



Annual Report 2019

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AWA at a glance

AWA is a leading consulting firm in Intellectual Property (IP) with clients all around the world. They range from local startups to the owners of international, well-known brands and patent portfolios. Our clients are innovation-intensive and view IP as a key strategic asset. They know that IP is a fantastic competitive tool when managed properly. With our legal, technical and business expertise, we do our very best to help them make a successful business out of their ideas and innovations. In addition to our own IP consultants on two continents, our vast global partner network continues to grow and we are able to offer our clients the right quality and the best solutions in all markets.

NET SALES IN 2019 TOTALLED

€79

MILLION (SEK 840 MILLION)



100%

COMPLETELY OWNED BY THE EMPLOYEES



OUR MANAGERS ARE 60:40 WOMEN AND MEN

THE AVERAGE AGE IS

43 YEARS

350

ABOUT 350 EMPLOYEES

150 + 40 + 20 = 210

PATENT ATTORNEYS

ATTORNEYS AT LAW

OTHER IP EXPERTS

IP CONSULTANTS



20

OFFICES IN 6 COUNTRIES

SWEDEN, DENMARK, BELGIUM, SWITZERLAND, GERMANY AND CHINA/HONG KONG

4,400

CLIENTS IN ALMOST 65 COUNTRIES.



ABOUT

75

EUROPEAN PATENT ATTORNEYS

ABOUT

30

EUROPEAN TRADEMARK OR DESIGN ATTORNEYS



15

15 OF OUR EUROPEAN PATENT ATTORNEYS HOLD THE CEPI DIPLOMA IN EUROPEAN PATENT LITIGATION (CENTER FOR INTERNATIONAL INTELLECTUAL PROPERTY STUDIES)

A Strong Year: European Expansion and Growth across all Markets

2019 was another historic year for AWA. On 13 June, Pronovem in Belgium, the Netherlands and Switzerland joined the AWA Group, expanding our on-the-ground presence into three new markets across five offices and further cementing our foothold in Europe. The expansion forms part of the Group's strategic agenda, seeking an increased presence in mainland Europe and locations in Belgium, which is geographically close to several key clients. Pronovem will change to the AWA brand in 2020 and combined the AWA Group has a presence in seven jurisdictions across two continents with 20 offices and over 350 employees.



The process of Integrating Pronovem into AWA has started well. A strong cultural fit, a balanced integration plan, dedication from everyone involved and ample time for people to meet at our Knowledge Boost that 2019 were held in Athens are all contributing success factors. This historic step strongly supported our growth, but also organic growth in Scandinavia and Asia continued. The market for IP services was strong, with increased interest from clients and prospects for AWA's full-service offering in Europe and Asia.

Market recognition was extraordinary. Scandinavian IP Firm of the Year at the Managing IP Awards, Best IP Advisor: Nordics and Best IP Advisor Benelux (Silver Award) at the Innovation & IP Forum by Leaders League. The Legal 500 and Chambers and Partners recognised AWA Asia as a leading firm and our domain name arm Dotkeeper was recognised as a Di Gasell company, an award given to the fastest growing start-ups in Sweden.

Net Sales increased by 18% from 714 MSEK to 840 MSEK. Excluding Pronovem's strong contribution, from April Net Sales increased

by 7% in 2019. Over the last five years, Net Sales have increased from 541 MSEK by almost 300 MSEK, or by 55%. Growth initiatives previously implemented have shown in the profit level, increasing by 25% to 48 MSEK.

The IP industry is a people business and every IP professional services firm must focus not only on clients, but also on its employees. It was with great pleasure that both Denmark and Sweden received Great Place to Work® certifications last year.

Having served as the AWA Group CEO since 1 November 2007, it is time for me to move on. It has been a true privilege and honour to lead this great firm with its rich and long history, amazing clients and truly fantastic people over the past twelve years. Back in 2007, the IP market was an entirely different place and AWA was essentially a Swedish firm. Today, AWA is a truly international firm, spanning two continents with a full-service offering. Because of all our Clients, Partners and employees AWA is in fantastic shape and on a fine path towards its next phase of development. I wish the new CEO Thor Mosaker and the rest of the AWA team continued success on this exciting journey into the future.

