

BURE

Annual report 2013

# Bure Equity AB

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### AGM on 24 April 2014

See more on page 27 or visit the company's website  
[www.bure.se](http://www.bure.se)

### Financial calendar

Interim report January – March 2014	24 April
Interim report January – June 2014	14 August
Interim report January – September 2014	13 November

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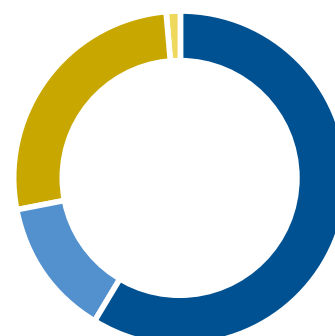
# About Bure

Bure is a long-term principal owner of operating companies. Bure was established in 1992 and was listed on NASDAQ OMX Stockholm in 1993. By actively developing a diversified portfolio of companies and operations, Bure's objective is to create value and returns for its shareholders.

At year-end Bure's portfolio consisted of seven portfolio companies, of which five are listed.

Bure is based in Stockholm and has seven employees. A small but efficient and agile organisation, together with an active board, makes it possible for Bure to quickly act on the new business opportunities that arise.

Breakdown of Bure's net asset value at 31 December 2013



Listed holdings	58.8%
Unlisted holdings	13.2%
Cash and cash equiv.	26.8%
Other net asset	1.2%

## Listed holdings



**MEDCAP**

SEK m

Share of Bure's net asset value	4.3%	Net sales	516
		EBIT	21
		Value of holding	110



**Vitrolife**  
Innovative Cell and Tissue Technology

SEK m

Share of Bure's net asset value	21.1%	Net sales	453
		EBIT	80
		Value of holding	538



**MICRONIC MYDATA**

SEK m

Share of Bure's net asset value	18.1%	Net sales	997
		EBIT	32
		Value of holding	461



**XVIVO**  
PERFUSION

SEK m

Share of Bure's net asset value	6.8%	Net sales	69
		EBIT	11
		Value of holding	172



**PARTNERTECH**  
A TRUSTED INDUSTRIAL PARTNER

Mkr

Share of Bure's net asset value	5.5%	Net sales	2 237
		EBIT	32
		Value of holding	141

## Unlisted holdings

**Investment  
AB Bure**

SEK m

Share of Bure's net asset value	8.6%	Net sales	33
		EBIT	12
		Value of holding	218



**Mercuri**  
INTERNATIONAL

SEK m

Share of Bure's net asset value	4.4%	Net sales	507
		EBIT	-56
		Value of holding	113

Read more about the companies on pages 14–17.

# Highlights of 2013

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In many respects 2013 was a highly successful year. Bure's net asset value per share, adjusted for dividends, increased by 25,5 per cent.

Continuous high activity in finding new investments during the year. MedCap was added as a new portfolio company at the same time as the investable funds have been successfully invested in liquid assets. This work has given Bure a solid platform for its ongoing and prudent search to find interesting new portfolio investments.

## Shareholder value

- Bure's net asset value per share, adjusted for dividends, increased by 25.5 per cent (9.4) to SEK 33,47 (27.06) during 2013.
- Net asset value at 31 December 2013 was SEK 2,545m (2,195).
- Total return on the Bure share was 21.0 per cent (39.8).
- Share dividends amounted to SEK 0.50 per share, for a total of SEK 40.6m, and shares were repurchased for SEK 118.3m during the year.
- The Board proposes that the 2014 AGM approve an ordinary dividend of SEK 0.50 per share and an extraordinary dividend of SEK 0.50 per share.

Net asset value  
per share\*  
**+25.5%**

\* Adjusted for dividends.

## Investing activities

- MedCap was added as a new portfolio company.
- Most of Theduction was divested and it is no longer a portfolio company, marking the end of a 15-year involvement in the independent school sector.
- Bure's investable funds – invested in liquid assets – produced a return of 13 per cent.
- The composition of the portfolio changed during the year. The listed portfolio companies' share of net asset value rose from 40 per cent to 56 per cent.

New portfolio  
company



MEDCAP

## Portfolio company development

- Strong improvement in the portfolio companies' operating profit.
- The value of Bure's listed portfolio companies increased by a full 61 per cent. The medtech companies' share prices showed the strongest development – Vitrolife increased by 134 per cent and MedCap by 101 per cent.
- For Mercuri, the year's earnings trend was a disappointment. In the second half of the year measures were taken to turn this around, partly through the appointment of a new CEO. Additional impairment losses of SEK 79m were recognised.
- Investment AB Bure's locomotive leasing business started successfully in 2013 and the transport system where the locomotives are used is functioning well. However, the operator RushRail, in which Bure is a minority shareholder, has had financial problems during the year and is undergoing reconstruction, for which reason Bure has written down the holding in RushRail by SEK 21m.

Bure's listed  
portfolio  
companies  
**+61%**

# Bure's net asset value

- Net asset value per share at the end of the year was SEK 33.47 (27.06), which is equal to an increase of 25.5 per cent adjusted for dividends.
- Total value creation in 2013 amounted to SEK 509m. Dividends and share buybacks totalled 40.6m and SEK 118.3m, respectively, which means that Bure's net asset value increased by SEK 350m.

Bure's net asset value at 31 December 2013	% of capital	Net asset value, SEK m	Per share, SEK	% of NAV
<b>Holdings</b>				
<b>Listed holdings</b>				
MedCap	22.1%	110	1.5	4.3%
Micronic Mydata	38.0%	461	6.1	18.1%
PartnerTech	43.0%	141	1.9	5.5%
Vitrolife	28.8%	538	7.1	21.1%
Xvivo Perfusion	26.3%	172	2.3	6.8%
Other listed holdings <sup>1</sup>	–	74	1.0	2.9%
<b>Total listed holdings</b>		<b>1,497</b>	<b>19.7</b>	<b>58.8%</b>
<b>Unlisted holdings (book value in the Parent Company)</b>				
Mercuri International Group <sup>2</sup>	99.1%	113	1.5	4.4%
Investment AB Bure <sup>3</sup>	100.0%	218	2.9	8.6%
Other unlisted holdings	–	6	0.1	0.2%
<b>Total unlisted and other holdings</b>		<b>337</b>	<b>4.4</b>	<b>13.2%</b>
Cash and cash equivalents and short-term investments <sup>4</sup>		683	9.0	26.8%
Interest-bearing assets		17	0.2	0.7%
Discontinued operations <sup>5</sup>		19	0.2	0.7%
Other net assets		-7	-0.1	-0.3%
<b>Total net asset value<sup>6</sup></b>		<b>2,545</b>	<b>33.47</b>	<b>100.0%</b>
<b>Equity in the Parent Company</b>		<b>2,479</b>		
<b>Equity per share divided between 76,051,510 shares<sup>6</sup></b>			<b>32.60</b>	

1) Refers to Moberg Pharma and Vigmed Holding.

2) Refers to the book value of equity and interest-bearing receivables.

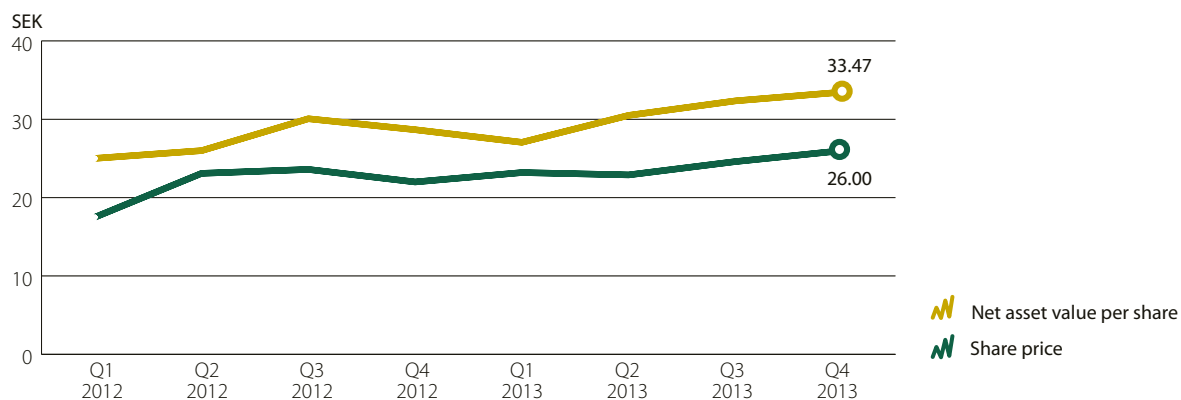
3) Refers to net assets in Investment AB Bure.

4) Cash and cash equivalents, fixed income funds and short-term investments in market listed equities.

5) Discontinued operations consist of Theeducation. The recognised value refers to an interest-bearing receivable.

6) Excluding 5,050,475 treasury shares.

## Development of Bure's net asset value and price per share



# Comments from the Chairman and CEO

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Left to right:  
Patrik Tigerschiöld, chairman and  
Henrik Blomquist, CEO.

## “ Net asset value increased by 25 per cent – continued focus on shareholder value ”

### How would you describe the economic scenario in 2013?

**Henrik Blomquist:** In the past year we experienced continued low interest rates, almost zero inflation and major monetary policy measures, above all through the US Federal Reserve's programme. The US stock exchange ended the year at close to an all-time high, with S&P 500 up by over 32 per cent! Corporate profits grew by just over 6 per cent during the year at the same time that the P/E ratio, for S&P 500, rose sharply from 14 to 17. This is slightly higher than the long-term average of 15, but still lower than during extreme periods such as 1999 and 2007. Put simply – stock market valuations have risen faster than profits.

**Patrik Tigerschiöld:** Expectations in the financial markets are high. Of course there is a risk for a setback if the economy

doesn't pick up some real speed now. The companies need sales and profit growth in order to justify current valuation levels. But there are also positive signals, particularly in the US, that the market will improve during 2014.

### How would you sum up the past year for Bure?

**Henrik Blomquist:** We didn't really see a traditional business cycle-driven recovery in our portfolio companies. On the other hand, we had an exceptionally strong stock market in the second half of the year, which boosted our net asset value per share, adjusted for dividends, by 25.5 per cent. It was an excellent year!

### An excellent year you say – what was it that made it so positive?

**Patrik Tigerschiöld:** One notable bright spot was the strong performance by Vitrolife, which we have worked with for close to 15 years. In the past year the company grew by 25 per cent with a margin of 18 per cent – so it's no wonder that the share price climbed by 134 per cent! At year-end Vitrolife was Bure's largest individual holding, with a value of SEK 538m, and accounted for 21 per cent of net asset value.

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**Henrik Blomquist:** Another source of satisfaction was the year's development in our new portfolio company MedCap. During the year the company acquired a supplementary operation, and the share price here was also up by more than 100 per cent. Bure is now the largest shareholder in MedCap.

**Bure has a portfolio of companies and there must have also been some disappointments in 2013?**

**Henrik Blomquist:** At the beginning of 2013 we started up a new locomotive leasing operation with seven locomotives which we acquired for around SEK 210m in 2012, and this has developed according to plan. However, at the same time we made a minority investment in a rail transport company, RushRail, which has not lived up to expectations and is currently undergoing corporate reconstruction. We are optimists and believe that we can find a good solution. We have a positive outlook on the underlying opportunities to work in the transport sector.

**Patrik Tigerschiöld:** Our largest single failure in 2013 was that we didn't succeed in turning around the negative trend in Mercuri International. 2013 was yet another lost year, although development in the second half of 2013 was better. The consequence of this is that for the second consecutive year, we wrote down our holding in the company substantially. In two years we have decreased the value from SEK 312m to SEK 113m, which better reflects the company's current earning capacity.

**At the end of 2012 Bure received the proceeds from the sale of Carnegie – how are the investments going, have you acquired any new companies?**

**Henrik Blomquist:** As I mentioned earlier, MedCap was added as a new portfolio company during 2013. When we entered the past year, Bure had net cash of over SEK 800m. Since we realized that it would take some time to invest these funds, the Board decided to set up an Investment Committee to decide on the short-term investments we should pursue. The ambition is to invest this money at a low risk but with a decent return, at the same time that we maintain preparedness to make larger investments at short notice. In the past year these investments generated an average annual return of 13 per cent, which I am satisfied with.

**Patrik Tigerschiöld:** It is naturally our intention to utilise these funds even more effectively by investing them in portfolio companies. But it is more important to make good investments than fast investments. During the year Bure repurchased more than 6 per cent of its own shares, which has been a way of investing in our own portfolio.

**If we look at the portfolio companies, the medtech companies Vitrolife, Xvivo and MedCap have all performed well – is this Bure's new focus area?**

**Henrik Blomquist:** We are truly delighted about this after many years of hard work with investments in this sector. However, our ambition is for Bure's portfolio to include

different types of companies, companies that have different drivers and return profiles. By combining various types of investments, such as the previously mentioned locomotive investment and investments in the medtech sector, we hope to offer Bure's shareholders a high long-term level of return. Since Bure's IPO in 1993, Bure has generated an average annual return of 13.2 per cent. This has not taken place solely through growth in the share price. Since the start, Bure has distributed capital equal to more than five times its current market capitalisation.

**Patrik Tigerschiöld:** Over time Bure has had several different focus areas. One area where we have been highly active is the educational sector where the largest investment, AcadeMedia, was the result of a venture spanning ten years. In the past year, TheEducation ceased to be a portfolio company since Bure is now discontinuing its last independent school operation. Overall, it has been a successful model to have periods with focus areas where we can build up several businesses that have similar conditions.

**Henrik, you are the new CEO and Patrik, you are the new Chairman. What does that mean for Bure's operations and focus?**

**Henrik Blomquist:** I have worked with Patrik since 1999 and we have always had a very fruitful collaboration. It will be extremely stimulating and exciting to lead Bure's operations and take the portfolio companies to new levels. At the same time, I look forward to making a number of new investments.. Bure's focus is unchanged, we are a long-term investor that wants to continue building successful companies.

**Patrik Tigerschiöld:** Of course it's a little unusual to go from being CEO to Chairman. But you need to remember that Bure has a small administrative organisation with seven full-time employees. Bure's board and management work closely since nearly all investment decisions are made by the Board. Alongside my role as Chairman, I will be active in supporting the investment processes and the development of the portfolio companies.

**What is the outlook for 2014 – which of Bure's companies will bring positive surprises?**

**Henrik Blomquist:** We have a long tradition of building companies and we look forward to continue working together with our portfolio companies so that they are successful in their respective businesses and thereby create returns for the shareholders. I am optimistic about 2014 and my hope is that our companies that are a little more dependent on positive economic development will be given new momentum during the year and therefore also the conditions to deliver strong results.

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# Bure's operations

Bure is a long-term principal owner of operating companies. Bure's mission, through a strong presence, is to support the portfolio companies with value-driving initiatives and activities and achieve Bure's objective that the portfolio companies are successful in their respective businesses and thereby be a profitable investment for Bure's shareholders.

Each investment should have an Internal Rate of Return, IRR, of more than 12 per cent.

The holding should be large enough to contribute to Bure's long-term value growth.

Bure should have a sufficiently large ownership stake to exert an active influence.

## Bure's business model

Bure's operations and work are based on the following strategic cornerstones:

### Professional corporate governance

Bure contributes to the portfolio companies' development among other things by creating stable structures and an effective interplay between the shareholders, board and management. As a principal owner with a clear agenda and a focus on the respective holding's long-term business strategy, Bure maintains a strong presence in the portfolio companies, mainly through active board work.

### Active portfolio management

Bure works continuously to evaluate and analyse the composition of the portfolio with regard to value, potential and risk. With a target image of the portfolio in mind, this takes place by acquiring and divesting companies and operations.

### Resource-efficiency

Bure advocates methodical working methods in combination with cost-awareness. Bure's organisation ensures sharing of knowledge and networking between the portfolio companies.

### Active risk management

Bure focuses on creating a long-term balance between operational and financial risk. The Parent Company shall be essentially free from debt, while the operating companies shall maintain a debt position with consideration to their operational risk. Bure's total risk profile is reduced by having portfolio companies that are active in different industries and have reached different phases of maturity.

## Bure's holdings

Bure's business model is based on a strong presence and close collaboration with the portfolio companies.

Holding	Bure's ownership	Bure as principal owner	Number of board members from Bure	Chairman from Bure	Original investment
<b>Listed</b>					
MedCap	22.1%	Yes	1	No	2013
Micronic Mydata	38.0%	Yes	1	Yes	1986/2009 <sup>1</sup>
PartnerTech	43.0%	Yes	2	Yes	1998
Vitrolife	28.8%	Yes	1	No	1984/2000 <sup>2</sup>
Xvivo Perfusion	26.3%	Yes	2	Yes	2000/2012 <sup>3</sup>
<b>Unlisted</b>					
Mercuri International	99.1%	Yes	1	No	1998
Investment AB Bure	100.0%	Yes	2	Yes	2012 <sup>4</sup>

1) Refers to the original investment in Mydata and the merger with Micronic.

2) Refers to the original investment in Fermentech Medical and the merger with Vitrolife.

3) Refers to the original investment and the Lex Asea distribution from Vitrolife.

4) Refers to locomotive investment.



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## Investment focus

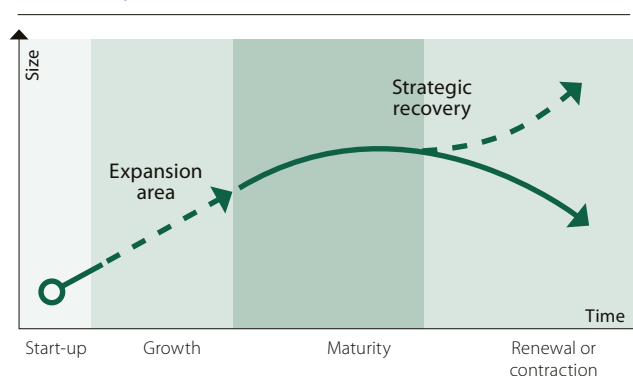
When evaluating new operations and potential investments, Bure analyses business opportunities based on their structure, market, business model, financial position, management and board of directors. In addition, it is important for Bure to clearly identify what role Bure will play in the short and long term.

Bure has no established exit strategy and is not forced to sell off portfolio companies within a certain period. However, as an owner it is vital that Bure has a long-term strategy and an owner agenda for each portfolio company. This is evaluated continuously by Bure with an emphasis on value, potential and risk.

### Bure invests for example in

- Companies that are in need of expansion capital in order to grow internationally or widen their product range through accelerated R&D. These companies are often in early phases and have a need for financing to create growth.
- Companies that have for various reasons reached a point where they are in need of strategic recovery and possible realignment of their strategic focus. These companies are often undervalued and in need of strategic, operational and/or management changes.

### A company's development curve

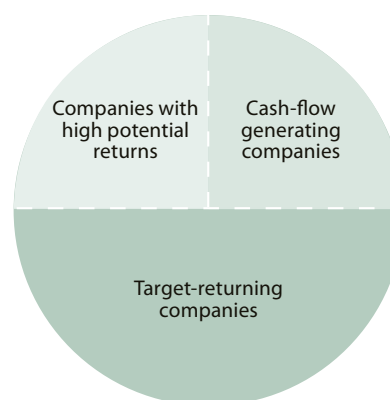


## Portfolio strategy

Within the framework of Bure's portfolio strategy, a target scenario for the portfolio has been defined to balance the portfolio from a risk perspective. The chart to the right provides a schematic illustration of how Bure's portfolio could be composed. The three different categories are:

- Target-returning companies – meet Bure's basic investment criteria with a target IRR of 12 per cent.
- Companies with high potential returns – higher operational risk (such as technology or market risk).
- Cash flow-generating companies – often companies with stable business models and generally a lower rate of return.

### Conceptual portfolio composition



# Bure's history

	2012	<ul style="list-style-type: none"> <li>Bure invests SEK 218m in locomotives for leasing to the train operator RushRail, which has signed a long-term transport agreement with Trätåg AB, a logistics company owned by Stora Enso and BillerudKorsnäs.</li> </ul>
<ul style="list-style-type: none"> <li>Emphasis on the financial sector with the three independent Carnegie companies, Carnegie Holding, Carnegie Asset Management and Max Matthiessen.</li> <li>Voluntary redemption procedure for approximately SEK 200m.</li> <li>The holdings in Aptilo, SRC, Chimney Pot and H. Lundén are divested.</li> </ul>	2011	<ul style="list-style-type: none"> <li>The holdings in the Carnegie companies are divested, increasing Bure's net cash by SEK 629m. The exit gain in the Parent Company, SEK 279m, provides an IRR of 26 per cent.</li> <li>Vitrolife distributed its transplantation business to the shareholders by forming Xvivo Perfusion. Bure owns 26.3 per cent of the new company, which is listed on NASDAQ OMX First North in October.</li> </ul>
	2010	<ul style="list-style-type: none"> <li>Merger between Bure and Skanditek Industriförvaltning.</li> </ul>
<ul style="list-style-type: none"> <li>Carnegie Investment Bank and Max Matthiessen are acquired from the Swedish National Debt Office.</li> <li>Carnegie Asset Management is separated from Carnegie Investment Bank.</li> <li>Voluntary redemption procedure for approximately SEK 1bn.</li> </ul>	2009	<ul style="list-style-type: none"> <li>Cash dividends of approximately SEK 500m.</li> <li>New CEO.</li> <li>Carnegie acquires HQ Bank and HQ Fonder.</li> <li>The holdings in Energo (IRR of 29 per cent ) and Academedia (IRR of 40 per cent) are divested.</li> </ul>
	2008	<ul style="list-style-type: none"> <li>Skanditek Industriförvaltning is the largest shareholder in AcadeMedia.</li> </ul>
<ul style="list-style-type: none"> <li>Capital distribution to the shareholders of nearly SEK 1.5bn through share buybacks, warrants and redemption procedure.</li> <li>The educational operations are coordinated in the group Anew Learning.</li> <li>Bure acquires holding in AcadeMedia.</li> </ul>	2007	<ul style="list-style-type: none"> <li>The holding in the new group AcadeMedia is distributed to Bure's shareholders.</li> <li>Merger between Anew Learning and AcadeMedia.</li> <li>The holdings in Textilia and Citat are divested.</li> </ul>
	2006	<ul style="list-style-type: none"> <li>Bure acquires the independent schools IT-Gymnasiet and Framtidsgymnasiet.</li> </ul>
<ul style="list-style-type: none"> <li>The holding in Mölnlycke Health Care is divested.</li> <li>Ownership in Vittra is increased.</li> </ul>	2005	<ul style="list-style-type: none"> <li>The holdings SysTeam, Cygate and Carl Bro are divested.</li> <li>Energo is acquired and a market-leading engineering consultancy is established together with Bure's subsidiary Retea.</li> <li>Citat acquires Appelberg.</li> </ul>
	2004	<ul style="list-style-type: none"> <li>Skanditek Industriförvaltning becomes Bure's largest shareholder.</li> </ul>
<ul style="list-style-type: none"> <li>Bure undergoes a financial crisis, carries out new share issue for SEK 800m.</li> </ul>	2003	<ul style="list-style-type: none"> <li>The holdings in Parere, Informator, Elmo Leather, XDIN and Stark Film och Event are divested.</li> </ul>
	2000	<ul style="list-style-type: none"> <li>The Health Care business area is listed under the name Capio AB and distributed to the shareholders.</li> </ul>
<ul style="list-style-type: none"> <li>The Education business area is established.</li> <li>St. Göran's Hospital is acquired.</li> <li>The holding in Sifo Group is increased through the acquisition of Romeike.</li> </ul>	1998	<ul style="list-style-type: none"> <li>The holding in Observer is distributed to the shareholders.</li> <li>Carl Bro and Appelberg Publishing Agency are acquired.</li> </ul>
	1996	<ul style="list-style-type: none"> <li>The IT/InfoMedia business area is established.</li> </ul>
<ul style="list-style-type: none"> <li>The share is listed on the Stockholm Stock Exchange.</li> <li>The Health Care business area is established.</li> </ul>	1993	<ul style="list-style-type: none"> <li>Acquisition of Guide Datakonsult, Previa, Länia Material and Mälardiagnostik, among others.</li> </ul>
	1992	<ul style="list-style-type: none"> <li>Bure is formed from the phase-out of the Swedish wage-earners' investment funds.</li> </ul>

# 20 years of value-creation: 1993 – 2013

Bure's average annualised total return for the period 1993 – 2013 is 13.2 per cent



SEK 100 invested in 1993 returned an average of 13.2 per cent per annum during the 20-year period 1993-2013. The calculation is based on the assumption that cash dividends are reinvested in new Bure shares. Distributed portfolio companies are valued at market value. If distributed shares are de-listed through a public offer, etc., the proceeds from such sale is reinvested in new Bure shares.

