

The background of the entire page is a blue-tinted photograph of a large crowd of people, possibly at a concert or event, with their arms raised. A prominent red grid is overlaid on the image, consisting of thick red lines that form a grid of squares. Each square in the grid is further divided by two diagonal red lines, creating a pattern of smaller triangles.

Studsvik

***ANNUAL REPORT
2020***

INFORMATION TO SHAREHOLDERS

ANNUAL GENERAL MEETING OF SHAREHOLDERS, JUNE 23, 2021

The Annual General Meeting will be held in Stockholm, on Wednesday June 23, 2021 at kl 16:00 (CET).

Notification

Shareholders wishing to participate must be registered in the share register kept by Euroclear Sweden AB by Tuesday, June 15, 2021, and must give notice of attendance by Tuesday, June 15, 2021 at the latest.

- via Studsvik's website, www.studsvik.se.
- by telephone, +46 155 22 16 42,
- by mail to Studsvik AB, SE-611 82 Nyköping, Sweden
- by email to studsvik@studsvik.com, or
- by fax, +46 155 26 30 70

The shareholder's notification should state

- name
- personal/corporate identity number
- address and telephone number
- number of shares

For entitlement to vote at the Annual General Meeting, shareholders with nominee-registered shares must apply to the bank or broker managing their shares for temporary re-registration a couple of banking days before Tuesday, June 15, 2021.

FORTHCOMING FINANCIAL INFORMATION 2021

- | | |
|---|------------------|
| • Interim Report January-March 2021 | April 29, 2021 |
| • Interim Report January-June 2021 | July 21, 2021 |
| • Interim Report January-September 2021 | October 21, 2021 |
| • Interim Report January-December 2021 | February 2022 |
| • Annual report 2021 | April 2022 |

The reports will be available at www.studsvik.com on the publication dates.

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OPERATING PROFIT

46.0

MILLION KRONOR

OPERATING MARGIN

6.4

PER CENT

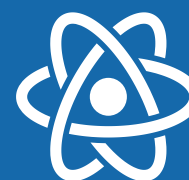
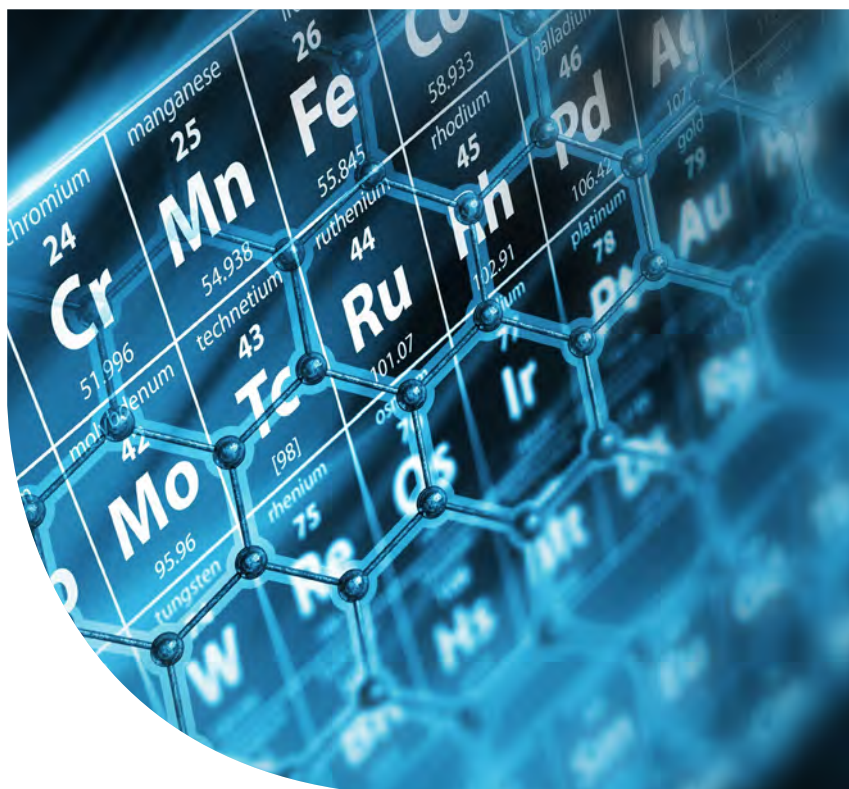
SALES

721.9

MILLION KRONOR

Studsvik's vision is to make it easy to benefit from energy from nuclear power.

Studsvik's mission is to create effective, customer-focused solutions to complex problems through our innovative capacity.



Studsvik stands for safe and effective solutions

We offer specialized services in material testing, software and waste management methods to companies, mainly in nuclear technology but are also engaged as experts in other radiological areas.