Magnus Hallin

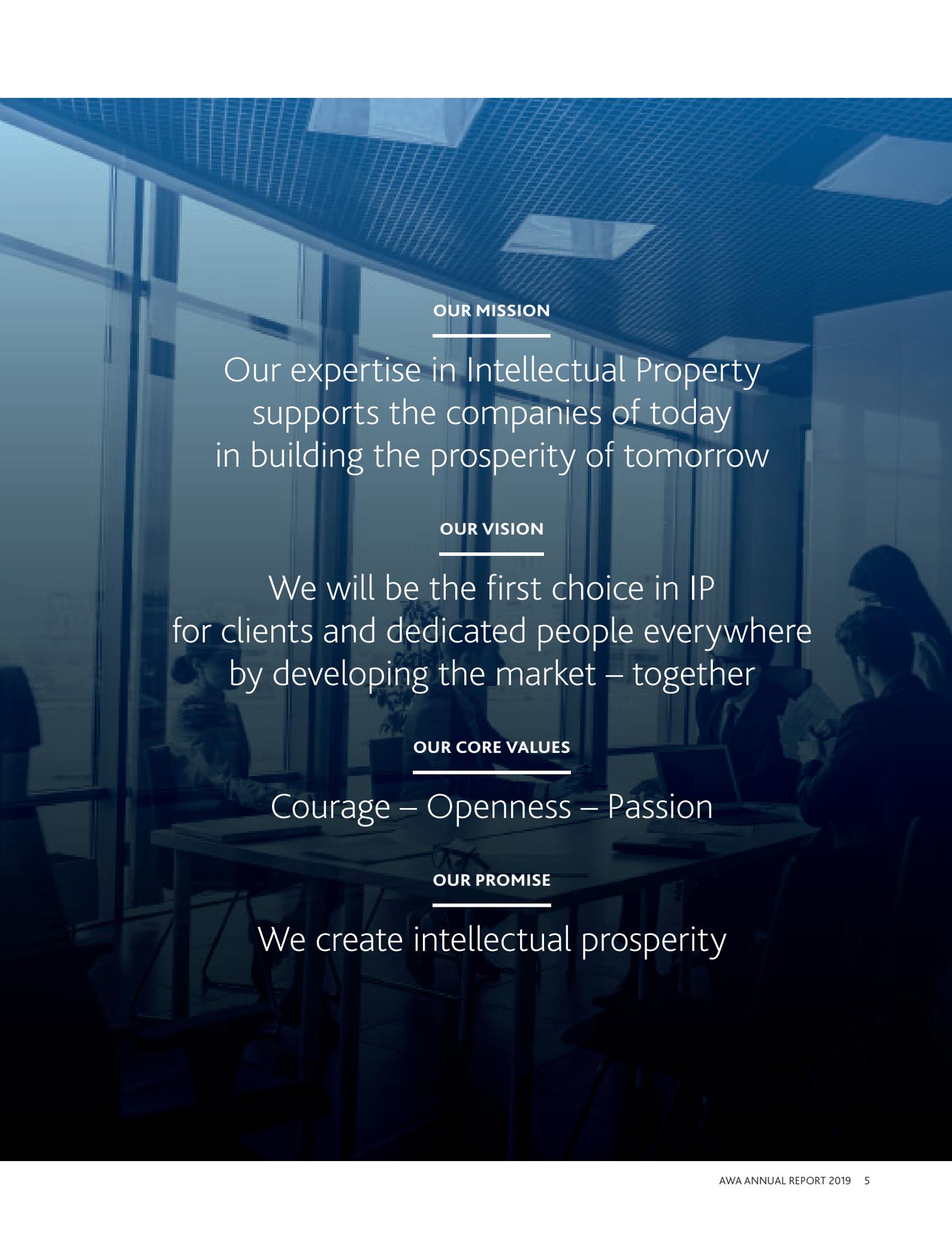
Former CEO of the AWA Group and AWA Sweden
(up to March 31st 2019)



It is an honor and privilege for me to be asked to contribute to the great journey of AWA. The AWA brand holds a strong position in the Scandinavian markets, based on a long history of delivering top quality services and keeping the clients needs in focus. Based on this fundament of quality, and adaption to the new world of digitalization, we will continue our mission of using our expertise in Intellectual property to support our clients in creating the prosperity of tomorrow in the year to come. This will be done by continuing our unique education programme for our young recruits, making sure that AWA stays a Great Place to work for all our employees, and keeping our clients needs in focus both in our existing and new markets.

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	2019	2018	2017	2016	2015	
<i>Average exchange rate acc. to Swedish Central Bank</i>	10.5892	10.2567	9.6326	9.4704	9.3562	
<i>Closing day rate acc. to Swedish Central Bank</i>	10.4336	10.2753	9.8497	9.5669	9.1350	
Income statement						
Net sales	79,306	69,579	68,468	65,669	63,418	
Profit after financial income and expense	4,535	3,750	3,271	3,245	3,519	
Profit for the year	3,365	2,777	2,370	2,307	2,509	
Balance sheet						
Cash and bank balances	3,854	1,719	2,100	2,802	6,209	
Other assets	30,236	21,767	21,058	20,239	19,073	
Total assets	34,090	23,486	23,158	23,041	25,282	
Equity	13,546	12,350	12,303	12,925	15,367	
Other liabilities	20,543	11,136	10,855	10,117	9,915	
Total equity and liabilities	34,090	23,486	23,158	23,041	25,282	
Key figures						
Profit margin, %	(1)	5.7	5.4	4.8	4.9	5.6
Equity/assets ratio, %	(2)	40	48	47	51	57
Number of employees, FTEs	(3)	313	276	267	255	249

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 1/1/2019–31/12/2019.

