

BURE

BURE
Annual report 2014

Bure Equity AB



AGM on 4 May 2015

See more on page 63 or visit the company's website
www.bure.se

Financial calendar

Interim report January – March 2015	28 April
Interim report January – June 2015	18 August
Interim report January – September 2015	11 November

For information contact

Henrik Blomquist, CEO	+46 8 614 00 20
Max Jonson, CFO	+46 8 614 00 20

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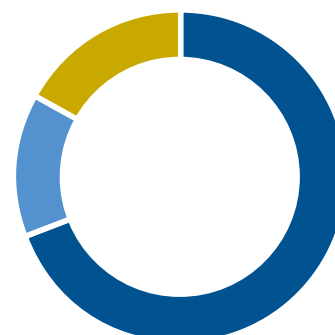
About Bure

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 nine portfolio companies, of which six are listed.

Bure is based in Stockholm and has six 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 2014



Listed portfolio companies	69.4%
Unlisted portfolio companies	13.9%
Treasury	16.7%

Listed portfolio companies



		SEK M
Share of Bure's net asset value	6.5%	
Net sales		2,118
EBIT		114
Net asset value		214



		SEK M
Share of Bure's net asset value	1.9%	
Net sales		890
EBIT		8
Net asset value		63



		SEK M
Share of Bure's net asset value	28.0%	
Net sales		1,475
EBIT		277
Net asset value		922



		SEK M
Share of Bure's net asset value	4.2%	
Net sales		2,239
EBIT		-44
Net asset value		137



		SEK M
Share of Bure's net asset value	23.8%	
Net sales		511
EBIT		143
Net asset value		782



		SEK M
Share of Bure's net asset value	5.0%	
Net sales		85
EBIT		7
Net asset value		166

Unlisted portfolio companies



		SEK M
Share of Bure's net asset value	4.4%	
Net sales		50
EBIT		50
Net asset value		143



		SEK M
Share of Bure's net asset value	6.1%	
Net sales		33
EBIT		26
Net asset value		199



		SEK M
Share of Bure's net asset value	3.5%	
Net sales		490
EBIT		9
Net asset value		114

Highlights of 2014

2014 was a highly successful year for several of Bure's portfolio companies, and net asset value per share, adjusted for dividends, increased by 41 per cent. Total return on the Bure share was 43 per cent.

The ongoing search for new investment objects has resulted in two new portfolio companies – Cavotec and Bure Financial Services. Bure has significant capital for investment and is continuing its efforts to find interesting new portfolio investments.

Shareholder value

- Bure's net asset value per share at year-end 2014 was SEK 46.09 (33.47). Net asset value per share, adjusted for dividends of SEK 1.00 per share, increased by 40.7 per cent compared to year-end 2013.
- Bure's net asset value at 31 December 2014 was SEK 3,291M (2,545).
- Total return on the Bure share was 43.0 per cent (21.1), compared to the SIX Return Index which rose by 15.8 per cent (28.0).
- Share dividends amounted to SEK 1.00 per share, of which SEK 0.50 was an extraordinary dividend, for a total of SEK 76.1M.
- In 2014 Bure repurchased 4.7 million shares for SEK 143.1M.
- The Parent Company's profit after tax was SEK 953.1M (503.5). Basic earnings per share amounted to SEK 12.72 (6.40).
- The Board proposes that the 2015 AGM approves an ordinary dividend of SEK 1.00 per share.

Investing activities

- Cavotec, listed on Nasdaq OMX Mid Cap, was added as a portfolio company. In September Bure acquired shares through a SEK 189.2M directed share issue. Bure's total holding in Cavotec amounts to 8.2 million shares, which is equal to 10.5 per cent of the total number of shares in the company.
- Bure Financial Services was established as a holding company for investments in the financial sector. The shareholdings in Catella and Fondbolaget Fondita were acquired during 2014.
- Bure acquired 19.5 per cent of BioLamina, a company active in R&D and manufacturing of cell culture reagents for culturing of stem cells.
- Bure sold 1 million shares in Vitrolife and 300,000 shares in Xvivo Perfusion to strategic investors and a smaller shareholding in PartnerTech to the management of PartnerTech. The total proceeds from the sales amounted to SEK 172M.
- Bure's investable funds amounted to approximately SEK 500M at 31 December 2014.

Portfolio company development

- Strong improvement in net sales and operating profit for several of the companies. A summation without adjustment for Bure's relative holdings in the respective companies shows that the portfolio companies' combined net sales rose by 13 per cent and operating profit improved by 148 per cent.
- The value of Bure's listed portfolio companies increased by 55 per cent. The two largest holdings showed the strongest development – Mycronic's share price rose by 100 per cent and Vitrolife's by 76 per cent.

Net asset value
per share*
+ 41%

* Adjusted for dividends.

New portfolio
companies



Bure Financial
Services

Bure's listed
portfolio
companies
+ 55%

Bure's net asset value

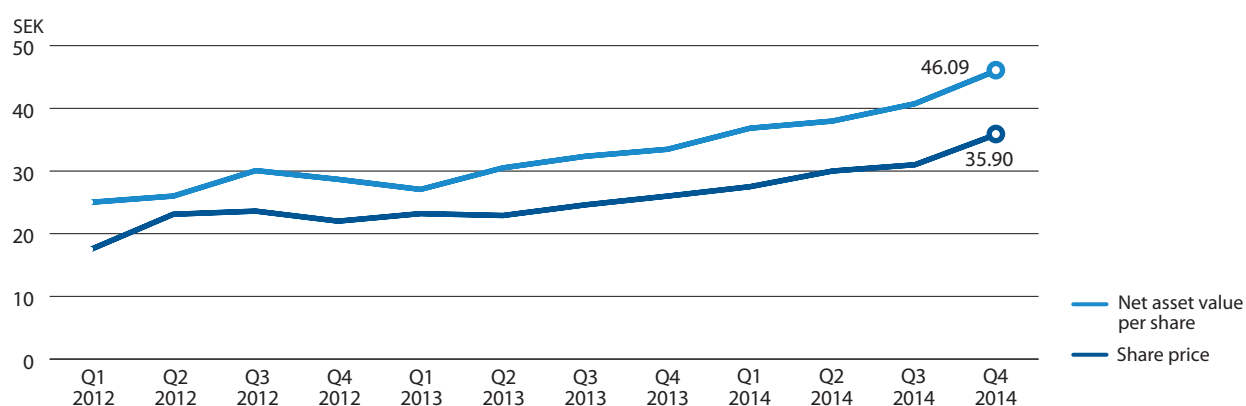
Net asset value per share at year-end 2014 was SEK 46.09 (33.47), which is equal to an increase of 41 per cent adjusted for dividends of SEK 1.00 per share.

Total value creation in 2014 amounted to SEK 965M (509), calculated as the increase in net asset value by SEK 746M plus the add-back of dividends totalling SEK 76M and the share buybacks for SEK 143M.

Bure's net asset value at 31 December 2014	% of capital	Net asset value, SEK M	Per share, SEK	% of NAV	Change 12 mths 2014 (+/-), SEK M	Net asset value, SEK M 31 Dec 2013
Listed portfolio companies						
Cavotec ¹	10.5%	214	3.0	6.5%	214	-
MedCap	20.0%	63	0.9	1.9%	-47	110
Mycronic	38.0%	922	12.9	28.0%	461	461
PartnerTech	42.7%	137	1.9	4.2%	-4	141
Vitrolife	21.7%	782	11.0	23.8%	244	538
Xvivo Perfusion	22.5%	166	2.3	5.0%	-6	172
Total listed portfolio companies		2,283	32.0	69.4%	861	1,422
Unlisted portfolio companies						
Bure Financial Services ^{1,2}	100.0%	143	2.0	4.4%	143	-
Investment AB Bure ³	100.0%	199	2.8	6.1%	-19	218
Mercuri International Group ⁴	99.1%	114	1.6	3.5%	1	113
Total unlisted portfolio companies		456	6.4	13.9%	125	331
Treasury						
Cash and cash equivalents and short-term investments ⁵		473	6.6	14.4%	-210	683
Financial investments ⁶		43	0.6	1.3%	-31	74
Other assets ⁷		35	0.5	1.1%	1	35
Total treasury		551	7.7	16.7%	-241	792
Total net asset value⁸		3,291	46.09	100.0%	746	2,545
Equity in the Parent Company		3,216				
Equity per share divided between 71,397,442 shares⁸				45.04		

1) Cavotec was acquired and Bure Financial Services was established in 2014. 2) Of which SEK 90.5M is related to Catella. 3) Refers to net assets. 4) Refers to book value of shares and interest-bearing receivable. 5) Liquid assets, funds and short-term investments in listed shares. 6) Refers to Vigmed Holding. 7) Refers to other unlisted companies, interest-bearing receivables and other net assets. 8) Excluding 4,684,068 repurchased shares.

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



Comments from the Chairman and CEO



From left:
Patrik Tigerschiöld, Chairman and
Henrik Blomquist, CEO.

2014 was a fantastic year for Bure, with growth in net asset value of 41 per cent per share

Henrik: What I find truly satisfying is that Bure's net asset value per share significantly outperformed the SIX Return Index, which rose by just under 16 per cent in 2014. This shows that our investment strategy can generate high returns without the support of powerful underlying general stock market development.

Two of the portfolio companies in particular stood out during 2014, Vitrolife and Mycronic. Are there any special reasons for this, or is it the result of long-term efforts?

Henrik: Rising stock prices are generally motivated by higher profits, which is exactly what we have experienced in these two companies. Vitrolife has seen a significant improvement in operating profit. In the past three years the company's operating profit has climbed from SEK 50M in 2012 to SEK 80M in 2013 and up to SEK 143M in 2014. Over the same period, Mycronic has fought its way back from negative earnings in 2012 (SEK -44M)

to over SEK 275M in operating profit for 2014. These are naturally impressive figures and outstanding achievements that have also affected the companies' share price performance.

Patrik: Yes, it is certainly a product of long-term work and commitment. We have been owners in these companies for more than 15 years. The fact that the stock market has raised its valuation of both companies during the past year is something I would like attribute to the ketchup effect, i.e. when everything suddenly happens at once.

Some claim that the current low interest rates and aggressive monetary policy are giving rise to asset bubbles. What are your views on this topic and do you think that company valuations in general are over-inflated?

Henrik: It's undeniable that asset prices are relatively steep at the moment, especially in the USA. Many of the current

valuation multiples are far above the historical average and also exceed the levels we saw during the peaks in 2000 and 2007.

Patrik: Company valuations are high, which is increasing the difficulty of making long-term investments. We have to envision a normalised interest rate environment in 3–10 years and see how the current valuations look from that perspective. What assumptions about revenue and earnings growth will then be required? The conclusion is that under the present conditions, it is hard to find cheap companies.

2014 was a year with a nearly zero interest rate and negative sentiment about deflationary and geopolitical risks. How do you position yourselves in a situation like this?

Henrik: In the past year we communicated our strategy for new investments as situation-based. This term encompasses many aspects, but by looking for slightly different situations that fall outside the scope of generic investment models, we believe it's possible to find exciting opportunities where new owners, new capital and/or new resources can contribute to positive development. It obviously helps if you are aided by a strong economy and more favourable macro conditions. But we see ourselves as company builders and the key factors for succeeding at that are hard work, dedication, time and of course luck!

Patrik: We have also defined a target scenario for the composition of our portfolio. The goal is for each individual portfolio company to positively affect Bure's total net asset value, but in somewhat different ways. In short, the gist of the strategy is for Bure to own different types of assets with varying return characteristics. Everything from stable cash flow-generating companies to operations with higher potential returns, all in order to manage the balance between risk and potential.

One example of this is the locomotive investment we made in 2012. Here, we invested in an asset that has a limited upside in terms of value but will generate a solid cash flow over many years.

One of the new investments made in 2014 is Cavotec. Tell us what it was that motivated you to invest in the company?

Patrik: Cavotec, which is a globally active engineering group, is a classic success story created by Swedish entrepreneurs and industrialists. We have followed the company and its progress for a couple of years and have been impressed. Together with the founders, we have now identified a role where Bure will act as a long-term partner that can take part in the ongoing process of developing Cavotec. The company is built on principles that we at Bure are well familiar with from other of our portfolio companies. It will be enormously rewarding to contribute to Cavotec's continued growth and success.

Henrik: Cavotec has a long and successful history as a supplier of components to global industrial companies. Since a few years back, the company develops and sells its own systems mainly to ports and airports. This is an exciting new direction and today the company has a partly unique product portfolio and position in a number of different global market niches.

Bure also invested in Finland-based Fondita, a fund manager specialising in equity funds, and just before that in Catella, whose activities include management of a number of funds. What is it in this area that attracts you?

Patrik: Aside from the fact that both companies are well managed and highly successful, we have extensive experience in the financial sector. This is an industry that is undergoing constant change, which is an environment that we find exciting as owners and that offers opportunities. Furthermore, different types of savings instruments have an attractive business dynamic that is based on good relations, a long-term approach and a competitive product offering.

In 2014 you repurchased 6.2 per cent of Bure's own shares. What was your motive?

Henrik: Fortunately, it is clear in retrospect that this has been an extremely good deal for Bure's shareholders. The average price of the repurchased shares was SEK 30.55, compared to the current price of around SEK 48. The use of different types of shareholder-friendly tools such as buybacks, dividends and redemption procedures is a priority for us. Part of the strategy for achieving our goal to be a competitive investment alternative in the market is for Bure to be regarded as shareholder-oriented and shareholder-friendly.

What is your take on the investment climate in 2015?

Henrik: The stock market has gotten off to a roaring start in 2015, with the SIX Return Index rising by over 15 per cent in just two months. The prevailing interest rate levels, expansionary monetary policy, plummeting oil prices and weaker Swedish krona are creating good conditions for a continued strong stock market in 2015. Looking back at 2014, however, I think that the market slump in October is worth noting. It was a relatively sharp downturn, more than 10 per cent, and it happened very fast. To me this indicates that the market is sensitive, so that when and if a correction comes, it will be rapid. Personally, I feel that the hunt for returns, and perhaps more particularly growth, that we are seeing right now is overly exaggerated, which means that the risk is much higher now than in 2014.

Patrik: As Henrik points out, there are many positive factors that could drive a continued stock market rally. On the other hand, the interest market, with uniquely low rates, is politically directed, which is leading to a vast misallocation of capital and extravagant risk taking through excessive debt. Despite this, I would describe our outlook as cautiously optimistic. However, we will stand by our policy to keep Bure's parent company free from debt. This also means that we will be cautious about adding new types of risk to the portfolio, and will instead focus on the opportunities already existing in Bure.

Bure's operations

Business concept and objectives

Bure is a long-term principal owner of operating companies. Through far-reaching engagement with value-driving initiatives and activities, Bure supports the companies in becoming successful in their respective businesses.

Bure's objectives are:

- To create a long-term sustainable total return for Bure's shareholders.
- To be a competitive investment alternative in the market.

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' long-term development and growth 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 and value-drivers, Bure maintains a strong presence in the portfolio companies, mainly through active board work.

Methodical 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 in line with 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.

Resource efficiency

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

Active portfolio management

Bure works continuously to evaluate and analyse the composition of the portfolio with regard to value, potential, risk and the target scenario for the portfolio.

Bure is a situation-based investor

With a small but efficient organisation, Bure can quickly act on new business opportunities that arise. Among other things, Bure seeks special situations that fall outside the models used by other investors. Bure identifies and monitors interesting industries and companies and evaluates potential investments opportunistically, in the positive sense of the word, based on the unique situations in which the companies find themselves at the time of the investment.

When evaluating 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 in order to enable Bure to exert an active influence and, as a long-term principal owner, to build successful organisations.

Overall investment criteria

In both new and existing investments, Bure uses a structured approach that includes clear identification of different value-drivers. Bure's overall investment criteria are:

- Each investment should have an Internal Rate of Return, IRR, of more than 12 per cent.
- The holding should be significant and have sufficiently large value growth potential to contribute to Bure's long-term value growth.
- Bure should be a sufficiently large owner with a clearly defined role in order to exert an active influence.

Exit strategy

Bure has no established exit strategy and is not forced to sell off portfolio companies within a certain time period. Exits can take place when a new owner can contribute to the respective company's development. As an owner it is vital that Bure has a long-term strategy and an owner agenda, i.e. a clear objective and action plan, for each portfolio company. These are evaluated continuously by Bure with an emphasis on value, potential and risk.

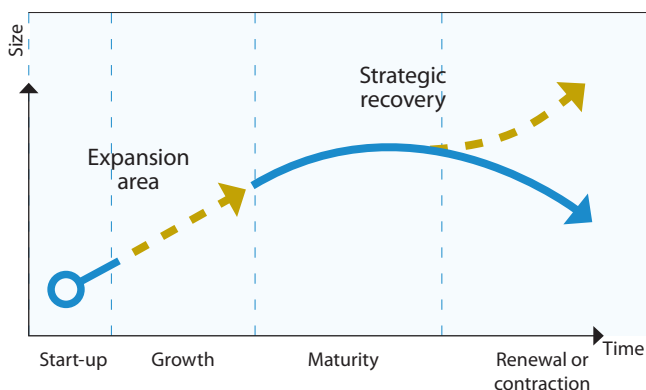
Target scenario for the portfolio

Within the framework of Bure's business model, 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** – often have higher operational risk (such as technology or market risk).
- **Cash flow-generating companies** – often companies with stable business models and with direct return.