## Different shareholder-friendly measures

Over the years, Bure has consistently evaluated and taken different shareholder-friendly measures such as payment of cash dividends, distribution of portfolio companies, share buybacks and redemption procedures in order to maximise the shareholders' long-term return.

**" SEK 100 invested in 1993 has today increased to SEK 1,230. "**

## Distribution of portfolio companies

On several occasions, Bure has distributed its holdings in a specific portfolio company to its shareholders. One condition for this is that the company is adequately large and mature for a market listing. By distributing the shares, Bure gives its shareholders an opportunity to decide on their own whether to retain their ownership or sell their holdings in the company.

## Growth in net asset value

Bure's portfolio consists of shares in both listed and unlisted companies. The value of the listed shares is determined by market value. The unlisted shares are normally valued at acquisition cost. As a result, any excess values in the unlisted holdings are not reflected in the NAV that Bure communicates to the market. Over time, however, the excess values will be realised through dividends or divestitures and the increase in NAV over time is thus a relevant measure of Bure's ability to create value for the shareholders.

## Total return

The return that a shareholder receives from Bure is a combination of the share's price performance and the capital that is distributed. For companies such as those with a low ordinary dividend, the share price will provide a good picture

of shareholder return over time. But for companies that have a high dividend payout, particularly if the dividends are sporadic and varying in size, the share price does not accurately reflect shareholder return. Bure belongs to the latter category and has distributed more than five times its own current market capitalisation since the company's formation. In order to take these capital distributions into account, total return is an effective metric. Total return is equal to the share's price performance plus cash dividends plus distribution of shares.

**" Over time Bure has been an attractive investment and since 1993 has generated an average annualised total return of 13 per cent. "**

Other types of distributions include share redemptions and share buybacks. No adjustment for these is necessary since it is reflected in the share price when the number of shares decreases, which increases the remaining shares' proportion of the share capital.

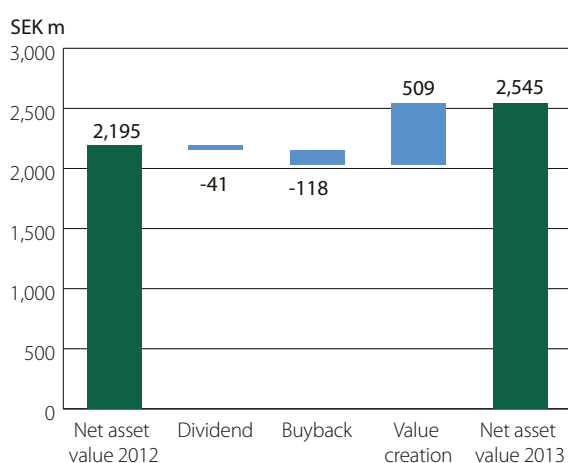
Since Bure's IPO in 1993, the company has distributed a total of more than SEK 11.4bn to its shareholders. Between 1993 and 2002 Bure distributed SEK 6.7bn, of which the bulk consisted of the shares in Capio (SEK 3bn) and Observer (SEK 1.5bn). During the years from 2007 to 2013 Bure distributed SEK 4.7bn, mainly through share redemptions and buybacks. During this period Bure also distributed its holding in the portfolio company AcadeMedia. Total return on the Bure share in 2013 was 21.0 per cent.

# Portfolio development

## Events in 2013

Bure's portfolio consisted of seven companies at the end of 2013. One portfolio company was added during the year and one sold off the majority of its operations and has ceased to be a portfolio company.

Net asset value per share at 31 December 2013 was SEK 33.5 (27.1). Value creation during the year was SEK 509m. Net asset value increased by SEK 350m after deducting for dividends and share buybacks of SEK 40.6m and SEK 118.3m, respectively.



## Listed holdings

The value of the listed portfolio companies increased by 61 per cent, or SEK 542m. The value of listed portfolio companies accounted for 56 per cent (38) of net asset value at year-end. Including the value of other listed holdings of SEK 74m, the listed holdings totalled SEK 1,497m at the end of 2013.

Vitrolife's share of net asset value rose by SEK 310m and amounted to SEK 538m at the end of the year.

Micronic Mydata's share of net asset value increased by SEK 80m and totalled SEK 461m at the end of the year.

Xvivo Perfusion's share of net asset value was up by SEK 70m and was SEK 172m at the end of the year.

MedCap's share of net asset value rose by SEK 56m and amounted to SEK 110m at the end of the year.

PartnerTech's share of net asset value increased by 28m and totalled SEK 141m at the end of the year.

## Unlisted holdings

In 2013 Bure wrote down the value of Mercuri International due to weak profitability, which affected net asset value in an amount of SEK -79m. Mercuri International's share of net asset value was 4 per cent (6) at the end of the year.

Towards the end of the year most of the operations in Theduction were divested, whereby SEK 12m in receivables was converted into a conditional shareholder contribution which was then written down. The book value of the shares in Theduction was SEK 0m at the end of the year and the holding is no longer a portfolio company.

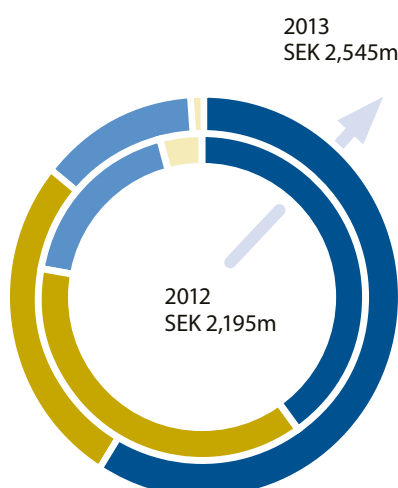
Bure has also written down the value of the 30 per cent holding in the train operator RushRail from SEK 21m to SEK 0m after RushRail entered into corporate reconstruction.

## Cash and cash equivalents and short-term investments

Cash and cash equivalents and short-term investments at year-end amounted to SEK 683m. The short-term investments generated a return of 13 per cent, or SEK 76m, by following an investment strategy with a focus on liquid equities and fixed income funds.

## Development of Bure's portfolio 2012 – 2013

	2013	2012
Listed holdings	59%	40%
Cash and cash equivalents and short-term investments	27%	38%
Unlisted holdings and other holdings	13%	18%
Other	1%	4%



## 2013

### Acquired

- MedCap

### Discontinued

- Theduction

## 2012

### Acquired

- Xvivo Perfusion
- Investment AB Bure

### Divested

- Carnegie Asset Management
- Carnegie Holding
- Max Matthiessen

## Other assets

Other assets amounted to SEK 29m and are mainly attributable to interest-bearing receivables from external companies and discontinued operations.

## Earnings growth in the portfolio companies

All portfolio companies improved their earnings in 2013. The portfolio companies' combined operating profit increased

by SEK 162m to SEK 144m (-18). The greatest improvements were shown by Micronic Mydata, which increased its profit by SEK 54m, and Vitrolife, which increased its profit by 61 per cent to SEK 80m (50). MedCap increased its profit by 50 per cent to SEK 32m (22) and Investment AB Bure increased its operating profit by SEK 15m to SEK 12m (-3), despite provisions of approx. SEK 11m for trade receivables. Profit in Mercuri, adjusted for impairment of goodwill, was positive for 2013.

## Bure's net asset value and share on the portfolio companies

	Net asset value, SEK m	Per share, SEK	% of net asset value	Net sales, 2013	Net sales, 2012	EBIT, 2013	EBIT, 2012
<b>Listed holdings</b>							
MedCap <sup>1</sup>	110	1.5	4.3%	659	351	32	22
Micronic Mydata	461	6.1	18.1%	997	1,354	32	-21
PartnerTech	141	1.9	5.5%	2,237	2,242	32	24
Vitrolife	538	7.1	21.1%	453	362	80	50
Xvivo Perfusion	172	2.3	6.8%	69	57	11	7
Other listed holdings <sup>2</sup>	74	1.0	2.9%	–	–	–	–
<b>Total listed holdings</b>	<b>1,497</b>	<b>19.7</b>	<b>58.8%</b>				
<b>Unlisted holdings (book value in the Parent Company)</b>							
Mercuri International Group <sup>3</sup>	113	1.5	4.4%	507	529	-56	-96
Investment AB Bure <sup>4</sup>	218	2.9	8.6%	33	–	12	-3
Other unlisted holdings	6	0.1	0.2%	–	–	–	–
<b>Total unlisted holdings and other holdings</b>	<b>337</b>	<b>4.4</b>	<b>13.2%</b>				
Cash and cash equivalents and short-term investments <sup>5</sup>	683	9.0	26.8%	–		–	–
Interest-bearing assets	17	0.2	0.7%	–		–	–
Discontinued operations <sup>6</sup>	19	0.2	0.7%				
Other net assets	-7	-0.1	-0.3%	–		–	–
<b>Total<sup>7</sup></b>	<b>2,545</b>	<b>33.47</b>	<b>100%</b>				
Equity in the Parent Company	2,479						
Equity per share divided between 76,051,510 shares <sup>7</sup>		32.60					

1) Refers to February–January.

2) Refers to Moberg Pharma and Vigmed Holding.

3) Refers to the book value of equity and interest-bearing receivables.

4) Refers to net assets in Investment AB Bure.

5) Cash and cash equivalents, fixed income funds and short-term investments in market listed equities.

6) Discontinued operations consist of Theduction. The recognised value refers to an interest-bearing receivable.

7) Excluding 5,050,475 treasury shares.

# Listed holdings



**MEDCAP**

www.medcap.se

MedCap owns and develops companies with significant expansion potential in the Life Science sector.

Share of Bure's  
net asset value **4.3%**



**MICRONIC  
MYDATA**

www.micronic-mydata.com

Share of Bure's  
net asset value **18.1%**

Micronic Mydata develops and manufactures laser-based pattern generators for production of photomasks and advanced surface mount equipment for flexible electronics production.

## Key figures SEK m

	Feb 13 – Jan 14	Feb 12 – Jan 13	Feb 11 – Jan 12
Net sales	659	351	329
Operating expenses	-627	-329	-310
EBIT	32.4	21.6	18.9
EBIT margin	4.9%	6.2%	5.7%
Net financial items	-9.3	0.3	-2.2
Profit/loss before tax	23.1	21.9	16.7
Income tax expense	-3.1	-3.9	-3.9
Profit/loss for the period	20.0	18.0	12.8
Net loan debt (-)/receivable (+)	-154	7	-30
Total assets	522	329	309
Equity	210	194	159
Cash flow from operating activities	29	43	26
Average no. of employees	–	–	–

## Key figures SEK m

	2013	2012	2011
Net sales	997	1,354	1,198
Operating expenses	-965	-1,375	-1,263
EBIT	32.3	-21.4	-65.7
EBIT margin	3.2%	-1.6%	-5.5%
Net financial items	3.6	6.8	8.7
Profit/loss before tax	35.9	-14.6	-57.0
Income tax expense	-22.1	-29.4	-31.8
Profit/loss for the period	13.7	-44.0	-88.8
Net loan debt (-)/receivable (+)	487	579	529
Total assets	1,402	1,472	1,587
Equity	1,165	1,168	1,232
Cash flow from operating activities	-47	70	-15
Average no. of employees	514	560	561

## Facts at 31 Dec 2013

**Book value:** SEK 110m  
**Acquisition date:** 2012  
**Board member from Bure:**  
Fredrik Mattsson, board member

## Largest shareholders

**Bure Equity** 22.1%  
**Bengt Julander** 21.8%  
**Karl Tobieson** 5.1%  
**Others** 51.0%

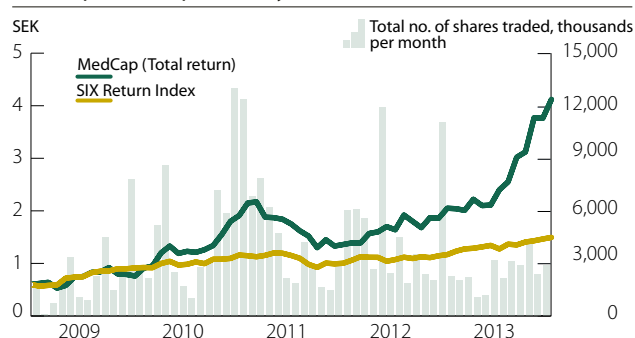
## Facts at 31 Dec 2013

**Book value:** SEK 461m  
**Acquisition date:** 2010 via  
Skanditek  
**Board member from Bure:**  
Patrik Tigerschiöld, chairman

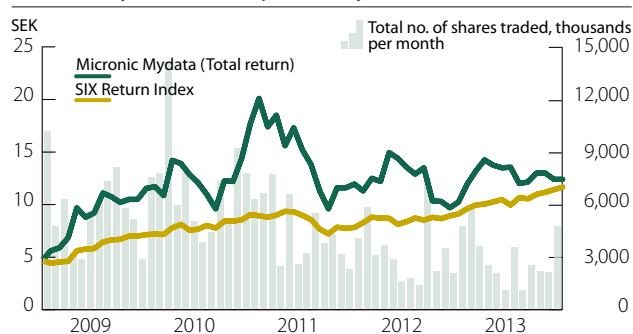
## Largest shareholders

**Bure Equity** 38.0%  
**SHB Fonder** 7.8%  
**Nordea Fonder** 4.3%  
**Others** 49.9%

## MedCap's development, 5-year



## Micronic Mydata's development, 5-year



## Key events in 2013

- Operating profit increased by 50 per cent to SEK 32m.
- In March the subsidiary Abilia acquired the UK-based provider of assistive technology Toby Churchill and has thereby secured deliveries of an important product at the same time that Abilia will gain a direct presence in the UK market.
- In June MedCap's subsidiary Unimedic acquired CrossPharma, one of Sweden's leading companies in parallel import of pharmaceuticals. In 2012 CrossPharma had net sales of SEK 379m with an EBIT of SEK 19m.

## Key events in 2013

- Net sales fell by 26 per cent to SEK 997m (1,354). Aftermarket sales have remained good due to high capacity utilisation among the group's customers. Foreign exchange effects had a negative impact on sales and profit.
- Operating profit amounted to SEK 32m (-21), which is equal to an operating margin of 3.2 per cent (-1.6).
- The board proposes that the AGM approve an extraordinary dividend of SEK 2.50 per share (0). The proposed dividend amounts to a total of SEK 244.8m, which is equal to the proceeds of the new share issue in 2010.

PartnerTech develops and manufactures advanced products in association with leading B2B companies. PartnerTech's offering in the form of product development, production, logistics and aftermarket services is supported by customer centres and factories in Europe, North America and Asia.

#### Key figures

SEK m	2013	2012	2011
Net sales	2,237	2,242	2,322
Operating expenses	-2,205	-2,218	-2,275
EBIT	31.7	24.1	47.3
EBIT margin	1.4%	1.1%	2.0%
Net financial items	-11.9	-21.1	-28.7
Profit/loss before tax	19.8	3.1	18.6
Income tax expense	-13.1	-11.0	-13.4
Profit/loss for the period	6.7	-7.9	5.2
Net loan debt (-)/receivable (+)	-182	-215	-270
Total assets	1,163	1,118	1,170
Equity	467	456	461
Cash flow from operating activities	72	124	127
Average no. of employees	1,378	1,354	1,292

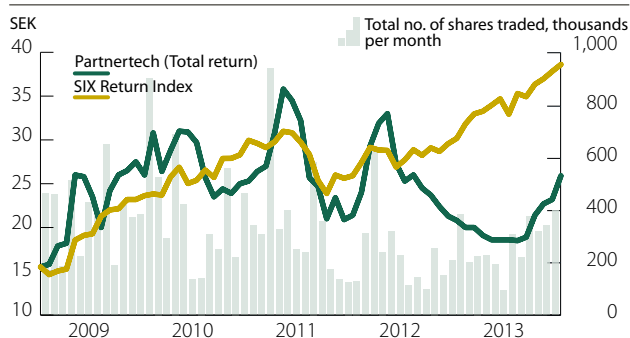
#### Facts at 31 Dec 2013

**Book value:** SEK 141m  
**Acquisition date:** 2010 via Skanditek  
**Board member from Bure:** Patrik Tigerschiöld, chairman  
Gösta Johannesson, board member

#### Largest shareholders

<b>Bure Equity</b>	43.0%
<b>AB Traction</b>	18.6%
<b>Avanza Pension</b>	9.0%
<b>Others</b>	29.4%

#### PartnerTech's development, 5-year



#### Key events in 2013

- Net sales for 2013 were unchanged and amounted to SEK 2,237m (2,242).
- Operating profit improved to SEK 32m (24).
- Cash flow from operating activities was SEK 72m (124).
- The interest-bearing net debt at 31 December 2013 totalled SEK 182m, which is a dramatic decrease from SEK 361m at year-end 2010.
- The board proposes that the AGM approve a dividend of SEK 0.50 per share (0).

Vitrolife is an internationally active medtech group. Vitrolife develops, produces and markets products for fertility treatment.

#### Key figures

SEK m	2013	2012 <sup>1</sup>	2011 <sup>1</sup>
Net sales	453	362	308
Operating expenses	-372	-312	-287
EBIT	80.4	49.7	20.7
EBIT margin	17.8%	13.7%	6.7%
Net financial items	-0.6	0.0	2.0
Profit/loss before tax	79.8	49.7	22.7
Income tax expense	-23.1	-23.2	-7.3
Profit/loss for the period	56.7	26.5	15.4
Net loan debt (-)/receivable (+)	15	-63	-46
Total assets	488	462	467
Equity	323	279	344
Cash flow from operating activities	106	58	22
Average no. of employees	234	215	211

1) The data for 2012 and 2011 is presented pro forma.

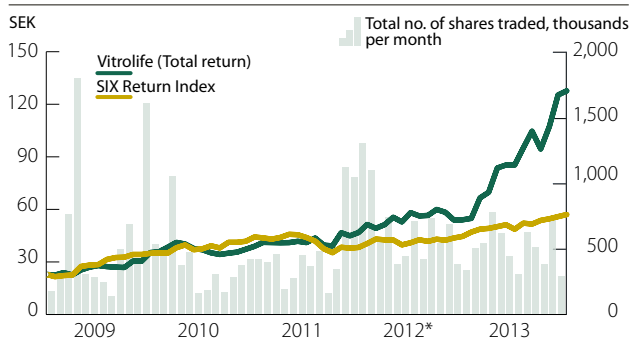
#### Facts at 31 Dec 2013

**Book value:** SEK 538m  
**Acquisition date:** 2010 via Skanditek  
**Board member from Bure:** Fredrik Mattsson, board member

#### Largest shareholders

<b>Bure Equity</b>	28.8%
<b>Thomas Olausson</b>	9.3%
<b>Eccenovo</b>	5.0%
<b>Others</b>	56.9%

#### Vitrolife's development, 5-year



Vitrolife's total return includes the distribution of Xvivo Perfusion in October 2012.

#### Key events in 2013

- Net sales rose by 25 per cent to SEK 453m (362) and EBIT amounted to SEK 80m (50).
- Cryo Management Ltd, which was acquired in 2012, was integrated with a focus on sales of Primo Vision. In addition, all of the shares in the Danish company HertArt ApS, which has developed the Labware range, were acquired.
- Increased collaboration with Biolamina AB in the stem cell area, resulting in Vitrolife's investment of SEK 4m in a directed new share issue.
- The board proposes that the AGM approve a dividend of SEK 1.00 per share (0.60).



Xvivo Perfusion AB is an internationally active medical technology company focused on developing optimised solutions for organ, tissue and cell preservation in connection with transplantation.

#### Key figures

SEK m	2013	2012 <sup>1</sup>	2011 <sup>1</sup>
Net sales	68.9	56.9	48.1
Operating expenses	-58.1	-49.5	-27.8
EBIT	10.8	7.4	20.3
EBIT margin	15.6%	13.0%	42.2%
Net financial items	-0.1	-1.3	2.1
Profit/loss before tax	10.7	6.0	22.4
Income tax expense	-2.7	-2.5	-7.2
Profit/loss for the period	8.1	3.5	15.2
Net loan debt (-)/receivable (+)	-3	-1	-
Total assets	128	115	-
Equity	97	89	-
Cash flow from operating activities	13	2	-
Average no. of employees	13	9	-

1) Data referring to 2012 and 2011 is presented pro forma.

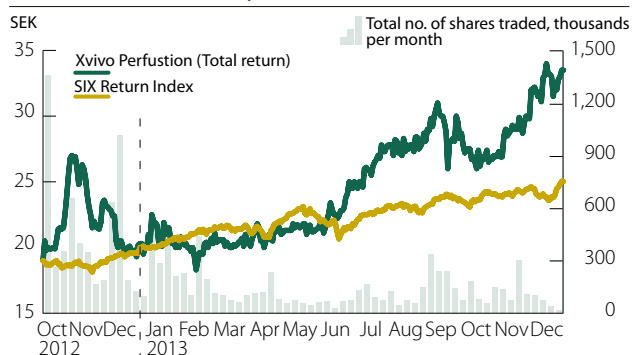
#### Facts at 31 Dec 2013

**Book value:** SEK 172m  
**Acquisition date:** Lex Asea  
distribution from Vitrolife in 2012  
**Board member from Bure:**  
Fredrik Mattsson, chairman  
Gösta Johannesson, board member

#### Largest shareholders

<b>Bure Equity</b>	26.3%
<b>Handelsbanken Liv</b>	6.6%
<b>Eccenovo</b>	2.7%
<b>Others</b>	64.4%

#### Xvivo Perfusion's development, Oct 2012 to Dec 2013



#### Key events in 2013

- Net sales increased by 21 per cent to SEK 69m (57).
- Operating profit was SEK 11m (7) and operating margin improved to 15.6 per cent (13.0).
- STEEN Solution™ and related products accounted for 16 per cent (11) of total sales.
- The first lung transplantation using STEEN Solution™ was carried out in Asia.
- An FDA expert panel meeting regarding STEEN Solution™ in the USA will be held in the first quarter of 2014.

# Unlisted holdings

## Investment AB Bure

www.bure.se

Investment AB Bure is a wholly owned subsidiary that owns and manages leasing of locomotives. Operations started in January 2013.

Share of Bure's net asset value **8.6 %**

### Key figures

SEK m	2013	2012
Net sales	33.1	–
Operating expenses	-21.0	-2.9
EBIT	12.1	-2.9
EBIT margin	36.6%	–
Net financial items	-9.2	-1.8
Profit/loss before tax	2.9	-4.7
Income tax expense	–	–
Profit/loss for the period	2.9	-4.7
Net loan debt (-)/receivable (+)	-189	-227
Total assets	236	243
Equity	25	11
Cash flow from operating activities	17	-2
Average no. of employees	0	0

### Facts at 31 Dec 2013

<b>Book value:</b> SEK 218m	<b>Bure Equity</b>	100,0%
<b>Acquisition date:</b> established in 2012		
<b>Board member from Bure:</b> Henrik Blomquist, chairman Fredrik Mattsson, board member		

### Key events in 2013

- Leasing of electric locomotives commenced on 1 January 2013. Leasing operations and the locomotives have functioned well in the transport system of the end customer Trätåg (Stora Enso and BillerudKorsnäs).
- In mid-December, Investment AB Bure's customer RushRail filed for a corporate reconstruction. The customer has had significant financial difficulties, primarily during the autumn following a customer bankruptcy at the beginning of 2013. In view of the reconstruction procedure, Investment AB Bure made provisions for accounts receivable of SEK 10.7m in the fourth quarter.
- Investment AB Bure has secured future flows after the customer's initiated reconstruction, and since the middle of December receives payment in advance during the reconstruction procedure period. Contingency plans have been drawn up to allow for different possible outcomes of the reconstruction.
- Bure's assessment of these operations remains positive. There are major future opportunities for leasing of electric locomotives. Increased demand for effective locomotive resources and a weak supply, together with a low level of investment in new locomotives, are a few of the factors underpinning this potential.