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 the parent company of the wholly-owned subsidiaries AWA Sweden AB, Awapatent GmbH, AWA Denmark A/S, Pronovem OVM S.A, Pronovem Marks S.A and AWA IPro AB. Pronovem OVM S.A further owns Pronovem Swiss AG to 100%. AWA Holding AB also owns 70% of Hong Kong-based AWA Asia Ltd., which in turn owns Chinese AWA IP (Beijing) Co., Ltd. to 100%.

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, Belgium, Switzerland, Hong Kong and China.

Ownership

The company is entirely employee-owned. On 31 December 2019, 51% (54%) 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%
Ole Bokinge	6,250	2.50%
Fabian Edlund	6,250	2.50%
Göran Hallkvist	6,250	2.50%
Ai-Leen Lim	6,250	2.50%
Joacim Lydén	6,250	2.50%
Niklas Mattsson	6,250	2.50%
Lars Nilsson	6,250	2.50%
Ulf Willquist	6,250	2.50%
Christian Winblad	6,250	2.50%
Linlin Zheng	6,250	2.50%

Significant events during the financial year

In June, 100% of the shares in the Belgian companies Pronovem OVM S.A and Pronovem Marks S.A were acquired – consulting firms within Patent and Trademark, respectively, that the AWA Group has previously worked with. The integration of both of these companies has begun and will continue in 2020.

In August, the company announced that Magnus Hallin would step down from his role as CEO in Q1 2020 and in November it was announced that Thor Mosaker would replace him.

Development of the operations, position and profit

The Group

(MSEK)	2019	2018	2017	2016	2015
Net sales	839.8	713.7	659.5	621.9	593.4
Profit/loss after financial income and expense	48.0	38.5	31.5	30.7	32.9
Profit for the year	35.6	28.5	22.8	21.9	23.5
Balance sheet total	355.7	241.3	228.1	220.4	231.0
Equity/assets ratio ¹⁾	40%	48%	47%	50%	57%
Dividend per share, SEK ²⁾	0	85	100	100	164
Dividend ratio ³⁾	0%	75%	110%	114%	96%
Profit margin ⁴⁾	5.7%	5.4%	4.8%	4.9%	5.6%
Return on equity ⁵⁾	27%	24%	20%	19%	18%
Average number of employees	313	276	267	255	249

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

²⁾ Number of shares: 250,000. The figure for 2015 includes an extra dividend of SEK 74/share. Payment occurred in 2016.

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)	2019	2018	2017	2016	2015
Profit/loss after financial income and expense	1.9	4.5	6.3	46.9	-2.9
Profit for the year	18.1	28.5	30.5	73.6	21.1
Balance sheet total	159.4	96.6	98.6	97.8	94.5
Equity/assets ratio ¹⁾	52%	86%	78%	71%	30%
Group contributions. received	20.0	30.0	30.0	33.3	30.0
Net liability to subsidiaries	44.3	10.9	16.4	20.9	50.3

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

Thor Mosaker took over as CEO on 1 March.

As for most companies, regardless of industry and geographical location of operations, the AWA Group is affected by COVID-19 and the uncertainty regarding short-term demand must be considered relatively high. Although the AWA Group's operations have historically been less affected by cyclical fluctuations than most other consulting businesses / sectors, the effects of the corona virus on society in the short and medium term are difficult for us and for most companies to estimate. AWA has taken and will take the necessary measures to serve our clients and continue to build shareholder value in the long term.

Significant risks and uncertainty factors

In addition to what has been mentioned above about COVID-19, the Group is exposed to a range of risks. 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. Surplus liquidity is invested only with highly rated issuers in accordance with the investment policy adopted by the Board of Directors. **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 Scandinavian, and to achieve a corresponding leading position in the European market among European companies as well as the North American and Asian companies and representatives. It is also the Group's goal to achieve in the long run a leading position on the Chinese market among European companies and North American companies and agents, where the Group has already achieved a strong position for its brand, and the position within patents started to demonstrate strong growth.

Proposed appropriation of profit (SEK)

The following profit is at the disposal of the annual general meeting:	
Profit carried forward	61,470,818.31
Profit for the year	18,141,331.04
	79,612,149.35
The Board of Directors proposes that	
is carried forward	79,612,149.35
	79,612,149.35

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

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	2019	2018
Operating income			
Net sales	3	839,792,356	713,653,678
Other operating income	4	172,629	813,507
Total operating income		839,964,985	714,467,185
Operating expense			
Other external expense	5,13	-449,641,772	-368,955,133
Personnel costs	6	-334,249,983	-299,538,249
Depreciation/amortisation of tangible and intangible assets	12	-7,477,494	-7,732,702
Total operating expense		-791,369,249	-676,226,084
Operating profit/loss		48,595,736	38,241,101
Profit/loss from financial income and expense			
Profit/loss from participations in associates and joint ventures	7	154,060	0
Other interest income and similar income	8	81,421	477,966
Interest expense and similar expenses	9	-813,482	-254,624
Net financial income and expense		-578,001	223,342
Profit/loss after financial income and expense		48,017,735	38,464,443
Tax on profit for the year	11	-12,385,802	-9,983,802
PROFIT/LOSS FOR THE YEAR		35,631,933	28,480,641
Attributable to:			
Shareholders of the parent company		32,920,968	27,808,740
Minority interests		2,710,965	671,901