A company's development curve



Bure invests for example in

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

Active and long-term ownership

Bure's business model is based on far-reaching engagement and a strong presence in the portfolio companies. This means that Bure's continuously develops in-depth expertise about the industries where the portfolio companies are active. Bure assesses each investment and business opportunity over a period of 3 – 5 years, but the investment horizon can be longer. If interesting new business opportunities arise over time, Bure can continue to own the company. The current portfolio includes several operations where Bure has been involved with for many years and has contributed to building successful companies.

Holding	Bure's ownership	Bure as the largest single shareholder	Number of board members from Bure	Chairman from Bure	Original investment
Listed portfolio companies					
Cavotec	10.5%	Yes	1	No	2014
MedCap	20.0%	Yes	1	No	2013
Mycronic	38.0%	Yes	1	Yes	1986/2009 ¹
PartnerTech	42.7%	Yes	2	Yes	1998
Vitrolife	21.7%	Yes	1	No	1984/2000 ²
Xvivo Perfusion	22.5%	Yes	2	Yes	2000/2012 ³
Unlisted portfolio companies					
Bure Financial Services	100.0%	Yes	3	Yes	2014
Investment AB Bure	100.0%	Yes	2	Yes	2012 ⁴
Mercuri International	99.1%	Yes	3	No	1998

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.

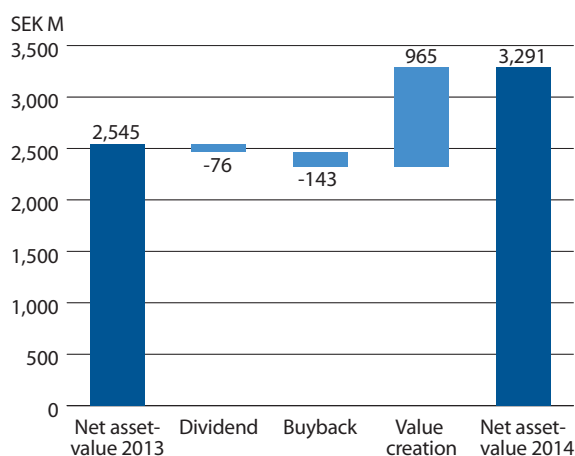
Portfolio development in 2014

Development of net asset value

Bure's portfolio consisted of nine companies at the end of 2014. Two portfolio companies were added during the year – Cavotec and Bure Financial Services.

Net asset value rose by SEK 746M to SEK 3,291M, compared to SEK 2,545M at 31 December 2013.

Value creation in 2014 amounted to SEK 965M (509), calculated as the increase in net asset value by SEK 746M plus the add-back of dividends totalling SEK 76M and share buybacks for SEK 143M. Of the total value creation of SEK 965M, value growth in the listed companies accounted for SEK 815M. Value creation also includes dividends from listed portfolio companies of SEK 101M, together with capital gains and dividends from short-term investments of SEK 55M.



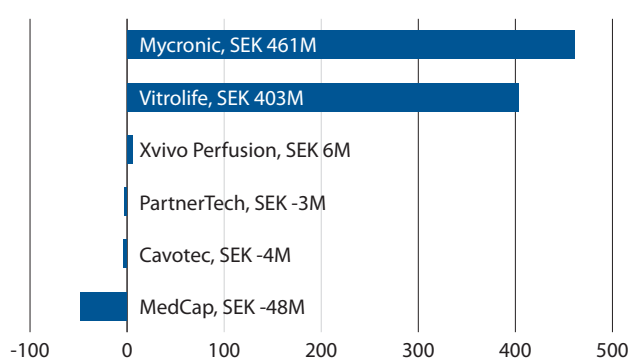
Net asset value per share at 31 December 2014 was SEK 46.09. Adjusted for share dividends, this is equal to an increase of 40.7 per cent during the year.

Listed portfolio companies

During the period, the value of the listed portfolio companies increased by SEK 861M to SEK 2,283M. Of the increase, value growth in the listed portfolio companies accounted for SEK 815M and net investments in shares for SEK 47M.

The listed portfolio companies accounted for 69.4 per cent of net asset value at year-end, compared to 55.9 per cent at the beginning of 2014.

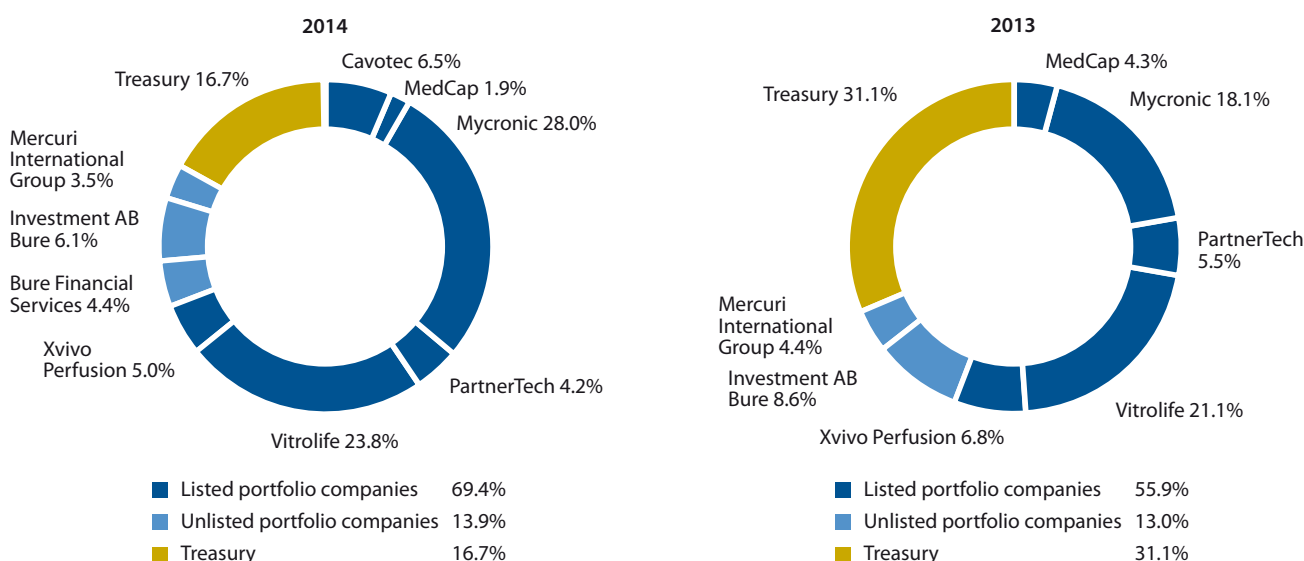
Value development, listed holdings



The value of the holding in Mycronic grew by SEK 461M and amounted to SEK 922M at year-end 2014. The share price rose by 100.0 per cent during 2014. The total return including dividends was 120 per cent.

Vitrolife's value growth was SEK 403M. In 2014, shares were sold for a total of SEK 159M. The holding in Vitrolife amounted to SEK 782M at the end of the year. The share price rose by 76.1 per cent during 2014.

Breakdown of net asset value at 31 December 2014 and 2013



Xvivo Perfusion's value growth was SEK 6M. In 2014 Bure divested shares for SEK 12M. The holding in Xvivo Perfusion amounted to SEK 166M at year-end. The share price rose by 2.4 per cent under 2014.

PartnerTech declined in value by SEK 3M. In 2014 Bure divested shares for SEK 1M. The holding in PartnerTech amounted to SEK 137M at year-end. The share price fell by 2.3 per cent in 2014.

Cavotec decreased in value by SEK 4M. The holding was acquired during 2014 for SEK 218M and amounted to SEK 214M at year-end. Bure acquired most of the holding in September 2014. The share price fell by 17.2 per cent during the full year 2014.

MedCap declined in value by SEK 48M. In 2014 Bure acquired shares for SEK 0.4M. The holding in MedCap amounted to SEK 63M at year-end. The share price fell by 43.2 per cent in 2014.

Unlisted portfolio companies

The value of the unlisted portfolio companies rose by SEK 125M to SEK 456M, compared to SEK 331M at year-end 2013.

Bure Financial Services was established in 2014. The company, which has holdings of 10.4 per cent in Catella and 20.1 per cent in Fondbolaget Fondita, was valued at SEK 143M at 31 December 2014.

Investment AB Bure's net asset value, which has been adjusted downwards as a result of repayment of loans to the Parent Company, amounted to SEK 199M.

Mercuri's net asset value of SEK 114M was unchanged compared to the previous year.

The unlisted portfolio companies accounted for 13.9 per cent of net asset value, compared to 13.0 per cent at the beginning of 2014.

Treasury

The value of the assets in Treasury fell by SEK 241M to SEK 551M. The change is mainly due to the acquisition of shares in Cavotec, Fondita and Catella, share buybacks, share dividends, the sale of shares in Vitrolife and administrative expenses. Assets in Treasury accounted for 16.7 per cent of net asset value, compared to 31.1 per cent at the beginning of 2014.

Buybacks and share dividends in 2014

In 2014 Bure repurchased 4,684,068 shares, which is equal to 6.2 per cent of the total number of shares outstanding.

The shares were repurchased at an average price of SEK 30.55 each. During the year, shares were repurchased for SEK 143.1M. The number of shares outstanding excluding repurchased shares was 71,397,442 at 31 December 2014.







The year's dividend amounted to an ordinary dividend of SEK 0.50 per share and an extraordinary dividend of SEK 0.50 per share. The total amount of dividends was SEK 76.1M.

Earnings performance in the portfolio companies




Several of the portfolio companies improved both their net sales and profit during 2014. A summation without adjustment for Bure's relative holdings in the respective companies shows that the portfolio companies' combined net sales were up by 13 per cent and operating profit by 148 per cent.

Portfolio companies Full year 2014 and 2013¹

Listed portfolio companies SEK M

	2014	2013	
 CAVOTEC	Net sales	2,118	2,036
	EBIT	114	94
	EBIT margin	5.4%	4.6%
	Holding	10.5%	–
 MEDCAP	Net sales	890	651
	EBIT	8	32
	EBIT margin	0.9%	5.0%
	Holding	20.0%	22.1%
 MYCRONIC	Net sales	1,475	997
	EBIT	277	32
	EBIT margin	18.7%	3.2%
	Holding	38.0%	38.0%
 PARTNERTECH <small>Delivers power to create</small>	Net sales	2,239	2,237
	EBIT	-44	32
	EBIT margin	-2.0%	1.4%
	Holding	42.7%	43.0%
 Vitrolife <small>Innovative Cell and Tissue Technology</small>	Net sales	511	453
	EBIT	143	80
	EBIT margin	28.1%	17.8%
	Holding	21.7%	28.8%
 XVIVO PERFUSION	Net sales	85	69
	EBIT	7	11
	EBIT margin	7.9%	15.6%
	Holding	22.5%	26.3%

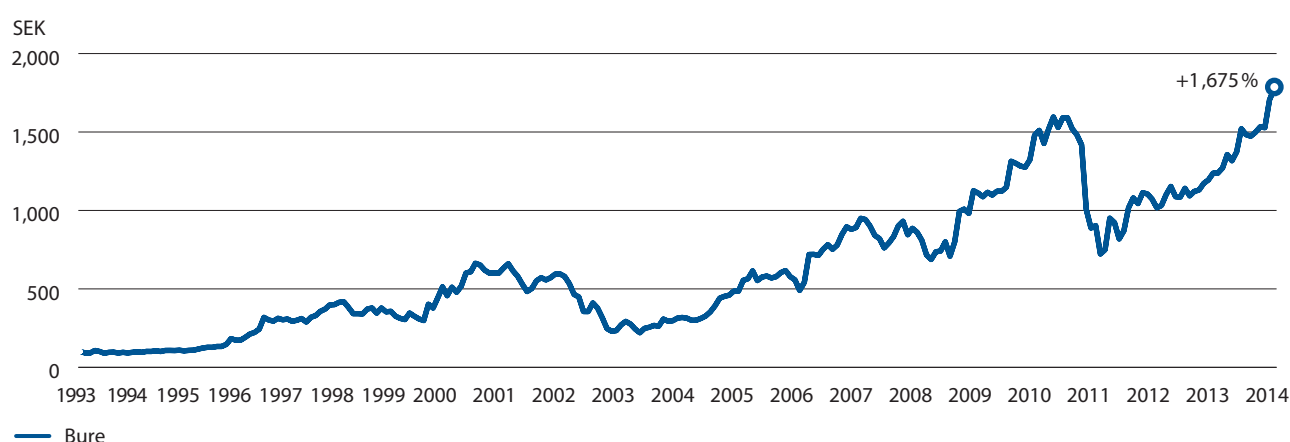
Unlisted portfolio companies SEK M

	2014	2013	
 Bure Financial Services	Net sales	50	–
	EBIT	50	–
	EBIT margin	100.0%	–
	Holding	100.0%	–
 Investment AB Bure	Net sales	33	33
	EBIT	26	12
	EBIT margin	77.8%	36.6%
	Holding	100.0%	100.0%
 Mercuri	Net sales	490	483
	EBIT	9	-56
	EBIT margin	1.8%	-11.6%
	Holding	99.1%	99.1%

¹) MedCap refers to the period from February to January of each year.

Long-term total return

One of Bure's foremost goals is to generate long-term sustainable total returns for its shareholders. Through growth in net asset value, meaning an increase in the value of the assets at Bure's disposal, opportunities for return are created. Total return is a measure of how the stock market values Bure's share and net asset value, as well as distributions of assets to Bure's shareholders. These distributions can take the form of cash dividends and shares in companies or the redemption and buyback of shares.



An investment in Bure in 1993 has generated a total return of +1,675 per cent over the period 1993–2014, which is equal to an annual return of 14.5 per cent. In the calculation model, cash dividends are reinvested in new Bure shares. Distributed shares are measured at fair market value. If distributed shares are de-listed, for example through a public tender offer, the proceeds from such sale are reinvested in new Bure shares.

Total return including distribution of companies

Bure defines total return including distribution of companies as a combination of Bure's share price performance, cash dividends and the market value of the companies that have been distributed. The method that is used means that cash dividends are reinvested in Bure shares. In the case of companies that are distributed, the shareholders are assumed to retain the received shares until the date on which the share possibly is de-listed, after which the proceeds are reinvested in Bure shares. Since Bure was listed on Nasdaq OMX in 1993, the shareholders have received a total annual return of 14.5 per cent.

Growth in net asset value

Net asset value is the sum of Bure's net assets and can be said to be the result of long-term company building. Net asset value includes listed assets that are measured at fair market value, while unlisted assets are normally measured at cost. For unlisted assets, this means that the value is not realised until the assets are sold or generate dividends for Bure.

Shareholder-friendly measures

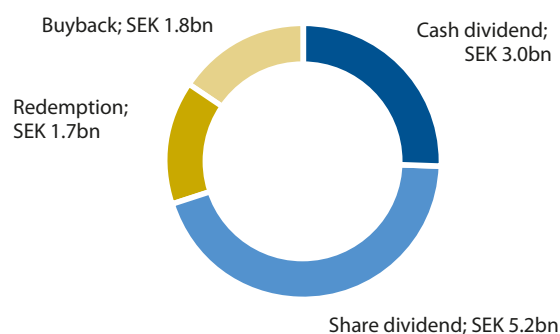
There are a number of shareholder-friendly measures that can be used over time to enable the shareholders to benefit from the value of Bure's assets directly in excess of the stock market's valuation of the Bure share.

Cash dividends entail the distribution of cash, while company distributions involve the distribution of shares in a specific company to the shareholders. Since 1993, Bure has distributed SEK 3.0bn in cash as well as shares in the companies Capio,

Observer (later Cision) and AcadeMedia for a value of more than SEK 5.2bn on the distribution date – a total of SEK 8.1bn. Other types of distributions include share redemptions and share buybacks. In simple terms, this increases the value of the remaining shares. Over the years, Bure has carried out redemption procedures and buybacks of shares and warrants for SEK 3.5bn.

Since the start, Bure has thus distributed a total of more than SEK 11.6bn to its shareholders – which is equal to 4.2 times the market capitalisation at year-end 2014.

Total distribution to Bure's shareholders 1993–2014: SEK 11.6bn



Listed holdings



Share of Bure's net asset value **6.5%**

Cavotec is a global engineering group that delivers power transmission, distribution and control technologies that form the link between fixed and mobile equipment in the Ports & Maritime, Airports, Mining & Tunneling, Automation and General Industrial sectors.