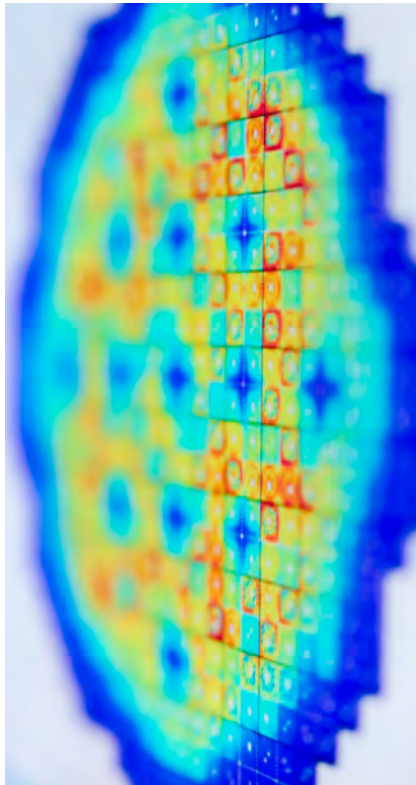
FREE CASH FLOW

64.9

MILLION KRONOR



Nuclear power is a type of energy that reduces greenhouse gases, and our 70-years' experience contributes to even safer solutions and higher efficiency in the nuclear power industry and to the production of medical isotopes for hospitals.



EQUITY-ASSETS RATIO

41.2

PER CENT

NUMBER OF EMPLOYEES

516

IN SEVEN COUNTRIES

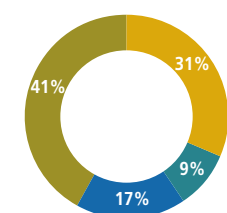




2020 IN REVIEW

The restructuring and changes that have been taking place in the Group for a number of years have had an effect and profitability improved in all business areas.

Sales by area of operation

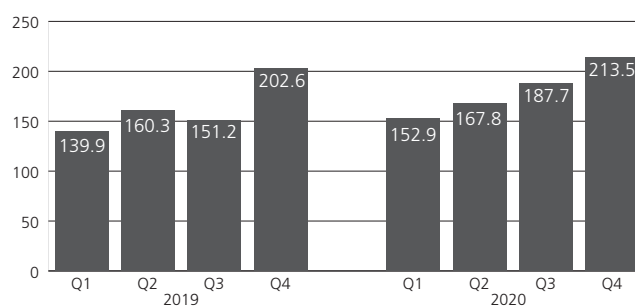


- Fuel and Materials Technology
- Waste Management Technology
- Scandpower
- Decommissioning and Radiation Protection Services

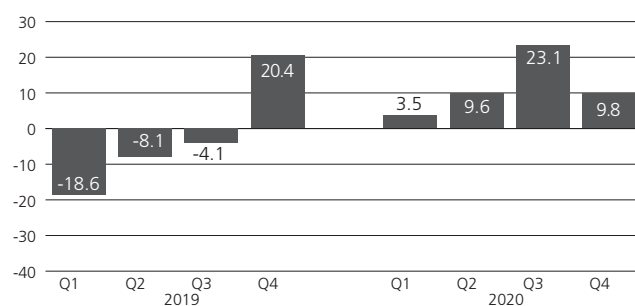
Key figures

	2020	2019
Net sales, SEK million	721.9	654.0
Operating profit, SEK million	46.0	-10.4
Profit after net financial items, SEK million	41.3	-22.8
Earnings per share, SEK	4.28	-3.41
Operating margin, %	6.4	-1.6
Free cash flow, SEK million	64.9	-38.8
Net debt-equity ratio, %	7.9	27.4
Equity-assets ratio	41.2	37.5
Equity per share, SEK	38.13	36.84
Average number of employees	516	552

Sales in SEK million



Operating profit in SEK million





SOME EVENTS

BREAKTHROUGH IN SEVERAL MARKETS

In August and September 2020 contracts were signed with customers in China and South Korea with a total value of SEK 180 million and in December a contract was signed with TVEL worth about SEK 100 million.

In January 2021, a contract was signed with the Institute for Energy Technology (IFE) in Norway, worth SEK 134 million. All contracts refer to Fuel and Materials Technology services.

CHANGE OF BUSINESS AREA NAME

The Germany business area changed its name to Decommissioning and Radiation Protection Services on January 1, 2021.

CHANGES IN THE EXECUTIVE GROUP MANAGEMENT

On January 1, 2021 Florian Buehler was appointed Business Area President for Decommissioning and Radiation Protection Services. Steven Freel will leave the company in spring 2021 and Camilla Hoflund, CEO, will temporarily take over as President of Scandpower. Claes Engvall, CFO, will leave the company in spring 2021.



ADVANCES IN A TURBULENT WORLD

During the year we achieved clear improvements in performance, driven by our action and growth program, despite the corona pandemic. Great commitment on the part of our employees has enabled the necessary readjustments during the year. All in all, this led to an improvement in operating profit of SEK 56 million to SEK 46 million.

