of bringing it on site and in a condition it can be used, as well as estimated expenses of dismantling and removal of the asset and restoration of its location. Additional expenses are

only included in the asset or recognised as a separate asset, when it is likely that future financial benefits associated with the item will accrue to the Group and that its acquisition value can be measured in a reliable manner. All other costs of repair and maintenance and additional expenses are recognised in the profit and loss account in the period they are incurred.

When the difference in the consumption of a tangible asset's significant components is not considered as essential, the assets have not been divided among the components.

Depreciation of tangible assets is expensed so that the asset's acquisition value, possibly reduced with the estimated residual value during the end of the useful life, is depreciated linearly over its estimated useful life. If an asset has been divided among different components, each component is depreciated separately over its useful life. Depreciation starts when the tangible asset can be utilised. The useful life of tangible assets is stated in note 12.

Depreciation of tangible assets and intangible assets excluding goodwill

On each balance sheet date, the Group analyses the carrying amounts of tangible assets and intangible assets to determine whether there is any indication that the value of these assets has declined. If this is the case, the asset's recoverable amount is calculated to be able to determine the value of any depreciation. When it is not possible to estimate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash generative entity to which the asset belongs.

Cash and cash equivalents

Cash and cash equivalents include cash resources and disposable deposits in banks and other credit institute as well as other current liquid investments which can easily be converted to cash and are the subject of an insignificant risk of fluctuations in value. In order to be classified as cash and cash equivalents, the term may not exceed three months from the date of acquisition.

Provisions

Provisions are recognised when the Group has an existing commitment (legal or informal), which as a result of an event that has occurred, it is likely that an outflow of resources will be necessary to settle the commitment, and the amount can be reliably measured.

Statement of cash flows

The statement of cash flows shows the Group's changes to the companies' cash and cash equivalents during the financial year. The statement of cash flows has been prepared in accordance with the indirect method. The recognised cash flow only covers transactions which entailed inward and outward payments.

Accounting principles for the parent company

The differences between the accounting principles of the parent company and the Group are described below:

Subsidiaries

Interests in subsidiaries are recognised at the acquisition value. Dividends from subsidiaries are recognised as income when the entitlement to receive dividends is assessed as safe and can be calculated in a reliable manner.

Group contributions

Received and paid group contributions are recognised as balance sheet appropriations in the profit and loss account.

Taxes

In the parent company untaxed reserves including deferred tax liability are recognised. However, in the consolidated financial statements untaxed reserves are divided among deferred tax liability and equity.

NOTE 3 – NET SALES BY GEOGRAPHICAL MARKET

	The Group	
	2020 (MSEK)	2019 (MSEK)
Sweden	431	404
Denmark	98	95
USA	94	86
Belgium	89	74
Switzerland	20	23
Germany	20	20
Malta	15	15
Great Britain	15	14
Norway	13	14
Japan	12	11
Other	93	84
Total	900	840

NOTE 4 – OTHER OPERATING INCOME

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Exchange gains	1,145,050	173	647,962	173
Total	1,145,050	173	647,962	173

NOTE 5 – DISCLOSURE OF REMUNERATION TO THE AUDITOR

	The Group	
	2020	2019 (TSEK)
Deloitte AB		
Audit engagement	230,000	230
Other audit-related fees		0
Tax consultancy fees	39,250	82
Other services	14,900	38
Other audit companies		
Audit engagement	317,430	209
Other audit-related fees	32,356	36
Tax consultancy fees	11,541	12
Other services	116,493	120
Total	761,970	727

The audit fee for the parent company was expensed in its entirety in the operating subsidiary, Awa Sweden AB.

Audit engagement refers to the auditor's remuneration for the statutory audit. The work entails review of the annual report, consolidated financial statements and accounting, as well as management by the Board and CEO and remuneration for tax consultancy which is provided in connection with the audit engagement.

NOTE 6 – NUMBER OF EMPLOYEES, SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

Average number of employees	2020		2019	
	Number of employees	Of which men	Number of employees	Of which men
Sweden	231	100	220	93
Hong Kong	5	1	5	1
China	16	3	14	3
Denmark	43	18	45	20
Belgium	28	10	28	9
Switzerland	1	0	1	0
Norway	1	1	0	0
Total in the Group	325	133	313	126

The Parent company has no employees.