Key figures

EUR M	2014	2013	2012
Net sales	233	228	220
Operating expenses	-220	-217	-202
EBIT	12.6	10.5	18.0
EBIT margin	5.4%	4.6%	8.2%
Net financial items	3.7	-1.6	-1.7
Profit/loss before tax	16.2	8.9	16.2
Income tax expense	-6.0	1.5	-4.0
Profit/loss for the period	10.2	10.5	12.2
Net loan debt (-)/receivable (+)	-20	-36	-25
Total assets	242	220	211
Equity	138	109	107
Cash flow from operating activities	-1	-3	12
Average no. of employees	1,019	1,001	891

Facts at 31 Dec 2014

Book value: SEK 214M	Bure Equity	10.5%
Acquisition date: 2014	Michael Colaco	9.8%
Board member from Bure: Patrik Tigerschiöld, board member	Lars Hellman	9.2%
	Others	70.5%

Largest shareholders



MEDCAP

www.medcap.se

Share of Bure's net asset value **1.9%**

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

Key figures

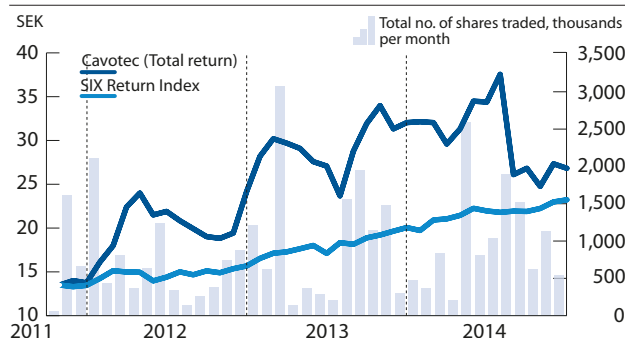
SEK M	Feb 14 – Jan 15	Feb 13 – Jan 14	Feb 12 – Jan 13
Net sales	890	651	341
Operating expenses	-882	-618	-319
EBIT	8.0	32.4	21.7
EBIT margin	0.9%	5.0%	6.4%
Net financial items	3.4	-9.0	0.3
Profit/loss before tax	11.4	23.3	21.9
Income tax expense	-0.1	-3.2	-4.1
Profit/loss for the period	11.3	20.2	17.8
Net loan debt (-)/receivable (+)	-57	-154	7
Total assets	535	522	329
Equity	270	210	194
Cash flow from operating activities	62	29	6
Average no. of employees	266	-	-

Facts at 31 Dec 2014

Book value: SEK 63M	Bure Equity	20.0%
Acquisition date: 2012	Bengt Julander	19.7%
Board member from Bure: Henrik Blomquist, board member	Karl Tobieson	4.6%
	Others	55.7%

Largest shareholders

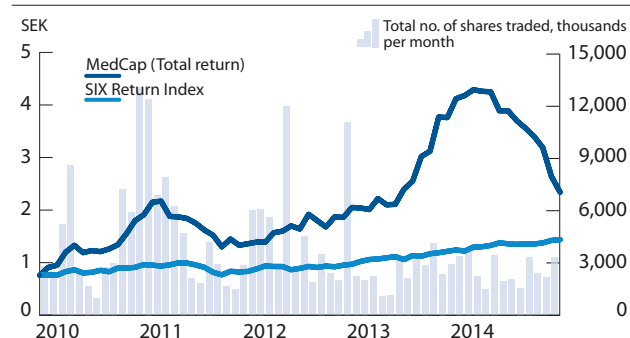
Cavotec's share price development, from October 2011



Key events in 2014

- Cavotec SA, listed on Nasdaq OMX Mid Cap, became a portfolio company in September 2014 following the acquisition of 7.14 million shares through a SEK 189.2M directed share issue.
- Bure acquired additional shares in Cavotec during the fourth quarter of 2014 and the holding amounted to 10.5 per cent at year-end.
- Since the investment was made in September, the share price has declined by 1.9 per cent. The share price fell by 17.2 per cent during 2014.

MedCap's share price development, 5 years



Key events in 2014

- Net sales for 2014 increased by 36.7 per cent to SEK 890M (651).
- Operating profit declined by SEK 24.3M to SEK 8.0M (32.4), mainly due to lower sales in Unimedica and weak earnings performance in Abilia.
- Cash flow from operating activities improved mainly as a result of lower working capital tied up in Unimedica.
- The share price fell by 43.2 per cent during 2014.

MYCRONIC

Share of Bure's net asset value **28.0%**

www.mycronic.com

Mycronic develops and manufactures laser-based pattern generators for production of photomasks and advanced surface mounting equipment for flexible electronics production.

Key figures

SEK M	2014	2013	2012
Net sales	1,475	997	1,354
Operating expenses	-1,199	-965	-1,375
EBIT	276.5	32.3	-21.4
EBIT margin	18.7%	3.2%	-1.6%
Net financial items	1.6	3.6	6.8
Profit/loss before tax	278.1	35.9	-14.6
Income tax expense	-11.8	-22.1	-29.4
Profit/loss for the period	266.2	13.7	-44.0
Net loan debt (-)/receivable (+)	661	487	579
Total assets	1,600	1,402	1,472
Equity	1,207	1,165	1,168
Cash flow from operating activities	418	-47	70
Average no. of employees	508	514	560

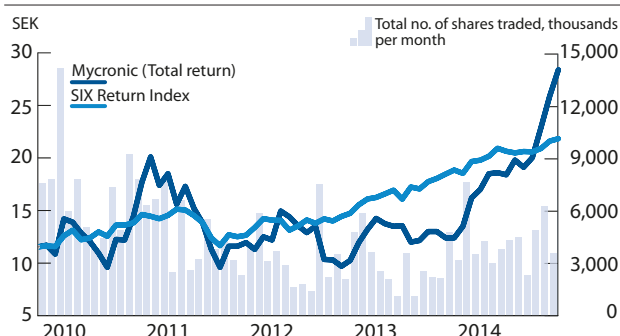
Facts at 31 Dec 2014

Book value: SEK 922M
Acquisition date: 2010 via Skanditek
Board member from Bure: Patrik Tigerschiöld, chairman

Largest shareholders

Bure Equity 38.0%
 SHB Fonder 7.3%
 Nordea Fonder 4.3%
 Others 50.4%

Mycronic's share price development, 5 years



Key events in 2014

- Order intake improved by 93 per cent to SEK 2,028M (1,053). The PG business area received 8 orders for mask writers and order intake was up by 177 per cent. In the SMT business area, order intake increased by 27 per cent.
- Net sales in 2014 amounted to SEK 1,475M (997), which represents an increase of 48 per cent.
- Operating profit was SEK 276.5M (32.3), which is equal to an operating margin of 18.7 per cent (3.2).
- The share price rose by 100.0 per cent during 2014.



PARTNERTECH

A TRUSTED INDUSTRIAL PARTNER

www.partnertech.com

Share of Bure's net asset value **4.2%**

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	2014	2013	2012
Net sales	2,239	2,237	2,242
Operating expenses	-2,282	-2,205	-2,218
EBIT	-43.7	31.7	24.1
EBIT margin	-2.0%	1.4%	1.1%
Net financial items	-8.7	-11.9	-21.1
Profit/loss before tax	-52.5	19.8	3.1
Income tax expense	-2.3	-13.1	-11.0
Profit/loss for the period	-54.8	,6.7	-7.9
Net loan debt (-)/receivable (+)	-263	-182	-215
Total assets	1,296	1,163	1,118
Equity	418	467	456
Cash flow from operating activities	-47	72	124
Average no. of employees	1,437	1,378	1,354

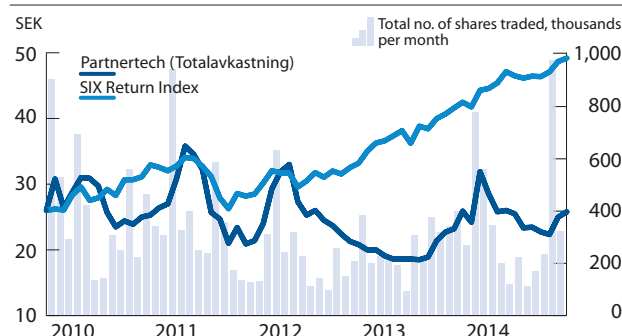
Facts at 31 Dec 2014

Book value: SEK 137M
Acquisition date: 2010 via Skanditek
Board member from Bure: Bengt Engström, chairman
 Gösta Johannesson, board member

Largest shareholders

Bure Equity 42.7%
 AB Traction 23.2%
 Avanza Pension 7.6%
 Others 26.5%

PartnerTech's share price development, 5 years



Key events in 2014

- Net sales in 2014 amounted to SEK 2,239M (2,237).
- Operating profit decreased to SEK -43.7M, compared to SEK 31.7M in 2013. Operating profit for the three business areas was down compared to the previous year. Profit for the Metal Precision business area was negatively affected by substantial provisions for restructuring programmes and goodwill impairment.
- The share price fell by 2.3 percent during 2014.

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

Key figures

SEK M	2014	2013	2012 ¹
Net sales	511	453	362
Operating expenses	-367	-372	-312
EBIT	143.3	80.4	49.7
EBIT margin	28.1%	17.8%	13.7%
Net financial items	3.6	-0.6	0.0
Profit/loss before tax	146.9	79.8	49.7
Income tax expense	-37.5	-23.1	-23.2
Profit/loss for the period	109.5	56.7	26.5
Net loan debt (-)/receivable (+)	28	15	-63
Total assets	972	485	462
Equity	703	316	279
Cash flow from operating activities	146	106	58
Average no. of employees	242	234	215

1) The data for 2012 is presented pro forma.

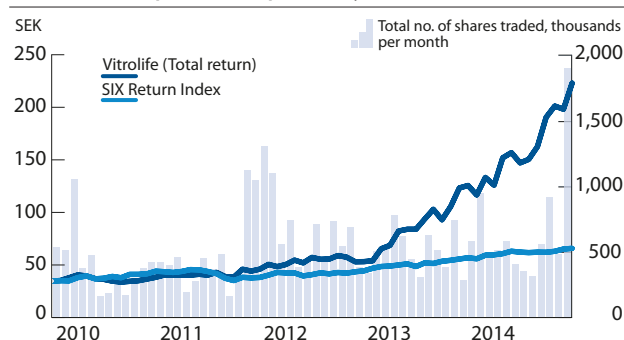
Facts at 31 Dec 2014

Book value: SEK 782M
Acquisition date: 2010 via Skanditek
Board member from Bure: Fredrik Mattsson, board member

Largest shareholders

Bure Equity 21.7%
Thomas Olausson 8.5%
William Demant Invest A/S 8.1%
Others 61.7%

Vitrolife's share price development, 5 years¹



1) Including the distribution of Xvivo Perfusion in 2012.

Key events in 2014

- Net sales in 2014 increased by 12.8 per cent to SEK 511M (453).
- Operating profit amounted to SEK 143.3M (80.4), which is equal to an operating margin of 28.1 per cent (17.8). Costs attributable to the acquisition of Unisense FertiliTech A/S were charged to profit in an amount of SEK 15M.
- Vitrolife acquired all of the shares in Unisense FertiliTech A/S, the market leader in time-lapse monitoring of embryos for IVF. The acquisition was partly financed by a new issue of 1.9 million shares.
- The share price rose by 76.1 per cent during 2014.

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	2014	2013	2012 ¹
Net sales	85	69	57
Operating expenses	-78	-58	-50
EBIT	6.7	10.8	7.4
EBIT margin	7.9%	15.6%	13.0%
Net financial items	0.0	-0.1	-1.3
Profit/loss before tax	6.7	10.7	6.0
Income tax expense	-3.0	-2.7	-2.5
Profit/loss for the period	3.7	8.1	3.5
Net loan debt (-)/receivable (+)	48	-3	-1
Total assets	202	128	115
Equity	176	97	89
Cash flow from operating activities	-4	13	2
Average no. of employees	16	13	9

1) The data for 2012 is presented pro forma.

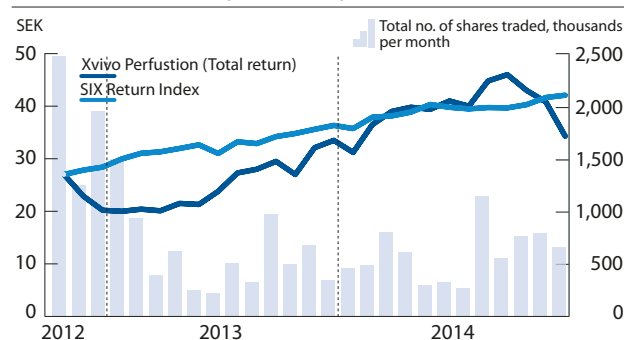
Facts at 31 Dec 2014

Book value: SEK 166M
Acquisition date: Lex Asea distribution from Vitrolife in 2012
Board member from Bure: Fredrik Mattsson, chairman Gösta Johannesson, board member

Largest shareholders

Bure Equity 22.5%
Handelsbanken Liv 5.9%
Eccenovo 2.8%
Others 68.8%

Xvivo Perfusion's share price development, from October 2012



Key events in 2014

- Net sales in 2014 amounted to SEK 85M (69), which represents an increase of 22.9 per cent.
- Operating profit was SEK 6.7M (10.8), equal to a margin of 7.9 per cent (15.6). Costs attributable to the dispute regarding three Vivoline patents/patent applications were charged to profit in an amount of SEK 4.3M.
- Xvivo was granted market approval for STEEN Solution and XPS by the FDA, thus allowing the sale of STEEN Solution, XPS and related consumables in the USA.
- The share price rose by 2.4 per cent during 2014.

Unlisted holdings

Bure Financial Services

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

www.bure.se

Bure Financial Services is a wholly owned subsidiary that invests in financial operations and assets. Operations were started in October 2014.

Key figures

SEK M	2014	2013	2012
Net sales ¹	49.5	-	-
Operating expenses	0	-	-
EBIT	49.5	-	-
EBIT margin	100.0%	-	-
Net financial items	-	-	-
Profit/loss before tax	49.5	-	-
Income tax expense	-	-	-
Profit/loss for the period	49.5	-	-
Net loan debt (-)/receivable (+)	-101	-	-
Total assets	143	-	-
Equity	43	-	-
Cash flow from operating activities	0	-	-
Average no. of employees	0	-	-

1) Net sales of SEK 49.5M refer to the fair value change of the holding in Catella and shares in profit from Fondita.

Facts at 31 Dec 2014

Book value: SEK 143M

Acquisition date: Established in 2014

Board member from Bure:

Patrik Tigerschiöld, chairman
Henrik Blomquist, board member
Max Jonson, board member

Largest shareholders

Bure Equity 100.0%

Investment AB Bure

Share of Bure's net asset value **6.1%**

www.bure.se

Investment AB Bure is a wholly owned subsidiary that owns and manages leasing of locomotives. Operations started in 2012.

Key figures

SEK M	2014	2013	2012
Net sales	33.4	33.1	-
Operating expenses	-7.4	-21.0	-2.9
EBIT	26.0	12.1	-2.9
EBIT margin	77.8%	36.6%	-
Net financial items	-7.0	-9.2	-1.8
Group contributions	27.9	-	-
Appropriations	-46.8	-	-
Profit/loss before tax	0.0	2.9	-4.7
Income tax expense	-	-	-
Profit/loss for the period	0.0	2.9	-4.7
Net loan debt (-)/receivable (+)	-136	-189	-227
Total assets	207	236	243
Equity	14	25	11
Cash flow from operating activities	25	17	-2
Average no. of employees	0	0	0

Facts at 31 Dec 2014

Book value: SEK 199M¹

Acquisition date: Established in 2012

Board member from Bure:

Henrik Blomquist, chairman
Fredrik Mattsson, board member

Largest shareholders

Bure Equity 100.0%

Key events in 2014

- Bure Financial Services was established as the holding company for the shareholdings in Catella and Fondbolaget Fondita.
- The holding in Catella amounting to 10.4 per cent of the share capital and 10.8 per cent of the votes was acquired during 2014.
- Bure Financial Services acquired 20.1 per cent of Fondbolaget Fondita in Finland. The company is consolidated as of 1 October 2014.

Key events in 2014

- The locomotive leasing business proceeded according to plan during 2014.
- Net sales of SEK 33.4M (33,1) and an EBIT of SEK 26.0M (12,1) show that these operations are back on track after the customer underwent corporate debt restructuring during the end of 2013 and the first half of 2014.
- The net loan liability is an internal liability to the Parent Company and decreased according to plan during the year.
- Investment AB Bure received a group contribution of SEK 27.9M from Bure Equity and made a tax depreciation on the locomotives of SEK 46.8M during 2014.

1) Refers to net assets in Investment AB Bure.

Mercuri International is a leading sales and management training consultancy with an international coverage.

Key figures

SEK M	2014 ¹	2013 ¹	2012 ¹
Net sales	490	483	504
Operating expenses	-482	-538	-601
EBIT ²	8.6	-55.9	-96.9
EBIT margin	1.8%	-11.6%	-18.2%
Net financial items	-4.8	-7.3	-7.7
Profit/loss before tax	3.8	-63.2	-104.6
Income tax expense	-4.0	-3.8	-5.4
Profit/loss for the period	-0.2	-67.0	-110.0
Net loan debt (-)/receivable (+)	-89	-78	-65
Total assets	359	343	420
Equity	90	82	152
Cash flow from operating activities	4	7	5
Average no. of employees	311	338	347

1) The data excludes divested operations in Norway, Estonia, Croatia, Slovakia, Slovenia and the Czech Republic.