## Mercuri INTERNATIONAL

www.mercuri.se

Mercuri International is Europe's leading sales and management training consultancy with global coverage.

Share of Bure's net asset value **4.4 %**

### Key figures

SEK m	2013 <sup>1</sup>	2012 <sup>1</sup>	2011 <sup>1</sup>
Net sales	507	529	544
Operating expenses	-563	-625	-519
EBIT <sup>2</sup>	-55.9	-96.4	24.5
EBIT margin	-11.0%	-18.2%	4.5%
Net financial items	-7.1	-7.7	-7.6
Profit/loss before tax	-63.0	-104.1	16.9
Income tax expense	-3.9	-4.9	11.3
Profit/loss for the period	-66.9	-109.0	28.2
Net loan debt (-)/receivable (+)	-78	-65	-71
Total assets	343	420	525
Equity	82	152	261
Cash flow from operating activities	7	5	14
Average no. of employees	373	405	409

1) Data excluding the divested units in Norway and Estonia.

2) Includes goodwill impairment of SEK 57m in 2013 and SEK 102m in 2012.

### Facts at 31 Dec 2013

<b>Book value:</b> SEK 113m	<b>Bure Equity</b>	99.1%
<b>Acquisition date:</b> 1998	<b>Others</b>	0.9%
<b>Board member from Bure:</b> Fredrik Mattsson, board member		

### Key events in 2013

- Net sales fell by 4.1 per cent to SEK 507m (529) during 2013.
- Operating profit was SEK 1m (6) adjusted for impairment of goodwill.
- During the year an impairment loss on goodwill was recognised in an amount of SEK 57m (102). The impairment loss is mainly attributable to the subsidiaries in Finland and Sweden.
- Cash flow from operating activities improved by SEK 2m to SEK 7m.
- In the second half of the year a restructuring programme was initiated in several markets, which has been charged to profit.
- In the past year the operations in Norway and Estonia were converted from subsidiaries to franchises through a sale to their local managements.
- Nicole Dereumaux was appointed as the new President and CEO of Mercuri International and took up her duties in August.

# The Bure share

Since 2006, the Bure share is quoted on the Mid Cap list of NASDAQ OMX Stockholm.

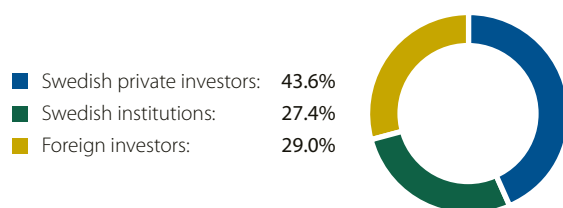
## Share structure

Bure's share capital at 31 December 2013 amounted to SEK 535.3m (535.3), divided between 81,101,985 ordinary shares. Each share has a quota value of approximately SEK 6.60. All shares grant equal rights to the company's assets and profits.

## Shareholders

At 31 December 2013 Bure had 18,955 shareholders (20,358). Of Bure's shareholders, 65.1 per cent held 500 shares or fewer. Foreign investors held 29.0 per cent (34.0). The ten largest shareholders together hold 51.4 per cent (47.7) of the share capital and votes in Bure.

## Ownership structure



## Share price performance

In 2013 the value of the share increased by 18.2 per cent. Bure's share price at year-end 2013 was SEK 26.00 (22.00). The highest bid price for the Bure share was SEK 26.40 and the lowest was SEK 21.30. In 2013 the Bure share produced a total return of 21.0 per cent. Total return is a measure of the total share price performance including reinvested dividends.

The total return on Bure's share can be compared to the total return index SIX Return, which showed a return of 28.0 per cent. At year-end 2013 Bure had a market capitalisation of SEK 2,109m.

## Trading volume

In 2013 a total of 30,839,977 shares (31,438,128) were traded on NASDAQ OMX Stockholm for a combined value of SEK 727m (666), equal to a turnover rate of 38 per cent. The average trading volume per trading day was 123,360 shares (125,753). A total of 29,260 trades (30,976) of the Bure share were cleared during the year.

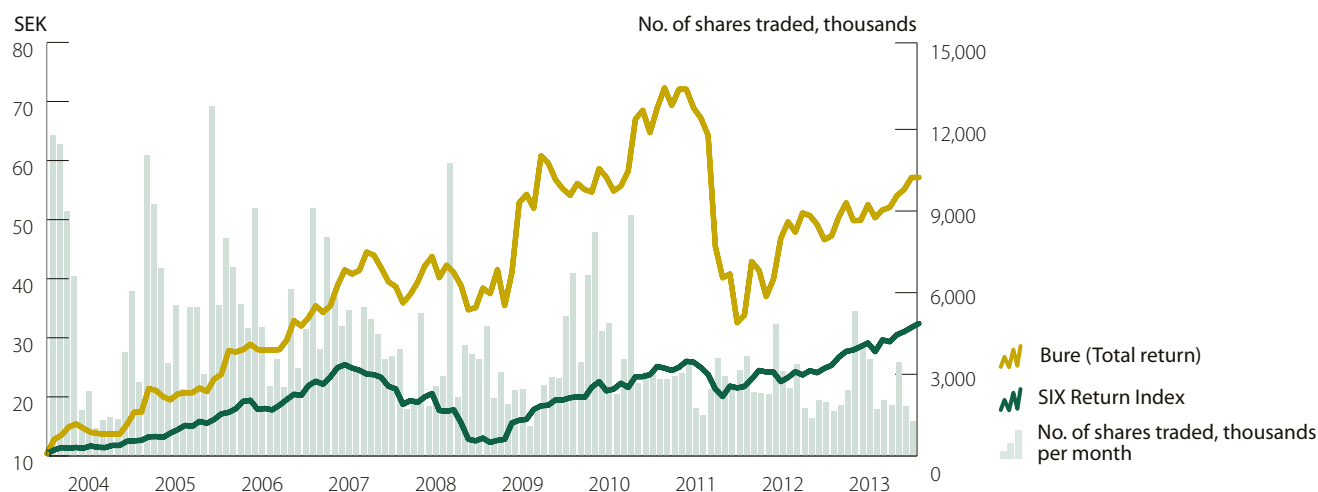
## Dividend for 2013

In 2013 Bure paid an ordinary dividend of SEK 0.50 per share. The Board intends to propose that the 2014 AGM approve an ordinary dividend of 0.50 per share and an extraordinary dividend of SEK 0.50 per share.

## Share buybacks

The 2013 AGM authorised the Board, during the period until the next AGM, to acquire treasury shares corresponding to a maximum of 10 per cent of all shares outstanding in the company. A total of 5,050,475 were acquired during the year, which means that Bure's holding of treasury shares at year-end was equal to 6.23 per cent of the votes and share capital. The Board intends to propose to the 2014 AGM that these shares be cancelled.

## Ten-year share price performance



### Warrant programme 2011

The 2011 AGM approved an incentive scheme involving the issue of subscription warrants. A total of 540,000 warrants were subscribed for. The warrants may be exercised to subscribe for shares during the period from 1 June 2013 to 1 June 2014 at a strike price of SEK 47.60. The full exercise of all warrants will lead to an increase in the share capital by SEK 3,553,042.

### Warrant programme 2012

The 2012 AGM approved an incentive scheme involving the issue of subscription warrants. A total of 819,000 warrants were subscribed for. The warrants may be exercised to subscribe for shares during the period from 1 June 2014 to 1 June 2015 at a strike price of SEK 29.75. The full exercise of all warrants will lead to an increase in the share capital by SEK 5,388,781.

### Employee ownership in Bure

Bure encourages an alignment of interests between the employees and the company's shareholders. At 31 December 2013 the employees had a combined holding of 6,006,315 shares. In addition, employees hold a total of 1,329,000 warrants. For more information about employee shareholdings, see page 25.

### Bure's largest shareholders at 31 December 2013

Shareholders	No. of shares	Holding
Nordea Investment Funds	10,542,558	13.0%
Dag Tigerschiöld	9,225,563	11.4%
Patrik Tigerschiöld	5,956,315	7.3%
Björkman Family	5,233,162	6.5%
SIX SIS AG, W8IMY	2,608,722	3.2%
Fjärde AP Fonden	2,433,004	3.0%
Unionen	1,586,891	2.0%
Länsförsäkringar Fondförvaltning AB	1,487,469	1.8%
Avanza Pension	1,320,129	1.6%
CBNY-DFA-INT SML CAP V	1,257,039	1.5%
<b>Total 10 largest shareholders</b>	<b>41,650,852</b>	<b>51.4%</b>
Others	39,451,133	48.6%
<b>Total</b>	<b>81,101,985</b>	<b>100%</b>

### Distribution of shareholdings at 31 December 2013

Size of holding	No. of shareholders	No. of shares	Holding
1 – 500	12,362	1,655,442	65.2%
501 – 1,000	3,005	2,427,085	15.8%
1,001 – 5,000	2,819	6,327,625	14.9%
5,001 – 10,000	392	2,934,291	2.1%
10,101 – 15,000	118	1,483,676	0.6%
15,001 – 20,000	61	1,131,694	0.3%
20,001 –	198	65,142,172	1.0%
<b>Total</b>	<b>18,955</b>	<b>81,101,985</b>	<b>100%</b>

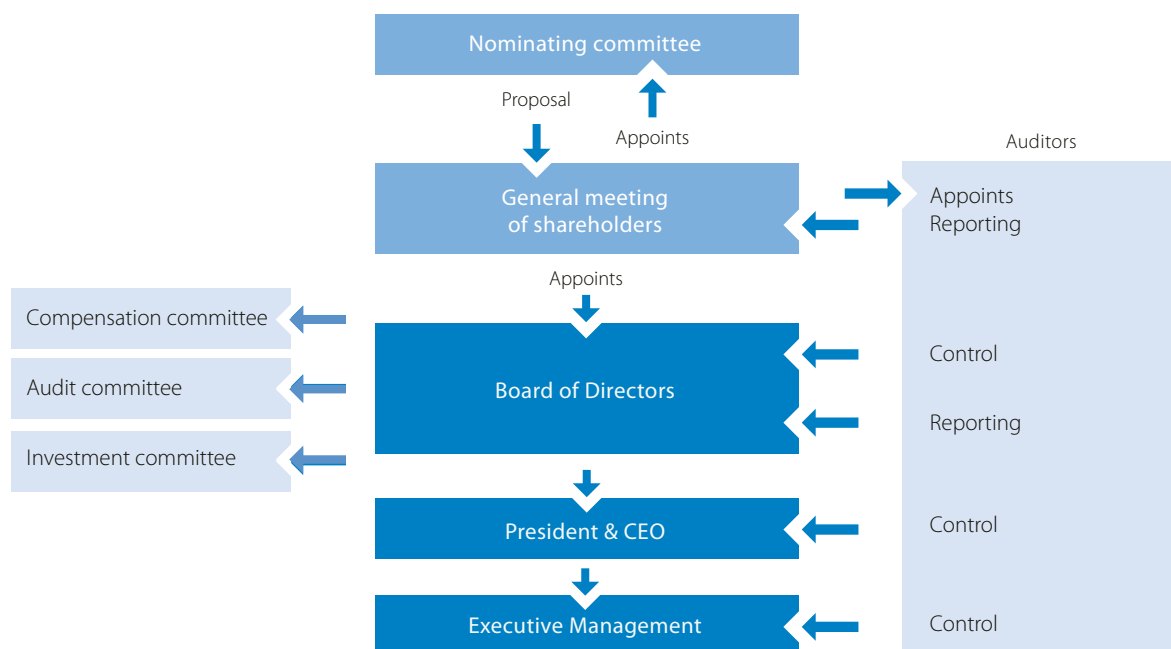
Data per share	2013	2012	2011	2010	2009
Net asset value per share <sup>1</sup>	33.5	27.1	25.0	27.0	25.8
Share price, SEK	26.0	22.0	16.0	32.8	34.8
Dividend, SEK	0.5	0.3	–	9.8	0.3
Direct return	1.9%	1.4%	–	29.9%	0.9%
Total return	21.0%	39.8%	-43.5%	28.1%	40.9%
Share price as a% of net asset value per share	78%	81%	64%	122%	135%
Parent Company equity per share, SEK	30.6	25.8	23.2	26.0	25.8
Number of shares, thousands	81,102	81,357	85,327	89,646	50,349
Average number of shares, thousands <sup>2</sup>	78,649	81,224	86,115	86,524	53,292

1) For 2009, net asset value per share is equal to equity.

2) For 2013 the average number of shares has been calculated excluding 5,050,475 treasury shares.

# Corporate governance

## Illustration, corporate governance 2013



### 2013 corporate governance report

Corporate governance in Bure Equity AB is regulated by Swedish law, primarily the Swedish Companies Act and NASDAQ OMX Stockholm's Rules for Issuers. As a listed company, Bure is subject to compliance with the revised rules in the Swedish Code of Corporate Governance ("the Code") as of 1 February 2010. These rules are being applied successively to the extent prescribed in the Code and in pace with the issuance of statements and recommendations by advisory organisations (such as the Swedish Corporate Governance Board) on specific issues related to the Code. Bure Equity applies the Code and reports no deviations from the Code for the financial year 2013 aside from that regarding the company's special audit function (see section on deviations from the Code below). For more information about corporate governance issues that are not covered in this corporate governance report, see [www.bure.se](http://www.bure.se).

### Share capital

Bure has been listed on NASDAQ OMX Stockholm since 1993. At 31 December 2013 the share capital amounted to SEK 535.3m, and was divided between 81,101,985 ordinary shares. The company's ordinary shares grant the right to one vote per share. All shares grant entitlement to an equal share in the company's assets and equal dividends.

At year-end 2013 Bure had 18,955 shareholders according to statistics from Euroclear Sweden. The ten largest shareholders accounted for 51.4 per cent of the shares. Nordea Investment Funds was Bure's single largest shareholder, with 13.0 per cent of the shares. The percentage of shares held by physical persons or legal entities outside Sweden was 29.0 per cent.

The 2013 Annual General Meeting (AGM) authorised the Board, during the period until the next AGM, to acquire up to 10 per cent of the outstanding shares in the company. At 31 December 2013 Bure held 5,050,475 treasury shares, equal to 6.23 per cent of the total number of shares in the company.

### General meeting of shareholders

The general meeting of shareholders is Bure's highest decision-making body and shall be held in Stockholm or Göteborg once a year before the end of the month of June. According to the Articles of Association currently in force, notice of annual general meetings shall be published no more than six weeks and no fewer than four weeks prior to the meeting and notice of extraordinary general meetings no more than six weeks and no fewer than three weeks prior to the meeting. Notice must always be given through an announcement in the official gazette, Post- och Inrikes Tidningar, and in Svenska Dagbladet.

In order to have a matter dealt with at an AGM, the shareholder must submit a written request to the Board in good time so that the matter can be included in the notice to attend the meeting. Bure's Article of Association contain no limitations regarding the number of votes each shareholder may exercise at the meeting. All shareholders who are entered in Euroclear Sweden's shareholder register and who have notified the company of their intention to attend by the specified date have the right to participate in the meeting and exercise the votes for their total shareholdings. Shareholders may be accompanied by an assistant at the meeting if they notify the company in advance.

### 2013 Annual General Meeting

The 2013 AGM was held on 22 April in Stockholm. The meeting was attended by 111 shareholders, proxies and assistants, together representing 46.14 per cent of the votes and share capital. Bure's Board of Directors, management and auditor were present. The CEO's address was published in full on the website the day after the meeting.

### Nominating committee ahead of the 2014 AGM

On 6 November 2013 Bure announced the composition of the nominating committee, which was one week late as a result of administrative events. The nominating committee has been appointed in accordance with the instructions for the nominating committee that were adopted by Bure's 2013 AGM. These state that the Board Chairman, not later than at the end of the third quarter of each year, shall ensure that the company's three largest shareholders are given the opportunity to each appoint one member to the nominating committee. Should any of these three shareholders waive its right to appoint a member, the shareholder next in order of voting power will be contacted to appoint a member to the committee. The mandate period is one year. Furthermore, the Board Chairman shall be a member of the nominating committee. No compensation is paid for work on the nominating committee.

#### The nominating committee consists of:

- Jesper Grünbaum representing the Tigerschiöld family, which holds 18.7 per cent of the shares in Bure.
- Peter Rudman representing Nordea Investment Funds, which holds 13.0 per cent of the shares in Bure.
- Per Björkman representing the Björkman family, which holds 6.5 per cent of the shares in Bure.
- Patrik Tigerschiöld, Board Chairman of Bure Equity AB.

#### The tasks of the nominating committee are to prepare and submit proposals to the AGM regarding:

- Election of a chairman of the meeting.
- Election of and fees for the Board Chairman and the other members of the company's Board.
- Election of and fees for the auditor and deputy auditor (where applicable).
- Principles for appointment of the next nominating committee.

The auditor was elected by the 2013 AGM to serve for a period of one year. Ahead of the 2014 AGM, the nominating committee has held four minuted meetings. The nominating committee's proposals, report on the work of the nominating committee ahead of the AGM and supplementary information about the proposed Board members will be posted on the company's website in connection with the notice to attend the AGM.

### Role of the Board of Directors

All members of the Board are appointed by the shareholders at the Annual General Meeting to serve for a period of one year

from the AGM until the end of the next AGM. According to the Articles of Association, Bure's Board of Directors shall consist of no fewer than five and no more than nine members.

The Board is responsible for the company's organisation and management of the company's affairs, but not for operating activities. The tasks of the Board are to assess the company's financial situation, continuously monitor activities, adopt a procedural plan, appoint a CEO and define the separation of duties.

### Presentation of the Board, CEO and auditors

The AGM on 22 April 2013 elected Patrik Tigerschiöld as Chairman and re-elected Hans Biörck, Carl Björkman, Eva Gidlöf, Håkan Larsson and Mathias Uhlén as regular Board members. Information about the Board members and the CEO is presented at the end of the corporate governance report. Attorney Niklas Larsson from Wistrands Advokatbyrå has served as Secretary of the Board. The CEO is not a member of the Board. Of the company's six Board members, five are independent in relation to the company, its management and the company's major shareholders and one is dependent in relation to the company, its management and the company's major shareholders. A description of the Board members' and the CEO's shareholdings and other assignments is provided on pages 24–25.

### Work of the board

The work of the Board includes development of the company's strategy and business plan in such a way that the long-term interests of the shareholders are optimally served. The work of the Board of Directors is governed by a procedural plan that was most recently adopted at the statutory meeting of the Board on 22 April 2013. The work of the Board follows a yearly plan containing fixed decision points that is adopted yearly in connection with the statutory meeting. According to the procedural plan, the Board is responsible for the company's organisation and management of the company's affairs. Among other things, the Board's procedural plan includes information about the separation of duties between the Board, the Chairman, the CEO and the Board's committees. The Board continuously monitors the financial situation of the company and the Group so that the Board is able to meet the monitoring obligations required by law, NASDAQ OMX Stockholm's Rules for Issuers and good board practice. The procedural plan states that it is the responsibility of the Board to decide on matters that are not part of operating activities or that are of major importance, such as material financial commitments and agreements and significant changes in the organisation.

Every year, Bure's Board of Directors establishes and documents the company's goals and strategies and discusses marketing, strategic and budgetary issues. The Board establishes the company's finance policy and right of authorisation, as well as delegation and decision-making procedures. The Board has formulated specific instructions regarding the responsibilities and powers of Bure's CEO. The management continuously provides the Board with reports and updates

about operations. Information materials and decision data ahead of Board meetings are distributed around one week prior to each Board meeting.

The company's auditors attend at least one board meeting every year to report on the year's audit and their evaluation of the company's internal control systems. The auditors present their observations from the annual audit directly to the Board. Once a year, the auditors meet with the Board without the presence of any member of the Executive Management.

### Work of the Board in 2013

According to the Articles of Association, the Board shall hold at least six meetings per year and shall meet more frequently when required. In the past financial year the Board held 13 meetings, consisting of 9 scheduled meetings and 4 extra meetings. See Board attendance in the table below.

Total Board fees in Bure Equity AB as approved by the 2013 AGM amount to SEK 1,925,000, of which SEK 800,000 is paid to the Chairman.

### Board evaluation

Once a year, the Board carries out a systematic evaluation in which the Board members have the opportunity to state their views on the working procedures, Board materials, their own performance and that of the other Board members in order to develop the work of the Board and provide the nominating committee with a relevant basis for decision ahead of the AGM.

### Board committees

The Board's procedural plan contains instructions regarding the audit committee, compensation committee and investment committee. The work of the audit committee is performed by the Board as a whole.

The role of the audit committee is to continuously support the Board in matters relating to auditing, internal control and review of the financial accounts and interim reports. The committee is also responsible for evaluating the auditors' performance and preparing for election of new auditors when appropriate. The entire audit committee met with the company's auditor on two occasions during the year.

### Compensation committee

The compensation committee which consists of Håkan Larsson, chairman, and Hans Biörck, discusses matters relating to compensation in the form of salary, pensions and bonuses or other terms of employment for the CEO and staff reporting directly to the CEO. The proposed principles for compensation to the CEO and Executive Management were put before the AGM on 22 April 2013 for decision.

### Investment committee

In order to actively manage Bure's cash and cash equivalents and short-term investments, the Board has appointed an investment council whose main task is to continuously evaluate management of the investments with regard to risk and return. The investment committee consists of Patrik Tigerschiöld, Hans Biörck and the CEO Henrik Blomquist. The investment committee abides by the rules set out in the company's financial policies.

### Principles for compensation to senior executives

The AGM adopts principles for compensation to senior executives. Proposals are prepared by the compensation committee. The main principle is to offer market-based compensation and terms of employment. The total compensation package consists of fixed basic salary, variable salary, pension benefits and other benefits. The principles that were applied in 2013 are described in the administration report. Information about compensation to the CEO and other senior executives during 2013 is provided in Note 34.

### Financial reporting

Bure's financial reporting is based on the applicable laws, regulations, rules, agreements and recommendations for companies listed on NASDAQ OMX Stockholm. A more detailed description of the accounting policies is provided in Note 1 of the annual report. The audit report for the financial year 2013 is also included in the annual report. The Board and the auditors communicate on an ongoing basis. The Board continuously ensures that the company's finance and accounting organisation is properly dimensioned and has adequate resources.

Bure's finance and accounting unit changed during the year. Max Jonson was appointed CFO on 1 October 2013.

### Board attendance in Bure during 2013

	Board attendance	Independent <sup>1</sup>	Compensation, SEK	Shareholding
Patrik Tigerschiöld, Chairman	10/10		800,000	5,956,315
Hans Biörck	13/13	■	225,000	25,000
Carl Björkman	13/13	■	225,000	2,945,412
Eva Gidlöf	13/13	■	225,000	0
Håkan Larsson	13/13	■	225,000	0
Mathias Uhlén	13/13	■	225,000	26,500

■ = The member is regarded as independent in relation to the company, its management and the company's major shareholders.

1) According to the definition in the "Swedish Code of Corporate Governance".