Division senior executives on the balance sheet date	The Group		Parent company	
	2020	2019	2020	2019
Women:				
Members of the Board of Directors	4	4	2	2
other persons in the company's management incl. CEO	4	7	4	7
Men:				
Members of the Board of Directors	11	10	5	5
other persons in the company's management incl. CEO	5	7	5	7
Total	24	28	16	21

	2020		2019	
	Salaries and other benefits	Social security expenses (of which pension costs)	Salaries and other benefits	Social security expenses (of which pension costs)
Salaries, other benefits, etc.			(TSEK)	(TSEK)
Parent company	732,000	214,913	732	222
		(0)		(0)
Subsidiaries	238,446,003	92,517,117	220,453	90,527
		(33,885,142)		(32,358)
Total in the Group	239,178,003	92,732,030	221,185	90,749
		(33,885,142)		(32,358)

	2020		2019	
	Board of Directors and CEO (of which bonuses and similar)	Other employees	Board of Directors and CEO (of which bonuses and similar)	Other employees
Salaries and other benefits divided between members of the Board of Directors and employees			(TSEK)	(TSEK)
Parent company	732,000	0	732	0
	(0)		(0)	
Subsidiaries	10,128,388	228,317,616	12,466	207,987
	(897,238)		(854)	
Total in the Group	10,860,388	228,317,616	13,198	207,987
	(897,238)		(854)	

SEK 17,808,773 (TSEK 13,669) of the Group's total salary costs relates to performance-related variable salary. In addition, a provision of SEK 4,007,764 (TSEK 3,227) including special employers' contribution was made to the profit-sharing trust.

Pensions

The Group's cost for defined contribution plans amounts to SEK 27,639,961 (TSEK 27,010). The parent company's cost for defined contribution plans amounts to SEK 0 (TSEK 0). The Group does not have any defined benefit pension plans besides payments to PRI.

SEK 418,637 (TSEK 1,230) of pension costs relates to the Group's Board of Directors and CEO.

Severance pay agreements

A mutual period of notice of six months applies to the appointed officer unless otherwise agreed.

NOTE 7 – PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES AND ASSOCIATES

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Dividends from subsidiaries	0	0	15,395,803	4,191
Dividends from associates	154,060	154	0	0
Total	154,060	154	15,395,803	4,191

NOTE 8 – OTHER INTEREST INCOME AND SIMILAR INCOME

	The Group	
	2020	2019 (TSEK)
Interest income, external	82,684	81
Capital gain on investments in securities	0	0
Total	82,684	81

NOTE 9 – INTEREST EXPENSE AND SIMILAR EXPENSES

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Interest expense, external	925,920	813	334,840	222
Interest expense, group companies	0	0	1,385,556	1,353
Total	925,920	813	1,720,396	1,575

NOTE 10 – BALANCE SHEET APPROPRIATIONS

	Parent company	
	2020	2019 (TSEK)
Group contribution received	30,000,000	20,000
Total	30,000,000	20,000

NOTE 11 – TAX ON PROFIT/LOSS FOR THE YEAR

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Current tax	-14,330,539	-12,432	-5,987,201	-3,798
Deferred tax	44,391	46	0	0
Tax on profit for the year	-14,286,148	-12,386	-5,987,201	-3,798

Reconciliation tax expense of the year

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Disclosed profit before tax	62,600,542	48,018	43,527,436	21,940
Tax estimated in accordance with Swedish tax rate (21.4 %)	-13,396,516	-10,276	-9,314,871	-4,695
Tax effect of non-deductible expenses	-1,599,847	-1,594	0	0
Tax effect of tax-exempt income	1,008,156	739	3,327,670	897
Effect of other tax rates for foreign subsidiaries	493,312	-708	0	0
Non-deductible expense for goodwill	-804,307	-609	0	0
Total	-14,299,202	-12,448	-5,987,201	-3,798
Adjustments which are recognised this year for current tax of previous year	13,054	62	0	0
Recognised tax expense of the year	-14,286,148	-12,386	-5,987,201	-3,798

NOTE 12 – INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

Non-current assets are depreciated/amortised on a straight-line basis over their estimated economic life. The following depreciation/amortisation periods are applied:

Intangible assets	5 years
Goodwill	10 years
Computer equipment	3–5 years
Equipment and fittings	5 years
Accrued expenses on leased property	20 years

The acquisition of Pronovem Office Van Malderen S.A. and Pronovem Marks S.A. was a strategic acquisition with a major impact on the Group's long-term profit generation. For this reason, it is estimated to have an economic life of 10 years.