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

Facts at 31 Dec 2014

Book value: SEK 114M¹

Acquisition date: 1998

Board member from Bure:

Patrik Tigerschiöld, board member

Eva Gidlöf, board member

Fredrik Mattsson, board member

Largest shareholders

Bure Equity 99.1%

Others 0.9%

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

Key events in 2014

- Net sales increased by 1.6 per cent to SEK 490M (483) during 2014.
- Operating profit was SEK 8.6M (-55.9). Restructuring costs were charged to profit for the year in an amount of SEK 10.7M (3.7). Profit for 2013 was charged with goodwill impairment of SEK 57M.
- Conversion of the subsidiaries in Slovenia, Slovakia, Croatia and the Czech Republic to franchise companies has been completed.

The Bure share

The Bure share is quoted on Nasdaq OMX Stockholm in the Mid Cap segment.

Share structure

Bure's share capital at 31 December 2014 amounted to SEK 535.5M (535.3), divided between 76,081,510 ordinary shares. Each share has a quota value of SEK 7.04. All shares grant equal voting rights and rights to the company's assets and profits.

Shareholders

At 31 December 2014 Bure had 19,315 shareholders (18,955). Of Bure's shareholders, 67.6 per cent (65.1) held fewer than 500 shares. Foreign investors held 28.2 per cent (29.0). At year-end, the ten largest shareholders together held 55.9 per cent (51.4) of the share capital and votes in Bure.

Ownership structure

Swedish private investors:	45.0%
Swedish institutions:	26.8%
Foreign investors:	28.2%



Share price performance

In 2014 the share price increased by 38.1 per cent. Bure's share price at year-end 2014 was SEK 35.90 (26.00). Highest price for the Bure share was SEK 36.80 and the lowest was SEK 25.80. In 2014 the Bure share produced a total return of 43.0 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 Index, which showed a return of 15.8 per cent. At year-end 2014 Bure had a market capitalisation of SEK 2,731M.

Trading volume

In 2014 a total of 22,849,934 shares (30,839,977) were traded on Nasdaq OMX Stockholm for a combined value of SEK 687M (727), which is equal to a turnover rate of 30 per cent of Bure's shares. The average trading volume per trading day was 91,767 (123,360). A total of 30,063 trades (29,260) of the Bure share were cleared during the year.

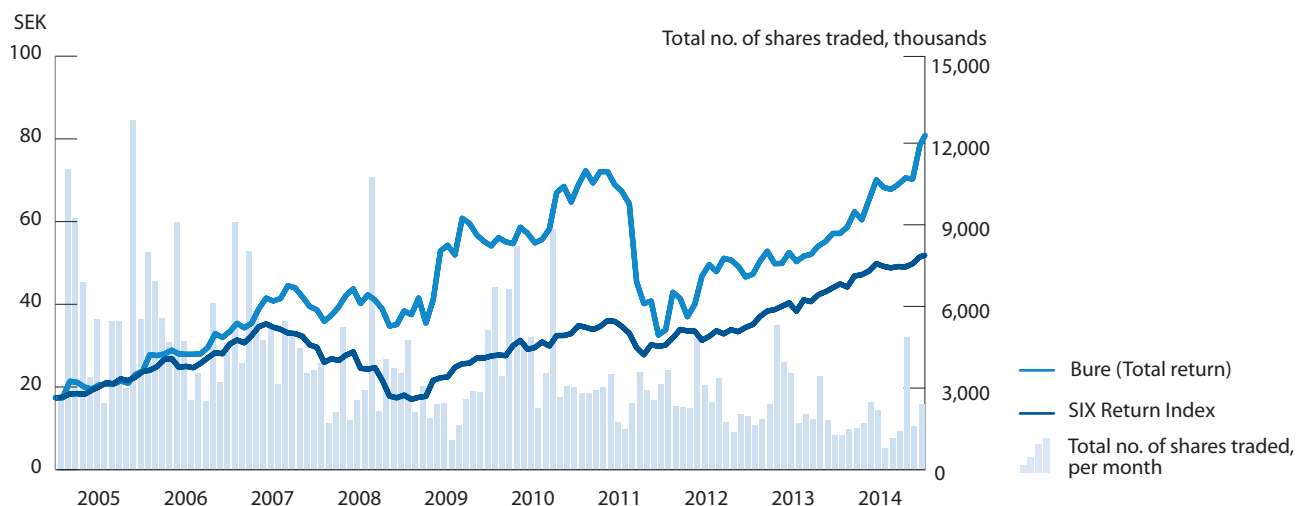
Dividend for 2014

In 2014 Bure paid an ordinary dividend of SEK 0.50 per share and an extraordinary dividend of SEK 0.50 per share. The Board intends to propose that the 2015 AGM approves an ordinary dividend of SEK 1.00 per share.

Share buybacks

The 2014 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 4,684,068 shares were acquired during the year, which means that Bure's holding of treasury shares at year-end was equal to 6.16 per cent of the votes and share capital. The Board intends to propose to the 2015 AGM that these shares be cancelled.

Ten-year share price performance



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.

In December 2014 Bure repurchased 789,000 warrants from Warrant Programme 2012 from the employees, former employees and the Chairman of Bure for SEK 4.3M. The warrants were repurchased on market-based terms. At the same time, the CEO chose to exercise warrants to subscribe to 30,000 shares. Warrant Programme 2012 has thus been concluded.

Employee ownership in Bure

Bure encourages an alignment of interests between the employees and the company's shareholders. At 31 December 2014 the employees had a combined holding of 83,500 shares. For more information about employee shareholdings, see page 25.

Bure's largest shareholders at 31 December 2014

Shareholders	No. of shares	Holding
Estate of Dag Tigerschiöld	9,225,563	12.1%
Nordea Investment Funds	8,221,065	10.8%
Patrik Tigerschiöld	6,014,605	7.9%
Björkman family	5,233,162	6.9%
Bure Equity AB	4,684,068	6.2%
SIX SIS AG, W8IMY	2,639,914	3.5%
Fjärde AP-fonden	2,286,954	3.0%
Unionen	1,586,891	2.1%
Länsförsäkringar Fondförvaltning AB	1,342,469	1.8%
CBNY-DFA-INT SML CAP V	1,245,863	1.6%
Total 10 largest shareholders	42,480,554	55.9%
Others	33,600,956	44.2%
Total	76,081,510	100%

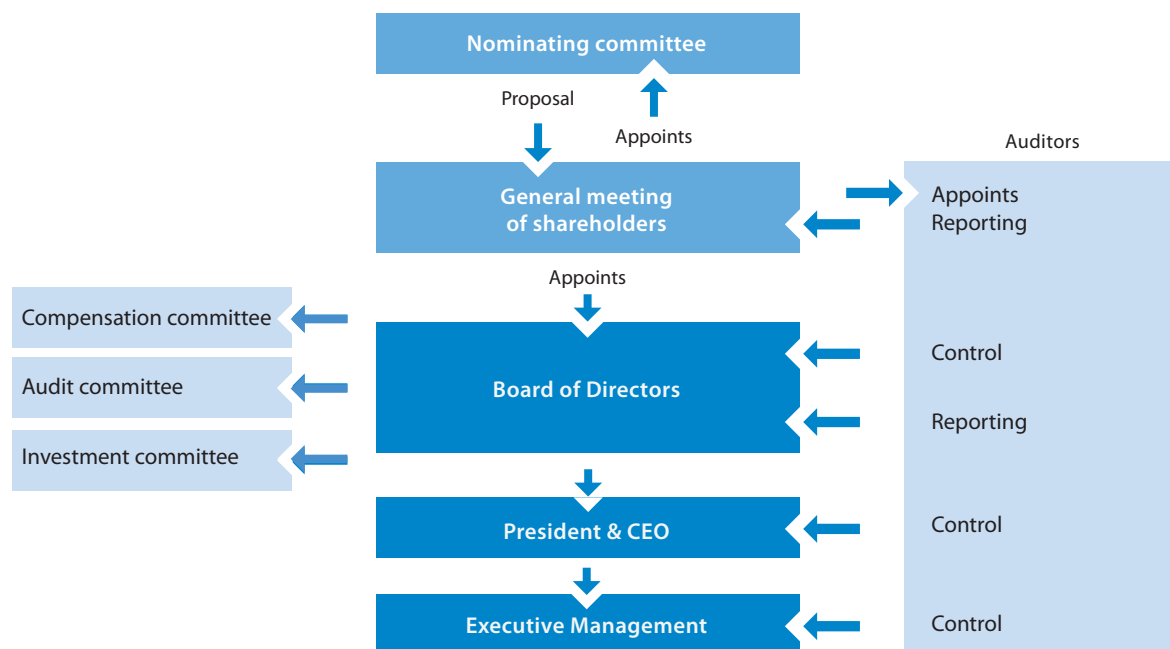
Distribution of shareholdings at 31 December 2014

Size of holding	No. of shareholders	No. of shares	Holding
1 – 500	13,061	1,685,116	67.6%
501 – 1 000	2,844	2,300,424	14.7%
1,001 – 5,000	2,672	6,006,398	13.8%
5,001 – 10,000	381	2,871,533	2.0%
10,001 – 15,000	120	1,535,895	0.6%
15,001 – 20,000	51	930,148	0.3%
20,001 –	186	60,751,996	1.0%
Total	19,315	76,081,510	100%

Data per share	2014	2013	2012	2011	2010
Net asset value per share, SEK	46.1	33.5	27.1	25.0	27.0
Share price, SEK	35.9	26.0	22.0	16.0	32.8
Dividend, SEK	1.0	0.5	0.3	–	9.8
Direct return	2.8%	1.9%	1.4%	–	29.9%
Total return	43.0%	21.0%	39.8%	-43.5%	28.1%
Share price as a % of net asset value per share	78%	78%	81%	64%	122%
Parent Company equity per share, SEK	42.3	30.6	25.8	23.2	26.0
Number of shares, thousands	76,082	81,102	81,357	85,328	89,646
Average number of shares, thousands ¹	74,947	78,649	81,224	86,115	86,524

1) In 2014 the average number of shares is calculated excluding 4,684,068 repurchased shares.

Corporate governance



Corporate governance report 2014

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 2014 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.

Share capital

Bure has been listed on Nasdaq OMX Stockholm since 1993. At 31 December 2014 the share capital amounted to SEK 535.5M, and was divided between 76,081,510 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 2014 Bure had 19,315 shareholders according to statistics from Euroclear Sweden. The ten largest shareholders accounted for 55.9 per cent of the shares. The estate of Dag Tigerschiöld was Bure's single largest shareholder, with 12.1 per cent of the shares. The percentage of shares held by physical persons or legal entities outside Sweden was 28.2 per cent. The 2014 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 2014 Bure held 4,684,068 treasury shares, equal to 6.16 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 Gothenburg 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 no more than six weeks and no fewer than three weeks prior to an extraordinary general 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 Articles 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 assistants at the meeting if they notify the company in advance.

2014 Annual General Meeting

The 2014 AGM was held on 24 April in Stockholm. The meeting was attended by 101 shareholders, proxies and assistants, together representing 49.23 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

On 30 September 2014 Bure announced the composition of the nominating committee. The nominating committee has been appointed in accordance with the instructions for the nominating committee that were adopted by Bure's 2014 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:

- Patrik Tigerschiöld, representing the Tigerschiöld family.
- Bengt Belfrage, representing Nordea Investment Funds.
- Per Björkman, representing the Björkman family.

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 2014 AGM to serve for a period of one year. Ahead of the 2015 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.

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.

The AGM on 24 April 2014 elected Patrik Tigerschiöld (re-election) as Chairman and elected Hans Biörck (re-election), Carl Björkman (re-election), Bengt Engström (new election), Eva Gidlöf (re-election) and Mathias Uhlén (re-election) as regular board members. Håkan Larsson decided not to stand for re-election. Information about the Board members and the CEO

is presented at the end of the corporate governance report. CFO Max Jonson has served as Secretary of the Board. The CEO is not a member of the Board. Of the company's six Board members, four are independent in relation to the company, its management and the company's major shareholders and, one is independent in relation to the company and its management and dependent in relation to 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 24 April 2014. 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 usually 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 management.

Work of the Board in 2014

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 12 meetings, consisting of 10 scheduled meetings and 2 extra meetings. See Board attendance in the table below.

Key issues that were dealt with during the financial year included the following:

- Financial monitoring of operations
- Discussions and decisions regarding the portfolio
- Preparation of the dividend proposal
- Development of the company's strategic focus
- Authorisation for the repurchase of treasury shares
- Auditing, investment and compensation committee issues, which are described under "Board committees" below.

The company's auditor has taken part in two board meetings, of which one without the presence of any member of the management.

Total Board fees in Bure Equity AB as approved by the 2014 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 and the compensation committee is performed by the Board as a whole.

Audit committee

The audit committee is responsible for issues concerning 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 deal with 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 management were put before the AGM on 24 April 2014.

Investment committee

In order to actively manage Bure's cash and cash equivalents and short-term investments, the Board has appointed an investment committee 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. In the past financial year, the investment committee held eight meetings at which all members were in attendance.

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 2014 are described in the administration report. Information about compensation to the CEO and other senior executives during 2014 is provided in Note 35.

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 2014 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.

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

Attendance at board meetings in 2014	Board meetings	Compensation, SEK th	Shareholding
Patrik Tigerschiöld, Chairman	11/12	800	6,014,605
Hans Biörck	11/12	225	25,000
Carl Björkman	10/12	225	2,945,412
Bengt Engström	11/12	225	7,000
Eva Gidlöf	12/12	225	5,000
Mathias Uhlén	11/12	225	36,500

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. 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 need for an internal audit function in the Parent Company must therefore be regarded as small.

Information about the auditors

As its independent auditor, Bure has appointed the auditing firm of Öhrlings PricewaterhouseCoopers AB ("PwC"). PwC has appointed Michael Bengtsson, 55 years, as Auditor in Charge. Aside from Bure Equity AB, Michael is auditor of Indutrade AB, Betsson AB and Carnegie Investment Bank AB, among others. For information about compensation to PwC, see Note 9.

The Board's description of internal control over financial reporting for the financial year 2014

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 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 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 management. This includes ensuring that action is taken with respect to any deficiencies or recommendations identified in internal and external audits.

Stockholm, 19 March 2015

The Board of Directors of Bure Equity AB (publ)

Board of Directors



Patrik Tigerschiöld, Stockholm, born in 1964, M.Sc. Business and Economics
Board Chairman since 2013 (also during 2004–2009)
CEO during 2010–April 2013*
Chairman of Mycronic AB, the Association for Generally Accepted Principles in the Securities Market, the Swedish Association of Listed Companies and Bure Financial Services AB.
Board member of Stockholm University, Cavotec SA and Mercuri International Group AB.
Shareholding in Bure, own and held by related parties: 6,014,605.
Dependent in relation to the company and its management. Dependent in relation to the company's major shareholders.



Hans Biörck, Stockholm, born in 1951, M.Sc. Business and Economics
Board member since 2012
Chairman of Crescit Asset Management AB
Board member of Trelleborg AB, Dunkerska Stiftelserna and LKAB
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, Stockholm, born in 1970, M.Sc.Eng.
Board member since 2010
Chairman of Cality Invest AB
Board member of Stäketsholms Förvaltnings AB, Johan Björkmans Public Benefit Foundation for Economic Research and FPG Media.
Shareholding in Bure, own and held by related parties: 2,945,412.
Independent in relation to the company and its management and dependent in relation to the company's major shareholders.



Bengt Engström, Stockholm, born in 1953, M.Sc.Eng.
Board member since 2014
Chairman of PartnerTech AB and ScandinavianExecutive AB
Board member of ScandiNova AB, Prevas AB, Advania AB, Adinvest AB, Avaj International Holding AB and PicShare AB.
Shareholding in Bure, own and held by related parties: 7,000.
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 2010
Board member of Connecta AB (until August 2014), Nordic Service Partners AB, SBC AB, Mercuri International Group AB, the Stockholm Chamber of Commerce and FörsäkringsGiro AB.
Shareholding in Bure, own and held by related parties: 5,000.
Independent in relation to the company, its management and the company's major shareholders.



Mathias Uhlén, Stockholm, born in 1954, PhD. Engineering and Professor of Microbiology, KTH Royal Institute of Technology
Board member since 2010
Chairman of Atlas Antibodies AB and Antibodypedia AB
Board member of Affibody Holding AB, SweTree Technologies AB, Alligator AB, Novozymes A/S and Stockholm Science City Foundation.
Member of the Royal Swedish Academy of Sciences (KVA), 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: 36,500.
Independent in relation to the company, its management and the company's major shareholders.

* Employed by Skanditek 1999–2010

Organisation



From left: Philip Nyblaeus, Fredrik Mattsson, Gösta Johannesson, Max Jonson, Henrik Blomquist, Angela Elliot and Oskar Hörnell.

Henrik Blomquist

Stockholm, born in 1971, Economic studies
President and Chief Executive Officer
Employed since 1999*

Experience of investment operations and corporate development.

Chairman of Investment AB Bure and Cavena Image Products AB.

Board member of MedCap AB, Bure Financial Services AB and The Chimney Pot AB, among others.

Shareholding in Bure, own and held by related parties: 33,000.

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 parties: 500.