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Every year, the Parent Company issues instructions regarding the financial information to be reported by the subsidiaries and other portfolio companies. Among other things, this information includes income statements, balance sheets, cash flow statements and key figures. A more extensive reporting package is required of the subsidiaries in connection with the annual closing of the books. This reporting takes place in a group-wide accounting system with built-in controls to ensure high quality.

According to the requirements in the listing agreement with NASDAQ OMX Stockholm, the company provides financial information in the form of interim reports, a year-end report, an annual report and press releases in connection with significant events.

### **Deviations from the Code of Corporate Governance**

According to section 7.4 of the Code, the Board of Directors is required to evaluate the need for a special audit function (internal audit) on a yearly basis. The Board's assessment is that Bure has no need for this function under the present circumstances. The Board has instructions and continuously ensures that the responsible individuals in the organisation have the requisite expertise and resources to fulfil their duties in the preparation of financial reports.

### **Information about the auditors**

Bure has appointed the auditing firm of PricewaterhouseCoopers AB ("PwC") as its independent auditor. PwC has appointed Michael Bengtsson, 54 years, as Auditor in Charge. Aside from Bure Equity AB, Michael is auditor of Indutrade AB, Betsson AB, Carnegie Investment Bank AB and Haldex AB, among others. For information about compensation to PwC, see Note 9.

### **The Board description of internal control over financial reporting for the financial year 2013**

As stated in the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board of Directors is responsible for the company's internal control. This description has been prepared in accordance with the Swedish Code of Corporate Governance, section 7.4, and is thereby limited to internal control over financial reporting. This description is not part of the formal annual report.

### **Control environment**

The procedural plan for the Board and instructions for the CEO ensure a clearly defined division of roles and responsibilities that promotes effective management of the company's risks. Furthermore, the Board has established a number of normative documents for internal control, and among other things emphasises the importance of having clear and documented instructions and policies in both the Parent Company and the subsidiaries. The Executive Management regularly reports to the Board according to established routines and is responsible for the system of internal controls that is

necessary for management of significant risks in day-to-day operations. This includes guidelines that promote an understanding, and awareness among the various executives for the importance of their respective roles in maintaining good internal control.

### **Risk assessment and control activities**

In assessing the risk for irregularities in the company's financial reporting, Bure has developed a model in which a number of areas with a heightened risk for errors have been identified. Special attention has been given to the creation of controls to prevent and detect deficiencies in these areas. Areas where material deficiencies are noted are dealt with immediately.

### **Information and communication**

Significant guidelines, manuals, etc., of relevance for financial reporting are continuously updated and communicated to the appropriate employees. There are both formal and informal communication paths to the Executive Management and Board for significant information from the employees. For external communication, there are guidelines to ensure that the company lives up to high demands regarding complete and accurate information to the market.

### **Monitoring**

The Board continuously monitors and evaluates the information provided by the Executive Management. This includes ensuring that action is taken with respect to any deficiencies or recommendations identified in internal and external audits.

### **Internal audit**

So far, the Board has not found reason to set up an internal audit function. The Board's opinion is that there is no need for this function in the company and that it is not financially justifiable in an organisation as small as Bure's.

The Board has instructions and continuously ensures that the responsible individuals in the organisation have the requisite expertise and resources to fulfil their duties in preparation of the financial reports. Bure holds seats on the boards of the portfolio companies via a representative for the holding. Depending on the holding, it is also possible to appoint more than one member to represent Bure.

Bure's current holdings are spread across different industries and geographical areas. As a result, it is deemed more appropriate to decide for each individual holding than to set up an internal audit function at the group level. The Parent Bure Equity AB Company Bure Equity AB with seven employees is relatively small and lacks complex functions where it is difficult to achieve transparency. The need for an internal audit function in the Parent Company must therefore be regarded as small.

Stockholm, 12 March 2014

The Board of Directors of Bure Equity AB

# Board of Directors



**Patrik Tigerschiöld**, Stockholm, born in 1964, M.Sc.Econ.  
Board Chairman since April 2013 (also during 2004–2009)  
CEO during 2010–April 2013\*  
Chairman of Micronic Mydata AB and PartnerTech AB  
Board member of Stockholm University  
Shareholding in Bure, own and held by related parties: 5,956,315.  
Dependent in relation to the company and its management. Dependent in relation to the company's major shareholders.  
Warrants in Bure: 645,000



**Hans Biörck**, Stockholm, born in 1951, M.Sc.Econ.  
Board member since 2012  
Chairman of Crescit Asset Management AB  
Board member of Trelleborg AB, Dunkerska Stiftelserna, LKAB and Advisor to the CEO of Skanska AB  
Shareholding in Bure, own and held by related parties: 25,000.  
Independent in relation to the company, its management and the company's major shareholders.



**Carl Björkman**, Mariefred, born in 1970, M.Sc.Eng.  
Board member since April 2010  
Chairman of Stäketsholms Förvaltnings AB, Johan Björkmans Allmännyttiga Stiftelse för Ekonomisk Forskning, FPG Media AB and SportPro Ltd.  
Shareholding in Bure, own and held by related parties: 2,945,412.  
Independent in relation to the company, its management and the company's major shareholders.



**Eva Gidlöf**, Stockholm, born in 1957, B.Sc. Social Science.  
Board member since April 2010.  
Executive Vice President of Tieto Corporation, Head of Telecom Media & Energy, President of Tieto Sweden AB until July 2013  
Board member of Almega AB, the Stockholm Chamber of Commerce and IT & Telecomföretagen.  
Shareholding in Bure, own and held by related parties: 0.  
Independent in relation to the company, its management and the company's major shareholders.



**Håkan Larsson**, Göteborg, born in 1947, M.Sc.Econ.  
Vice Chairman. Board member since 2002.  
Chairman of Inspension Asset Management AB, Schenker AB, Valea AB, Tyréns AB and Wallenius Wilhelmsen Logistics AS  
Board member of Handelsbanken Region Väst, Semcon AB and Stolt-Nielsen Ltd  
Shareholding in Bure, own and held by related parties: 0.  
Independent in relation to the company, its management and the company's major shareholders.



**Mathias Uhlén**, Stockholm, born in 1954, Ph.D. Engineering and Professor of Microbiology.  
Board member since February 2010  
Chairman of Atlas Antibodies AB and Antibodypedia AB.  
Board member of Affibody Holding AB, KTH Holding AB, SweTree Technologies AB, Alligator AB and Novozymes A/S.  
Member of the Royal Swedish Academy of Sciences (KVA) and the Royal Swedish Academy of Engineering Sciences (IVA) and National Academy of Engineering (NAE) in the USA.  
Shareholding in Bure, own and held by related parties: 26,500.  
Independent in relation to the company, its management and the company's major shareholders.

\* Employed by Skanditek 1999–2010



From left: Henrik Blomquist, Gustav Ohlsson, Gösta Johannesson, Fredrik Mattsson, Philip Nyblaeus, Agneta Schein and Max Jonson.

**Henrik Blomquist**

Stockholm, born in 1971  
President and Chief Executive Officer  
Employed since 1999\*  
Chairman of Theduction AB, Investment AB Bure and Cavena Image Products AB  
Board member of The Chimney Pot AB, Valot, etc.  
Shareholding in Bure, own and held by related: 3,000  
Warrants in Bure: 274,000

**Max Jonson**

Stockholm, born in 1968  
Chief Financial Officer  
Employed since October 2013  
Shareholding in Bure, own and held by related: 6,500

**Fredrik Mattsson**

Stockholm, born in 1972  
Investment Manager  
Employed since 2009\*  
Chairman of Xvivo Perfusion AB  
Board member of Vitrolife AB, MedCap AB, Mercuri International Group AB, Investment AB Bure and Theduction AB, etc.  
Shareholding in Bure, own and held by related: 40,000  
Warrants in Bure: 340,000

**Philip Nyblaeus**

Stockholm, born in 1982  
Analyst  
Employed since 2011  
Deputy board member of Investment AB Bure  
Shareholding in Bure, own and held by related: 500  
Warrants in Bure: 44,000

**Gösta Johannesson**

Stockholm, born in 1959  
Senior Advisor  
Consultant since April 2013  
Board member of PartnerTech AB, Xvivo Perfusion AB, Axiell Group AB and Interflora AB, etc.  
Shareholding in Bure, own and held by related: 5,000

**Agneta Schein**

Stockholm, born in 1951  
CEO Assistant  
Employed since 2006\*  
Warrants in Bure: 26,000

**Gustav Ohlsson**

Stockholm, born in 1985  
Analyst  
Employed since 2012

\* Employed in Skanditek until 2010.

# Five-year overview

Data per share <sup>1</sup>	2013	2012	2011	2010	2009
Net asset value, SEK <sup>2</sup>	33.5	27.1	25.0	27.0	25.8
Share price, SEK	26.0	22.0	16.0	32.8	34.8
Share price as a percentage of net asset value	78%	81%	64%	122%	135%
Parent Company basic equity per share, SEK	30.6	25.8	23.2	26.0	25.8
Parent Company equity per share excl. buybacks, SEK	32.6	25.9	24.3	26.0	25.8
Consolidated basic equity per share, SEK	26.4	26.0	27.2	29.2	29.7
Consolidated equity per share excl. buybacks, SEK	28.1	26.2	28.6	29.2	29.7
Parent Company basic earnings per share, SEK <sup>3</sup>	6.4	1.6	-1.3	2.3	-2.6
Consolidated diluted earnings per share, SEK <sup>3</sup>	2.4	-1.7	-0.6	6.6	0.9
Number of shares, thousands	81,102	81,357	85,328	89,646	50,349
Number of outstanding options/warrants, thousands	1,359	1,619	800	260	–
Total number of shares incl. outstanding options/warrants, thousands	82,461	82,976	86,128	89,646	50,349
Number of shares excl. buybacks, thousands	76,052	81,102	81,357	89,646	50,349
Average basic number of shares, thousands	78,649	81,224	86,115	86,524	53,292
<b>Key figures</b>					
Dividend, SEK per share	0.5	0.3	–	9.8	0.3
Direct return	1.9%	1.4%	–	29.9%	0.9%
Total return	21.0%	39.8%	-43.5%	28.1%	40.9%
Market capitalisation, SEK m	2,109	1,784	1,302	2,940	1,752
Net asset value, SEK m	2,545	2,195	2,035	2,557	–
Return on equity	21.8%	8.4%	-5.2%	10.9%	-10.7%
<b>Parent Company profit and financial position</b>					
Exit gains/losses, SEK m	2	275	2	226	22
Profit/loss after tax, SEK m	503	128	-112	197	-140
Total assets, SEK m	2,659	2,170	2,091	2,462	1,621
Equity, SEK m	2,479	2,134	1,978	2,330	1,296
Equity/assets ratio	93%	98%	95%	95%	80%
Cash and cash equivalents and short-term investments	683	829	476	705	633
<b>Consolidated profit and financial position</b>					
Net sales, SEK m	549	549	806	792	939
Profit/loss after tax, SEK m	177	-142	-54	569	46
Total assets, SEK m	2,392	2,438	2,620	2,976	2,154
Equity, SEK m	2,138	2,113	2,325	2,620	1,497
Equity/assets ratio	89%	87%	89%	88%	70%
Net loan debt (-)/receivable (+)	552	907	593	730	607
Average number of employees	612	659	664	704	824

1) All historical data per share has been adjusted for shares in issue with a time-weighting factor as prescribed by IAS 33.

2) Net asset value consists of the market value of Bure's listed holdings and the Parent Company's book value of unlisted holdings, net assets and cash and cash equivalents.

3) No dilutive effect at 31 December 2013 or 2012.

# Shareholder information

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## Financial calendar 2014

Interim report January – March	24 April
Annual General Meeting	24 April
Interim report January – June	14 August
Interim report January – September	13 November

## Distribution policy

Bure's annual report is sent by mail to all persons who so request. Interim reports are distributed only in digital form.

To subscribe, go to [www.bure.se/alertme](http://www.bure.se/alertme).

## Investor relations / Shareholder contact

Max Jonson, +46 8 614 00 20  
[max.jonson@bure.se](mailto:max.jonson@bure.se)

## Contact Bure Equity AB

Address: Nybrogatan 6, 114 34 Stockholm  
Tel: +46 8 614 00 20  
Fax: +46 8 614 00 38  
E-mail: [info@bure.se](mailto:info@bure.se)  
Website: [www.bure.se](http://www.bure.se)

## Notification

Notice of participation must be received by Bure no later than 12:00 p.m. on Wednesday, 16 April 2014, via

Mail: Bure Equity AB, Nybrogatan 6, SE-114 34  
Stockholm, Sweden

E-mail: [info@bure.se](mailto:info@bure.se)

Website: [www.bure.se](http://www.bure.se)

Tel: +46 8 614 00 20

Fax: +46 8 614 00 38

The notification should include the shareholder's name, personal/corporate identity number, address and telephone number. Shareholders who wish to be represented by a proxy must submit a dated form of proxy. The original proxy document must be sent to the company at the above address well in advance of the AGM. Persons representing a legal entity must enclose a copy of the registration certificate or other appropriate document. An entrance card will be sent by mail after Wednesday, 16 April 2014.

## Annual general meeting of Bure Equity AB (publ )

The Annual General Meeting will be held on Thursday, 24 April 2014, 4:00 p.m. at IVA's Conference Centre, Wallenbergsalen, Grev Turegatan 16, in Stockholm. The doors will open at 3:00 p.m. Coffee will be served prior to the meeting.

## Participation

Shareholders who wish to participate in the AGM must be entered in their own names in the register of shareholders maintained by Euroclear Sweden AB no later than Wednesday, 16 April 2014.

In order to participate in the AGM, shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names with Euroclear Sweden AB. Shareholders must notify their nominees well in advance to ensure that an entry is made in the register of shareholders by Wednesday, 16 April 2014.

# Definitions

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<b>Basic earnings per share</b>	Profit/loss after tax divided by the average number of shares outstanding during the year. For the Group, net profit less the non-controlling interests' share in profit for the year.
<b>Diluted earnings per share</b>	Profit after tax divided by the average number of shares outstanding during the year after dilution. For the Group, net profit less non-controlling interests' share in profit for the year. The average number of shares after full dilution is calculated according to the rules in IFRS, IAS 33 Earnings per Share.
<b>Direct return</b>	Dividend proposed to the AGM and extra dividends paid during the year divided by the share price at 31 December.
<b>EBIT</b>	Operating profit before goodwill impairment and amortisation of excess values arising on consolidation plus amortisation/depreciation of non-current assets.
<b>Equity/assets ratio</b>	Equity in relation to total assets. As of the transition to IFRS on 1 January 2005, non-controlling interests are included in total equity.
<b>Equity per share</b>	Equity divided by the number of shares outstanding. As of the transition to IFRS on 1 January 2005, non-controlling interests are included in total equity.
<b>Growth</b>	Increase in net sales in relation to net sales for the previous year. The key figure thus includes both organic and acquisition-driven growth.
<b>IRR</b>	Internal Rate of Return.
<b>Market capitalisation, SEK m</b>	Share price multiplied by the total number of shares outstanding.
<b>Net asset value</b>	The market value of Bure's listed holdings plus the book value of unlisted holdings and cash and cash equivalents.
<b>Net loan liability</b>	Same definition as net loan receivable, but is used when interest-bearing liabilities exceed interest-bearing assets.
<b>Net loan receivable</b>	Financial interest-bearing assets minus interest-bearing liabilities.
<b>Return on equity</b>	Profit/loss after tax divided by average equity.
<b>Share buyback</b>	For several years, Swedish companies have been permitted to repurchase up to 10 per cent of their own outstanding shares, provided that this is approved by the Annual General Meeting within the framework of non-restricted equity.
<b>Total return</b>	The total of the year's share price growth and reinvested dividends divided by the share price at 31 December.

# Bure Equity AB

Administration report for the  
financial year 2013



# Corporate information

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<b>Chairman of the Board:</b>	Patrik Tigerschiöld
<b>CEO:</b>	Henrik Blomquist
<b>CFO:</b>	Max Jonson
<b>Domicile:</b>	Bure Equity AB (publ) Nybrogatan 6 SE-114 34 Stockholm Sweden
<b>Corp. ID number:</b>	556454-8781
<b>Contact:</b>	Tel: +46 8 614 00 20 Fax: +46 8 614 00 38 E-mail: <a href="mailto:info@bure.se">info@bure.se</a>
<b>Website:</b>	<a href="http://www.bure.se">www.bure.se</a>
<b>Auditor:</b>	PricewaterhouseCoopers AB

This annual report is also published in Swedish. In case of any discrepancy, the Swedish version shall prevail.

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# Administration report

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The Board of Directors and the CEO of Bure Equity AB (publ), corporate identity number 556454-8781, domiciled in Stockholm, hereby submit the annual report and consolidated annual report for the 2013 financial year.

## Operations and focus

Bure is a long-term principal owner of operating companies. Bure was established in 1992 and was listed on NASDAQ OMX Stockholm in 1993. By actively developing a diversified portfolio of companies and operations, Bure's objective is to create value and returns for its shareholders.

## KEY EVENTS OF 2013

### Acquisitions

In the first quarter Bure acquired 6.5 million shares in MedCap AB (publ), which is listed on NASDAQ OMX First North, for an amount of SEK 12.9m. At 31 December 2013 Bure had invested a total of SEK 47.7m, which is equal to 26.8 million shares or 22 per cent of the total number of shares. Starting on 1 April 2013, MedCap is presented as a listed portfolio company.

In the first quarter Bure acquired 37,565 shares in Vitrolife AB (publ). Following the transaction, Bure holds 28.8 per cent of the company.

In the third quarter Bure acquired shares in Moberg Pharma AB (publ), listed on NASDAQ OMX Stockholm, for SEK 36.3m in a directed issue. At 31 December 2013 Bure held 8.3 per cent of the company.

In the third quarter Bure acquired 3.57 million shares in Vigmed Holding AB (publ), listed on NASDAQ OMX First North, in a directed issue for SEK 25.0m. Following the transaction, Bure holds 9.5 per cent of the company.

### Divestitures

Bure divested most of the operations in Theduction, consisting of high school and adult education. In connection with this, Bure has converted a receivable from Theduction for SEK 12m into a conditional shareholder contribution which has then been written down. For accounting purposes, Theduction is classified as discontinued operations.

### Other

Bure repurchased 5,050,475 treasury shares in 2013, which is equal to 6.3 per cent of the total number of shares outstanding. The Board will propose to the AGM that the repurchased shares be cancelled.

## CONSOLIDATED PROFIT AND FINANCIAL POSITION

### Results for the full year

Consolidated operating income for the period amounted to SEK 812m (560).

The subsidiaries' net sales amounted to SEK 549m (549).

Dividends totalled SEK 25m (1), of which dividends from the associated company Valot Group accounted for SEK 13m and short-term investments for SEK 12m.

Exit gains/losses amounted to SEK 2m (-23).

Capital gains/losses on short-term investments totalled SEK 22m (1).

Fair value changes amounted to SEK 190m (-21), and consisted of (i) SEK 126m in listed associated companies, of which SEK 56m in MedCap and SEK 70m in Xvivo Perfusion, (ii) reversal of an impairment loss of SEK 22m (iii) value growth in short-term investments of SEK 42m.

Shares in profit/loss of associates amounted to SEK 16m (50), of which SEK 3m is attributable to PartnerTech, SEK 5m to Micronic Mydata, SEK 16m to Vitrolife and SEK -8m to RushRail.

Consolidated operating profit for the period was SEK 179m (-140).

Net financial items totalled SEK 1m (4).

Consolidated profit after financial items was SEK 180m (-137).

Profit after tax amounted to SEK 177m (-142).

Profit/loss from discontinued operations was SEK 4m (-12).

Other comprehensive income included translation differences of SEK 0m (-26).

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<b>Financial position</b>	Consolidated equity at the end of the period amounted to SEK 2,138m (2,113) and the equity/assets ratio was 89 per cent (87). At 31 December 2013 the Group had a reported net loan receivable of SEK 552m (907), which consisted of interest-bearing assets of SEK 618m (1,013) and interest-bearing liabilities of SEK 66m (106). Consolidated equity per share at the end of the period was SEK 26.36, compared to SEK 26.01 per share at 31 December 2012.
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## PARENT COMPANY PROFIT AND FINANCIAL POSITION

<b>Result for the full year</b>	<p>Profit for the period was SEK 503m (128).</p> <p>Dividends amounted to SEK 28m (115), of which dividends from associated companies accounted for SEK 16m (of which SEK 3m in Vitrolife and SEK 13m in Valot Group) and short-term investments accounted for SEK 12m. In the previous year the holding in Xvivo Perfusion was distributed by Vitrolife for a value equal to the market value of the company on the date of distribution.</p> <p>Exit gains/losses amounted to SEK 2m (275). In the previous year, the sale of the Carnegie holdings accounted for exit gains of SEK 279m.</p> <p>Capital gains/losses on short-term investments amounted to SEK 22m (0).</p> <p>Changes in the fair value of financial assets totalled SEK 465m (-234), of which SEK 542m referred to listed associated companies (SEK 56m in MedCap, SEK 80m in Micronic Mydata, SEK 28m in PartnerTech, SEK 308m in Vitrolife and SEK 70m in Xvivo Perfusion) and SEK -119m referred to unlisted companies where impairment losses of SEK 79m have been recognised on the holdings in Mercuri International Group, SEK 21m in RushRail and SEK 7m in other companies. Furthermore, during the period Bure has converted a receivable of SEK 12m into a conditional shareholder contribution which has in turn been written down in full. Fair value changes on short-term investments amounted to SEK 42m (5).</p> <p>Administrative expenses amounted to SEK 31m (41). The decrease is attributable to lower provisions for employee bonuses.</p> <p>Net financial items totalled SEK 17m (14).</p>
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<b>Financial position</b>	Equity in the Parent Company at the end of the period amounted to SEK 2,479m (2,134) and the equity/assets ratio was 93 per cent (98). Cash and cash equivalents and short-term investments in the Parent Company at the end of the period are reported at SEK 683m (829), of which short-term investments accounted for SEK 609m (438). External interest-bearing receivables amounted to SEK 17m (26). Receivables from subsidiaries totalled SEK 284m (303).
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<b>Bure's loss carryforwards</b>	At the end of 2013 the Bure Group had total loss carryforwards of approximately SEK 671m, of which around SEK 481m referred to the Parent Company. As a result of the merger with Skanditek Industriförvaltning, which took place in 2010, loss carryforwards of SEK 110m were transferred to the Parent Company. The loss carryforwards in the Parent Company will be suspended until the end of 2015 in respect of the merger between Bure and Skanditek. The loss carryforwards in the subsidiaries will be available to offset against taxable profits in certain wholly owned subsidiaries. The deferred tax asset based on loss carryforwards in the Group has been valued at SEK 14m (20).
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<b>Personnel and salaries</b>	Information about the average number of employees and the salaries and benefits of senior executives is provided in Notes 32–34.
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<b>Significant risks and uncertainties</b>	<p>In view of rapid changes in the financial markets, a special emphasis is placed on monitoring the effects of these on Bure's investments and their valuations.</p> <p>Liquidity risk is the risk that the Group will be unable to finance loan payments or other financial obligations as they fall due either with its own funds or with new financing. No significant changes in the Parent Company's or the Group's risks and uncertainties took place during the year. At 31 December Bure had a net loan receivable of SEK 552m (907).</p>
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<b>Financial risk management</b>	<p>The Bure Group is exposed to a number of different financial risks, including share price risk, currency risk, interest rate risk and liquidity risk. Bure has a number of basic principles for management of risks. Bure's finance policy states that the Parent Company shall be essentially debt-free. Furthermore, each portfolio company shall be financially independent from the Parent Company, which means that the Parent Company is not financially liable for obligations in the portfolio companies and that the companies are responsible for their own financing arrangements. Financing of the respective portfolio companies shall be well adapted to each company's individual situation. For a more detailed description of the Group's financial risk management, see Note 21, Financial instruments.</p> <p>The Board of Directors has established an Investment Committee to actively manage Bure's short-term investments. The Investment Committee's main responsibility is to evaluate the management of short-term investments with regard to risk and return. The Investment Committee is comprised of Patrik Tigerschiöld, Hans Biörck and CEO Henrik Blomquist. The mandate of the Investment Committee is regulated by the company's financial policy.</p> <p>The underlying costs are normally generated in the same currency as revenues, which means that transaction exposure is limited. Since the Group has investments outside Sweden via its subsidiaries, the consolidated statement of financial position and statement of comprehensive income are exposed to exchange differences arising on the translation of the foreign subsidiaries' financial statements.</p>
<b>Sensitivity analysis</b>	<p>The Bure Group's results are affected by a number of factors. Those described here should be seen only as indications, and do not to any extent include compensatory measures that can be taken in response to specific events. Bure's sensitivity to financial factors can be broken down into share price risk, interest rate sensitivity and currency sensitivity. Share price risk refers to the risk that the value of shares listed on an exchange is subject to change. Based on the market value of listed holdings of SEK 1,497m on 31 December 2013 a one per cent average change in the price of listed holdings would affect earnings before tax by SEK 15m. In the short term, a one per cent change in the interest rate for the Group would have an estimated effect on the profit of the Group and the Parent Company of around SEK 5m. Sensitivity to different currencies is deemed to be relatively limited. The most important currency, apart from the Swedish krona, is the euro. The share of the Group's net sales in euros is approximately 57 per cent. A 5 per cent change in the euro exchange rate would have an estimated effect on profit of around SEK 0.8m. The estimated effect on profit of a change in Bure's sales varies depending on the company to which the change relates. In some of the companies, the short-term marginal effect of a change in sales is fairly substantial, whether an increase or a decrease. This depends on the reason for the change in sales. For example, there is a large difference between a volume effect and a price effect.</p>
<b>Financial targets and strategy</b>	<p>The goal is for the potential value growth of each individual investment to clearly contribute to long-term growth in Bure's market capitalisation. Each individual investment shall have an annual internal rate of return (IRR) of more than 12 per cent. Bure's business mission is to acquire, develop and divest operating companies in a way that gives Bure's shareholders a good return on invested capital and enables the portfolio companies to continuously develop their respective businesses in a successful manner. The Parent Company shall be essentially debt-free and the portfolio companies shall have a level of debt over time that is adequate in relation to their assessed operational risk.</p>
<b>Ownership structure and the Bure share</b>	<p>Bure is listed on NASDAQ OMX Stockholm, in the Mid Cap segment. At 31 December 2013 Bure had 18,955 shareholders.</p>
<b>Share capital and number of shares</b>	<p>Bure's share capital at 31 December 2013 amounted to SEK 535.3m, divided between 81,101,985 shares, which is equal to a quota value of around SEK 6.60. Bure has two outstanding warrant programmes to the Chairman and the employees for a total of SEK 1,359,000 warrants. The programmes had no dilutive effect on the number of shares at 31 December 2013.</p>