	The Group	
	2020	2019 (TSEK)
Concessions, patents, licences, trademarks and similar rights		
Opening acquisition value	6,724,787	1,019
Acquisitions of subsidiaries	0	436
Purchasing	1,877,575	5,272
Reclassification of ongoing projects	4,626,977	0
Translation difference	-20,345	-2
Closing accumulated acquisition value	13,208,994	6,725
Opening depreciation/amortisation	-2,134,991	-408
Acquisitions of subsidiaries	0	-432
Depreciation for the year according to plan	-2,264,804	-1,297
Translation difference	20,364	2
Closing accumulated depreciation/amortisation	-4,379,431	-2,135
Closing carrying amount according to plan	8,829,563	4,590
Goodwill		
Opening acquisition value	37,381,214	45,015
Acquisitions of subsidiaries	0	37,353
Disposals	0	-45,015
Translation difference	-1,406,724	28
Closing accumulated acquisition value	35,974,490	37,381
Opening depreciation/amortisation	-2,803,596	-45,015
Disposals	0	45,015
Depreciation for the year according to plan	-3,758,443	-2,847
Translation difference	266,498	43
Closing accumulated depreciation/amortisation	-6,295,541	-2,804
Closing carrying amount according to plan	29,678,949	34,577
Ongoing projects for intangible assets		
Opening acquisition value	4,729,377	4,580
Purchasing	1,707,125	4,729
Reclassifications	-6,334,102	-4,580
Closing ongoing projects	102,400	4,729
Accrued expenses on leased property		
Opening acquisition value	3,528,105	1,046
Acquisitions of subsidiaries	0	2,074
Purchasing	46,299	404
Translation difference	-124,412	4
Closing accumulated acquisition value	3,449,992	3,528
Opening depreciation for the year according to plan	-2,671,708	-357
Acquisitions of subsidiaries	0	-2,074
Depreciation for the year according to plan	-272,203	-241
Translation difference	115,197	0
Closing accumulated depreciation according to plan	-2,828,714	-2,672
Closing carrying amount according to plan	621,278	856
Fixtures and fittings		
Opening acquisition value	326,481	326
Closing accumulated acquisition value	326,481	326
Opening depreciation for the year according to plan	-326,481	-317
Depreciation for the year according to plan	0	-9
Closing accumulated depreciation according to plan	-326,481	-326
Closing carrying amount according to plan	0	0

	The Group	
	2020	2019 (TSEK)
Equipment		
Opening acquisition value	52,159,760	43,451
Acquisitions of subsidiaries	0	4,123
Purchasing	1,966,883	4,521
Sales/disposals	-366,399	-15
Translation difference	-239,622	80
Closing accumulated acquisition value	53,520,622	52,160
Opening depreciation for the year according to plan	-43,813,923	-37,053
Acquisitions of subsidiaries	0	-3,662
Sales/disposals	560,374	15
Depreciation for the year according to plan	-3,387,066	-3,083
Translation difference	175,722	-31
Closing accumulated depreciation according to plan	-46,464,893	-43,814
Closing carrying amount according to plan	7,055,729	8,346

NOTE 13 – LEASES

Operational leases – lessee

Subsidiaries hire vehicles from ALD Automotive AB. The majority are hired through finance leases. In view of the fact that the value is insignificant for the Group as a whole, leasing is treated as operating leases in the financial statements. A transition to operating leases has begun.

The year's total expensed leasing fees amount to SEK 4,735,521 (TSEK 4,657) in the Group. Future minimum lease payments for non-cancellable operational leases mature in accordance with the following:

	The Group	
	2020	2019 (TSEK)
Maturity date:		
Within one year	2,631,195	2,502
Later than one year but within five years	3,832,880	3,341
Total	6,464,075	5,843

There is no credit limit on vehicle leases.

NOTE 14 – PARTICIPATIONS IN GROUP COMPANIES

	Parent company				
	2020	2019 (TSEK)			
Opening acquisition value	158,055,152	97,974			
Acquisitions of subsidiaries	2,320,039	61,542			
Shareholders' contributions repaid	-8,472,422	-1,461			
Closing accumulated acquisition value	151,902,769	158,055			
Opening balance, impairment	-6,600,000	-6,600			
Closing accumulated depreciation	-6,600,000	-6,600			
Closing carrying amount	145,302,769	151,455			
	Carrying amount				
Name of company	Share of equity	Share of voting	Number of shares	2020	2019 (TSEK)
AWA Sweden AB	100%	100%	4,000	39,935,305	39,935
AWA Denmark A/S	100%	100%	1,500	41,177,395	41,178
AWA IPro AB	100%	100%	1,000	100,000	100
Awapatent GmbH	100%	100%		228,320	228
AWA Asia Ltd.	77.5%	77.5%	1000	2,290,687	8,472
AWA Benelux S.A. – Previously Pronovem Office Van Malderen S.A.	100%	100%	6,357	61,541,710	61,542
AWA Norway AS	100%	100%	100	29,352	0
Total				145,302,769	151,455
Name of company	Corporate identity number		Registered office		
AWA Sweden AB	556082-7023		Malmö		
AWA Denmark A/S	26379342		Copenhagen		
AWA IPro AB	556862-2723		Malmö		
Awapatent GmbH	HRB9651		Wolfenbüttel		
AWA Asia Ltd.	2121077		Hong Kong		
AWA Benelux S.A. – Previously Pronovem Office Van Malderen S.A.	BE0473.077.314		Brussels		
AWA Norway AS	925 400 262		Hagan		

NOTE 15 – PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Opening carrying amount	2,250,000	2,250	2,250,000	2,250
Acquisitions of associates and joint ventures	0	0	0	0
Closing carrying amount	2,250,000	2,250	2,250,000	2,250

In 2018, AWA Holding acquired 15% of the shares in Dotkeeper AB, CIN 556942-2164.