Oskar Hörnell

Stockholm, born in 1987

Analyst

Employed since January 2015

Max Jonson

Stockholm, born in 1968

CFO

Employed since 2013

Board member of Bure Financial Services AB, among others.

Shareholding in Bure, own and held by related parties: 10,000.

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, among others.

Shareholding in Bure, own and held by related parties: 5,000.

Fredrik Mattsson

Stockholm, born in 1972

Investment Manager

Employed since 2009*

Chairman of Xvivo Perfusion AB and Celemiab Group AB.

Board member of Vitrolife AB, Mercuri International Group AB and Investment AB Bure, among others.

Shareholding in Bure, own and held by related parties: 40,000.

Angela Elliot

Stockholm, born in 1956

Executive Assistant

Employed since December 2014

* Employed by Skanditek until 2010

Five-year overview

Data per share ¹	2014	2013	2012	2011	2010
Net asset value, SEK ²	46.1	33.5	27.1	25.0	27.0
Share price, SEK	35.9	26.0	22.0	16.0	32.8
Share price as a percentage of net asset value	78%	78%	81%	64%	122%
Parent Company basic equity per share, SEK	42.3	30.6	25.8	23.2	26.0
Parent Company equity per share excl. buybacks, SEK	45.0	32.6	25.9	24.3	26.0
Consolidated basic equity per share, SEK	43.4	31.6	26.0	27.2	29.2
Consolidated equity per share excl. buybacks, SEK	46.2	33.7	26.2	28.6	29.2
Parent Company basic earnings per share, SEK ³	12.7	6.4	1.6	-1.3	2.3
Consolidated diluted earnings per share, SEK ³	12.8	6.6	-1.7	-0.6	6.6
Number of shares, thousands	76,082	81,102	81,357	85,328	89,646
Number of outstanding options/warrants, thousands	–	1,359	1,619	800	260
Total number of shares incl. outstanding options/warrants, thousands	76,082	82,461	82,976	86,128	89,906
Number of shares excl. buybacks, thousands	71,397	76,052	81,102	81,357	89,646
Average basic number of shares, thousands	74,947	78,649	81,224	86,115	86,524
Key figures					
Dividend, SEK per share	1.0	0.5	0.3	–	9.8
Direct return	2.8%	1.9%	1.4%	–	29.9%
Total return	43.0%	21.0%	39.8%	-43.5%	28.1%
Market capitalisation, SEK M	2,731	2,109	1,784	1,302	2,940
Net asset value, SEK M	3,291	2,545	2,195	2,035	2,557
Return on equity	33.5%	21.8%	8.4%	-5.2%	10.9%
Parent Company profit and financial position					
Exit gains/losses, SEK M	132	2	275	2	226
Profit/loss after tax, SEK M	953	503	128	-112	197
Total assets, SEK M	3,233	2,659	2,170	2,091	2,462
Equity, SEK M	3,216	2,479	2,134	1,978	2,330
Equity/assets ratio	99%	93%	98%	95%	95%
Cash and cash equivalents and short-term investments	473	683	829	476	705
Consolidated profit and financial position					
Net sales, SEK M	537	549	549	806	792
Profit/loss after tax, SEK M	961	507	-142	-54	569
Total assets, SEK M	3,545	2,814	2,438	2,620	2,976
Equity, SEK M	3,302	2,560	2,113	2,325	2,620
Equity/assets ratio	93%	91%	87%	89%	88%
Net loan debt (-)/receivable (+)	626	552	907	593	730
Average number of employees	336	612	659	664	704

1) All historical data per share have 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 2014.

Administration report

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 2014 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 professionally managed companies and operations, Bure's objective is to create value and returns for its shareholders.

Key events of 2014

Acquisitions

In September, Bure acquired 7.14 million shares in Cavotec SA, listed on Nasdaq OMX, in the MidCap segment, through a SEK 189.2M directed share issue. Bure's total holding in Cavotec amounts to 8.2 million shares, which is equal to 10.5 per cent of the total number of shares in the company.

In June Bure signed an agreement with Livränteanstalten Hereditas to acquire 20.1 per cent of Fondbolaget Fondita Ab, a leading independent manager of equity funds in Finland. Bure completed the acquisition of 20.1 per cent of Fondbolaget Fondita in October 2014 after gaining approval from the Financial Supervisory Authority in Finland.

In March Bure acquired 8.15 million shares, equal to a holding of 9.98 per cent in Catella AB, listed on Nasdaq OMX First North, for a value of SEK 48.3M. Bure has thereafter acquired additional shares and currently holds 10.4 per cent of the share capital and 10.8 per cent of the votes.

In December Bure acquired 19.5 per cent of BioLamina AB, a company active in R&D and manufacturing of cell culture reagents for culturing of stem cells.

Divestitures

During the year, Bure divested 1 million shares in Vitrolife for SEK 159.0M, 0.3 million shares in Xvivo Perfusion for SEK 12.3M and 38,860 shares in PartnerTech for SEK 0.9M to the management of PartnerTech.

In May Bure sold its holding in Theeducation AB, equal to 79.8 per cent, to a company controlled by Anne Lindblad Danielson in accordance with a resolution passed by the Annual General Meeting of Bure on 24 April 2014. The transaction had an immaterial effect on profit.

Other

In 2014 Bure repurchased 4,684,068 treasury shares, which is equal to 6.2 per cent of the total number of shares outstanding. The Board of Directors intends to propose to the 2015 Annual General Meeting that the repurchased shares be cancelled.

Consolidated profit and financial position

Results for the full year

Consolidated operating income was SEK 1,536M (1,140).

The subsidiaries' net sales amounted to SEK 537M (549).

Dividends totalled SEK 107M (25).

Exit gains/losses from portfolio companies amounted to SEK 132M (2), most of which is attributable to the sale of shares in Vitrolife.

Capital gains/losses on short-term investments totalled SEK 51M (22).

Fair value changes amounted to SEK 684M (542) and consisted of SEK 684M in listed portfolio companies, of which SEK -4M in Cavotec, SEK -48M in MedCap, SEK 461M in Myconic, SEK -3M in PartnerTech, SEK 278M in Vitrolife and SEK 0M in Xvivo Perfusion, the reversal of an impairment loss on a receivable of SEK 1M and a decrease in the value of financial and short-term investments of SEK 2M.

Shares in profit/loss of associates amounted to SEK 19M (-8).

Consolidated operating profit was SEK 986M (506).

Net financial items totalled SEK 0M (1).

Consolidated profit after financial items was SEK 985M (507).

Profit after tax from continuing operations amounted to SEK 965M (504).

Profit/loss from discontinued operations was SEK -4M (3).

Profit after tax amounted to SEK 961M (507).

Other comprehensive income included translation differences of SEK 8M (0).

Financial position

Consolidated equity at the end of the year amounted to SEK 3,302M (2,560) and the equity/asset ratio was 93 per cent (91). At 31 December 2014 the Group had a reported net loan receivable of SEK 626M (552), which consisted of interest-bearing assets of SEK 695M (618) and interest-bearing liabilities of SEK 68M (66). Consolidated equity per share at the end of the year was SEK 43.40, compared to SEK 31.57 per share at 31 December 2013.

Changed accounting standard in 2014 for the Group

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 can 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 has been applied for the first time for the financial year beginning on 1 January 2014 and the Group has decided to measure all holdings in listed associated companies at fair value, which has led to a retrospective remeasurement whereby opening equity at 1 January 2013 has increased by SEK 70.7M and the income statement for 2013 has been affected by a positive value change of SEK 327.0M.

Parent Company profit and financial position

Result for the full year

Profit after tax was SEK 953M (503).

Dividends amounted to SEK 275M (28), of which dividends from listed portfolio companies accounted for SEK 103M, other companies for SEK 168M (of which SEK 167M in the subsidiaries Skanditek, G. Kallstrom & Co and Cindra), Valot Group for SEK 1M and short-term investments for SEK 5M.

Exit gains amounted to SEK 132M (2), most of which is attributable to the sale of shares in Vitrolife.

Capital gains on short-term investments amounted to SEK 51M (22).

Changes in fair value amounted to SEK 529M (465). Of this amount, the listed portfolio companies accounted for SEK 684M, of which Cavotec for SEK -4M, MedCap for SEK -48M, Mycronic for SEK 461M, PartnerTech for SEK -3M, Vitrolife for SEK 278M and Xvivo Perfusion for SEK 0M, other companies for SEK -114M (consisting of the write-down of shares in the subsidiaries Skanditek and G. Kallstrom & Co for SEK 115M and reversal of an impairment loss on a receivable for SEK 1M) and a decrease in the value of financial and short-term investments for SEK 41M.

Administrative expenses amounted to SEK 40M (31). Net financial items totalled SEK 12M (17).

During the year, Bure eliminated internal liabilities between the Parent Company and the subsidiaries G. Kallstrom & Co and Skanditek. Bure thereby received dividends from the subsidiaries of SEK 167M and wrote down the value of the shares in the subsidiaries by SEK 115M. The net result of the transactions led to an increase in equity in the Parent Company by SEK 52M.

Financial position

The Parent Company's equity at end of the year amounted to SEK 3,216 M (2,479) and the equity/asset ratio was 99 per cent (93). Cash and cash equivalents and short-term investments in the Parent Company at the end of the year are reported at SEK 473M (683), of which short-term investments accounted for SEK 296M (609). External interest-bearing receivables amounted to SEK 18M (17). Receivables from subsidiaries totalled SEK 319M (284).

Bure's loss carryforwards

At the end of 2014, the Bure Group had total loss carryforwards of SEK 707M, of which SEK 489M refers to the Parent Company. All losses are attributable to Sweden and are perpetual. 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. Most of 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 17M (14).

Personnel and salaries

Information about the average number of employees and the salaries and benefits of senior executives is provided in Notes 33–35.

Significant risks and uncertainties

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.

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 2014 the Group had a net loan receivable of SEK 626M (552).

Financial risk management

The 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.

To actively manage Bure's cash and cash equivalents and short-term investments, the Board of Directors has established an Investment Committee. 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.

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. Listed portfolio companies with significant international sales have currency exposure mainly against the euro and the US dollar.

Sensitivity analysis

The 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. Price risk shares 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 2,283M at 31 December 2014, an average decrease in the price of listed portfolio companies by one per cent would affect consolidated profit before tax by SEK 23M. 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 of SEK 6M. 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 40 per cent. A five per cent change in the euro exchange rate would have an estimated effect on profit of SEK 1M. 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 margin effect of a change in sales is fairly substantial. 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.

Financial targets and strategy

Bure's business model 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 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. 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.

Ownership structure and the Bure share

Bure is listed on Nasdaq OMX Stockholm, in the Mid Cap segment. At 31 December 2014, Bure's largest shareholder was the estate of Dag Tigerschiöld with 12.1 per cent, Nordea Investment Funds with 10.8 per cent, Patrik Tigerschiöld with 7.9 per cent and the Björkman family with 6.9 per cent. At 31 December 2014 Bure had 19,315 shareholders.

Share capital and number of shares

Bure's share capital at 31 December 2014 amounted to SEK 535.5M, divided between 76,081,510 shares, which is equal to a quota value of SEK 7.04. 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.

Treasury shares

Bure's 2014 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.

At 31 December 2014 Bure held 4,684,068 treasury shares, which is equal to 6.2 per cent of the total number of shares outstanding. The shares were repurchased at an average price of SEK 30.55 each. The number of shares outstanding excluding treasury shares at 31 December 2014 was 71,397,442.

Authorisation for the repurchase of treasury shares

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 gives the Board renewed authorisation, until the date of the 2016 AGM, to repurchase treasury shares in a number equal a maximum of 10 per cent of the total number of shares outstanding in the company.

Principles for compensation and other terms of employment for senior executives

The principles for compensation were adopted by the AGM of Bure on 24 April 2014 and are as follows:

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.

The relationship between basic and variable salary (bonus) shall be proportionate to the executive's responsibilities and powers.

The maximum amount of variable salary for the CEO is equal to 100 per cent of basic annual salary. For other senior executives, the maximum amount of variable salary is equal to between 50 and 100 per cent of basic annual salary.

Variable salary for the CEO and other senior executives is based on the outcome of four quantitative parameters in relation to predetermined targets.

The quantitative parameters are linked to predetermined targets for a selection of the portfolio companies, Bure's share price performance and net asset value development per share.

Other senior executives also have a discretionary parameter where the outcome is evaluated against individually set goals.

All pension benefits are of the defined contribution type. For additional information see Note 35, "Compensation to senior executives".

Related party transactions

In December 2014 Bure repurchased 789,000 subscription warrants from Warrant Programme 2012 from employees, former employees and the Chairman of Bure for SEK 4.3M. The warrants were repurchased on market-based terms. At the same time, the CEO chose to exercise warrants to subscribe for 30,000 shares. Warrant Programme 2012 has thus been concluded.

Since the AGM in April 2014, the Board Chairman has provided consulting services to Bure under a contract.

Subsequent events

No significant subsequent event has taken place after the end of the year.

Future outlook

Due to the nature of its business, Bure makes no forecasts about future earnings.

Proposed appropriation of profit

The company's annual report will be submitted for adoption by the Annual General Meeting on 4 May 2015. The following funds are at the disposal of the AGM according to the Parent Company balance sheet:

Retained earnings	SEK 1,727,037,214
Profit for the year	SEK 953,101,760
	<hr/>
	SEK 2,680,138,974

The Board proposes that the profits be appropriated as follows:

To be paid to the shareholders as a ordinary dividend of 1.00 per share, for a total of¹ SEK 70,833,710

To be carried forward to new account SEK 2,609,305,264

1) No dividend will be paid on the 5,247,800 treasury shares.

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, 19 March 2015

Patrik Tigerschiöld
Chairman

Hans Biörck

Carl Björkman

Bengt Engström

Eva Gidlöf

Mathias Uhlén

Henrik Blomquist
President & CEO

Our auditor's report was submitted on 19 March 2015
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

Statement of comprehensive income

Note	SEK M	Group	
		2014	2013
	Continuing operations		
	Operating income		
2	Net sales	536.6	548.9
	Other operating income	7.1	8.0
32	Dividends	107.3	24.8
3,14	Exit gains	132.1	1.9
	Capital gains on short-term investments	50.7	22.2
5	Fair value	683.7	541.6
4	Shares in profit/loss of associates	18.8	-7.9
	Total	1,536.3	1,139.5
	Operating expenses		
8, 9	Other external expenses	-204.2	-184.9
34, 35	Personnel costs	-310.9	-322.7
10, 12, 13	Depreciation and impairment of property, plant and equipment	-17.4	-22.7
11	Amortisation and impairment of intangible assets	0.0	-57.4
	Other operating expenses	-18.2	-45.4
	Total operating expenses	-550.7	-633.1
	Operating profit/loss	985.5	506.5
6	Interest income and similar profit/loss items	8.7	18.6
6	Interest expenses and similar profit/loss items	-8.9	-17.6
	Profit/loss after financial items	985.3	507.5
7	Income tax expense	-20.4	-3.8
	Profit/loss from continuing operations	964.9	503.6
25	Discontinued operations	-4.2	3.2
	Profit for the year	960.7	506.9
	Other comprehensive income		
	Items that may be reclassified subsequently to profit or loss		
	Translation differences	8.2	0.2
	Other comprehensive income for the year, net after tax	8.2	0.2
	Comprehensive income for the year	969.0	507.0
	Profit/loss attributable to non-controlling interests	-0.8	-9.2
	Profit/loss attributable to owners of the Parent Company	961.5	516.1
	Comprehensive income attributable to non-controlling interests	-0.8	-9.2
	Comprehensive income attributable to owners of the Parent Company	969.7	516.2
	Average basic number of shares outstanding, thousands ¹	74,947	78,649
	Attributable to owners of the Parent Company in continuing operations, SEK	12.87	6.53
	Attributable to owners of the Parent Company in discontinued operations, SEK	-0.04	0.03
23	Basic earnings per share, SEK¹	12.83	6.56

1) No dilutive effect at 31 December 2014 and 2013.