Consolidated balance sheet

Amounts in SEK	Note	31 Dec 2019	31 Dec 2018
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		4,589,796	611,040
Goodwill		34,577,618	0
Ongoing projects for intangible assets		4,729,377	4,580,360
Total intangible assets		43,896,791	5,191,400
Tangible assets			
Accrued expenses on leased property	12	856,397	689,067
Fixtures and fittings		0	9,747
Equipment		8,345,837	6,398,196
Total tangible assets		9,202,234	7,097,010
Financial assets			
Participations in associates and joint ventures	15	2,250,000	2,250,000
Other non-current receivables	17	2,464,621	2,510,998
Total financial assets		4,714,621	4,760,998
Total non-current assets		57,813,646	17,049,408
CURRENT ASSETS			
Current receivables			
Accounts receivable - trade		197,432,432	160,102,418
Accumulated uninvoiced income	18	21,951,446	15,564,634
Current tax assets		13,391,839	10,878,759
Other receivables		12,328,136	8,429,800
Prepaid expenses and accrued income	19	12,548,948	11,640,980
Total current receivables		257,652,801	206,616,591
Cash and bank balances	21	40,210,358	17,661,423
Total current assets		297,863,159	224,278,014
TOTAL ASSETS		355,676,805	241,327,422

Amounts in SEK	Note	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES			
EQUITY			
Share capital (250,000 shares)		2,500,000	2,500,000
Other paid-up capital		547,479	543,612
Other equity including profit for the year		131,217,614	118,952,649
Equity attributable to the parent company's shareholders		134,265,093	121,996,261
Minority interests		7,070,531	4,900,999
Total equity		141,335,624	126,897,260
PROVISIONS			
Provisions for pensions, PRI		532,780	543,713
Other provisions for pensions		3,700	6,600
Deferred tax liability	16	461,508	498,540
Total provisions		997,988	1,048,853
NON-CURRENT LIABILITIES			
	21		
Liabilities to credit institutions		7,500,000	0
Other non-current liabilities		13,340,288	0
Total non-current liabilities		20,840,288	0
CURRENT LIABILITIES			
Liabilities to credit institutions	21	49,349,851	12,932,342
Advance payments from customers		3,397,667	2,465,229
Accounts payable – trade		33,980,332	19,795,933
Current tax liabilities		3,466,583	944,934
Other current liabilities	21	26,512,860	16,708,731
Accrued expenses and deferred income	20	75,795,612	60,534,140
Total current liabilities		192,502,905	113,381,309
TOTAL EQUITY AND LIABILITIES		355,676,805	241,327,422

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 2018	2,500,000	532,972	114,251,436	117,284,408	3,898,069	121,182,477
Profit for the year			27,808,740	27,808,740	671,901	28,480,641
Translation differences		10,640	1,892,473	1,903,113	331,029	2,234,142
Total changes in value	0	10,640	29,701,213	29,711,853	1,002,930	30,714,783
Transactions with owners:						
Dividend to owners			-25,000,000	-25,000,000	0	-25,000,000
Total transactions with shareholders	0	0	-25,000,000	-25,000,000	0	-25,000,000
CLOSING BALANCE ON 31 DECEMBER 2018	2,500,000	543,612	118,952,649	121,996,261	4,900,999	126,897,260

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 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.

Consolidated statement of cash flows

Amounts in SEK	Note	2019	2018
OPERATING ACTIVITIES			
Operating profit/loss		48,595,736	38,241,101
Adjustments for items not included in the cash flow:			
Depreciation/amortisation		7,477,494	7,732,702
Other items not affecting cash flow		140,667	24,510
Gains/losses from the sale of current investments		0	379,069
Received interest and similar income		235,481	98,897
Paid interest and similar expenses		-813,482	-254,624
Paid income tax		-12,406,757	-8,577,224
Cash flow from operating activities before changes in working capital		43,229,139	37,644,431
Cash flow from changes in working capital			
Decrease(+)/increase(-) of other current receivables		-22,214,235	-19,745,797
Decrease(-)/increase(+) of other current liabilities		16,951,840	5,807,742
Cash flow from operating activities		37,966,744	23,706,376
Investing activities			
Acquisition of subsidiaries		-40,603,445	0
Repayment of shareholder loan		-726,000	0
Acquisition of intangible assets		-5,279,654	-4,580,360
Acquisition of tangible assets		-4,932,971	-1,747,771
Investments in other financial assets		0	-2,250,000
Settlement of financial assets		95,339	-665,275
Cash flow from investing activities		-51,446,731	-9,243,406
FINANCING ACTIVITIES			
Change in liabilities to credit institute		43,917,509	0
Other non-current receivables		13,340,288	0
Paid dividend		-21,250,000	-25,000,000
Cash flow from financing activities		36,007,797	-25,000,000
Cash flow for the year		22,527,810	-10,537,030
Cash and cash equivalents at start of year		17,661,423	27,486,807
Exchange rate difference in cash and cash equivalents		21,125	711,646
Cash and cash equivalents at end of year	21	40,210,358	17,661,423