NOTE 16 – DEFERRED TAX ASSET AND DEFERRED TAX LIABILITY

	The Group	
	2020	2019 (TSEK)
Deferred tax liability		
Additional depreciation	311,085	184
Temporary differences for tangible assets	119,290	278
Total deferred tax liability	430,375	462

Deferred tax assets are measured at maximum the amount which will probably be recovered based on the current and future taxable profit. The tax rate for calculation of deferred tax is estimated as the tax rate in the country to which the deferred tax refers.

NOTE 17 – OTHER NON-CURRENT RECEIVABLES

	The Group	
	2020	2019 (TSEK)
Opening acquisition value	2,464,622	2,511
Additional receivables	473,924	111
Settled claims	0	-203
Translation difference	-105,676	46
Closing accumulated acquisition value	2,832,870	2,465
Closing carrying amount	2,832,870	2,465

NOTE 18 – ACCUMULATED UNINVOICED INCOME

	The Group	
	2020	2019 (TSEK)
Created remunerations	15,444,951	16,141
Expensed outlay	3,186,657	5,811
Total	18,631,608	21,952

NOTE 19 – PREPAID EXPENSES AND ACCRUED INCOME

	The Group	
	2020	2019 (TSEK)
Prepaid rents	6,439,548	6,346
Prepaid insurance premiums	1,172,432	782
Other items	6,639,406	5,421
Total	14,251,386	12,549

NOTE 20 – ACCRUED EXPENSES AND DEFERRED INCOME

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Accrued salaries and holiday pay	49,117,707	44,795	0	0
Accrued social security contributions	15,499,485	13,985	0	0
Tax on returns/special employer's contribution	6,618,432	6,306	0	0
Other items	9,664,010	10,710	0	48
Total	80,899,634	75,796	0	48

NOTE 21 – LIABILITIES TO CREDIT INSTITUTIONS

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Non-current liabilities that fall due for payment more than five years after the balance sheet date:				
Liabilities to credit institutions	0	0	0	0
Other liabilities	0	0	0	0
Total	0	0	0	0

The bank overdraft facility in Denmark amounts to DKK 8,000,000 (TDKK 8,000), which is equivalent to SEK 10,793,600, and for AWA Sweden AB to SEK 40,000,000 (TSEK 30,000). The Group's unutilised credit facilities at the end of the year amounted to SEK 50,793,600 (TSEK 35,934). Liabilities to credit institutions refer in their entirety to utilised bank overdraft facilities, which will be repaid within one year.

NOTE 22 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

	The Group		Parent company	
	2020	2019 (TSEK)	2020	2019 (TSEK)
Pledged assets				
Floating charges	40,000,000	40,000	0	0
Total	40,000,000	40,000	0	0
Contingent liabilities				
Surety warrant bank on behalf of subsidiaries	0	0	0	0
Guarantees, FPG	9,609	11	9,609	11
Guarantee, PRI on behalf of subsidiaries	0	0	480,440	533
Total	9,609	11	490,049	544

NOTE 23 – SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

NOTE 24 – APPROPRIATION OF PROFIT

The following profit is at the disposal of the Annual General Meeting	
Profit carried forward	55,862,149.35
Profit for the year	37,540,235.15
	93,402,384.50
The Board of Directors proposes that	
is distributed to shareholders	27,500,000.00
is carried forward	65,902,384.50
	93,402,384.50

Malmö, April 15, 2021



Nina Linander

Chairman of the Board of Directors



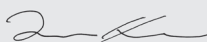
Christian Lindfors



Anders Kjellberg



Niklas Mattsson



Lasse Henze



Simon Markström



Ann-Charlotte Järvinen



Thor Mosaker

Chief Executive Officer

Our audit report was submitted on April 16, 2021

Deloitte AB



Maria Ekelund

Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of AWA Holding AB corporate identity number 556388-3940

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AWA Holding AB for the financial year 2020-01-01 – 2020-12-31. The annual accounts and consolidated accounts of the company are included on pages 7–28 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises pages 3–6 but does not include the annual accounts, consolidated accounts and our auditor's report thereon.

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

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

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AWA Holding AB for the financial year 2020-01-01 - 2020-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

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

Malmö April 16, 2021
Deloitte AB

Signature on Swedish original

Maria Ekelund
Auktoriserad revisor

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This is an English translation of the Swedish annual report of AWA Holding AB. In the event of any discrepancy between the Swedish version and this English translation, the Swedish version shall prevail.

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