Statement of financial position

Note	SEK M	Group	
		31 Dec 2014	31 Dec 2013
	NON-CURRENT ASSETS		
	Intangible assets		
10	Patent, licenses, etc.	8.1	11.2
11	Goodwill	102.8	106.8
	Total intangible assets	110.9	117.9
	Property, plant and equipment		
12	Buildings, land and land improvements	2.2	2.2
13	Equipment, tools, fixtures and fittings	208.2	215.1
	Total property, plant and equipment	210.4	217.3
	Financial assets		
29	Financial assets at fair value through profit or loss	2,283.5	1,422.4
30	Investments accounted for using the equity method	64.3	5.1
	Other non-current securities	113.0	9.2
15	Other non-current receivables	36.6	20.3
7	Deferred tax assets	16.6	14.0
	Total financial assets	2,513.9	1,465.9
	Total non-current assets	2,835.2	1,801.1
	CURRENT ASSETS		
	Inventories, etc.	3.6	3.9
21	Trade receivables	116.3	98.3
15	Other current receivables	11.4	10.1
	Current tax assets	7.4	6.4
16	Prepaid expenses and accrued income	16.4	16.7
	Financial investments	43.0	74.4
21	Short-term investments	295.7	610.2
	Cash and cash equivalents	215.9	138.7
25	Discontinued operations	–	54.5
	Total current assets	709.7	1,013.2
	TOTAL ASSETS	3,544.9	2,814.3
	<i>of which, interest-bearing</i>	<i>694.7</i>	<i>617.9</i>

Statement of financial position

Note	SEK M	Group	
		31 Dec 2014	31 Dec 2013
	EQUITY		
	Share capital	535.5	535.3
	Other contributed capital	714.6	713.9
	Other reserves	-73.0	-81.2
	Retained earnings including profit for the year	2,123.9	1,379.0
	Total equity attributable to owners of the Parent Company	3,301.0	2,546.9
	Equity attributable to non-controlling interests	0.7	13.1
24	Total equity	3,301.7	2,560.0
	LIABILITIES		
	Non-current liabilities		
7	Deferred tax liability	10.3	0.2
17	Provisions	33.1	24.9
21	Liabilities to credit institutions	1.3	1.3
	Other non-current liabilities	1.4	1.8
	Total non-current liabilities	46.1	28.2
	<i>of which, interest-bearing</i>	22.7	17.5
	Current liabilities		
21	Liabilities to credit institutions	45.7	48.1
	Prepayments from customers	21.0	21.0
	Trade payables	18.6	21.0
7	Current tax liabilities	2.5	2.7
	Other current liabilities	25.0	22.5
18	Accrued expenses and deferred income	84.2	80.9
	Total current liabilities	197.0	196.3
	<i>of which, interest-bearing</i>	45.7	48.2
	TOTAL LIABILITIES	243.1	224.5
25	Discontinued operations	–	29.7
	TOTAL EQUITY AND LIABILITIES	3,544.9	2,814.3
19	Pledged assets	119.6	93.7
20	Contingent liabilities	1.4	2.3

Income statements

Note	SEK M	Parent Company	
		2014	2013
	OPERATING INCOME		
	Investing activities		
32	Dividends:		
	Portfolio companies	101.3	3.6
	Other companies	169.1	12.9
	Short-term investments	4.6	11.8
3	Exit gains/losses	132.1	1.5
	Capital gains/losses on short-term investments	50.7	22.4
5	Fair value:		
	Portfolio companies	684.0	541.5
	Other companies	-113.7	-119.0
	Short-term investments	-41.1	42.1
	Other operating income	0.6	0.2
	Total operating income	987.8	516.9
	Operating expenses		
34, 35	Personnel costs	-21.0	-16.3
8, 9	Other external expenses	-19.0	-14.3
13	Depreciation of property, plant and equipment	-0.3	-0.1
	Total expenses	-40.3	-30.8
	Operating profit/loss before financial items	947.4	486.1
	Financial income and expenses		
6	Interest income and similar profit/loss items	11.9	17.6
6	Interest expenses and similar profit/loss items	-0.1	-0.2
	Total financial income and expenses	11.8	17.4
	Profit/loss before tax	959.2	503.5
7	Income tax expense	-6.1	-
	Profit/loss for the year¹	953.1	503.5
23	Average basic number of shares outstanding, thousands ²	74,947	78,649
	Basic earnings per share, SEK ²	12.72	6.40
	Average number of employees	6	7

1) Corresponds to comprehensive income.

2) No dilutive effect at 31 December 2014 and 2013.

Balance sheets

Note	SEK M	Parent Company	
		31 Dec 2014	31 Dec 2013
	NON-CURRENT ASSETS		
	Property, plant and equipment		
13	Equipment, tools, fixtures and fittings	3.2	0.4
	Total property, plant and equipment	3.2	0.4
	Financial assets		
14, 27, 28	Participations in group companies	83.5	170.8
14, 29	Financial assets at fair value through profit or loss	2,283.5	1,422.4
14, 30	Investments accounted for using the equity method	–	–
15	Other non-current receivables	16.2	15.2
	Receivables from group companies	–	58.3
	Other financial assets	–	2.4
	Total financial assets	2,383.3	1,669.1
	Total non-current assets	2,386.4	1,669.4
	CURRENT ASSETS		
	Current receivables		
	Receivables from group companies	318.6	225.9
15	Other current receivables	7.7	3.7
	Current tax assets	1.2	1.6
16	Deferred expenses and accrued income	3.0	0.7
	Total current receivables	330.7	231.9
	Other listed holdings	43.0	74.4
21	Short-term investments	295.7	609.3
	Cash and cash equivalents	177.2	73.9
	Total current assets	846.4	989.5
	TOTAL ASSETS	3,232.8	2,658.9
	<i>of which, interest-bearing assets</i>	<i>651.0</i>	<i>837.3</i>
	EQUITY		
	Restricted equity		
	Share capital	535.5	535.3
	Total restricted equity	535.5	535.3
	Non-restricted equity		
	Retained earnings	1,727.0	1,440.2
	Profit/loss for the year	953.1	503.5
	Total non-restricted equity	2,680.1	1,943.7
24	Total equity	3,215.7	2,479.0
	LIABILITIES		
	Non-current liabilities		
	Other non-current liabilities	1.1	1.1
	Total non-current liabilities	1.1	1.1
	Current liabilities		
	Trade payables	2.3	0.9
	Liabilities to group companies	–	165.2
	Other current liabilities	3.5	0.4
18	Accrued expenses and deferred income	10.3	12.4
	Total current liabilities	16.1	178.9
	<i>of which, interest-bearing liabilities</i>	<i>–</i>	<i>–</i>
	Total liabilities	17.2	180.0
	TOTAL EQUITY AND LIABILITIES	3,232.8	2,658.9
19	Pledged assets	–	–
20	Contingent liabilities	–	–

Statement of changes in equity

Group SEK M	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year	Non- controlling interests	Total equity
Equity at 1 January 2013	535.3	713.9	-81.4	997.4	22.4	2,187.6
Comprehensive income for the year	-	-	0.2	189.0	-9.2	180.0
Cancellation of shares	-1.7	-	-	-	-	-1.7
Bonus issue	1.7	-	-	-	-	1.7
Changed accounting standard IAS 28	-	-	-	351.4	-	351.4
Cash dividend	-	-	-	-40.6	-	-40.6
Share buyback	-	-	-	-118.3	-	-118.3
Equity at 31 December 2013	535.3	713.9	-81.2	1,379.0	13.1	2,560.0
Equity at 1 January 2014	535.3	713.9	-81.2	1,379.0	13.1	2,560.0
Comprehensive income for the year	-	-	8.2	961.5	-0.8	969.0
Cancellation of shares	-33.3	-	-	-	-	-33.3
Bonus issue	33.3	-	-	-	-	33.3
New share issue	0.2	0.7	-	-	-	0.9
Cash dividend	-	-	-	-76.1	-	-76.1
Share buyback	-	-	-	-143.1	-	-143.1
Buyback of warrants	-	-	-	-4.3	-	-4.3
Transactions with non-controlling interests	-	-	-	6.9	-11.6	-4.7
Equity at 31 December 2014	535.5	714.6	-73.0	2,123.9	0.7	3,301.7

Statement of changes in equity

SEK M	Share capital	Non-restricted equity	Total equity
Equity at 1 January 2013	535.3	1 599.0	2 134.3
Profit/loss for the year	–	503.5	503.5
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
Equity at 31 December 2013	535.3	1,943.7	2,479.0

SEK M	Share capital	Non-restricted equity	Total equity
Equity at 1 January 2014	535.3	1,943.7	2,479.0
Profit/loss for the year	–	953.1	953.1
Cancellation of treasury shares	-33.1	–	-33.1
Bonus issue	33.1	–	33.1
Share buyback	–	-143.1	-143.1
Cash dividend	–	-76.1	-76.1
New share issue	0.2	0.7	0.9
Buyback of warrants	–	-4.3	-4.3
Group contribution, tax	–	6.1	6.1
Equity at 31 December 2014	535.5	2,680.1	3,215.7

Notes

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 19 March 2015.
Basis for presentation	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. The consolidated financial statements have been prepared according to the acquisition method of accounting, aside from financial assets measured at fair value through profit for the year. 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.
Principles of consolidation	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. 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 or are measured at fair value through profit for the year in the case of listed companies. 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 Group 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 accounted for using the equity method". 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 according to the equity method. Listed holdings are accounted for as financial instruments under the heading "Financial assets at fair value through profit or loss" in the statement of financial position and are measured at fair value through comprehensive income in accordance with IAS 39 and IAS 28, item 1.
Share of and transactions with non-controlling interests	Non-controlling interests (NCIs) refer to the 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	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 at the closing day rate of exchange. 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.
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 assets and liabilities 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 acquired business. No provisions may be made for planned restructuring measures in connection with the acquisition, so-called restructuring reserves. The difference between the fair 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.

Goodwill	<p>All intangible assets identified in connection with business combinations, excluding goodwill, are amortised on a straight-line basis. 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 Group.</p> <p>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.</p>
Intangible assets (excl. goodwill)	<p>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</p>
Property, plant and equipment	<p>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.</p> <p>Other intangible assets 20–33 per cent. Other machinery and equipment 20–33 per cent. Computers 33 per cent. Locomotives 3.3 per cent.</p>
Leasing	<p>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 separately acquired assets. For operating leases, the lease payments are charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the lease. Certain smaller finance leases for company cars and office equipment are recorded as operating leases.</p>
Financial instruments	<p>Classification of financial assets and liabilities. Financial instruments are classified in the following categories:</p> <ol style="list-style-type: none"> 1. Financial assets measured at fair value through profit or loss. This group, in turn, consists of two sub-groups: <ul style="list-style-type: none"> - 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 other comprehensive income. 2. Held-to-maturity investments. 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. 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>4. Available-for-sale financial assets. This category consists of non-derivative financial assets not designated to any of the above categories. In the Group these include holdings of shares and other securities. 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. 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. Other financial liabilities. 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 non-current.</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.
Financial risk management	The Group is exposed to a number of different financial risks such as 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. A more detailed description of financial risk management is provided in Note 21, Financial instruments.
Inventories	Inventories are stated at the lower of cost and net realisable value.
Provisions	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. 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.
Revenue recognition	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. 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.
Borrowing costs	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.
Pensions	Contributions payable under defined contribution pension plans are recognised as an expense in the period in which they arise.
Non-current assets held for sale and discontinued operations (IFRS 5)	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 "Non-current assets held for sale" or "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 line of business or a major business within a geographical area of operations. 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.
Operating segments	Bure's operations are monitored and supervised by the management based on the individual company holdings, which are therefore regarded as operating segments. Buying and selling between the operating segments is limited.

Income taxes	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".
Cash flow statement	Cash and cash equivalents refer to bank deposits.
Critical accounting estimates and assumptions	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.
Impairment of property, plant and equipment and intangible assets	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.
Deferred tax assets	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.
Provisions for doubtful debts	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.
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 and changed accounting policies to be applied by the Group for periods beginning on or after 1 January 2014	<p>A number of new standards and interpretations have become effective for financial periods beginning on or after 1 January 2014.</p> <p>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 consolidated. Bure has analysed the consequences of the criteria in the changed definition and has come to the conclusion that the new definition does not mean that additional companies should be consolidated on the basis of de facto control. Furthermore, IFRS 10 introduces a definition of investment entities. If the criteria for an investment entity are fulfilled, all subsidiaries shall be regarded as financial assets at fair value through profit or loss. Since Bure's business model is based on a long-term investment perspective, Bure has determined that the criteria for an investment entity have not been fulfilled.</p> <p>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 and obligations to the net assets of the arrangement. Joint ventures are accounted for under the equity method as proportional consolidation is no longer permitted.</p> <p>IFRS 12 "Disclosures of Interests in Other Companies" includes the disclosure requirements for subsidiaries, joint arrangements, associated companies and unconsolidated structured entities. The Group applies IFRS 12 for the financial beginning on 1 January 2014.</p>

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, and 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.

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 has been 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 has led to the following: Opening equity at 1 January 2013 has increased by SEK 70.7M and the income statement for 2013 has been affected by a positive value change of SEK 327.0M.

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.

The completed version of IFRS 9 was issued in July 2014. It replaces those parts of IAS 39 that deal with classification and measurement of financial instruments. The standard applies for financial periods beginning on or after 1 January 2018. Early adoption is permitted. The Group has not yet evaluated the effects of the application of this standard.

IFRS 15 "Revenue from contracts with customers" specifies the rules for recognition of revenue. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts, as well as the related SIC and IFRIC. IFRS 15 applies for financial periods beginning on or after 1 January 2017. Early adoption is permitted. The Group has not yet evaluated the effects of the application of this standard.

**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. Listed associated companies are accounted for as financial instruments under the heading "Financial assets at fair value through profit or loss" in the Parent Company's balance sheet and are measured at fair value through the income statement in accordance with IAS 39 and IAS 28, item 1.

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 during the periods.

SEK M	Mercuri		Investment Bure		Financial Services		Other companies		Eliminations etc.		Parent Company		Total			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013		
Net sales																
Total net sales	502	510	33	33	0	-	1	6	-	-	-	-	537	549		
Profit/loss																
Shares in profit/loss	2	-	-	-	10	-	7	-	-	-8	-	-	19	-8		
Profit/loss by segment	7	2	26	10	-	-	-	3	40	-60	1	-	73	-45		
Administrative expenses	-	-	-	-	-	-	-	-	-	-	-40	-31	-40	-31		
Fair value / impairment losses	-	-57	-	-	39	-	-	-	76	134	529	465	645	542		
Dividends	-	-	-	-	-	-	-	-	-168	-4	275	28	107	25		
Exit gains/losses / capital gains/losses on short-term investments	-	-	-	-	-	-	-	-	-	-	183	24	183	24		
Operating profit/loss	9	-55	26	10	50	-	7	3	-52	63	947	486	986	507		
Net financial items														0	1	
The year's income tax expense															-20	-4
Continuing operations															965	504
Profit/loss from discontinued operations															-4	3
Profit/loss for the year															961	507

SEK M	The education ¹		Mercuri		Investment Bure		Financial Services		Other companies		Eliminations etc.		Parent Company		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Assets	-	72	278	341	179	225	132	-	20	228	-320	-737	3,233	2,659	3,522	2,788
Equity interests	-	-	11	2	-	-	12	-	1	-	-	-	-	-	23	2
Total asset	-	72	288	343	179	225	144	-	21	228	-320	-737	3,233	2,659	3,545	2,790
Liabilities	-	49	269	261	157	212	101	-	20	49	-321	-332	17	15	243	254
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total liabilities	-	49	269	261	157	212	101	-	20	49	-321	-332	17	35	243	254
Investments	-	4	5	10	0	0	0	-	0	0	-	-	2	0	7	14
Amortisation/depreciation	-	4	7	9	9	9	-	-	1	5	-	-	0	0	17	27

1) Discontinued operations.

SEK M	Sweden		Rest of Europe		North America		Asia		Other markets	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales by market	88	108	303	315	28	16	68	52	49	58
Assets by market	3,253	2,132	245	221	13	10	32	27	3	2
Investments by market	5	12	2	2	0	0	0	0	0	0

Breakdown of net sales by type

SEK M	Net sales	
	2014	2013
Operating income		
Sale of goods	32	33
Service contracts	491	464
Other sales	14	53
Total sales in continuing operations	537	549
Other operating income		
Total operating income in continuing operations	532	549
Total operating income in discontinued operations	11	212
Total operating income	551	761

**Note 3 – Exit gains/
losses**

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Continuing operations				
Vitrolife AB	124.5	–	124.5	–
Xvivo Perfusion AB	6.4	–	6.4	–
PartnerTech AB	-0.3	–	-0.3	–
Other holdings	1.6	1.9	1.6	1.5
Total	132.1	1.9	132.1	1.5

**Note 4 – Shares in profit/
loss of associates (net)**

SEK M	Group	
	2014	2013
RushRail AB	6.7	-7.9
Fondbolaget Fondita Ab	10.3	–
Others	1.8	–
Total	18.8	-7.9

Note 5 – Fair value

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Cavotec AB	-3.9	–	-3.9	–
MedCap AB	-47.8	55.8	-47.8	55.8
Mycronic AB	460.8	74.9	460.8	80.0
PartnerTech AB	-3.1	2.2	-3.1	27.8
Vitrolife AB	278.2	296.3	278.2	308.0
Xvivo Perfusion AB	-0.2	70.4	-0.2	70.4
Short-term investments	-1.8	42.1	-41.1	42.1
Mercuri International Group AB	–	–	–	-79.3
RushRail AB	–	–	–	-20.9
Theeducation AB	–	–	–	-12.0
G. Kallstrom & Co AB	–	–	-104.6	–
Skanditek AB	–	–	-10.6	–
Others	1.5	–	1.5	-7.3
Total	683.7	541.6	529.3	464.6

**Note 6 – Interest and similar
profit/loss items**

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Income from financial assets measured at fair value through comprehensive income in the Group and through profit or loss in the Parent Company				
Net exchange differences in financial receivables/liabilities	–	-0.9	–	–
Interest income	8.7	6.3	11.6	16.4
Interest expense	-8.9	-4.4	-0.1	-0.2
Total interest and similar profit/loss items	-0.2	1.0	11.5	16.1
Discontinued operations	0.3	-1.3	0.3	1.3
Total interest and similar profit/loss items	0.1	-0.3	11.8	17.4

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

Note 7 – Income taxes

At the beginning of 2015, the Bure Group has loss carryforwards amounting to SEK 707M, of which SEK 489M refers to the Parent Company. All losses are attributable to Sweden and are perpetual. The deferred tax asset based on loss carryforwards in the Group has been valued at SEK 17M (14), 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.