Parent company's income statement

Amounts in SEK	Note	2019	2018
Operating income			
Net sales		0	0
Other operating income	4	172,629	0
Total operating income		172,629	0
Operating expense			
Other external expense	5	-48,255	-49,289
Personnel costs	6	-954,453	-946,913
Total operating expense		-1,002,708	-996,202
Operating profit/loss		-830,079	-996,202
Profit/loss from financial income and expense			
Profit/loss from interests in Group companies	7	4,190,529	6,945,409
Profit/loss from participations in associates and joint ventures	7	154,060	0
Interest expense and similar expenses	9	-1,574,869	-1,402,888
Net financial income and expense		2,769,720	5,542,521
Profit/loss after financial income and expense		1,939,641	4,546,319
Balance sheet appropriations	10		
Group contribution received		20,000,000	30,000,000
Profit before tax		21,939,641	34,546,319
Tax on profit for the year	11	-3,798,310	-6,072,196
PROFIT/LOSS FOR THE YEAR		18,141,331	28,474,123

Parent company's balance sheet

Amounts in SEK	Note	31 Dec 2019	31 Dec 2018
ASSETS			
NON-CURRENT ASSETS			
Financial assets			
Participations in Group companies	14	151,455,152	91,374,205
Participations in associates and joint ventures	15	2,250,000	2,250,000
Total financial assets		153,705,152	93,624,205
Total non-current assets		153,705,152	93,624,205
CURRENT ASSETS			
Current receivables			
Current tax assets		5,266,999	2,993,109
Other receivables		5,960	5,959
Total current receivables		5,272,959	2,999,068
Cash and bank balances		465,939	4,981
Total current assets		5,738,898	3,004,049
TOTAL ASSETS		159,444,050	96,628,254

Parent company's balance sheet, continued

Amounts in SEK	Note	31 Dec 2019	31 Dec 2018
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		61,470,818	54,246,695
Profit/loss for the year		18,141,331	28,474,123
Total non-restricted equity		79,612,149	82,720,818
Total equity		82,612,149	85,720,818
NON-CURRENT LIABILITIES			
	21		
Liabilities to credit institutions		7,500,000	0
Other non-current liabilities		13,340,288	0
Total non-current liabilities		20,840,288	0
CURRENT LIABILITIES			
Liabilities to credit institutions	21	5,000,000	0
Liabilities to group companies		44,273,469	10,907,436
Other current liabilities	21	6,670,144	0
Accrued expenses and deferred income	20	48,000	0
Total current liabilities		55,991,613	10,907,436
TOTAL EQUITY AND LIABILITIES		159,444,050	96,628,254

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 2018	2,500,000	500,000	48,711,724	30,534,971	82,246,695
Allocation of profit of previous year			30,534,971	-30,534,971	0
Profit/loss for the year				28,474,123	28,474,123
Total changes in value	0	0	30,534,971	-2,060,848	28,474,123
Transactions with owners:					
Dividend to owners			-25,000,000		-25,000,000
Total transactions with shareholders	0	0	-25,000,000	0	-25,000,000
CLOSING BALANCE ON 31 DECEMBER 2018	2,500,000	500,000	54,246,695	28,474,123	85,720,818

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 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.

Parent company's statement of cash flows

Amounts in SEK	2019	2018
OPERATING ACTIVITIES		
Operating profit/loss	-830,079	-996,202
Adjustments for items not included in the cash flow:		
Dividend received	154,060	0
Received interest and similar income	0	0
Paid interest and similar expenses	-1,574,869	-1,402,888
Paid income tax	-6,072,200	-5,790,908
Cash flow from operating activities before changes in working capital	-8,323,088	-8,189,998
Cash flow from changes in working capital		
Decrease(+)/increase(-) of other current receivables	-1	3,969,996
Decrease(-)/increase(+) of other current liabilities	78,424,465	24,528,304
Cash flow from operating activities	70,101,376	20,308,302
INVESTING ACTIVITIES		
Acquisitions of subsidiaries	-60,080,947	0
Investments in other financial assets	0	-2,250,000
Cash flow from investing activities	-52,580,947	-2,250,000
FINANCING ACTIVITIES		
Borrowings	7,500,000	0
Dividend received	4,190,529	6,945,409
Dividend paid	-21,250,000	-25,000,000
Cash flow from financing activities	-9,559,471	-18,054,591
Cash flow for the year	460,958	3,711
Cash and cash equivalents at start of year	4,981	1,270
Cash and cash equivalents at end of year	465,939	4,981

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 Matrosгатan 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	
	2019	2018 (MSEK)
Sweden	404	399
Denmark	95	86
USA	86	71
Belgium	74	9
Switzerland	23	18
Germany	20	17
Malta	15	12
Norway	14	12
Great Britain	14	9
Japan	11	11
Other	84	70
Total	840	714