Treasury shares	<p>Bure's 2013 AGM decided to authorise Bure's Board of Directors to acquire up to 10 per cent of the total number of shares in Bure Equity AB.</p> <p>At 31 December 2013 Bure held 5,050,475 treasury shares, which is equal to 6.23 per cent of the total number of shares outstanding. The Articles of Association contain no limitations on the right to transfer shares nor, to the Board of Directors' knowledge, is the company party to any significant agreements that will have any impact, be altered or cease to apply if control over the company changes as a result of a public tender offer.</p>										
Authorisation for the repurchase and sale of treasury shares	<p>The Board currently has an authorisation to acquire treasury shares in a number equal to a maximum of 10 per cent of the total number of shares outstanding in the company. The Board of Directors will propose that the AGM give the Board renewed authorisation, until the date of the 2015 AGM, to repurchase and sell treasury shares in a number equal a maximum of 10 per cent of the total number of shares outstanding in the company.</p>										
Principles for compensation and other terms of employment for senior executives	<p>The principles for compensation were adopted by the AGM of Bure on 22 April 2013 and are as follows:</p> <p>Compensation to the CEO and other senior executives shall consist of basic salary, variable salary and pension. Other senior executives refer to the CFO and one investment manager.</p> <p>The relationship between basic and variable salary (bonus) shall be proportionate to the executive's responsibilities and powers.</p> <p>The maximum amount of variable salary for the CEO is equal to 120–150 per cent of basic annual salary. For other senior executives, the maximum amount of variable salary is equal to 25–100 per cent of basic annual salary.</p> <p>Variable salary for the CEO and other senior executives is based on the outcome of three quantitative parameters in relation to predetermined targets.</p> <p>The quantitative parameters are linked to development in a selection of the portfolio companies and to Bure Equity AB's share price performance.</p> <p>Other senior executives also have a discretionary parameter where the outcome is evaluated against individually set goals.</p> <p>All pension benefits are of the defined contribution type. For additional information see Note 34, "Compensation to senior executives".</p>										
Subsequent events	No significant subsequent event has taken place after the end of 2013.										
Future outlook	Due to the nature of its business, Bure makes no forecasts about future earnings.										
Proposed appropriation of profit	<p>The company's annual report will be submitted for adoption by the Annual General Meeting on 24 April 2014. The following funds are at the disposal of the AGM according to the Parent Company balance sheet:</p> <table> <tr> <td>Retained earnings</td><td>SEK 1,440,174,544</td></tr> <tr> <td>Profit for the year</td><td>SEK 503,492,141</td></tr> <tr> <td></td><td>SEK 1,943,666,685</td></tr> </table> <p>The Board proposes that the profits be appropriated as follows:</p> <table> <tr> <td>To be paid to the shareholders as a ordinary dividend of 0.50 per share and an extraordinary dividend of SEK 0.50 per share, for a total of</td><td>SEK 81,101,985</td></tr> <tr> <td><b>To be carried forward to new account</b></td><td><b>SEK 1,862,564,700</b></td></tr> </table>	Retained earnings	SEK 1,440,174,544	Profit for the year	SEK 503,492,141		SEK 1,943,666,685	To be paid to the shareholders as a ordinary dividend of 0.50 per share and an extraordinary dividend of SEK 0.50 per share, for a total of	SEK 81,101,985	<b>To be carried forward to new account</b>	<b>SEK 1,862,564,700</b>
Retained earnings	SEK 1,440,174,544										
Profit for the year	SEK 503,492,141										
	SEK 1,943,666,685										
To be paid to the shareholders as a ordinary dividend of 0.50 per share and an extraordinary dividend of SEK 0.50 per share, for a total of	SEK 81,101,985										
<b>To be carried forward to new account</b>	<b>SEK 1,862,564,700</b>										

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The undersigned hereby certify that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union and with the application of generally accepted accounting principles, and give a true and fair view of the financial position and results of the Group and the Parent Company, and that the administration report gives a true and fair view of the development of operations, financial position and results of the Group and the Parent Company and describes the significant risks and uncertainties to which the Group companies are exposed.

Stockholm, 12 March 2014

Patrik Tigerschiöld  
Chairman

Hans Biörck

Carl Björkman

Eva Gidlöf

Håkan Larsson

Mathias Uhlén

Henrik Blomquist  
President & CEO

Our auditor's report was submitted on 12 March 2014  
PricewaterhouseCoopers AB

Michael Bengtsson  
Authorised Public Accountant



# Statement of comprehensive income, Group

At 31 December 2013

Note	SEK m	Group	
		2013	2012
	<b>Continuing operations</b>		
	<b>Operating income</b>		
2	Net sales	548.9	548.9
	Other operating income	8.0	2.8
	Dividends	24.8	0.9
3, 14	Exit gains	1.9	-23.3
	Capital gains on short-term investments	22.2	1.0
5	Fair value	190.2	-20.5
4	Shares in profit/loss of associates	16.5	50.3
	<b>Total</b>	<b>812.5</b>	<b>560.1</b>
	<b>Operating expenses</b>		
8, 9	Other external expenses	-184.9	-187.4
33, 34, 35	Personnel costs	-322.7	-357.0
10, 12, 13	Depreciation and impairment of property, plant and equipment	-22.7	-16.1
11	Amortisation and impairment of intangible assets	-57.4	-102.8
	Other operating expenses	-45.4	-37.3
	<b>Total operating expenses</b>	<b>-633.1</b>	<b>-700.5</b>
	<b>Operating profit/loss</b>	<b>179.4</b>	<b>-140.4</b>
6	Interest income and similar profit/loss items	18.6	12.5
6	Interest expenses and similar profit/loss items	-17.6	-9.0
	<b>Profit/loss after financial items</b>	<b>180.4</b>	<b>-136.9</b>
7	Income tax expense	-3.8	-4.9
	<b>Profit/loss from continuing operations</b>	<b>176.6</b>	<b>-141.8</b>
24	Discontinued operations	3.2	-12.2
	<b>Profit/loss for the year</b>	<b>179.8</b>	<b>-154.0</b>
	<b>Other comprehensive income</b>		
	<b>Items that may be reclassified subsequently to profit or loss</b>		
	Foreign exchange gains/losses	0.2	-26.0
	<b>Other comprehensive income for the year, net after tax</b>	<b>0.2</b>	<b>-26.0</b>
	<b>Comprehensive income for the year</b>	<b>180.0</b>	<b>-180.0</b>
	Profit/loss attributable to non-controlling interests	-9.2	-18.1
	Profit/loss attributable to owners of the Parent Company	189.0	-135.9
	Comprehensive income attributable to non-controlling interests	-9.2	-20.4
	Comprehensive income attributable to owners of the Parent Company	189.2	-159.6
	Average basic number of shares outstanding, thousands <sup>1</sup>	78,649	81,224
	attributable to owners of the Parent Company in continuing operations, SEK	2.37	-1.55
22	attributable to owners of the Parent Company in discontinued operations, SEK	0.03	-0.12
	<b>Basic earnings per share, SEK<sup>1</sup></b>	<b>2.40</b>	<b>-1.67</b>

1) No dilutive effect at 31 December 2013 and 2012.

# Statement of financial position, Group

At 31 December 2013

Note	SEK m	Group	
		31 Dec 2013	31 Dec 2012
	<b>NON-CURRENT ASSETS</b>		
	<b>Intangible assets</b>		
10	Patent, licenses, etc.	11.2	18.9
11	Goodwill	106.8	171.2
	<b>Total intangible assets</b>	<b>117.9</b>	<b>190.1</b>
	<b>Property, plant and equipment</b>		
12	Buildings, land and land improvements	2.2	2.0
13	Equipment, tools, fixtures and fittings	215.1	241.5
	<b>Total property, plant and equipment</b>	<b>217.3</b>	<b>243.5</b>
	<b>Financial assets</b>		
28	Investments in associates	1,005.3	765.8
	Other non-current securities	4.2	51.3
15	Other non-current receivables	20.3	47.3
7	Deferred tax assets	14.0	20.4
	<b>Total financial assets</b>	<b>1,043.8</b>	<b>884.7</b>
	<b>Total non-current assets</b>	<b>1,379.0</b>	<b>1,318.3</b>
	<b>CURRENT ASSETS</b>		
	Inventories, etc.	3.9	4.1
21	Trade receivables	98.3	120.3
15	Other current receivables	10.1	22.1
	Current tax assets	6.4	7.7
16	Prepaid expenses and accrued income	16.7	36.9
21	Short-term investments	684.6	437.9
	Cash and cash equivalents	138.7	490.9
24	Discontinued operations	54.5	–
	<b>Total current assets</b>	<b>1,013.2</b>	<b>1,119.9</b>
	<b>TOTAL ASSETS</b>	<b>2,392.2</b>	<b>2,438.2</b>
	<i>of which, interest-bearing assets</i>	<i>617.9</i>	<i>1,013.0</i>

Note	SEK m	Group	
		31 Dec 2013	31 Dec 2012
	<b>EQUITY</b>		
	Share capital	535.3	535.3
	Other contributed capital	713.9	713.9
	Other reserves	-81.2	-85.6
	Retained earnings including profit for the year	956.8	926.7
	<b>Total equity attributable to owners of the Parent Company</b>	<b>2,124.9</b>	<b>2,090.3</b>
	<b>Equity attributable to non-controlling interests</b>	<b>13.1</b>	<b>22.4</b>
23	<b>Total equity</b>	<b>2,138.0</b>	<b>2,112.7</b>
	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
7	Deferred tax liability	0.2	0.1
17	Provisions	24.9	21.4
21	Liabilities to credit institutions	1.3	2.1
	Other non-current liabilities	1.8	12.1
	<b>Total non-current liabilities</b>	<b>28.2</b>	<b>35.8</b>
	<i>of which, interest-bearing</i>	<i>17.5</i>	<i>18.0</i>
	<b>Current liabilities</b>		
21	Liabilities to credit institutions	48.1	84.3
	Prepayments from customers	21.0	22.7
	Trade payables	21.0	36.7
7	Current tax liabilities	2.7	0.9
	Other current liabilities	22.5	35.7
18	Accrued expenses and deferred income	81.0	109.5
	<b>Total current liabilities</b>	<b>196.3</b>	<b>289.7</b>
	<i>of which, interest-bearing</i>	<i>48.2</i>	<i>88.4</i>
	<b>TOTAL LIABILITIES</b>	<b>224.5</b>	<b>325.5</b>
24	Discontinued operations	29.7	–
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,392.2</b>	<b>2,438.2</b>
19	Pledged assets	93.7	190.3
20	Contingent liabilities	2.3	2.3

# Income statements, Parent Company

At 31 December 2013

Note	SEK m	Parent Company	
		2013	2012
	<b>OPERATING INCOME</b>		
	<b>Investing activities</b>		
31	Dividends		
	Portfolio companies	16.4	114.7
	Short-term investments	11.8	0.0
3	Exit gains/losses	1.5	274.8
	Capital gains/losses on short-term investments	22.4	0.0
5	Fair value		
	Portfolio companies	422.5	-239.0
	Short-term investments	42.1	4.9
	Other operating income	0.2	0.0
	<b>Total operating income</b>	<b>516.9</b>	<b>155.4</b>
	<b>Operating expenses</b>		
33, 34, 35	Personnel costs	-16.3	-31.4
8, 9	Other external expenses	-14.3	-9.8
13	Depreciation of property, plant and equipment	-0.1	-0.1
	<b>Total expenses</b>	<b>-30.8</b>	<b>-41.4</b>
	<b>Operating profit/loss before financial items</b>	<b>486.1</b>	<b>114.0</b>
	<b>Financial income and expenses</b>		
6	Interest income and similar profit/loss items	17.6	14.8
6	Interest expenses and similar profit/loss items	-0.2	-0.8
	<b>Total financial income and expenses</b>	<b>17.4</b>	<b>14.0</b>
	<b>Profit/loss before tax</b>	<b>503.5</b>	<b>128.0</b>
7	Income tax expense	–	–
	<b>Profit/loss for the year<sup>1</sup></b>	<b>503.5</b>	<b>128.0</b>
	Average basic number of shares outstanding, thousands <sup>2</sup>	78,649	81,224
22	Basic earnings per share, SEK <sup>2</sup>	6.4	1.6
	Average number of employees	7	7
	Proposed dividend per share, SEK	1.0	0.5

1) Corresponds to comprehensive income.

2) No dilutive effect at 31 December 2013 or 31 December 2012.

# Balance sheets, Parent Company

At 31 December 2013

Note	SEK m	Parent Company	
		31 Dec 2013	31 Dec 2012
	<b>NON-CURRENT ASSETS</b>		
	<b>Property, plant and equipment</b>		
13	Equipment, tools, fixtures and fittings	0.4	0.5
	<b>Total property, plant and equipment</b>	<b>0.4</b>	<b>0.5</b>
	<b>Financial assets</b>		
14, 26, 27	Participations in group companies	170.8	221.2
14, 28, 29	Investments in associates	1,422.4	765.0
15	Other non-current receivables	15.2	28.2
	Receivables from group companies	58.3	24.2
	Other financial assets	2.4	7.9
	<b>Total financial assets</b>	<b>1,669.1</b>	<b>1,046.5</b>
	<b>Total non-current assets</b>	<b>1,669.4</b>	<b>1,047.0</b>
	<b>CURRENT ASSETS</b>		
	<b>Current receivables</b>		
	Receivables from group companies	225.9	278.8
15	Other current receivables	3.7	11.1
	Current tax assets	1.6	1.5
16	Deferred expenses and accrued income	0.7	2.3
	<b>Total current receivables</b>	<b>231.9</b>	<b>293.7</b>
	Other listed holdings	74.4	–
21	Short-term investments	609.3	437.9
	Cash and cash equivalents	73.9	390.9
	<b>Total current assets</b>	<b>989.5</b>	<b>1,122.5</b>
	<b>TOTAL ASSETS</b>	<b>2,658.9</b>	<b>2,169.5</b>
	<i>of which, interest-bearing assets</i>	<i>837.3</i>	<i>1,155.0</i>
	<b>EQUITY</b>		
	<b>Restricted equity</b>		
	Share capital	535.3	535.3
	<b>Total restricted equity</b>	<b>535.3</b>	<b>535.3</b>
	<b>Non-restricted equity</b>		
	Retained earnings	1,440.2	1,471.0
	Profit/loss for the year	503.5	128.0
	<b>Total non-restricted equity</b>	<b>1,943.7</b>	<b>1,599.0</b>
23	<b>Total equity</b>	<b>2,479.0</b>	<b>2,134.3</b>
	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
	Other non-current liabilities	1.1	11.0
	<b>Total non-current liabilities</b>	<b>1.1</b>	<b>11.0</b>
	<b>Current liabilities</b>		
	Trade payables	0.9	1.0
	Liabilities to group companies	165.2	–
	Other current liabilities	0.4	1.3
18	Accrued expenses and deferred income	12.4	21.9
	<b>Total current liabilities</b>	<b>178.9</b>	<b>24.2</b>
	<i>of which, interest-bearing liabilities</i>	<i>–</i>	<i>–</i>
	<b>Total liabilities</b>	<b>180.0</b>	<b>35.2</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,658.9</b>	<b>2,169.5</b>
19	Pledged assets	–	–
20	Contingent liabilities	–	–

# Statement of changes in equity, Group

At 31 December 2013

Group SEK m	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year	Non- controlling interests	Total equity
<b>Equity at 1 January 2012</b>	<b>535.3</b>	<b>713.9</b>	<b>-71.3</b>	<b>1,102.7</b>	<b>43.9</b>	<b>2,324.5</b>
Comprehensive income for the period	–	–	-14.3	-147.6	-18.1	-180.0
Dividends	–	–	–	-24.4	–	-24.4
Issue of options/warrants	–	–	–	0.7	–	0.7
Transactions with non-controlling interests	–	–	–	–	-3.4	-3.4
Cancellation of shares	-24.9	–	–	–	–	-24.9
Bonus issue	24.9	–	–	–	–	24.9
Change in equity through owner transactions in associates	–	–	–	1.0	–	1.0
Share buyback	–	–	–	-5.7	–	-5.7
<b>Equity at 31 December 2012</b>	<b>535.3</b>	<b>713.9</b>	<b>-85.6</b>	<b>926.7</b>	<b>22.4</b>	<b>2,112.7</b>
<b>Equity at 1 January 2013</b>	<b>535.3</b>	<b>713.9</b>	<b>-85.6</b>	<b>926.7</b>	<b>22.4</b>	<b>2,112.7</b>
Comprehensive income for the period	–	–	0.2	189.0	-9.2	180.0
Changed accounting policy	–	–	4.2	–	–	4.2
Cancellation of shares	-1.7	–	–	–	–	-1.7
Bonus issue	1.7	–	–	–	–	1.7
Cash dividend	–	–	–	-40.6	–	-40.6
Share buyback	–	–	–	-118.3	–	-118.3
<b>Equity at 31 December 2013</b>	<b>535.3</b>	<b>713.9</b>	<b>-81.2</b>	<b>956.8</b>	<b>13.1</b>	<b>2,138.0</b>

# Statement of changes in equity, Parent Company

At 31 December 2013

SEK m	Share capital	Non-restricted equity	Total equity
<b>Equity at 1 January 2012</b>	<b>535.3</b>	<b>1,442.3</b>	<b>1,977.6</b>
<b>Profit/loss for the year</b>	–	<b>128.0</b>	<b>128.0</b>
Changed accounting policy <sup>1</sup>	–	58.0	58.0
Issue of options/warrants	–	0.7	0.7
Share buyback	–	-5.7	-5.7
Cash dividend	–	-24.4	-24.4
<b>Equity at 31 December 2012</b>	<b>535.3</b>	<b>1,599.0</b>	<b>2,134.3</b>

SEK m	Share capital	Non-restricted equity	Total equity
<b>Equity at 1 January 2013</b>	<b>535.3</b>	<b>1,566.1</b>	<b>2,101.4</b>
<b>Profit/loss for the year</b>	–	<b>503.5</b>	<b>503.5</b>
Changed accounting policy <sup>1</sup>	–	32.9	32.9
Cancellation of treasury shares	-1.7	–	-1.7
Bonus issue	1.7	–	1.7
Share buyback	–	-118.3	-118.3
Cash dividend	–	-40.6	-40.6
<b>Equity at 31 December 2013</b>	<b>535.3</b>	<b>1,943.7</b>	<b>2,479.0</b>

1) Effect caused change of accounting principle for listed associated companies to fair value.