SEK M	Group	
	2014	2013
Current tax	-10.2	-3.8
Deferred tax	-10.2	0.0
Total	-20.4	-3.8
Items included in deferred tax		
Deferred tax assets:		
Taxed deficit	15.4	12.8
Temporary differences	1.2	1.2
Total	16.6	14.0
Deferred tax liabilities:		
Untaxed reserves	10.3	-
Consolidated goodwill	-	-
Temporary differences	-	0.2
Total	10.3	0.2
Deferred tax, net	6.4	14.0
Composition of tax expense		
Reported profit before tax	983.7	507.5
Effect of associated companies, net	-18.8	7.9
Reported profit before tax	964.9	515.4
Tax according to the applicable tax rate, 22.0% (22.0%)	-212.3	-113.4
Other non-deductible expenses	-1.4	-1.2
Non-taxable income	0.4	2.4
Tax-deductible items	196.9	114.6
Capitalisation of loss carryforwards	1.0	2.1
Utilisation of previously uncapitalised loss carryforwards	1.2	-
Effect of uncapitalised loss carryforwards	-2.4	-3.6
Effect of different tax rate in foreign country	-1.5	-3.1
Reversal of previously capitalised loss carryforwards	0.0	-1.1
Adjustment of taxes for prior years	-	-
Other	-2.4	-0.5
Total	-20.4	-3.8
Gross change in deferred tax		
At beginning of year	14.0	20.3
Changed tax rate	0.0	-
Companies sold	-	-
Translation differences	2.6	-0.2
Recognised in comprehensive income	-	-
Discontinued operations	-	-6.1
At end of year	16.6	14.0

Note 8 – Leases

SEK M	Group		Parent Company	
	2014	2013	2014	2013
The period's lease payments (operating)				
Cars	5.5	7.5	0.1	0.1
Premises	18.7	18.6	2.3	1.1
Other equipment	2.4	1.3	0.1	0.1
Total	26.5	27.4	2.4	1.3

	Group			Parent Company		
	2015	2016–2021	> 2021	2015	2016–2021	> 2021
Contracted lease payments	Operating leases					
Cars	3.5	3.3	–	0.1	0.1	–
Premises	14.1	32.2	1.5	1.9	1.9	–
Other equipment	2.1	3.0	–	0.1	0.1	–
Total	19.7	38.5	1.5	2.1	2.1	–
	Finance leases					
Cars	0.1	0.1	–	–	–	–
Total	0.1	0.1	–	–	–	–

Note 9 – Fees to auditors

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Fees to PwC				
Auditing fees	2.3	2.3	0.5	0.4
Auditing services aside from the audit	0.5	0.9	–	0.6
Fees for tax advice	0.2	0.3	0.1	0.2
Discontinued operations	–	0.5	–	–
Total fees to PwC	3.0	4.1	0.7	1.1
Fees to other auditors				
Auditing fees	0.1	0.1	–	–
Auditing services aside from the audit	0.3	0.2	–	–
Discontinued operations	0.1	–	–	–
Total fees to other auditors	0.5	0.3	0.0	0.0

Note 10 – Patents, licenses, etc.

SEK M	Group	
	2014	2013
Opening balance	21.7	73.1
The year's acquisitions	0.9	0.2
Disposals/Reclassifications	-1.8	–
Translation differences	0.5	0.2
Discontinued operations	–	-51.9
Closing balance	21.3	21.7
No R&D expenses were recognised during the year (0.0).	Opening amortisation	
	-10.5	-48.2
	Disposals/Reclassifications	
	1.5	–
	The year's amortisation	
	-4.0	-4.4
	Translation differences	
	-0.2	-0.1
	Discontinued operations	
	–	42.2
	Closing accumulated amortisation	
	-13.2	-10.5
	Carrying amount	
	8.1	11.2

Note 11 – Goodwill

SEK M	Group	
	2014	2013
Opening balance	616.3	612.2
The year's acquisitions	–	6.0
Disposals/Reclassifications	-42.8	-15.3
Translation differences	23.8	13.4
Closing balance	597.3	616.3
Opening amortisation	-96.3	-94.5
The year's acquisitions	–	–
Disposals/Reclassifications	1.0	-1.0
Translation differences	-1.8	-0.8
Closing accumulated amortisation	-97.1	-96.3
Opening impairment losses	-413.2	-346.5
Disposals/Reclassifications	32.6	0.1
The year's impairment losses	–	-57.4
Translation differences	-16.7	-9.4
Closing accumulated impairment losses	-397.4	-413.2
Carrying amount	102.8	106.8

The 2013 analysis of the recoverable amount of the Group's goodwill items resulted in a write-down of goodwill pertaining to Mercuri International Group by SEK 57.4M. The recoverable amount of the Group's goodwill items in 2014 has been determined based on calculations of value in use. These calculations are based on estimated future cash flows with consideration to financial budgets approved by the management. The management has taken into account completed and planned restructuring measures in its analysis, which has resulted in assumptions of relatively low sales growth in combination with higher EBIT margins.

1) Refers to the discount rate before tax. The discount rate for the comparison year was 10.2 per cent.

SEK M	Goodwill	Growth,% forecast period	Terminal growth rate,%	EBIT,% forecast period	Discount rate ¹
Mercuri International	102.8	2.3%	2.0%	6.9%	9.4%

The valuations that have provided the basis for the value testing 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. If, for example, the growth or EBIT assumption should change by one percentage point, Bure's goodwill values could be lower than their reported carrying amounts. The recoverable amount exceeds the carrying amount. A sensitivity analysis of significant variables for goodwill has the following effects on the estimated value:

Mercuri International Group AB Variable	Change, %-points	Effect on value
Growth, terminal period	-1%	SEK -23M
Discount rate	1%	SEK -36M

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

SEK M	Group	
	2014	2013
Opening balance	6.7	6.1
Translation differences	0.4	0.6
Closing balance	7.1	6.7
Opening depreciation	-4.5	-4.1
The year's depreciation	-0.2	-0.2
Translation differences	-0.3	-0.2
Closing accumulated depreciation	-5.0	-4.5
Carrying amount	2.2	2.2

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	
		2014	2013	2014	2013
	Opening balance	343.4	374.5	4.6	4.6
	The year's acquisitions	7.1	3.7	3.2	–
	Disposals/reclassifications	-11.1	-5.1	-0.1	–
	Translation differences	3.3	1.5	–	–
	Discontinued operations	–	-31.2	–	–
	Closing balance	342.6	343.4	7.7	4.6
Reported values do not include any equipment financed through lease contracts. There are no contracts outstanding concerning acquisition of equipment.	Opening depreciation	-128.3	-133.0	-4.2	-4.1
	Disposals/reclassifications	10.0	3.6	0.0	–
	The year's depreciation	-13.3	-18.2	-0.3	-0.1
	Translation differences	-2.9	-1.3	–	–
	Discontinued operations	–	20.6	–	–
	Closing accumulated depreciation	-134.5	-128.3	-4.5	-4.2
	Carrying amount	208.2	215.1	3.2	0.4

Note 14 – Acquisitions and divestitures

Acquisitions in 2014

In the third quarter Bure acquired 7.14 million shares in Cavotec SA, which is listed on Nasdaq OMX Mid Cap, through a SEK 189.2M directed share issue. Bure's total holding in Cavotec amounts to 8.2 million shares, which corresponds to 10.5 per cent of the total number of shares outstanding in the company. In June 2014 Bure Equity AB signed an agreement with Livränteanstalten Hereditas to acquire 20.1 per cent of Fondbolaget Fondita Ab, a leading independent manager of equity funds in Finland. Bure completed the acquisition of 20.1 per cent of Fondbolaget Fondita in October 2014 after gaining approval from the Financial Supervisory Authority in Finland.

In March Bure acquired 8.15 million shares, equal to a holding of 9.98 per cent in Catella AB which is listed on Nasdaq OMX First North, for a value of SEK 48.3M. Bure has thereafter acquired additional shares and currently holds 10.4 per cent of the share capital and 10.8 per cent of the votes.

In December Bure acquired 19.5 per cent of BioLamina AB, a company active in R&D and manufacturing of cell culture reagents for culturing of stem cells.

Divestitures in 2014

During the year Bure divested 1 million shares in Vitrolife for SEK 159.0M, 0.3 million shares in Xvivo Perfusion for SEK 12.3M and 38,860 shares in PartnerTech for SEK 0.9M to the management of PartnerTech.

In May 2014 Bure sold its holding in Theduction AB, equal to 79.8 per cent, to a company controlled by Anne Lindblad Danielson in accordance with a resolution passed by the Annual General Meeting of Bure on 24 April 2014. The transaction had an immaterial effect on profit.

Acquisitions in 2013

In the first quarter Bure acquired 6.5 million shares in MedCap AB, which is listed on Nasdaq OMX First North, for a value of SEK 12.9M.

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.

Note 15 – Other non-current and current receivables

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Non-current receivables				
Non-current receivables, interest-bearing	18.2	15.1	15.2	14.1
Non-current receivables, non interest-bearing	18.4	5.2	1.1	1.1
Total non-current receivables	36.6	20.3	16.2	15.2
Current receivables				
Current receivables, interest-bearing	8.1	2.9	3.3	2.9
Current receivables, non interest-bearing	3.3	7.2	4.4	0.8
Total current receivables	11.4	10.1	7.7	3.7

Note 16 – Prepaid expenses and accrued income

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Accrued interest income	1.6	0.3	-	-
Work in progress, less progress billings	5.5	4.4	-	-
Other accrued income	0.5	0.3	2.2	-
Prepaid expenses	8.3	10.2	0.8	-
Other items	0.5	1.6	0.1	0.7
Total	16.4	16.7	3.0	0.7

Note 17 – Provisions

SEK M	Parent Company	
	2014	2013
Opening provisions	24.9	21.4
Provisions during the year		
Mercuri International Group	15.5	7.4
Total	15.5	28.8
Utilised /dissolved during the year		
Mercuri International Group	-8.6	-4.0
Total	-8.6	24.8
Translation differences	1.3	0.0
Closing provisions	33.1	24.9

Estimated reversal of provisions in the Group

	2015	2016	>2016
Pension provisions	0.6	0.0	20.7
Deferred tax liability	0.0	0.0	0.0
Restructuring reserve	7.2	0.9	0.0
Other provisions	2.7	1.0	0.0
Total	10.5	1.9	20.7

Note 18 – Accrued expenses and deferred income

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Accrued vacation pay	11.5	14.0	0.6	0.8
Accrued social security expenses	10.8	14.0	1.7	1.0
Deferred income	2.1	3.5	-	-
Other accrued expenses	59.8	49.4	8.0	10.6
Total	84.2	80.9	10.3	12.4

Note 19 – Pledged assets

SEK M	Group		Parent Company	
	2014	2013	2014	2013
To secure liabilities to credit institutions				
Pledged assets, pension obligations	2.5	-	-	-
Shares in subsidiaries and associates	116.1	92.7	-	-
Blocked bank accounts	1.0	0.9	-	-
Total pledged assets	119.6	93.7	-	-

Note 20 – Contingent liabilities

Contingent liabilities in the Group amounted to SEK 1.4M (2.3) and pertained to surety and guarantee commitments furnished by the subsidiaries.

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

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 adjust its capital structure among other things through new share issues, dividends, redemption procedures or share buybacks. In 2014 Bure carried out capital distributions in the form of share buybacks and share 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 2014 was SEK 626M (552) and the Parent Company's was SEK 651M (837).

Price risk

Price risk on shares refers to the risk for possible changes in the value of shares listed on an exchange. Based on the market value of listed holdings of SEK 2,283M on 31 December 2014, a one per cent change in the price of listed holdings would affect the Group's profit before tax by SEK 23M.

Currency risk

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 SEK 1M.

Interest rate risk

The Group is exposed to interest rate risk through changes in the interest rate on assets and 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 an estimated short-term impact on consolidated profit before tax of around SEK 6M. 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

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 18M. There are no significant concentrations of credit risk in the Group.

Age structure of trade receivables SEK M	2014				2013			
	Trade receivables	Reserves	Net receivable	Secured by collateral	Trade receivables	Reserves	Net receivable	Secured by collateral
Not yet due	88.6	–	88.6	–	73.6	-1.9	71.6	–
Overdue 1– 30 days	13.9	–	13.9	–	17.6	-3.2	14.4	–
Overdue 31– 60 days	5.4	–	5.4	–	11.1	-3.2	7.9	–
Overdue 61– 90 days	3.8	–	3.8	–	4.4	-2.4	2.0	–
Overdue 91–180 days	5.1	–	5.1	–	3.6	-0.1	3.4	–
Overdue >180 days	2.4	-2.9	-0.5	–	1.2	-2.3	-1.1	–
Discontinued operations	–	–	–	–	4.5	–	4.5	–
Total	119.2	-2.9	116.3	–	116.0	-13.2	102.9	–

Specification of reserve for doubtful debts SEK M

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

	2014	2013
Opening balance	13.2	4.2
The year's provisions	2.5	11.7
Written-off amount	-8.2	-2.4
Reversal of unutilised reserves	-4.7	-0.2
Foreign exchange effects	0.1	-0.1
Total at 31 December	2.9	13.2

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.

Group maturity structure for financial liabilities at 31 December 2014.

Financial items with variable interest	<1 months	<3 months	3–12 months	1–5 year	> 5 year	Total
Bank overdraft facilities	–	–	–	43.8	–	43.8
Other borrowings	–	–	1.9	1.3	–	3.2
Total	–	–	1.9	45.2	–	47.0

Interest-free liabilities	<1 months	<3 months	3–12 months	1–5 year	> 5 year	Total
Trade payables	2.5	16.1	–	–	–	18.6
Other financial liabilities	–	–	26.4	–	–	26.4
Total	2.5	16.1	26.4	–	–	45.0

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 observable in the market.

Fair value hierarchy	2014				2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
SEK M								
Financial assets								
Financial assets at fair value through profit or loss	2,283.5	–	–	2,283.5	1,427.4	–	–	1,427.4
Investments accounted for using the equity method	–	–	64.3	64.3	–	–	5.1	5.1
Other non-current securities	–	–	113.0	113.0	–	–	4.2	4.2
Other non-current receivables	–	–	36.6	36.6	–	–	20.3	20.3
Financial investments	43.0	–	–	43.0	74.4	–	–	74.4
Short-term investments	295.7	–	–	295.7	610.2	–	–	610.2
Total financial assets	2,622.2	0.0	213.9	2,836.0	2,112.0	0.0	29.6	2,141.6
Financial liabilities								
Liabilities to credit institutions	–	–	47.0	47.0	–	–	49.3	49.3
Other non-current liabilities	–	–	1.4	1.4	–	–	1.8	1.8
Accrued expenses and deferred income	–	–	84.2	84.2	–	–	80.9	80.9
Prepayments from customers	–	–	21.0	21.0	–	–	21.0	21.0
Trade payables	–	–	18.6	18.6	–	–	21.0	21.0
Total financial liabilities	0.0	0.0	172.2	172.2	0.0	0.0	174.2	174.2

Note 22 - Classification of financial assets and liabilities

Group, SEK M	At fair value through profit or loss	Investments held to maturity	Loans and receiv- ables	Financial assets held for sale	Other financial liabilities
Financial assets					
Financial assets at fair value through profit or loss	-	-	-	2,283.5	-
Investments accounted for using the equity method	-	-	-	64.3	-
Other non-current securities	-	-	-	113.0	-
Other non-current receivables	-	-	36.6	-	-
Trade receivables	-	-	116.3	-	-
Other current receivables	-	-	11.4	-	-
Financial investments	43.0	-	-	-	-
Short-term investments	295.7	-	-	-	-
Cash and bank	-	-	215.9	-	-
Total financial assets	338.7	0.0	380.3	2,460.7	0.0
Financial liabilities					
Liabilities to credit institutions	-	-	-	-	47.0
Other non-current liabilities	-	-	-	-	1.4
Accrued expenses and deferred income	-	-	-	-	84.2
Prepayments from customers	-	-	-	-	21.0
Trade payables	-	-	-	-	18.6
Total financial liabilities	0.0	0.0	0.0	0.0	172.2
Parent Company, SEK M					
Financial assets					
Shares in group companies	-	-	-	83.5	-
Financial assets at fair value through profit or loss	-	-	-	2,283.5	-
Other non-current receivables	-	-	-	16.2	-
Receivables from group companies	-	-	318.6	-	-
Other current receivables	-	-	7.7	-	-
Financial investments	43.0	-	-	-	-
Short-term investments	295.7	-	-	-	-
Cash and bank	-	-	177.2	-	-
Total financial assets	338.7	0.0	503.6	2,383.2	0.0
Financial liabilities					
Liabilities to credit institutions	-	-	-	-	-
Other non-current liabilities	-	-	-	-	1.1
Accrued expenses and deferred income	-	-	-	-	10.3
Trade payables	-	-	-	-	2.3
Total financial liabilities	0.0	0.0	0.0	0.0	13.6

Note 23 – 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. In the Group, 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	2014	2013
Profit for the year in the Parent Company, SEK M	953.1	503.5
Consolidated profit for the year, SEK M	960.7	506.9
Average number of shares outstanding ¹	74,947,105	78,648,698
Basic earnings per share in the Parent Company, SEK ²	12.72	6.40
Basic earnings per share in the Group, SEK ²	12.83	6.56

1) Excluding 4,684,068 repurchased shares for 2014 and 5,050,475 for 2013.