NOTE 4 – OTHER OPERATING INCOME

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Exchange gains	172,629	814	172,629	0
Total	172,629	814	172,629	0

NOTE 5 – DISCLOSURE OF REMUNERATION TO THE AUDITOR

	The Group	
	2019	2018 (TSEK)
Deloitte AB		
Audit engagement	230,000	210
Other audit-related fees	0	8
Tax consultancy fees	82,015	98
Other services	37,710	307
Other auditfirms		
Audit engagement	209,051	185
Other audit-related fees	36,254	35
Tax consultancy fees	12,172	13
Other services	120,052	106
Total	727,254	962

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	2019		2018	
	Number of employees	Of which men	Number of employees	Of which men
Sweden	220	93	216	96
Hong Kong	5	1	5	1
China	14	3	13	2
Denmark	45	20	42	21
Belgium	28	9		
Switzerland	1	0		
Total in the Group	313	126	276	120

The Parent company has no employees.

Division senior executives on the balance sheet date	The Group		Parent company	
	2019	2018	2019	2018
Women:				
Members of the Board of Directors	4	2	2	1
other persons in the company's management incl. CEO	7	4	7	4
Men:				
Members of the Board of Directors	10	8	5	4
other persons in the company's management incl. CEO	7	6	7	6
Total	28	20	21	15

	2019		2018	
	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	222,453	732	215
		(0)		(0)
Subsidiaries	220,452,723	90,526,596	195,176	84,004
		(32,358,140)		(32,446)
Total in the Group	221,184,723	90,749,049	195,908	84,219
		(32,358,140)		(32,446)

	2019		2018	
	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	12,465,899	207,986,824	8,114	187,063
	(853,946)		(588)	
Total in the Group	13,197,899	207,986,824	8,846	187,063
	(853 946)		(588)	

SEK 12,355,138 (TSEK 12,124) of the Group's total salary costs relates to performance-related variable salary. In addition, a provision of SEK 3,227,164 (TSEK 2,556) including special employers' contribution was made to the profit-sharing trust.

Pensions

The Group's cost for defined contribution plans amounts to SEK 27,010,161 (TSEK 27,031). 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 1,230,174 (TSEK 522) of pension costs relates to the Group's Board of Directors and CEO.

Severance pay agreements

As per agreement, compensation equivalent to 18 months salary have been given to the former CEO, which is included in the 2019 year's result. For the newly joining CEO, 6 months mutual period of notice is valid unless else is specifically agreed.

NOTE 7 – PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES AND ASSOCIATES

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Dividends from subsidiaries	0	0	4,190,529	6,945
Dividends from associates	154,060	0	0	0
Total	154,060	0	4,190,529	0

NOTE 8 – OTHER INTEREST INCOME AND SIMILAR INCOME

	The Group	
	2019	2018 (TSEK)
Interest income, external	81,421	99
Capital gain on investments in securities, etc.	0	379
Total	81,421	478

NOTE 9 – INTEREST EXPENSE AND SIMILAR EXPENSES

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Interest expense, external	813,482	255	221,411	0
Interest expense, group companies	0	0	1,353,458	1,403
Total	813,482	255	1,574,869	1,403

NOTE 10 – BALANCE SHEET APPROPRIATIONS

	Parent company	
	2019	2018 (TSEK)
Group contribution received	20,000,000	30,000
Total	20,000,000	30,000

NOTE 11 – TAX ON PROFIT/LOSS FOR THE YEAR

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Current tax	-12 431 457	-10,090	-3,798,310	-6,072
Deferred tax	45 655	106	0	0
Tax on profit for the year	-12 385 802	-9,984	-3,798,310	-6,072

Reconciliation tax expense of the year

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Disclosed profit before tax	48,017,645	38,464	21,939,641	34,546
Tax estimated in accordance with Swedish tax rate (21.4 %)	-10,275,776	-8,462	-4,695,083	-7,600
"Tax effect of non-deductible expenses	-1,594,056	-879	0	0
"Tax effect of tax-exempt income	738,517	90	896,773	1,528
Effect of other tax rates for foreign subsidiaries	-707,859	-31	0	0
Non-deductible expense for goodwill	-609,172	-1 014	0	0
Non-deductible expense for goodwill for deficit deductions in Asia	0	315	0	0
Total	-12,448,346	-9,981	-3,798,310	-6,072
Adjustments which are recognised this year for current tax of previous year	62,544	-3	0	0
Recognised tax expense of the year	-12,385,802	-9,984	-3,798,310	-6,072