# Cash flow statement

At 31 December 2013

Note	SEK m	Group		Parent Company	
		2013	2012	2013	2012
	<b>Operating activities</b>				
	Profit/loss after financial items	185.7	-146.3	503.5	153.1
	Amortisation and depreciation of property, plant and equipment and intangible assets	84.4	125.3	0.1	0.1
	Fair value of short-term investments	-42.1	-11.7	-42.1	-4.9
	Fair value/writedown of portfolio companies	-148.1	32.2	-422.5	213.9
	Shares in profit/loss of associates	-17.6	-50.3	–	–
	Dividend, Xvivo Perfusion	–	–	–	-113.8
	Other non-cash items, net	2.2	0.3	–	–
	Paid tax	2.6	1.8	-0.1	0.6
	<b>Cash flow from operating activities before changes in working capital</b>	<b>67.1</b>	<b>-48.7</b>	<b>38.9</b>	<b>249.0</b>
	<b>Cash flow from changes in working capital</b>				
	Change in inventories	0.2	-0.2	–	–
	Change in current receivables	20.3	1.6	6.5	-1.0
	Change in provisions	3.6	4.6	–	–
	Change in current liabilities	-30.2	7.0	-10.5	6.2
	<b>Cash flow from changes in working capital</b>	<b>-6.1</b>	<b>13.0</b>	<b>-4.0</b>	<b>5.2</b>
	<b>Cash flow from operating activities</b>	<b>60.9</b>	<b>-35.7</b>	<b>34.9</b>	<b>254.2</b>
	<b>Investing activities</b>				
12, 13	Acquisition of other non-current assets	7.4	-293.0	–	-0.2
14	Investments in portfolio companies, net	-26.7	613.2	-179.0	313.1
	Investments in short-term investments, net	-204.6	-246.0	-203.7	-254.0
	<b>Cash flow from investing activities</b>	<b>-223.9</b>	<b>74.2</b>	<b>-382.7</b>	<b>59.1</b>
	<b>Financing activities</b>				
	Borrowings/amortisation of debt	28.9	25.5	155.3	-84.2
	Loans granted/amortisation of loans	-46.6	21.4	34.3	-105.9
	Share buyback	-118.3	-5.6	-118.3	-5.6
	Dividends to shareholders	-40.6	-24.5	-40.6	-24.5
	<b>Cash flow from financing activities</b>	<b>-176.6</b>	<b>16.8</b>	<b>30.7</b>	<b>-220.2</b>
	<b>Cash flow for the year</b>	<b>-339.5</b>	<b>55.3</b>	<b>-317.1</b>	<b>93.1</b>
	Cash and cash equivalents at beginning of year	490.9	430.8	390.9	297.3
	Cash flow for the year	-339.5	55.3	-317.1	93.1
	Foreign exchange gains/losses	0.2	4.7	–	–
	Cash and cash equivalents in discontinued operations	-12.8	–	–	–
	<b>Cash and cash equivalents at end of year</b>	<b>138.7</b>	<b>490.9</b>	<b>73.9</b>	<b>390.9</b>
	Interest paid	0.0	-6.7	0.0	-0.8
	Interest received	0.9	9.7	0.7	8.1



# Notes

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## NOTE 1 – ACCOUNTING POLICIES

General information	Bure Equity AB (publ), corporate identity number 556454-8781, domiciled in Stockholm. The address of the head office is Nybrogatan 6, Stockholm, Sweden. The Parent Company is quoted on NASDAQ OMX Stockholm. These consolidated financial statements were approved by the Board on 12 March 2014.
Basis for presentation	<p>The consolidated financial statements are presented in compliance with International Financial Reporting Standards (IFRS) as endorsed for application in the EU. In addition to IFRS, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities, are applied.</p> <p>The consolidated financial statements have been prepared according to the acquisition method of accounting, aside from financial assets measured at fair value either through profit or loss or in other comprehensive income. The preparation of financial statements according to IFRS requires the management to make estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates affect reported statement of comprehensive income or statement of financial position are described in Note 11.</p>
Principles of consolidation	<p>The consolidated financial statements are presented according to IAS 27, Consolidated and Separate Financial Statements, with the application of the acquisition method as stated in IFRS 3, Business Combinations.</p> <p>The consolidated financial statements include the Parent Company and all companies in which the Parent Company has a controlling influence, normally comprising companies in which Bure directly or indirectly holds more than 50 per cent of the voting rights. Companies acquired during the year are consolidated from the date of acquisition. Companies sold during the year are consolidated until the date of sale. Associated companies are consolidated according to IAS 28, Investments in Associates with the help of the equity method. Associated companies normally consist of companies in which Bure has a significant influence, i.e. where the share of votes amounts to between 20 and 50 per cent. For the holding in Valot, the equity method is not used since Bure has a marginal share of the value change in equity. Under the equity method, the Group's historical cost for the shares, plus the Group's share in profit/loss of the associated company less dividends received, is recognised in the consolidated statement of financial position within "Investments in associates". Listed holdings acquired in 2012 or later are recognised as financial assets at fair value through profit or loss in accordance with IAS 39 and IAS 28, point 1. In the consolidated statement of comprehensive income, "Shares in profit/loss of associates" comprises Bure's share in the net profit/loss of associated companies. On acquisition of the investment in an associate, any difference between the cost of acquisition and Bure's share of the fair values of the net identifiable assets of the associate is accounted for as goodwill according to principles corresponding to those for applicable to the acquisition of subsidiaries. Acquired goodwill is tested for impairment when there is an indication as described in the standard. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised. Bure's share in the transactions which an associated company has recognised in other comprehensive income is recognised in comprehensive income.</p>
Share of and transactions with non-controlling interests	Non-controlling interests (NCIs) refer to that portion of profit/loss and net assets in partially owned subsidiaries that is attributable to other owners. The NCI's share in profit or loss is recognised in the consolidated statement of comprehensive income and the NCI's share in net assets is recognised in equity in the consolidated statement of financial position. Information is provided regarding the amount of each item that is attributable to owners of the Parent Company and to NCIs. On the sale of NCIs where the consideration received differs from the carrying amount of the sold share in net assets, the resulting gain or loss is recognised in equity.
Foreign currency translation	<p>Items included in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the functional and presentation currency of the Parent Company. Transactions in foreign currencies are translated to the functional currency at the rate of exchange ruling on the transaction date. Foreign exchange gains/losses arising on translation of monetary assets and liabilities denominated in foreign currency are translated at the closing day rate of exchange and recognised in profit or loss. Goodwill and other intangible assets arising on the acquisition of a foreign operation are treated as assets of such operations and are translated to SEK at the closing day rate of exchange.</p> <p>The assets and liabilities of foreign subsidiaries are translated at the closing day rate of exchange and all income and expenses are translated at the average rate during the year. Estimated translation differences are recognised in other comprehensive income. Goodwill and negative goodwill arising from business combinations with respect to assets in foreign currency are translated at the current rate of exchange. Exchange gains or losses on financial assets and liabilities are recognised in financial income or expense. Exchange gains or losses on operating assets and liabilities are recognised in operating profit or loss.</p>
Business combinations	Business combinations are reported according to the acquisition method of accounting, whereby all acquired assets and liabilities are measured at their fair values on the acquisition date. These fair values also include the share in net assets attributable to non-controlling interests. Identifiable net assets also consist of assets, liabilities, and provisions that are not recognised in the balance sheet of the acquiree.

No provisions may be made for planned restructuring measures in connection with the acquisition, so-called restructuring reserves. The difference between the value of consideration given and the fair value of net assets acquired is recorded as goodwill to the extent that no other identifiable and separable intangible assets have been identified.

Any goodwill arising from the business combination ultimately consists of the synergies that the acquiree is expected to rise to in the existing operation.

All intangible assets identified in connection with business combinations, excluding goodwill, are amortised. Each individual intangible asset (except for goodwill) is amortised over its estimated useful life, which is reviewed regularly. If an intangible asset is deemed to have an indefinite life, it is not amortised. An intangible asset is assessed to have an indefinite life when all relevant circumstances have been taken into account and there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

The useful life of goodwill is generally assumed to be indefinite. There are no other assets with indefinite lives in the Bure Group.

#### Goodwill

Goodwill arising from business combinations is recognised as a non-current asset and is tested for impairment at least annually. Since it is not possible to test goodwill for impairment separately from other assets, goodwill must be allocated to cash-generating units in which a separable cash flow can be identified. Other assets and liabilities in the Group may also be allocated to these cash-generating units. The cash-generating units to which goodwill has been allocated correspond to the lowest level of the Group at which goodwill is monitored. The lowest organisational level in accordance with the standard may not be higher than a segment as described in IFRS 8, Operating Segments. When the recoverable amount of a cash-generating unit falls below its carrying amount, an impairment loss is recognised in the consolidated statement of comprehensive income. When the recoverable amount of a cash-generating unit falls below its carrying amount, an impairment loss is first recognised through a reduction in goodwill. If this value is in turn lower than the difference between the recoverable amount and carrying amount, impairment losses should be recognised on other assets on a pro rata basis.

#### Intangible assets (excl. goodwill)

The intangible assets recognised in the statement of financial position are those that have either been acquired as part of a business combination (see above), separately purchased or internally generated. Intangible assets are capitalised in the statement of financial position when it is probable that the economic benefits attributable to the asset will flow to Bure and the cost of the asset can be measured reliably. The Group currently conducts no research and development activities, for which reason no internally generated intangible assets are recorded in the statement of financial position.

#### Property, plant and equipment

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the depreciable amount, normally comprising historical cost less any estimated residual value at the end of the useful life. Depreciation is carried out on a straight-line basis over the estimated useful life of the asset.

Other intangible assets 20–33 per cent.

Other machinery and equipment 20–33 per cent.

Computers 33 per cent.

Locomotives 3.3 per cent.

#### Leasing

Leases are classified as either finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership of the asset to the lessee. All other leases are classified as operating leases. A finance lease is recorded as a non-current asset and a financial liability in the statement of financial position. The finance lease payments consist of interest and straight-line depreciation. A leased asset is depreciated according to the same principles as owned assets. For operating leases, the lease payments are charged to the consolidated statement of comprehensive income.

Certain smaller finance leases for company cars and office equipment are recorded as operating leases.

#### Financial instruments

Classification of financial assets and liabilities.

Financial instruments are classified in the following categories:

1. Financial assets measured at fair value through profit or loss. This group, in turn, consists of two sub-groups:
  - Held-for-trading financial assets and liabilities. For Bure, this category includes financial derivatives with positive values.
  - Financial assets and liabilities initially classified in this sub group according to the fair value option. Such assets are recorded as current assets and fair value changes are recognised directly in comprehensive income.
2. Held-to-maturity investments. The Bure Group has no financial investments in this category at present.

	<p>3. Loans and receivables. This category consists of cash and cash equivalents, trade receivables, loan receivables and accrued income. These are classified as current assets except for items with an expected maturity of longer than 12 months after the balance sheet date.</p> <p>Loan receivables, trade receivables and accrued income are measured at amortised cost with a deduction for doubtful debts. Provisions for doubtful debts are made after individual assessment of each customer/counterparty's ability to pay and when there is objective evidence that the Group will not be able to collect the amount due. In assessment of loss risks, the value of any furnished collateral is taken into account. In cases where the reserved amount is recovered, a reversal is recognised in profit or loss.</p> <p>4. Available-for-sale financial assets. This category consists of non-derivative financial assets not designated to any of the above categories. In the Bure Group these include holdings of shares and other securities available-for-sale. Assets in this category are recognised as non-current assets unless the management's intention is to sell the asset within the coming 12-month period. Available-for-sale financial assets are measured at fair value. Unrealised changes in fair value after the acquisition date are deferred to comprehensive income. On disposal, any unrealised gains or losses are recycled to profit or loss. Fair value is determined primarily on the basis of quoted market prices. If none such exist, fair value is determined through alternative valuation techniques such as discounted cash flows.</p> <p>5. Financial liabilities measured at fair value through profit or loss. For Bure, this category includes financial derivatives with negative values.</p> <p>6. Financial liabilities measured at amortised cost. These liabilities are recognised net in the balance sheet after deduction of any transaction costs. This category includes liabilities under finance leases, loans with fixed and variable interest, trade payables and accrued expenses. Liabilities with an expected maturity of less than 12 months are recognised as current, in other case as noncurrent.</p>
Impairment of financial assets	At each balance sheet date, the management conducts a review to look for objective evidence that a financial asset may be impaired. For available-for-sale financial assets, an impairment loss is recognised if the identified decrease in fair value is significant and permanent. Reversals of previously recognised impairment losses on own equity instruments (shares) are not recognised in comprehensive income under any circumstances.
Financial risk management	<p>The Bure Group is exposed to a number of different financial risks such as share price risk, currency risk, interest rate risk and general liquidity risk. Bure's overall risk objective is regulated in the Parent Company's finance policy. Because the subsidiaries are mutually autonomous, each has adopted its own separate finance policy.</p> <p>A more detailed description of financial risk management is provided in Note 21, Financial instruments.</p>
Inventories	Inventories are stated at the lower of cost and net realisable value.
Provisions	<p>A provision is recognised when the Group has a present obligation (legal or constructive) that has arisen as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. In cases where the company expects a provision to be reimbursed by another party, for example within the framework of an insurance agreement, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will be received. If the cash outflow to settle an obligation is expected to occur after more than 12 months, the future payment should be measured at discounted present value using a discount rate that reflects short-term market expectations with consideration to transaction-specific risks. The cost of the provision is capitalised in comprehensive income.</p> <p>A provision to a restructuring reserve is recognised in the period when the Group has a legal or constructive obligation to carry out the plan and those affected have a valid expectation. A provision is recognised only for direct expenditures that are caused by the restructuring and are an effect of remaining contractual obligations without lasting economic benefits or that consist of a fine resulting from termination of the obligation.</p>
Revenue recognition	<p>Revenue arising from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Income from the sale of services is recognised when it can be measured reliably, when it is probable that the economic benefits associated with the transaction will flow to the company and when the expenses expected to arise as a result of the transaction can be measured reliably.</p> <p>Revenue from service contracts is recognised when the total income and expenses in a completed project can be measured reliably and it is probable that the economic benefits associated with the specific transaction will flow to the company. The stage of completion of a contract is determined by comparing the proportion of contract costs incurred to date with the estimated total contract costs. In accordance with the rules in the percentage of completion method, estimated revenue for work in progress less progress billings is recognised under the heading "Receivables". In cases where the progress billings exceed costs incurred, these are recognised under the heading "Liabilities" as prepayments from customers.</p>

<b>Borrowing costs</b>	Borrowing costs are expensed in the period in which they are incurred. In cases where borrowing costs arise in connection with the acquisition, construction or production of a qualifying asset, these costs are capitalised as part of the cost of the asset.
<b>Pensions</b>	Contributions payable under defined contribution pension plans are recognised as an expense in the period in which they arise. Defined benefit pension obligations secured through insurance with Alecta have been reported as defined benefit plans, due to a lack of sufficient information for these to be reported as defined benefit plans. Alecta's collective funding ratio at 31 December 2013 was 113 per cent. Aside from Alecta, there are defined benefit plans of insignificant scope in the Group.
<b>Non-current assets held for sale and disposal groups (IFRS 5)</b>	<p>A non-current asset/liability or disposal group for which the carrying amount will be recovered primarily through a sale and not through use is reported in a separate category in the statement of financial position as discontinued operations. A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale according to a coordinated plan and represents a separate major line of business or geographical area of operations.</p> <p>The application of IFRS 5 has had no other effect on the prior period financial reports than a change in presentation of the statement of comprehensive income, statement of financial position and cash flow statement. For discontinued operations, this means that profit/loss after tax from discontinued operations is stated on a separate line in the statement of comprehensive income.</p>
<b>Operating segments</b>	Bure's operations are monitored and supervised by the executive management based on the individual company holdings, which are therefore regarded as operating segments. Buying and selling between the operating segments is limited.
<b>Income taxes</b>	Deferred tax assets and liabilities are recognised when there are temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets relating to loss carryforwards are recognised to the extent that it is likely that these loss carryforwards can be offset against future taxable profits. The year's reported tax expense consists of tax payable on the year's taxable profit (current tax) and deferred tax. Bure's share in the income taxes of associates is included in "shares in profit/loss of associates".
<b>Cash flow statement</b>	Cash and cash equivalents refer to bank deposits.
<b>Critical accounting estimates and assumptions</b>	In preparing the financial statements, the Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely correspond to the actual results. The estimates and assumptions that are associated with a significant risk for material adjustments to the carrying amounts of assets and liabilities in the next financial year are disclosed below:
<b>Impairment of property, plant and equipment and intangible assets</b>	<p>Property, plant and equipment and intangible assets, aside from those with indefinite useful lives, are depreciated/amortised over the period when they are expected to generate economic benefits, i.e. their useful lives. If there is an indication of impairment, the asset's recoverable amount is calculated, and consists of the higher of the asset's fair value less costs to sell and its value in use. An impairment loss is recognised when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is determined on the basis of the management's estimates, for example of future cash flows. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually or more frequently when there is an indication of a decline in value. In order to test these assets, they must be allocated to cash-generating units and their respective useful lives must be calculated. The necessary calculations require the management to estimate the expected future cash flow attributable to the defined cash-generating units and to choose a suitable discount rate for use in discounting this cash flow. The Group has evaluated the estimates where changes could have a significant impact on the fair value of the assets and would therefore require the recognition of an impairment loss. Among other things, these estimates are related to the expected rate of inflation and the choice of discount rate. The assumptions applied in impairment tests, including a sensitivity analysis, are described in more detail in Note 11.</p>
<b>Deferred tax assets</b>	Deferred tax is calculated on the basis of temporary differences between the tax base and carrying amount of an asset or liability and on unutilised loss carryforwards. Deferred tax assets are recognised only when it is probable that these can be utilised against future profits. The probability that loss carryforwards can be utilised against future profits is assessed through calculation of expected future cash flows. This assessment is made in connection with impairment testing of shares in subsidiaries. In cases where the actual outcome differs from the estimates or when the management adjusts these estimates, this can lead to changes in the value of deferred tax assets.
<b>Provisions for doubtful receivables</b>	Trade receivables are initially measured at fair value and subsequently at the amount in which they are expected to be settled. Provisions for doubtful debts are made after individual and systematic assessment of each customer/counterparty's ability to pay and when there is objective evidence that the Group will not be able to collect the amount due. Losses tied to doubtful debts are recognised in comprehensive income within other operating expenses. In cases where the previously reserved amount is recovered, the provision is reversed.

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## Valuation of associates

Unlisted associated companies are valued according to the historical cost method. For holdings in unlisted companies, cash flow and market valuations are performed regularly to calculate the recoverable amount. Value changes are determined through impairment testing after the application of the valuation rules established by the Board.

## New accounting policies in the Group as of 1 January 2013

IAS 1 "Presentation of Financial Statements" has introduced changes regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income after categorisation into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). IAS 19 "Employee Benefits" was amended in June 2011. Current service costs will be recognised immediately. Interest expenses and the expected return on plan assets will be replaced by a net interest that will be calculated with the help of the discount rate, based on the net surplus or net deficit in the defined benefit plan. These changes have not had any significant impact on the consolidated financial statements.

Amendment to IFRS 7 "Financial Instruments: Disclosures" regarding asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements with those that prepare financial statements in accordance with US GAAP.

IFRS 13 "Fair Value Measurement" is designed to make fair value measurement more consistent and less complex by establishing an exact definition and a single IFRS framework for measurement of fair value and related disclosures. The standard provides guidance for fair value measurement of all types of assets and liabilities, both financial and non-financial. The requirements do not extend the use of fair value accounting but provide guidance for how it is applied where it is already required or permitted by other standard within IFRS.

Amendments to IAS 36, "Impairment of Assets", related to disclosures about the recoverable amount of non-financial assets. This amendment removed certain disclosures on the recoverable amount of cash-generating units which had been included in IAS 36 through the issue of IFRS 13. The change is not obligatory for the Group until 1 January 2014, but the Group has chosen to apply the amendment with effect from 1 January 2013.

## NEW ACCOUNTING POLICIES TO BE APPLIED BY THE GROUP FOR PERIODS BEGINNING ON OR AFTER 1 JANUARY 2014.

A number of new standards and interpretations after effective for financial periods beginning on or after 1 January 2014 and have not been applied in the preparation of these financial statements. None of these is expected to have a significant impact on the financial statements of the Group with the exception of those presented below:

IFRS 10 "Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group intends to apply IFRS 10 for the financial year beginning on 1 January 2014 and has not yet evaluated the full impact on the financial statements.

IFRS 11 "Joint Arrangements", focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement. Joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRS 12 "Disclosures of Interests in Other Companies" includes the disclosure requirements for subsidiaries, joint arrangements, associated companies and unconsolidated structured entities. The Group intends to apply IFRS 12 for the financial year beginning on 1 January 2014 and has not yet evaluated the full impact on the financial statements.

**NEW ACCOUNTING POLICIES  
TO BE APPLIED BY THE  
GROUP FOR PERIODS  
BEGINNING ON OR AFTER  
1 JANUARY 2014, CONT'D.**

IFRS 9 "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2010 for financial assets and in October 2011 for financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit and loss account, unless this creates an accounting mismatch. The Group has not yet evaluated the effects. The Group will evaluate the effects of the remaining phases of IFRS 9 when they have been completed by the IASB.

IAS 28 "Investments in Associates", describes the accounting treatment for associates. The standard has been amended so that there is no longer any restriction for the Group to measure its associated companies at fair value. The earlier standard required measurement at fair value only if the designation at fair value was made on initial recognition. Under the new standard, an entity may always choose to value its holdings at fair value provided that the entity is an entity that according to the standard may measure associated companies at fair value, which the Group is. The standard will be applied for the first time for the financial year beginning on 1 January 2014 and the Group has decided to measure all holdings in associated companies at fair value, which will lead to retrospective remeasurement and result in the following: Opening equity at 1 January 2013 will increase by SEK 72.2m and the income statement for 2013 will be affected by a positive value change of SEK 349,9m.

IFRIC 21 "Levies" sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to payment of a levy and when a liability should be recognised. The Group is not currently subject to any significant levies that are not income tax, for which reason this interpretation has not material impact on the Group.

No other of the IFRSs or IFRIC interpretations that are not yet effective is expected to have any significant impact on the Group.

**Parent Company accounting  
policies**

Unless otherwise stated, the Parent Company applies the same accounting policies as the Group, with the addition of the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. Any deviations between the policies applied by the Parent Company and the Group are a result of limitations in the scope for IFRS conformity in the Parent Company due to its application of the Swedish Annual Accounts Act.

**Financial assets**

Shares in subsidiaries and unlisted associated companies are measured in accordance with the acquisition method of accounting. For holdings in subsidiaries and unlisted associated companies, recoverable value is determined through ongoing cash flow and market value analyses. Fair value changes are determined through impairment testing after application of the valuation rules established by the Board.

**Income taxes**

The equity share of untaxed reserves is included in retained earnings. The tax share of untaxed reserves has been recognised as deferred tax liabilities within non-current liabilities.

NOTE 2 – SEGMENT REPORTING

Reporting by operating segment

Since Bure already previously reported its segments in a similar manner, no changes have been made in the grounds for segmentation or in calculation of profit/loss by segment compared to the previous year's annual report.

Consolidation adjustments relating to positive and negative goodwill have been attributed to the respective companies. Transactions between the various segments are insignificant in scope and account for less than 0.1 per cent of total sales. Dormant companies or companies not classified as portfolio companies are reported under the heading "Other companies". No customer accounted for more than 10 per cent of net sales in 2013.

SEK m	Mercuri		Investment AB Bure		Other compa- nies		Eliminations etc.		Parent Com- pany		Total	
	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012
Net sales												
Total net sales	510	542	33	–	6	7	–	–	–	–	549	549
Profit/loss												
Shares in profit/loss	–	–	–	–	–	–	17	50	–	–	17	50
Profit/loss by segment	2	-2	10	-3	3	51	-60	-150	–	–	-45	-104
Administrative expenses	–	–	–	–	–	-3	–	–	-31	-41	-31	-44
Fair value / impairment losses	-57	-102	–	–	–	-28	-217	344	465	-234	190	-21
Dividends	–	–	–	–	–	–	-3	-114	28	115	25	1
Exit gains/losses / capital gains/ losses on short-term investments	–	–	–	–	–	-23	–	-275	24	275	24	-23
Operating profit/loss	-55	-104	10	-3	3	-3	-265	-145	486	114	179	-140
Net financial items											1	4
The year's income tax expense											-4	-5
Continuing operations											177	-142
Profit/loss from discontinued operations											3	-12
Profit/loss for the year											180	-154

SEK m	The education <sup>1</sup>		Mercuri		Investment AB Bure		Other compa- nies		Eliminations, etc.		Parent Com- pany		Total	
	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012
Assets	72	81	343	420	225	252	228	201	-718	-1,418	1,237	2,137	1,387	1,672
Equity interests	–	–	–	–	–	–	–	–	-417	34	1,422	732	1,005	766
Total asset	72	81	343	420	225	252	228	201	-1,135	-1,384	2,659	2,869	2,392	2,438
Liabilities	49	82	261	267	212	239	49	50	-496	-348	180	35	254	326
Unallocated liabilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total liabilities	49	82	261	267	212	239	49	50	-496	-348	180	35	254	326
Investments	4	7	10	10	–	218	–	–	–	–	–	–	14	235
Amortisation/depreciation	4	6	9	8	9	–	5	7	–	–	–	–	27	21

1) Discontinued operations.