2) No dilutive effect at 31 December 2014 or 31 December 2013.

Note 24 – 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.

	2014			2013		
	No. of shares	Quota value	Share capital	No. of shares	Quota value	Share capital
Number of registered shares						
Registered number at 1 January	81,101,985	6.60	535,306,872	81,357,241	6.58	535,306,872
Cancellation of treasury shares	-5,050,475	-6.60	33,335,238	-255,256	6.58	-1,679,510
Bonus issue	-	-	-33,335,238	-	-	1,679,510
New share issue	30,000	7.04	211,162	-	-	-
Registered number at 31 December	76,081,510	7.04	535,518,034	81,101,985	6.60	535,306,872

Description and reporting of repurchase of treasury shares

Bure's 2014 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 2014 Bure held 4,684,068 treasury shares, which is equal to 6.16 per cent of the total number of shares. The shares were purchased at an average price of SEK 30.55 each.

Share dividend

The 2014 AGM approved an ordinary dividend to the shareholders of SEK 0.50 per share and an extraordinary dividend of SEK 0.50 per share, for a total of SEK 1.00 per share. The total amount distributed was SEK 76.1M.

Restricted and non-restricted equity

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, statutory reserve and revaluation reserve. In Bure's case, the statutory reserve consists of capital contributed in connection with the company's formation. The statutory reserve also includes former share premium reserve, which must be transferred to the statutory reserve in accordance with the new Swedish Companies Act. 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. Retained earnings including profit for the year include profits earned in the Parent Company and its subsidiaries.

Reserves

Other reserves at 31 December 2014 amounted to SEK -73.0M (-81.2). Translation differences affected the reserve in an amount of SEK 8.2M (0.2) during the year.

Subscription warrant programme

Of the subscription warrant programme established in 2012, 30,000 warrants have been exercised to subscribe for new shares and 789,000 have been repurchased by the company. Thereafter, the company has no outstanding subscription warrants.

Note 25 – Discontinued operations

Income statements SEK M	1 Jan – 15 May ¹	
	2014	2013
Net sales	11.4	212.3
Total operating income	11.4	212.3
Other external expenses	-6.0	-73.1
Personnel costs	-9.1	-128.4
Amortisation/depreciation and impairment losses	-0.2	-4.3
Total operating expenses	-15.3	-205.8
Operating profit/loss	-3.9	6.5
Net financial items	-0.3	-2.5
Profit after financial items	-4.2	3.9
Income tax expense	–	-2.0
Profit for the year	-4.2	1.9
Average no. of shares outstanding, thousands ²	74,947	78,649
Basic earnings per share, SEK ²	-0.06	0.02
Balance sheets SEK M	31 December 2014	31 December 2013
Assets		
Intangible assets	–	20.8
Property, plant and equipment	–	3.1
Financial assets	–	3.7
Current receivables	–	31.5
Cash and cash equivalents	–	12.8
Total assets	–	71.9
Equity and liabilities		
Equity	–	23.3
Non-current interest-bearing debt, intra-group	–	18.9
Other non-current liabilities	–	3.6
Current liabilities, interest-bearing	–	1.2
Other liabilities, non interest-bearing	–	24.9
Total equity and liabilities	–	71.9
Cash flow SEK M	1 Jan – 15 May ¹	Full year
	2014	2013
Cash flow from operating activities before changes in working capital	-4.1	5.9
Cash flow from changes in working capital	0.3	-12.3
Cash flow from operating activities	-3.8	-6.4
Cash flow from investing activities	1.0	18.5
Cash flow from financing activities	-6.9	-4.0
Cash flow for the period	-9.7	8.1
Cash and cash equivalents at beginning of the year	12.8	4.7
Cash flow for the year	-9.7	8.1
Cash and cash equivalents at end of the year	3.2	12.8

1) The education was sold on 15 May 2014.

2) No dilutive effect at 31 December 2014 or 2013.

1) The education was sold on 15 May 2014.

Note 26 – Events after the end of the reporting period

Bure's Board of Directors proposes that the 2015 AGM approve an ordinary dividend of SEK 1.00 per share, which is equal to a total distribution of SEK 70.8M (excluding payment of dividends to treasury shares). After the end of the reporting period, Bure has repurchased 0.6 million treasury shares for SEK 22.2M. Bure's holding of treasury shares at 19 March 2015 amounted to 5.2 million, which is equal to 6.9 per cent of the total number of shares.

Note 27 – Participations in group companies, the year's change

Impairment losses in 2014 refer to SEK 104.6M pertaining to the holdings in G. Kallstrom & Co and Skanditek and SEK 10.6M resulting from the transfer of assets to the Parent Company by the subsidiaries.

SEK M	Parent Company	
	2014	2013
Opening cost	1,336.8	1,295.9
The year's acquisitions/additions	27.9	12.1
Reclassifications	–	28.8
Closing cost	1,364.6	1,336.8
Opening impairment losses	-1,166.0	-1,074.7
The year's impairment losses	-115.2	-91.3
Closing accumulated impairment losses	-1,281.2	-1,166.0
Carrying amount	83.5	170.8

Note 28 – Shares in group companies

Portfolio company SEK M	No. of shares	% of capital/ votes	Carrying amount in Parent Company	Corporate ID number	Domicile
Bure Financial Services AB	50,000	100.0	0.1	556943-6420	Stockholm
Mercuri International Group AB	998,500	99.1	54.9	556518-9700	Göteborg
Investment AB Bure	1,000	100.0	28.0	556561-0390	Göteborg
			82.9		
Other companies					
G. Kallstrom & Co AB	1,000	100.0	0.3	556096-6227	Stockholm
Skanditek AB	8,000	100.0	0.1	556541-9065	Stockholm
Cindra AB	1,000	100.0	0.1	556542-7415	Göteborg
Bure Capital AB	50,000	100.0	0.1	556935-7550	Stockholm
			0.6		
Total			83.5		

Note 29 – Financial assets at fair value through profit or loss

SEK M	No. of shares	% of capital/ votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Cavotec SA	8,248,970	10.5	214.5	214.5	CH-501.3.015.724-3	Lugano, Switzerland
MedCap AB	26,869,242	20.0	62.9	62.9	556617-1459	Stockholm
Mycronic AB	37,161,608	38.0	921.6	921.6	556351-2374	Stockholm
PartnerTech AB	5,404,140	42.7	136.7	136.7	556251-3308	Malmö
Vitrolife AB	4,709,790	21.7	781.8	781.8	556354-3452	Göteborg
Xvivo Perfusion AB	4,838,245	22.5	166.0	166.0	556561-0424	Göteborg
Carrying amount			2,283.5	2,283.5		

Other financial information

SEK M	Assets	Liabilities excl. equity	Revenue	EBIT
Cavotec SA	2,301	989	2,118	114
MedCap AB	535	265	890	8
Mycronic AB	1,600	393	1,475	277
PartnerTech AB	1,296	878	2,239	-44
Vitrolife AB	972	269	511	143
Xvivo Perfusion AB	202	26	85	7

Units of significance

SEK M	Mycronic		Vitrolife	
	2014	2013	2014	2013
Non-current assets	286.0	281.8	653.7	292.2
Current assets	1,313.7	1,119.7	318.8	192.8
Total assets	1,599.8	1,401.5	972.5	485.0
Equity	1,207.1	1,165.4	702.6	315.5
Non-current liabilities	16.0	17.2	110.1	69.9
Current liabilities	376.6	218.8	159.8	99.5
Total equity and liabilities	1,599.8	1,401.5	972.5	485.0

Note 30 - Investments accounting for using the equity method

1) The number of shares includes shares held by the subsidiary G. Kallstrom & Co. G. Kallstrom & Co holds 2,269 shares in Dipylon Medical.
2) The shares are owned by the subsidiary Bure Financial Services AB.

For information about shares in associated companies, see Note 4.

SEK M	No. of shares	% of capital/ votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Dipylon Medical AB ¹	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
RushRail AB	449	30.3	0.0	0.9	556674-1228	Stockholm
Valot Group AB	35,000	35.0	0.0	0.0	556784-4005	Stockholm
Fondbolaget Fondita Ab ²	654	20.1	–	52.7	0899688-5	Helsinki
Others	–	–	–	10.7	–	–
Carrying amount			0.0	64.3		

Note 31 – Related party transactions

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

In December 2014 Bure repurchased 789,000 subscription warrants under the 2012 warrant programme from employees, former employees and the Chairman of Bure for SEK 4.3M. The subscription warrants were repurchased on market-based terms. At the same time, the CEO chose to exercise warrants to subscribe for 30,000 shares. The 2012 warrant programme has thus been concluded.

Since the AGM in April 2014, the Board Chairman has provided consulting services to Bure under a contract.

For salaries and compensation to senior executives, see Note 35. Aside from fees from the Parent Company, the elected Board members in the Parent Company have not received fees from subsidiaries in the Group with the exception of Eva Gidlöf, who will receive board fees from Mercuri International Group AB.

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 9.3M (12.5) and interest expenses of 0.0M (0.0)

Note 32 – Dividends received

SEK M	Group		Parent Company	
	2014	2013	2014	2013
Mycronic AB	92.9	–	92.9	–
PartnerTech AB	2.7	–	2.7	–
Vitrolife AB	5.7	–	5.7	3.4
G. Kallstrom & Co AB	–	–	118.0	–
Skanditek AB	–	–	49.2	–
Cindra AB	–	–	0.6	–
Valot Group AB	1.3	12.9	1.3	12.9
Dividends from short-term investments	4.7	11.8	4.6	11.8
Total	107.3	24.8	275.1	28.2

Note 33 – Average number of employees

	2014		2013	
	No. of employees	of whom, women	No. of employees	of whom, women
Parent Company	6	1	7	1
Subsidiaries	330	166	605	330
Total Group	336	167	612	331
Parent Company				
Sweden	6	1	7	1
Subsidiaries				
Sweden	66	41	305	194
Denmark	13	7	16	6
United Kingdom	18	7	19	7
Finland	52	24	55	27
Germany	28	8	28	7
France	51	21	55	23
Czech Republic	12	5	15	6
USA	10	6	9	5
China	30	17	30	17
Other countries	50	30	73	38
Total Group	336	166	612	331

Note 34 – Salary, other compensation and social security expenses

Pension costs are stated including payroll tax.

1) Of the Parent Company's pension costs, SEK 0.7M (0.9) refers to the Board and CEO.

SEK M	2014			2013		
	Salary other comp.	Social security expenses	Pension costs ¹	Salary other comp.	Social security expenses	Pension costs ¹
Parent Company	14.7	4.4	2.3	20.0	6.2	2.0
Subsidiaries	215.0	50.2	11.8	233.3	39.9	21.0
Discontinued operations	7.9	1.4	1.0	81.1	26.5	6.7
Total Group	237.6	56.0	15.1	334.3	72.6	29.7

Note 35 – Compensation to senior executives

1) Other benefits refer to company car benefits.

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

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

4) Henrik Blomquist January – April 2013.

SEK M	Fixed annual salary/ Board fees		Variable comp./bonus		Other benefits ¹		Pension costs		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Board Chairman ²	0.8	0.7	–	–	0.1	0.1	0.1	0.4	0.9	1.2
Other Board members	1.1	1.1	–	–	–	–	–	–	1.1	1.1
CEO ³	2.4	2.7	2.2	1.4	0.1	0.1	0.6	0.5	5.3	4.7
Vice Presidents ⁴	–	0.5	–	0.2	–	0.0	–	0.1	–	0.9
Other senior executives	2.7	2.7	1.8	0.8	–	–	0.6	0.6	5.1	4.1
	7.1	7.7	4.0	2.5	0.1	0.2	1.3	1.6	12.4	12.0

Board of Directors

The 2014 AGM resolved that Board fees would be paid in a total amount of SEK 1,925,000 (1,925,000), of which SEK 800,000 (800,000) 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 2014 (6). No special fees have been paid for work on the Board's committees.

Board chairman

The Chairman has, in addition to directors' fees, via a company invoiced Bure for consulting services under contract with the Board in the amount of SEK 1.7M.

Chief Executive Officer

The CEO Henrik Blomquist had a contractual annual salary of SEK 2.4M. Bonuses have been paid in an amount of SEK 2.2M (excluding social security expenses) for 2014. 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 100 per cent of annual salary. Bonus payments are not pension-qualifying. The CEO has the right to a term of notice of 12 months in the event of termination by the company and 12 months in the event of his resignation. The CEO is entitled to termination benefits equal to 12 monthly salaries in the event of termination by the company. 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 50 – 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 2014 Bure had a variable compensation system for all employees in which the maximum variable salary component was equal to 8 – 100 per cent of fixed salary. 80 per cent of the bonus was based on quantitative targets related to Bure's share price performance, net asset value development per share and the year's focus regarding the portfolio companies. The remaining 20 per cent was based on discretionary assessment.

For information about the preparatory and decision-making process applied by the company, see the administration report.

Information about the senior executives' holdings of shares:

Henrik Blomquist, CEO, 33,000 shares.

Max Jonson, CFO, 10,000 shares.

Fredrik Mattsson, Investment Manager, 40,000 shares.

Note 36 – Gender distribution in senior positions

In the subsidiaries, 13 per cent (30) of the board members, presidents and senior executives are women.

Parent Company	2014	2013
Total no. of women on Board of Directors	1	1
Total no. of women in management	1	–
Total no. of men on Board of Directors	5	5
Total no. of men in management	5	6
Total no. of people on Board of Directors	6	6
Total no. of people in management	6	7

Auditor's report

To the annual meeting of the shareholders 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 2014, except for the corporate governance statement on pages 20–23. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 27–62.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

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

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 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their 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 cover the corporate governance statement 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 group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Bure Equity AB (publ) for the year 2014. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement has been prepared in accordance with the Annual Accounts Act.

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 Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director 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 opinions.

Furthermore, we have read the corporate governance statement 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 statement is different and 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 appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

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

Stockholm, 19 March 2015
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

Definitions

Basic earnings per share	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.
Diluted earnings per share	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.
Direct return	Dividend proposed to the AGM and extra dividends paid during the year divided by the share price at 31 December.
EBIT	Operating profit before goodwill impairment and amortisation of excess values arising on consolidation plus amortisation/depreciation of non-current assets.
Equity/asset ratio	Equity in relation to total assets. As of the transition to IFRS on 1 January 2005, non-controlling interests are included in total equity.
Equity per share	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.
Growth	Increase in net sales in relation to net sales for the previous year. The key figure thus includes both organic and acquisition-driven growth.
IRR	Internal Rate of Return.
Market capitalisation	Share price multiplied by the total number of shares outstanding.
Net asset value	The market value of Bure's listed holdings plus the book value of unlisted holdings and cash and cash equivalents.
Net loan liability	Same definition as net loan receivable, but is used when interest-bearing liabilities exceed interest-bearing assets.
Net loan receivable	Financial interest-bearing assets minus interest-bearing liabilities.
Return on equity	Profit/loss after tax divided by average equity.
Share buyback	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.
Total return	The total of the year's share price growth and reinvested dividends divided by the share price at the beginning of the year.

Shareholder information

Financial calendar 2015

Interim report January – March	28 April
Annual General Meeting	4 May
Interim report January – June	18 August
Interim report January – September	11 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, visit www.bure.se, Investor Relations/ Subscription Service.

Investor relations / Shareholder contact

Max Jonson, 08-614 00 20
max.jonson@bure.se

Contact Bure Equity AB

Address: Nybrogatan 6, 114 34 Stockholm
Phone: +46 8 614 00 20
Fax: +46 8 614 00 38
E-mail: info@bure.se
Website: www.bure.se

Annual General Meeting of Bure Equity AB (publ)

The Annual General Meeting will be held on Thursday, 4 May 2015, at 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 the register of shareholders maintained by Euroclear Sweden AB no later than 27 April 2015.

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 27 April 2015.

Notification

Notice of participation must be received by Bure no later than 12:00 p.m. on 27 April 2015 via

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

E-mail: arsstamma@bure.se

Website: www.bure.se

Phone: +46 8 614 00 20

Fax: +46 8 614 00 38

The notification should include the shareholder's name, personal/corporate identity number, address, telephone number and special mention if the shareholder wishes to be accompanied by an assistant (no more than two).

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 27 April 2015.

Bure Equity AB (publ)

Nybrogatan 6, SE-114 34 Stockholm, Sweden

Phone: +46 8-614 00 20

Corporate ID number: 556454-8781

info@bure.se

www.bure.se