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	
	2019	2018 (TSEK)
Concessions, patents, licences, trademarks and similar rights		
Opening acquisition value	1,019,300	1,019
Acquisitions of subsidiaries	436,329	0
Purchasing	5,270,762	0
Translation difference	-1,604	0
Closing accumulated acquisition value	6,724,787	1,019
Opening depreciation/amortisation	-408,260	-204
Acquisitions of subsidiaries	-431,501	0
Depreciation for the year according to plan	-1,296,849	-204
Translation difference	1,619	0
Closing accumulated depreciation/amortisation	-2,134,991	-408
Closing carrying amount according to plan	4,589,796	611
Goodwill		
Opening acquisition value	45,014,617	43,277
Acquisitions of subsidiaries	37,352,891	0
Disposals	-45,014,617	0
Translation difference	28,323	1,737
Closing accumulated acquisition value	37,381,214	45,014
Opening depreciation/amortisation	-45,014,617	-38,847
Disposals	45,014,617	0
Depreciation for the year according to plan	-2,846,604	-4,609
Translation difference	43,008	-1,558
Closing accumulated depreciation/amortisation	-2,803,596	-45,014
Closing carrying amount according to plan	34,577,618	0
Ongoing projects for intangible assets		
Opening acquisition value	4,580,360	0
Purchasing	4,729,377	4,580
Reclassifications	-4,580,360	0
Closing ongoing projects	4,729,377	4,580
Accrued expenses on leased property		
Opening acquisition value	1,046,128	805
Acquisitions of subsidiaries	2,073,537	0
Purchasing	404,429	233
Translation difference	4,011	8
Closing accumulated acquisition value	3,528,105	1,046
Opening depreciation for the year according to plan	-357,061	-228
Acquisitions of subsidiaries	-2,073,537	0
Depreciation for the year according to plan	-240,862	-127
Translation difference	-248	-2
Closing accumulated depreciation according to plan	-2,671,708	-357
Closing carrying amount according to plan	856,397	689
Fixtures and fittings		
Opening acquisition value	326,481	326
Closing accumulated acquisition value	326,481	326
Opening depreciation for the year according to plan	-316,734	-295
Depreciation for the year according to plan	-9,747	-21
Closing accumulated depreciation according to plan	-326,481	-316
Closing carrying amount according to plan	0	10

	The Group	
	2019	2018 (TSEK)
Equipment		
Opening acquisition value	43,451,147	41,742
Acquisitions of subsidiaries	4,123,088	0
Purchasing	4,520,765	1,515
Sales/disposals	-15,030	0
Translation difference	79,790	195
Closing accumulated acquisition value	52,159,760	43,452
Opening depreciation for the year according to plan	-37,052,951	-34,219
Acquisitions of subsidiaries	-3,662,435	0
Sales/disposals	15,030	0
Depreciation for the year according to plan	-3,083,432	-2,771
Translation difference	-30,135	-64
Closing accumulated depreciation according to plan	-43,813,923	-37,054
Closing carrying amount according to plan	8,345,837	6,398

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 4,657,227 (TSEK 3,897) in the Group. Future minimum lease payments for non-cancellable operational leases mature in accordance with the following:

	The Group	
	2019	2018 (TSEK)
Maturity date:		
Within one year	2,501,947	2,817
Later than one year but within five years	3,340,555	2,550
Total	5,842,502	5,367

There is no credit limit on vehicle leases (TSEK 11,000).

NOTE 14 – PARTICIPATIONS IN GROUP COMPANIES

	Parent company	
	2019	2018 (TSEK)
Opening acquisition value	97,974,205	97,974
Acquisitions of subsidiaries	61,541,710	0
Shareholders' contributions repaid	-1,460,763	0
Closing accumulated acquisition value	158,055,152	97,974
Opening balance, impairment	-6,600,000	-6,600
Closing accumulated depreciation	-6,600,000	-6,600
Closing carrying amount	151,455,152	91,374

Name of company	Share of equity	Share of voting	Number of shares	Carrying amount	
				2019	2018 (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.	70%	70%	1000	8,472,422	9,933
Pronovem Office Van Malderen S.A.	100%	100%	6,357	39,523,852	0
Pronovem Marks S.A.	100%	100%	6,200	22,017,858	0
Total				151,455,152	91,374

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
Pronovem Office Van Malderen S.A.	BE0473.077.314	Brussels
Pronovem Marks S.A.	BE0881.826.010	Brussels

NOTE 15 – PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Opening carrying amount	2,250,000	0	2,250,000	0
Acquisitions of associates and joint ventures	0	2,250	0	2,250
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	
	2019	2018 (TSEK)
Deferred tax liability		
Additional depreciation	184,337	80
Temporary differences for tangible assets	277,171	418
Total deferred tax liability	461,508	498

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	
	2019	2018 (TSEK)
Opening acquisition value	2,510,998	1,772
Additional receivables	110,828	681
Settled claims	-202,801	-13
Translation difference	45,597	71
Closing accumulated acquisition value	2,464,622	2,511
Closing carrying amount	2,464,622	2,511

NOTE 18 – ACCUMULATED UNINVOICED INCOME

	The Group	
	2019	2018 (TSEK)
Created remunerations	16,140,866	12,418
Expensed outlay	5,810,580	3,147
Total	21,951,446	15,565

NOTE 19 – PREPAID EXPENSES AND ACCRUED INCOME

	The Group	
	2019	2018 (TSEK)
Prepaid rents	6,346,180	6,557
Prepaid insurance premiums	781,419	562
Other items	5,421,349	4,522
Total	12,548,948	11,641