SEK m	Sweden		Rest of Europe		North America		Asia		Other markets	
	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012
Sales by market	108	294	315	381	16	25	52	52	58	20
Assets by market	2,132	2,127	221	270	10	8	27	23	2	10
Investments by market	12	228	2	7	0	–	0	–	0	–



**NOTE 2 – SEGMENT REPORTING, CONT'D.**

Breakdown of net sales by type

SEK m	Net sales	
	2013	2012
<b>Operating income</b>		
Sale of goods	33	34
Service contracts	464	472
Other sales	53	43
<b>Total sales in continuing operations</b>	<b>549</b>	<b>549</b>
Other operating income	–	–
Total operating income in continuing operations	549	549
Total operating income in discontinued operations	212	223
<b>Total operating income</b>	<b>761</b>	<b>772</b>

**NOTE 3 – EXIT GAINS/LOSSES**

SEK m	Group		Parent Company	
	2013	2012	2013	2012
<b>Continuing operations</b>				
Xvivo Perfusion	–	-4.8	–	-4.8
Other holdings	1.9	0.7	1.5	1.1
<b>Subtotal</b>	<b>1.9</b>	<b>-4.1</b>	<b>1.5</b>	<b>-3.7</b>
<b>Discontinued operations</b>				
The Carnegie companies	–	-19.2	–	278.5
<b>Subtotal</b>	<b>0</b>	<b>-19.2</b>	<b>0</b>	<b>278.5</b>
<b>Total</b>	<b>1.9</b>	<b>-23.3</b>	<b>1.5</b>	<b>274.8</b>

**NOTE 4 – SHARES IN PROFIT/LOSS OF ASSOCIATES (NET)<sup>1</sup>**

SEK m	Group	
	2013	2012
MedCap	–	–
Micronic Mydata	5.2	-16.7
PartnerTech	2.9	-3.4
Vitrolife	16.3	70.6
Xvivo Perfusion	–	2.1
RushRail	-7.9	-4.2
Carnegie Holding	–	-11.3
Carnegie Asset Management	–	5.0
Max Matthiessen	–	6.9
Others	–	1.3
<b>Total</b>	<b>16.5</b>	<b>50.3</b>

1) Reported profit for 2012 includes shares in profit/loss of SEK -14.5m that mainly refer to translation differences.

**NOTE 5 – FAIR VALUE**

SEK m	Group		Parent Company	
	2013	2012	2013	2012
<b>Investing activities</b>				
MedCap	55.8	–	55.8	–
Micronic Mydata	21.9	-28.0	80.0	-63.4
PartnerTech	–	-3.6	27.8	-1.5
Vitrolife	–	–	308.0	–
Xvivo Perfusion	70.4	–	70.4	–
Short-term investments	42.1	11.7	42.1	4.9
Mercuri International Group	–	–	-79.3	-120.0
RushRail	–	–	-20.9	–
Theeducation	–	–	-12.0	-19.8
G Kallstrom & Co	–	–	–	-8.8
Changed accounting policy	–	–	–	-25.1
Others	–	-0.6	-7.3	-0.4
<b>Total</b>	<b>190.2</b>	<b>-20.5</b>	<b>464.6</b>	<b>-234.1</b>



**NOTE 6 – INTEREST AND  
SIMILAR PROFIT/LOSS  
ITEMS**

Operating profit includes no foreign exchange differences relating to current assets.

SEK m	Group		Parent Company	
	2013	2012	2013	2012
<b>Income from financial assets measured at fair value through comprehensive income in the Group and through profit or loss in the Parent Company</b>				
Net exchange differences in financial receivables/liabilities	-0.9	-0.9	–	–
Interest income	6.3	9.8	16.4	13.6
Interest expense	-4.4	-5.4	-0.2	-0.8
<b>Total interest and similar profit/loss items</b>	<b>1.0</b>	<b>3.5</b>	<b>16.1</b>	<b>12.8</b>
Discontinued operations	-1.3	-1.3	1.3	1.2
<b>Total interest and similar profit/loss items</b>	<b>-0.3</b>	<b>2.2</b>	<b>17.4</b>	<b>14.0</b>

**NOTE 7 – INCOME TAXES**

At year-end 2013 the Bure Group has loss carryforwards amounting to around SEK 671 m, of which SEK 481 m refers to the Parent Company. The total deferred tax asset based on these loss carryforwards amounts to SEK 14.0 m (20.4), which is almost exclusively attributable to loss carryforwards in the subsidiaries that are expected to be offset against future profits. Due to the merger between Bure and Skanditek in 2010, the loss carryforwards in the Parent Company will be suspended until the end of 2015. The loss carryforwards in the subsidiaries will be available to offset against taxable profits in certain wholly owned subsidiaries. A limited portion of the Group's loss carryforwards is subject to expiration. This is not expected to affect the value of any capitalised loss carryforwards.

SEK m	Group	
	2013	2012
Current tax	-3.8	-2.6
Deferred tax	0.0	-5.1
<b>Total</b>	<b>-3.8</b>	<b>-7.7</b>
<b>Items included in deferred tax</b>		
<b>Deferred tax assets:</b>		
Taxed deficit	12.8	18.5
Temporary differences	1.2	1.9
<b>Total</b>	<b>14.0</b>	<b>20.4</b>
<b>Deferred tax liabilities:</b>		
Untaxed reserves	–	–
Consolidated goodwill	–	–
Temporary differences	0.2	0.1
<b>Total</b>	<b>0.2</b>	<b>0.1</b>
<b>Deferred tax, net</b>	<b>14.0</b>	<b>20.3</b>
<b>Composition of tax expense</b>		
Reported profit before tax	180.4	-158.0
Effect of associated companies, net	-16.5	-50.3
<b>Reported profit before tax</b>	<b>163.9</b>	<b>-208.3</b>
Tax according to the applicable tax rate, 22% (26.3%)	-36.1	54.8
Other non-deductible expenses	-1.2	-49.1
Non-taxable income	2.4	-0.7
Tax-deductible items	37.3	-0.1
Capitalisation of loss carryforwards	2.1	0.3
Effect of changed tax rates	–	-3.9
Utilisation of previously uncapitalised loss carryforwards	–	1.3
Effect of uncapitalised loss carryforwards	-3.6	-13
Effect of different tax rate in foreign country	-3.1	2.0
Reversal of previously capitalised loss carryforwards	-1.1	-2.9
Adjustment of taxes for prior years	–	0.0
Other	-0.5	3.6
<b>Total</b>	<b>-3.8</b>	<b>-7.7</b>
SEK m	Group	
	2013	2012
<b>Gross change in deferred tax</b>		
At beginning of year	20.3	25.1
Changed tax rate	–	-3.9
Companies sold	–	–
Translation differences	-0.2	-0.9
Recognised in comprehensive income	–	–
Discontinued operations	-6.1	–
<b>At end of year</b>	<b>14.0</b>	<b>20.3</b>

## NOTE 8 – LEASES

SEK m	Group		Parent Company	
	2013	2012	2013	2012
<b>The period's lease payments (operating)</b>				
Cars	18.6	53.7	1.1	1.2
Premises	1.3	6.3	0.1	0.1
Other equipment	27.4	70.1	1.3	1.4
<b>Total</b>	<b>27.4</b>	<b>70.1</b>	<b>1.3</b>	<b>1.4</b>

	Group			Parent Company		
	2014	2015–2020	> 2020	2014	2015–2020	> 2020
Contracted lease payments						
<b>Operating leases</b>						
Cars	6.1	5.1	–	0.1	0.1	–
Premises	16.3	39.3	3.4	1.9	3.8	–
Other equipment	1.3	2.5	–	0.1	0.1	–
<b>Total</b>	<b>23.6</b>	<b>46.8</b>	<b>3.4</b>	<b>2.0</b>	<b>3.9</b>	<b>–</b>
<b>Finance leases</b>						
Cars	1.0	0.6	–	–	–	–
<b>Total</b>	<b>1.0</b>	<b>0.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## NOTE 9 – FEES TO AUDITORS

SEK m	Group		Parent Company	
	2013	2012	2013	2012
<b>Fees to PwC</b>				
Auditing fees	2.3	2.0	0.4	0.5
Auditing services aside from the audit	0.9	0.8	0.6	0.7
Fees for tax advice	0.3	0.0	0.2	–
Discontinued operations	0.5	0.2	–	–
<b>Total fees to PwC</b>	<b>4.1</b>	<b>3.0</b>	<b>1.1</b>	<b>1.2</b>
<b>Fees to other auditors</b>				
Auditing fees	0.1	0.6	–	0.1
Auditing services aside from the audit	0.2	0.4	–	–
Discontinued operations	–	0.1	–	–
<b>Total fees to other auditors</b>	<b>0.3</b>	<b>1.1</b>	<b>0.0</b>	<b>0.1</b>

## NOTE 10 – PATENTS, LICENSES, ETC.

SEK m	Group	
	2013	2012
Opening cost	73.1	55.9
The year's acquisitions	0.2	19.8
Disposals/Reclassifications	–	-2.4
Translation differences	0.2	-0.2
Discontinued operations	-51.9	–
<b>Closing cost</b>	<b>21.7</b>	<b>73.1</b>
Opening amortisation	-48.2	-50.5
The year's acquisitions	–	–
Disposals/Reclassifications	–	0.7
The year's amortisation	-4.4	-4.5
Translation differences	-0.1	0.1
Discontinued operations	42.2	–
<b>Closing accumulated amortisation</b>	<b>-10.5</b>	<b>-54.2</b>
<b>Carrying amount</b>	<b>11.2</b>	<b>18.9</b>

NOTE 11 – GOODWILL

	Group	
SEK m	2013	2012
Opening cost	612.2	624.7
The year's acquisitions	6.0	13.7
Disposals/Reclassifications	-15.3	-13.3
Translation differences	13.4	-12.9
<b>Closing cost</b>	<b>616.3</b>	<b>612.2</b>
Opening amortisation	-94.5	-103.7
The year's acquisitions	–	–
Disposals/Reclassifications	-1.0	8.3
Translation differences	-0.8	0.9
<b>Closing accumulated amortisation</b>	<b>-96.3</b>	<b>-94.5</b>
Opening impairment losses	-346.5	-251.7
Disposals/Reclassifications	0.1	1.4
The year's impairment losses	-57.4	-101.8
Translation differences	-9.4	5.6
<b>Closing accumulated impairment losses</b>	<b>-413.2</b>	<b>-346.5</b>
<b>Carrying amount</b>	<b>106.8</b>	<b>171.2</b>

The recoverable amount of the Group's goodwill items is measured by determining value in use. These calculations are based on estimated future cash flows with consideration to financial budgets approved by the company's management.

1) Refers to the discount rate before tax. The discount rate for the comparison year was 12.0 per cent.

SEK m	Goodwill	Growth, forecast period	EBIT, forecast period	Discount rate <sup>1</sup>
Mercuri International	106.8	2.8%	4.5%	10.2%

The above valuations do not represent fair market value, but are instead estimated in accordance with IAS 36 to determine the recoverable amount of cash-generating units. Based on the above, the goodwill values in the table can be considered well founded. The forecast period is five years. The recoverable amount exceeds the carrying amount. If, for example, the growth or EBITA assumption should change by one percentage point, Bure's goodwill values could be lower than their reported carrying amounts. A sensitivity analysis of significant variables for goodwill attributable to Mercuri has the following effects on the estimated value:

Variable	Change, %-points	Effect on value
Growth, terminal period	-1%	SEK -16m
Discount rate	1%	SEK -25m

The recoverable amount exceeds the carrying amount even with consideration to the above changes. The growth assumption is based on an assessment of general economic development in combination with industry-specific assumptions.

NOTE 12 – BUILDINGS, LAND AND LAND IMPROVEMENTS

	Group	
SEK m	2013	2012
Opening cost	6.1	6.4
Translation differences	0.6	-0.3
<b>Closing cost</b>	<b>6.7</b>	<b>6.1</b>
Opening depreciation	-4.1	-4.2
The year's depreciation	-0.2	-0.2
Translation differences	-0.2	0.1
<b>Closing accumulated depreciation</b>	<b>-4.5</b>	<b>-4.1</b>
Opening impairment losses	–	–
Carrying amount	–	–
Carrying amount, buildings	–	–
<b>Carrying amount</b>	<b>2.2</b>	<b>2.0</b>

Not all buildings have been assigned tax assessment values. There are no future commitments for property investments (SEK 0m). There are no finance leases connected to properties in the Group.

**NOTE 13 – EQUIPMENT, TOOLS, FIXTURES AND FITTINGS**

SEK m	Group		Parent Company	
	2013	2012	2013	2012
Opening cost	374.5	186.6	4.6	4.4
The year's acquisitions	3.7	218.1	–	0.2
Disposals/Reclassifications	-5.1	-28.6	–	–
Translation differences	1.5	-1.6	–	–
Discontinued operations	-31.2	–	–	–
<b>Closing cost</b>	<b>343.4</b>	<b>374.5</b>	<b>4.6</b>	<b>4.6</b>
Opening depreciation	-133.0	-143.5	-4.1	-3.9
The year's acquisitions	–	–	–	–
Disposals/Reclassifications	3.6	27.8	–	–
The year's depreciation	-18.2	-18.7	-0.1	-0.1
Translation differences	-1.3	1.4	–	-0.1
Discontinued operations	20.6	–	–	–
<b>Closing accumulated depreciation</b>	<b>-128.3</b>	<b>-133.0</b>	<b>-4.2</b>	<b>-4.1</b>
Opening impairment losses	–	–	–	–
Disposals/Reclassifications	–	–	–	–
The year's reversals/impairment	–	–	–	–
Translation differences	–	–	–	–
Discontinued operations	–	–	–	–
<b>Closing accumulated impairment losses</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Carrying amount</b>	<b>215.1</b>	<b>241.5</b>	<b>0.4</b>	<b>0.5</b>

The reported values include no equipment held under finance leases. There are no future investment commitments for acquisition of equipment.

**NOTE 14 – ACQUISITIONS AND DIVESTITURES**

**Acquisitions in 2013**

In the first quarter Bure acquired 6.5 million shares in MedCap AB (publ), which is listed on NASDAQ OMX First North, for an amount of SEK 12.9m. At 31 December 2013 Bure had invested a total of SEK 47.7m, which is equal to 26.8 million shares or around 22 per cent of the total number of shares. Starting on 1 April 2013, MedCap is reported as a portfolio company.

**Divestitures in 2013**

In December 2013 and January 2014, Bure's subsidiary Theduction AB divested most of its operations through asset deals. The remaining operations in Theduction thereafter consist of two primary schools. These operations have been classified as discontinued operations.

**Acquisitions in 2012**

No acquisitions were carried out during the year.

**Divestitures in 2012**

In August 2012 Bure completed the sale of the Carnegie holdings. The sales price consists of a cash payment of SEK 629m and possible contingent consideration in a maximum amount of SEK 106m. The cash portion was paid in two instalments, of which SEK 432m was received in the third quarter of 2012 and the remainder was paid in December 2012.

Prior to the transaction, Bure held 26.3 per cent of Carnegie Holding, 28.0 per cent of Carnegie Asset Management and 17.5 per cent of Max Matthiessen. The sale generated an exit gain of SEK 279m in the Parent Company and an exit loss of SEK 19m in the Group. Bure has not included the possible contingent consideration in these figures.

**NOTE 15 – OTHER NON-CURRENT AND CURRENT RECEIVABLES**

SEK m	Group		Parent Company	
	2013	2012	2013	2012
<b>Non-current receivables</b>				
Non-current receivables, interest-bearing	15.1	32.5	14.1	17.7
Non-current receivables, non interest-bearing	5.2	14.7	1.1	10.5
<b>Total non-current receivables</b>	<b>20.3</b>	<b>47.3</b>	<b>15.2</b>	<b>28.2</b>
<b>Current receivables</b>				
Current receivables, interest-bearing	2.9	2.5	2.9	1.0
Current receivables, non interest-bearing	7.2	19.6	0.8	10.1
<b>Total current receivables</b>	<b>10.1</b>	<b>22.1</b>	<b>3.7</b>	<b>11.1</b>

**NOTE 16 – PREPAID  
EXPENSES AND ACCRUED  
INCOME**

SEK m	Group		Parent Company	
	2013	2012	2013	2012
Accrued interest income	0.3	1.0	–	0.5
Work in progress, less progress billings	4.4	8.3	–	–
Other accrued income	0.3	0.3	–	–
Deferred expenses	10.2	27.4	–	–
Other items	1.6	–	0.7	1.8
<b>Total</b>	<b>16.7</b>	<b>36.9</b>	<b>0.7</b>	<b>2.3</b>

**NOTE 17 – PROVISIONS**

SEK m	Group	
	2013	2012
Change in other provisions		
Opening other provisions	21.4	16.8
Provisions during the year	7.4	7.8
<b>Total</b>	<b>28.8</b>	<b>24.6</b>
Utilised /dissolved during the year	-4.0	-2.4
<b>Total</b>	<b>24.8</b>	<b>22.2</b>
Translation differences	0.0	-0.7
<b>Closing other provisions</b>	<b>24.9</b>	<b>21.4</b>

	2013	2014	>2015
Estimated reversal of provisions in the Group			
Pension provisions	0.5	–	15.7
Deferred tax liability	0.2	–	–
Restructuring reserve	5.7	–	–
Other provisions	0.2	–	2.7
<b>Total</b>	<b>6.6</b>	<b>–</b>	<b>18.4</b>

**NOTE 18 – ACCRUED  
EXPENSES AND DEFERRED  
INCOME**

SEK m	Group		Parent Company	
	2013	2012	2013	2012
Accrued vacation pay	14.0	20.6	0.8	0.7
Accrued social security expenses	14.0	16.7	1.0	3.4
Deferred income	3.5	11.3	–	–
Other accrued expenses	49.4	60.9	10.6	17.8
<b>Total</b>	<b>81.0</b>	<b>109.5</b>	<b>12.4</b>	<b>21.9</b>

**NOTE 19 – PLEDGED  
ASSETS**

SEK m	Group		Parent Company	
	2013	2012	2013	2012
<b>To secure liabilities to credit institutions</b>				
Pledged trade receivables	–	28.3	–	–
Floating charges	–	19.2	–	–
Shares in subsidiaries and associates	92.7	137.4	–	–
Blocked bank accounts	0.9	5.4	–	–
<b>Total pledged assets</b>	<b>93.7</b>	<b>190.3</b>	<b>–</b>	<b>–</b>

**NOTE 20 – CONTINGENT  
LIABILITIES**

Contingent liabilities in the Group amounted to SEK 2.3m. Most of the amount is attributable to surety and guarantee commitments furnished by the subsidiaries. The contingent liability for the Parent Company in the previous year was attributable to a loan guarantee connected to the Carnegie companies.

There is no contingent consideration in the Group that has not already been capitalised. Bure has no remaining commitments to acquire additional shares in subsidiaries.

**NOTE 21 – FINANCIAL INSTRUMENTS**

**Financial risks – objectives and policies**

**Share price risk**

**Currency risk**

**Interest rate risk**

**Credit risk**

The Group is exposed to a number of different financial risks through its operations. Bure is an investment company with an important overall objective that is regulated in the Parent Company's finance policy. The Parent Company shall be essentially free from debt, and the subsidiaries shall have independent financing to ensure their financial autonomy from the Parent Company and other group companies. Consequently, the subsidiaries shall also be able to independently manage their own liquidity risk. A separate finance policy has been established for each individual subsidiary. The policy document provides guidelines for management of cash, surplus liquidity, debt financing and handling of currency and interest rate risk.

Bure can manage its capital structure among other things through new share issues, dividends, redemption procedures or share buybacks. In 2013 Bure carried out capital distributions in the form of share buybacks and dividends. The Parent Company and the Group have a strong financial position and a restricted level of debt, for which reason the level of financial risk is limited. The Group's net loan receivable at 31 December 2013 was SEK 552m (907) and the Parent Company's was SEK 837m (1,167).

Share price risk refers to the risk that the value of shares listed on an exchange is subject to change. Based on the market value of listed holdings of SEK 1,497m on 31 December 2013 a one per cent change in the price of listed holdings would affect earnings before tax by SEK 15m.

Currency risk refers to the risk that the Group's commercial flows (transaction risk) will be affected by exchange rate fluctuations. Transaction risk in the Group is limited, since nearly all income is matched by expenses in the same currency. Because the Bure Group has investments outside Sweden via its subsidiaries, the Group's statements of financial position and comprehensive income are exposed to translation risk arising on the translation of the financial statements of foreign subsidiaries. This risk is normally not hedged. The most significant currency aside from the Swedish krona is the euro. A change of +/- 5 per cent in the euro rate would have an impact on the subsidiaries' profit before tax of approximately SEK 0.8m.

The Group is exposed to interest rate risk through changes in the interest rate on liabilities with variable interest due to movements in market interest rates. Fixed interest liabilities are also exposed to interest rate risk, but to a significantly lesser degree since the interest rate changes when the loans mature and are extended on new terms. A change of +/- 1 per cent in the interest rate for the Group would have a short-term impact on consolidated profit before tax of around SEK 5m. Interest rate risk in borrowings can be maintained at a desired level through the use of derivatives such as swaps, forwards and options. At present, there are no hedges of interest rate risk.

Credit risk is the risk that Bure's counterparties will be unable to meet their payment obligations and that any collateral furnished will not cover the amount due, thereby causing Bure to incur a financial loss. Bure's policy is to carry out a credit assessment of all customers with which it does business. The maximum credit exposure on the balance sheet date was SEK 205m. There are no significant concentrations of credit risk in the Group.

	2013				2012			
Age structure of trade receivables SEK m	Trade receivables	Reserves	Net receivable	Secured by collateral	Trade receivables	Reserves	Net re-secured by receivable	Secured by collateral
Not yet due	73.6	-1.9	71.6	-	92.5	-	92.5	-
Overdue 1– 30 days	17.6	-3.2	14.4	-	19.8	-	19.8	-
Overdue 31– 60 days	11.1	-3.2	7.9	-	3.7	-	3.7	-
Overdue 61– 90 days	4.4	-2.4	2.0	-	1.3	-	1.3	-
Overdue 91–180 days	3.6	-0.1	3.4	-	2.7	-0.1	2.6	-
Overdue >180 days	1.2	-2.3	-1.1	-	5.2	-4.8	0.4	-
Discontinued operations	4.5	-	4.5	-	-	-	-	-
Total	116.0	-13.1	102.9	-	125.2	-4.9	120.3	-

**Specification of reserve for doubtful debts SEK m**

	2013	2012
Opening balance	4.2	6.6
The year's provisions	11.7	1.3
Written-off amount	-2.4	-2.7
Reversal of unutilised reserves	-0.2	-0.3
Foreign exchange effects	-0.1	-
Total at 31 December	13.2	4.9

Provisions to the reserve for doubtful debts are made after individual assessment of each customer's ability to pay.

NOTE 21 – FINANCIAL  
INSTRUMENTS, CONT'D.

Liquidity risk is the risk that the Group will be unable to finance loan payments and other liquidity flows as they fall due either with its own funds or with new financing. In order to maintain sufficient liquidity, Bure maintains a liquidity reserve that is at least adequate to cover one year's forecasted liquidity requirement and other liquidity needs in the existing company structure. The liquidity reserve consists of available cash and cash equivalents and short-term investments. That portion of the liquidity reserve that exceeds the liquidity requirement as defined above, and which may according to Bure's policy be invested over a longer investment horizon, can be distributed to the shareholders or used in a buyback programme.

The tables below show the maturity structure of the Bure Group's financial liabilities at 31 December 2013.

Financial items with variable interest	<1 month	<3 months	3–12 months	1–5 years	> 5 years	Total
Bank overdraft facilities	–	38.0	–	–	–	38.0
Other borrowings	–	0.1	26.3	1.3	–	27.7
Discontinued operations	–	1.2	–	–	–	1.2
Total	0.0	39.3	26.3	1.3	0.0	66.8

Interest-free liabilities	<1 month	<3 months	3–12 months	1–5 years	> 5 years	Total
Trade payables	–	20.0	0.2	0.6	–	20.9
Accrued expenses	80.9	–	–	–	–	80.9
Other financial liabilities	–	19.0	0.2	–	–	19.3
Discontinued operations	20.2	30.2	–	–	–	50.4
Total	101.1	69.2	0.5	0.6	0.0	171.5

Fair value and carrying amount of financial assets and liabilities

The fair value of all financial assets and liabilities has been calculated in accordance with IFRS 13. Fair value is assessed to be equal to carrying amount for trade receivables and other receivables, other current receivables, cash and cash equivalents, trade payables and other liabilities, and borrowing. Carrying amount less impairment losses comprises an approximate fair value for trade receivables and payables. For non-current interest-free liabilities, fair value has been calculated by discounting future cash flows by the applicable market interest rates with regard to the maturity of the liability.

- The Group's financial assets and liabilities are measured in accordance with the following hierarchy:
- Level 1: According to quoted prices in active markets for identical assets and liabilities.
  - Level 2: According to directly or indirectly observable market inputs for the asset or liability that are not included in Level 1.
  - Level 3: According to inputs for the asset or liability that are not entirely observable in the market.
- Classified at level 1: trade receivables and other receivables, listed financial instruments, funds, other current receivables, cash and cash equivalents, trade payables and other liabilities, and borrowing with debiting of interest. The fair values of these financial assets and liabilities is assessed to be equal to their carrying amounts.
- Classified at level 2: Derivatives for hedge accounting. Fair value measurement of forward exchange contracts is based on published forward rates in an active market.
- Classified at level 3: Long-term interest-free liabilities that are substantially measured based on unobservable data. Fair value has been calculated by discounting future cash flows by the applicable market interest rates with regard to the maturity of the liability.

**NOTE 21 – FINANCIAL INSTRUMENTS, CONT'D.**

Fair value hierarchy SEK m	2013				2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Financial assets at fair value through profit or loss	1,797.0	–	–	1,797.0	1,367.9	–	–	1,367.9
Derivatives for hedging purposes	–	–	–	–	–	–	–	–
Cash and cash equivalents	138.7	–	–	138.7	486.2	–	–	486.2
Discontinued operations	17.3	–	–	17.3	18.0	–	–	18.0
<b>Total financial assets</b>	<b>1,953.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,953.0</b>	<b>1,872.1</b>	<b>0.0</b>	<b>0.0</b>	<b>1,872.1</b>
<b>Financial liabilities</b>								
Financial liabilities at fair value through profit or loss	52.3	–	–	52.3	68.0	–	–	68.0
Derivatives for hedging purposes	–	–	–	–	–	–	–	–
Financial liabilities at measured at amortised cost	–	–	–	–	–	–	–	–
Discontinued operations	13.6	–	–	13.6	12.3	–	–	12.3
<b>Total financial liabilities</b>	<b>65.9</b>	<b>0.0</b>	<b>0.0</b>	<b>65.9</b>	<b>80.3</b>	<b>0.0</b>	<b>0.0</b>	<b>80.3</b>

**NOTE 22 – EARNINGS PER SHARE**

Bure reports earnings per share in accordance with IAS 33, Earnings Per Share. Earnings per share are reported both before and after dilution.

Earnings per share are calculated by dividing net profit/loss by the weighted average number of shares outstanding during the year. For the Parent Company, profit attributable to owners of the Parent Company is used for calculation of earnings per share.

In the event of a negative result, the net loss is divided only by the weighted average number of shares outstanding.

Specification of applied parameters	2013	2012
Profit for the year in the Parent Company, SEK m	503.5	128.0
Consolidated profit for the year, SEK m	189.0	-135.9
Average number of shares outstanding	78,648,698	81,224,050
Basic earnings per share in the Parent Company, SEK <sup>1</sup>	6.40	1.58
Basic earnings per share in the Group, SEK <sup>1</sup>	2.40	-1.67

1) No dilutive effect at 31 December 2013 or 31 December 2012.

**NOTE 23 – EQUITY**

According to the Articles of Association, the share capital shall amount to no less than SEK 300,000,000 and no more than SEK 1,200,000,000.

Information about changes in equity is provided below.

	2013			2012		
	No. of shares	Quota value	Share capital	No. of shares	Quota value	Share capital
<b>Number of registered shares</b>						
Registered number at 1 January	81,357,241	6.58	535,306,872	85,327,987	6.27	535,306,872
Cancellation of treasury shares	255,256	6.58	-1,679,510	3,970,746	6.27	-24,910,556
Bonus issue	–	–	1,679,510	–	–	24,910,556
<b>Registered number at 31 December</b>	<b>81,101,985</b>	<b>6.60</b>	<b>535,306,872</b>	<b>81,357,241</b>	<b>6.58</b>	<b>535,306,872</b>

**Description and reporting of repurchase of treasury shares**

Bure’s 2013 AGM authorised the Board of Directors to acquire treasury shares in a maximum number of up to 10 per cent of the total number of shares outstanding.

At 31 December 2013 Bure held 5,050,475 treasury shares, which is equal to 6.23 per cent of the total number of shares. The shares were purchased at an average price of SEK 23.43 each.

The 2013 AGM approved a dividend to the shareholders of SEK 0.50 per share. The total amount distributed was SEK 40.6m.



**NOTE 23 – EQUITY,  
CONT'D.**

Restricted and non-restricted equity

Reserves

Subscription warrant programme

According to Swedish law, shareholders' equity must be divided into non-restricted and restricted equity, of which restricted equity is not available for distribution to the shareholders. Restricted equity in the Parent Company consists of the share capital.

Non-restricted equity includes retained earnings and net profit for the year, which are available for distribution to the shareholders.

Consolidated equity consists of the share capital, other contributed capital, other reserves and retained earnings including profit for the year.

Other contributed capital in the Group refers to capital contributed by the shareholders. Other reserves include translation reserve, which consists of foreign exchange differences arising on translation of the financial statements of foreign operations. Furthermore, other reserves include the fair value reserve, which refers to unrealised value changes on shares and participations. Retained earnings including profit for the year include profits earned in the Parent Company and its subsidiaries.

Other reserves at 31 December 2013 amounted to SEK -81.2m (-85.6). Changed accounting policies and Translation differences in subsidiaries and portfolio companies affected the reserve in an amount of SEK 4.1m (-14.3) during the year.

No warrants were exercised during the year.

Subscription warrant programme	No. of warrants	Entitlement to no. of shares	Exercise price per warrant	Expiration date
2011	540,000	540,000	47,60	6/1/2014
2012	819,000	819,000	29,75	6/1/2015

**NOTE 24 – DISCONTINUED OPERATIONS**

SEK m	2013	2012
Net sales	212.3	223.3
<b>Total operating income</b>	<b>212.3</b>	<b>223.3</b>
Other external expenses	-73.1	-92.3
Personnel costs	-128.4	-132.6
Amortisation/depreciation and impairment losses	-4.3	-6.5
<b>Total operating expenses</b>	<b>-205.9</b>	<b>-231.3</b>
<b>Operating profit/loss</b>	<b>6.4</b>	<b>-8.0</b>
Net financial items	-2.5	-1.6
<b>Profit after financial items</b>	<b>3.9</b>	<b>-9.5</b>
Income tax expense	-2.0	-2.8
<b>Profit for the period</b>	<b>1.9</b>	<b>-12.3</b>
Average no. of shares outstanding, thousands	78,649	81,224
Basic earnings per share, SEK	0.02	-0.15

**NOTE 24 – DISCONTINUED  
OPERATIONS, CONT'D.**

SEK m	31 December 2013	31 December 2012
<b>Non-current assets</b>		
Intangible assets	20.8	23.7
Property, plant and equipment	3.1	10.3
Financial assets	3.7	5.7
<b>Total non-current assets</b>	<b>27.6</b>	<b>39.7</b>
<b>Current assets</b>		
Current receivables	31.5	36.8
Cash and cash equivalents	12.8	4.7
<b>Total current assets</b>	<b>44.3</b>	<b>41.5</b>
<b>Total assets</b>	<b>71.9</b>	<b>81.2</b>
<b>Equity</b>		
Equity	23.3	-1.0
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Group liability, interest-bearing	18.9	27.7
Other liabilities, non interest-bearing	3.6	–
<b>Current liabilities</b>		
Current liabilities, interest-bearing	1.2	17.3
Other liabilities, non interest-bearing	24.9	37.1
<b>Total equity and liabilities</b>	<b>71.9</b>	<b>81.2</b>
<b>SEK m</b>	<b>2013</b>	<b>2012</b>
Cash flow from operating activities before changes in working capital	5.9	-29.2
Cash flow from changes in working capital	-12.3	4.2
<b>Cash flow from operating activities</b>	<b>-6.4</b>	<b>-25.1</b>
Cash flow from investing activities	18.5	22.6
Cash flow from financing activities	-4.0	-0.3
<b>Cash flow for the period</b>	<b>8.1</b>	<b>-2.8</b>
Cash and cash equivalents at beginning of period	4.7	7.5
Cash flow for the period	8.1	-2.8
<b>Cash and cash equivalents at end of period</b>	<b>12.8</b>	<b>4.7</b>

**NOTE 25 – EVENTS  
AFTER THE END OF THE  
REPORTING PERIOD**

Bure's Board of Directors proposes that the 2014 AGM approve an ordinary dividend of SEK 0.50 per share and an extraordinary dividend of SEK 0.50 per share, which is equal to a total distribution of SEK 81.1m.

**NOTE 26 – PARTICIPATIONS  
IN GROUP COMPANIES,  
THE YEAR’S CHANGE**

Impairment losses in 2013 refer to SEK 79.3m in Mercuri International Group and SEK 12.0m in Theduction. The acquisitions/additions refer mainly to shareholder contributions of SEK 12.0m in Theduction.

SEK m	Parent Company	
	2013	2012
Opening cost	1,295.9	1,275.2
The year’s acquisitions/additions	12.1	20.7
Repayment of shareholder contributions	–	–
Divestitures	–	–
Reclassifications	28.8	–
<b>Closing cost</b>	<b>1,357.6</b>	<b>1,295.9</b>
Opening impairment losses	-1,074.7	-926.1
The year’s impairment losses	-91.3	-148.6
Reclassifications	–	–
<b>Closing accumulated impairment losses</b>	<b>-1,186.9</b>	<b>-1,074.7</b>
<b>Carrying amount</b>	<b>170.8</b>	<b>221.2</b>

**NOTE 27 – PARTICIPATIONS  
IN GROUP COMPANIES**

Portfolio company SEK m	No. of shares	% of capital/ votes	Carrying amount in Parent Company	Corporate ID number	Domicile
Mercuri International Group AB	998,500	99.1	54.9	556518-9700	Göteborg
Investment AB Bure	1,000	100.0	0.1	556561-0390	Göteborg
			<b>55.0</b>		
<b>Other companies</b>					
Theduction AB	79,881	79.8	0	556569-7082	Stockholm
G Kallstrom & Co AB	1,000	100.0	104.9	556096-6227	Stockholm
Skanditek AB	8,000	100.0	10.7	556541-9065	Stockholm
Cindra AB	1,000	100.0	0.1	556542-7415	Göteborg
BL Olving AB	50,000	100.0	0.1	556935-7550	Göteborg
Bure Intressenter AB	50,000	100.0	0.1	556943-6420	Stockholm
	–	–	<b>115.8</b>		
<b>Total</b>	<b>–</b>	<b>–</b>	<b>170.8</b>		

**Changes in outstanding warrants programmes during 2013**

	Mercuri
No. of warrants outstanding at beginning of period	65,800
No. of warrants issued during the year	–
No. of warrants sold during the period	–
No. of warrants exercised during the period	65,800
<b>No. of warrants outstanding at end of period</b>	<b>0</b>

## NOTE 28 – INVESTMENTS IN ASSOCIATES

SEK m	No. of shares	% of capital/ votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Dipylon Medical <sup>1)</sup>	20,138	36.1	0.0	0.0	556241-3749	Stockholm
InnovationsKapital Fond 1 AB	244	23.0	0.0	0.0	556541-0056	Göteborg
MedCap AB	26,774,437	22.1	110.3	110.3	556617-1459	Stockholm
Micronic Mydata AB	37,161,609	38.0	460.8	407.8	556351-2374	Stockholm
PartnerTech AB	5,443,000	43.0	141.0	138.8	556251-3308	Malmö
RushRail AB	449	30.3	0.0	0.0	556674-1228	Stockholm
Valot Group AB	35,000	35.0	0.0	0.0	556784-4005	Stockholm
Vitrolife AB	5,709,790	28.8	538.1	171.2	556354-3452	Göteborg
Xvivo Perfusion AB	5,138,245	26.3	172.1	172.1	556561-0424	Göteborg
Other equity shares	–	–	–	5.1		
<b>Carrying amount</b>			<b>1 422.4</b>	<b>1 005.3</b>		

1) The number of shares includes shares held by the subsidiary G Kallstrom. G Kallstrom holds 2,269 shares in Dipylon Medical.

The difference between the book value in the Group and the Parent Company is due to the fact that shares in profit/loss of associates are included in the consolidated financial accounts in accordance with the equity method. The difference, SEK 417m, consists of accumulated shares in profit/loss of associates less amortisation and impairment losses on goodwill, dividends received, elimination of internal profits and adjustments for profit-sharing agreements. For information about shares in profit/loss of associates, see Note 4. For the holdings in Xvivo Perfusion and MedCap, the value is calculated as a financial instrument (IAS 39) and is equal to the market value at 31 December 2013.

## Other financial information, significant associated companies

SEK m	Assets	Liabilities excl. equity	Net sales	EBIT
MedCap AB	524	320	516	21
Micronic Mydata AB	1 402	237	997	32
PartnerTech AB	1 163	696	2 237	32
Vitrolife AB	488	165	453	80
Xvivo Perfusion AB	128	31	69	11

## NOTE 29 – INVESTMENTS IN ASSOCIATES, THE YEAR'S CHANGE

SEK m	Group		Parent Company	
	2013	2012	2013	2012
Opening cost	834.0	1,482.1	950.9	1,177.7
The year's acquisitions	1.6	116.1	130.1	110.0
Shares in profit/loss	16.5	50.3	–	–
Divestitures	-0.4	-637.1	-0.5	-336.8
Translation differences	-10.5	-9.4	–	–
Dividends to associates	-3.4	-110.0	–	–
Fair value	126.2	–	548.7	–
Changed accounting policy	–	–	32.9	–
Reclassifications	54.5	-58.0	–	–
<b>Closing cost</b>	<b>1,018.4</b>	<b>834.0</b>	<b>1,662.1</b>	<b>950.9</b>
Opening impairment losses	-68.1	-94.4	-218.8	-154.1
The year's impairment losses / reversals	55.0	-31.7	-20.9	-64.7
Reclassifications	–	58.0	–	–
<b>Closing accumulated impairment losses</b>	<b>-13.1</b>	<b>-68.1</b>	<b>-239.7</b>	<b>-218.8</b>
<b>Carrying amount</b>	<b>1,005.3</b>	<b>765.8</b>	<b>1,422.4</b>	<b>732.1</b>

## NOTE 30 – RELATED PARTY TRANSACTIONS

Bure's related parties are the member of the Board and companies closely related to them, Bure's subsidiaries, associated companies and the executive management in the Parent Company.

No related party transactions took place during 2013.

For salaries and compensation to senior executives, see Note 34. Aside from fees from the Parent Company, the elected Board members in the Parent Company have not received fees from subsidiaries in the Group. Purchases and sales between the Parent Company and group companies are insignificant in scope. Profit in the Parent Company includes intra-group interest income SEK 12.5m (6.3) and interest expenses of SEK 0.0m (-0.5)

NOTE 31 – DIVIDENDS

In 2013 the Parent Company Bure Equity AB received dividends of SEK 28.2m, of which Vitrolife accounted for SEK 3.4m, Valot Group for SEK 12.9m and dividends from short-term investments for SEK 11.8m.

NOTE 32 – AVERAGE  
NUMBER OF EMPLOYEES

	2013		2012	
	No. of employees	of whom, women	No. of employees	of whom, women
Parent Company	7	1	7	1
Subsidiaries	605	330	652	338
Total Group	612	331	659	339

Geographical breakdown of employees:

Parent Company				
Sweden	7	1	7	1
Subsidiaries				
Sweden	305	194	317	187
Denmark	16	6	20	6
England	19	7	19	7
Finland	55	27	61	26
Norway	–	–	9	3
Germany	28	7	28	8
France	55	23	53	22
Czech Republic	15	6	18	6
USA	9	5	9	5
China	30	17	29	19
Other countries	73	38	89	49
Total Group	612	331	659	339

NOTE 33 – SALARY,  
OTHER COMPENSATION  
AND SOCIAL SECURITY  
EXPENSES

Pension costs are stated including payroll tax.

	2013			2012		
SEK m	Salary and other comp.	Social security expenses	Pension costs <sup>1</sup>	Salary and other comp.	Social security expenses	Pension costs <sup>1</sup>
Parent Company	20.0	6.2	2.0	22.1	7.0	2.4
Subsidiaries	233.3	39.9	21.0	237.2	49.7	20.7
Discontinued operations	81.1	26.5	6.7	80.5	26.1	6.7
Total Group	334.3	72.6	29.7	339.8	82.8	29.8

1) Of the Parent Company's pension costs, SEK 0.9m (1.1) refers to the Board and CEO.

NOTE 34 – COMPENSATION  
TO SENIOR EXECUTIVES

2013 SEK m	Fixed annual salary/ Board fees	Variable comp./ bonus	Other benefits <sup>1</sup>	Pension costs	Other comp. <sup>2</sup>	Total
Board Chairman <sup>3</sup>	0.7	–	0.1	0.4	–	1.2
Other Board members	1.1	–	–	–	–	1.1
CEO <sup>4</sup>	2.7	1.4	0.1	0.5	–	4.7
Vice Presidents <sup>5</sup>	0.5	0.2	0.0	0.1	–	0.9
Other senior executives	2.7	0.8	–	0.6	–	4.1
	7.7	2.5	0.2	1.6	0.0	12.0

1) Other benefits refer to company car and meal benefits.

2) Other compensation refers to compensation for board assignments in portfolio companies in the Bure Group. Has not been charged to Bure's profit.

3) Björn Björnsson January – April 2013 and Patrik Tigerschiöld May – December 2013.

4) Patrik Tigerschiöld January – April 2013 and Henrik Blomquist May – December 2013.

5) Henrik Blomquist January – April 2013.

**NOTE 34 – COMPENSATION  
TO SENIOR EXECUTIVES,  
CONT'D.**

1) Other benefits refer to company car and meal benefits.  
2) Other compensation refers to compensation for board assignments in portfolio companies in the Bure Group. Has not been charged to Bure's profit.

2012 SEK m	Fixed annual salary/ Board fees	Variable comp./ bonus	Other benefits <sup>1</sup>	Pension cost	Other comp. <sup>2</sup>	Total
Board Chairman	0.6	–	–	–	–	0.6
Other Board members	1.1	–	–	–	–	1.1
CEO	3.7	5.6	0.2	1.1	1.0	11.6
Vice President	1.4	1.6	–	0.3	–	3.3
Other senior executives	2.7	1.7	–	0.5	–	4.9
	<b>9.5</b>	<b>8.9</b>	<b>0.2</b>	<b>1.9</b>	<b>1.0</b>	<b>21.5</b>

**Board of Directors**

The 2013 AGM resolved that Board fees would be paid in a total amount of SEK 1,925,000 (1,700,000) of which SEK 800,000 (575,000) would be paid to the Board Chairman and SEK 225,000 (225,000) to each of the other Board members. The Board consisted of a total of six members during 2013 (6). No special fees have been paid for work on the Board's committees.

**Chief Executive Officer**

The CEO Patrik Tigerschiöld had a contractual annual salary of SEK 3.8m during the period from January to April 2013. According to a termination agreement which ceases on 30 April 2014, Patrik Tigerschiöld has received SEK 0.9m during the period from May to December 2013. Bonuses have been paid in an amount of SEK 0.8m (excluding social security expenses) for the period from January to April 2013. Pension premiums are of the defined contribution type and correspond to 30 per cent of pension-qualifying salary, which consists of basic salary. The retirement age for the CEO is 65 years. Bonuses may be paid in a maximum amount of 150 per cent of annual salary. The CEO Henrik Blomquist had a contractual annual salary of SEK 2.1m during the period from May to December 2013. Bonuses have been paid in an amount of SEK 0.9m (excluding social security expenses) for the period from January to December 2013. Pension premiums are of the defined contribution type and correspond to 25 per cent of pension-qualifying salary, which consists of basic salary. The retirement age for the CEO is 65 years. Bonuses may be paid in a maximum amount of 120 per cent of annual salary. Bonus payments are not pension-qualifying. The CEO has the right to a term of notice of 6 months in the event of termination by the company and 6 months in the event of his resignation. Termination benefits are not payable in the event of retirement. Decisions regarding the salary and benefits of the CEO are made by the Board of Directors.

**Other senior executives**

Other senior executives refer to the CFO and one investment manager. The pension premiums are of the defined contribution type and correspond to a maximum of 20 per cent of annual salary. The pension cost refers to the cost excluding payroll tax that has been charged to the year's profit. The retirement age for other senior executives is 65 years. Bonuses for other senior executives may be paid in a maximum amount of 25 – 100 per cent of annual salary. Other senior executives have a term of notice of 3 – 6 months in the event of termination by the company and 3 – 6 months in the event of their own resignation. Termination benefits are not payable in the event of retirement. Decisions regarding the salary of other senior executives are made by the CEO after consultation with the Board of Directors.

**Variable compensation  
(bonus)**

In 2013 Bure had a variable compensation system for all employees in which the maximum variable salary component was equal to 8 – 150 per cent of fixed salary. 80 per cent of the bonus was based on quantitative targets related to Bure's share price performance and the year's focus regarding the portfolio companies. The remaining 20 per cent was based on discretionary assessment. For the CEO there is no discretionary portion.  
For information about the preparatory and decision-making process applied by the company, see the administration report.  
The proposed principles for remuneration and other terms of employment of senior executives in 2014 will be put before the AGM for approval.  
Information about the senior executives' holdings of shares and warrants.  
Patrik Tigerschiöld, CEO, January – April 2013, 5,956,315 shares (incl. related parties), 645,000 warrants.  
Henrik Blomquist, Vice President, January – April 2013 and CEO, May – December 2013, 3,000 shares, 274,000 warrants.  
Max Jonson, CFO, 6,500 shares.  
Fredrik Mattsson, Investment Manager, 40,000 shares, 340,000 warrants.

**NOTE 35 – GENDER  
DISTRIBUTION IN SENIOR  
POSITIONS**

In the subsidiaries, 30 per cent (38) of the board members, presidents and senior executives are women.

Parent Company	2013	2012
Total no. of women on Board of Directors	1	1
Total no. of women in Executive Management	–	–
Total no. of men on Board of Directors	5	5
Total no. of men in Executive Management	6	4
Total no. of people on Board of Directors	6	6
Total no. of people in Executive Management	7	4

# Auditor's report

To the Annual General Meeting of Bure Equity AB (publ), corporate identity number 556454-8781

**Report on the  
annual accounts and  
consolidated accounts**

We have audited the annual accounts and consolidated accounts of Bure Equity AB (publ) for the year 2013 with the exception of the corporate governance report on pages 20–23. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 1:1-1:44.

**Responsibilities of the  
Board of Directors  
and the CEO for the  
annual accounts and  
consolidated accounts**

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and Annual Accounts Act, and for such internal control as the Board of Directors and the CEO 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.

**Auditor's responsibility**

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

**Opinions**

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the corporate governance report on pages 20–23. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the statement of comprehensive income and statement of financial position for the Group.

**Report on other  
legal and regulatory  
requirements**

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Bure Equity AB (publ) for the year 2013. We have also performed a statutory examination of the corporate governance report.

**Responsibilities of the  
Board of Directors and  
the CEO**

The Board of Directors is responsible for the proposal for appropriation of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act and for ensuring that the corporate governance report on pages 20–23 is prepared in accordance with the Annual Accounts Act.

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## Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

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.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

In addition, we have read the corporate governance report and based on that reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

## Opinions

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

A corporate governance report has been prepared and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm, 12 March 2014  
PricewaterhouseCoopers AB  
Michael Bengtsson  
Authorised Public Accountant