NOTE 20 – ACCRUED EXPENSES AND DEFERRED INCOME

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Accrued salaries and holiday pay	44,795,315	39,032	0	0
Accrued social security contributions	13,984,455	13,405	0	0
Tax on returns/special employer's contribution	6,306,148	6,109	0	0
Other items	10,709,694	1,988	48,000	0
Total	75,795,612	60,534	48,000	0

NOTE 21 – LIABILITIES TO CREDIT INSTITUTIONS

	The Group		Parent company	
	2019	2018 (TSEK)	2019	2018 (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 16,000), which is equivalent to SEK 11,174,400, 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 35,933,586 (TSEK 39,084). 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	
	2019	2018 (TSEK)	2019	2018 (TSEK)
Pledged assets				
Floating charges	40,000,000	30,000	0	0
Total	40,000,000	30,000	0	0
Contingent liabilities				
Surety warrant bank on behalf of subsidiaries	0	0	0	7,558
Guarantees, FPG	10,656	11	10,656	11
Guarantee, PRI on behalf of subsidiaries	0	0	532,780	544
Total	10,656	11	543,436	8,113

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

Thor Mosaker took over as CEO on 1 March.

As for most companies, regardless of industry and geographical location of operations, the AWA Group is affected by COVID-19 and the uncertainty regarding short-term demand must be considered relatively high. Although the AWA Group's operations have historically been less affected by cyclical fluctuations than most other consulting businesses / sectors, the effects of the corona virus on society in the short and medium term are difficult for us and for most companies to estimate. AWA has taken and will take the necessary measures to serve our clients and continue to build shareholder value in the long term.

NOTE 24 – ACQUISITION OF SUBSIDIARIES/BUSINESS COMBINATIONS

On 13 June 2019, AWA Holding AB acquired 100% of the share capital in two companies: Pronovem Office Van Malderen S.A. And Pronovem Marks S.A.

Transferred consideration	
Consideration paid, including acquisition costs	41,531,278
Contingent consideration	20,010,432
Total transferred consideration	61,541,710
Carrying amount at the acquisition date for acquired net assets	
<i>Total for the acquired companies. Amounts in TSEK.</i>	
NON-CURRENT ASSETS	
Tangible assets	460
Intangible assets	145
CURRENT ASSETS	
Accounts receivable – trade	19,103
Other current receivables	4,456
Prepaid expenses and accrued income	2,430
Cash and cash equivalents	20,893
CURRENT LIABILITIES	
Accounts payable – trade	-9,100
Other current liabilities	-6,105
Accrued expenses and deferred income	-8,093
Identifiable assets and liabilities, net	24,189
Transferred consideration	61,542
Goodwill	37,353

NOTE 25 – APPROPRIATION OF PROFIT

The following profit is at the disposal of the Annual General Meeting	
Profit carried forward	61,470,818.31
Profit for the year	18,141,331.04
	79,612,149.35
The Board of Directors proposes that	
is carried forward	79,612,149.35
	79,612,149.35

Malmö, April 6, 2020



Nina Linander

Chairman of the Board of Directors



Christian Lindfors



Anders Kjellberg



Niklas Mattsson



Lasse Henze



Simon Markström



Christina Ilunden



Thor Mosaker

Chief Executive Officer

Our audit report was submitted on April 7, 2020

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 2019-01-01–2019-12-31. The annual accounts and consolidated accounts of the company are included on pages page 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 2019 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 page 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 as-

essment 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 2019-01-01–2019-12-31 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 whether the proposal is in accordance with the Companies Act.

Malmö 2020-04-07
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.

AWA Sweden AB

Box 5117
200 71 Malmö
SWEDEN
Phone: +46 40 98 51 00
mail@awa.com
www.awa.com

Awa Denmark A/S

Strandgade 56
1401 Copenhagen K
DENMARK
Phone: +45 43 99 55 11
dk@awa.com

AWA IPro AB

Box 5117
200 71 Malmö
SWEDEN
Phone: +46 40 98 51 60
mail@awaipro.com
www.awaipro.com

AWA GmbH

Theatinerstraße 11
80333 Munich
GERMANY
Phone: +49 89 71042 2113

AWA IP (Beijing) Co., Ltd.

Suite 7-1, Floor 7, Block D, Guanghualu SOHO 2,
9 Guanghua Road
Chaoyang District
Beijing 100020
PRC
Phone +86 10 6500 7949
beijing@awa.com

AWA Asia Limited

Suite 1411, 14/F Leighton Centre
77 Leighton Road
Causeway Bay
HONG KONG
Phone +852 3702 5550
hongkong@awa.com

Pronovem Office Van Malderen S.A.

Avenue Josse Goffin 158
B-1082 Brussels, Belgium
Phone: +32 2 426 38 10
www.awa.com

Pronovem Marks S.A.

Avenue Josse Goffin 158
B-1082 Brussels, Belgium
Phone: +32 2 426 38 10
www.awa.com

Pronovem Swiss AG

Place des Sciences 1
2822 Courroux
Delémont
Switzerland
Phone: + 41 78 734 52 51
www.awa.com