The greatest advances for our business areas were breakthroughs in new markets for Fuel and Materials Technology, which provides a basis for increased volumes as of 2021. For Waste Management Technology we can note that we have positioned ourselves for continued development of the license business. Scandpower's market position in the USA continues to be strong and we continue to further develop the operations and our offers. For Decommissioning and Radiation Protection Services (formerly Germany) important steps have been taken to ensure stable and profitable business. The local management has been augmented and a new Business Area President appointed.

The market for Studsvik's offer has continued to develop during the year. The industry is increasingly demanding effective solutions to complex problems, and we offer innovation and a new approach. In fuel qualification, demand has increased sharply for multi-year programs from fuel manufacturers in Russia, China and South Korea. At the same time, demand for corresponding services in our traditional markets in Europe and the USA has declined.

There are a number of national initiatives in the global market for strategic treatment of nuclear waste focused on cost-effective solutions. To meet this, Studsvik provides competitive waste platform offers, though many of the decision-making processes are

long and complex, which in some cases delays business opportunities.

In the German market adjustments are being made ahead of the transition when nuclear power plants close. Studsvik has started its journey upwards in the value chain and we are thus well-positioned to meet the demand for well-educated and competent staff in Decommissioning and Radiation Protection Services.

The corona pandemic has forced us to be innovative and change our working methods. Today global customer meetings, sales activities and contract negotiations are conducted digitally.

In 2021 we are focusing on developing our strategic customer and market relations and honing our world-leading platforms in fuel and waste optimization to create continued growth.

Nyköping, March 2021

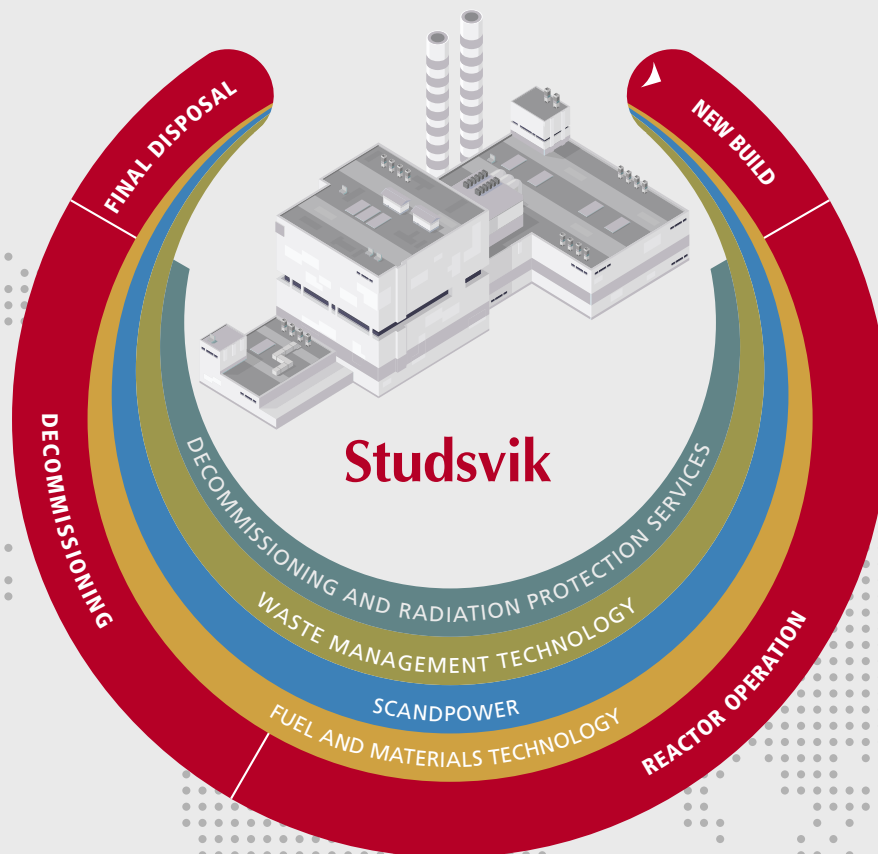
Camilla Hoflund



CAMILLA HOFLUND
PRESIDENT AND CEO



STRATEGIES



Studsvik offers services in various parts of the nuclear power lifecycle, from new construction to final disposal, as in the image. We continue to develop into a profitable and sustainable company.

STRATEGIC BUSINESS INITIATIVES

PENetration AND EXPANSION IN NEW MARKETS	STRENGTHENED INTERNATIONAL PARTNERSHIPS	ACTIVITIES IN DECOMMISSIONING AND RADIATION PROTECTION SERVICES TO MOVE US UPWARDS IN THE VALUE CHAIN
Major contracts were signed with China, Russia and South Korea	The OECD/NEA projects SCIP (Studsvik Cladding Integrity Project) IV and SMILE (Studsvik Material Integrity Life Extension) started	Training of existing personnel Recruitment of new highly qualified personnel Reinforcement of management
NEW CUSTOMER OFFER IN DECOMMISSIONING	NEW REACTOR CONCEPT FOR SOFTWARE	WASTE TREATMENT BEFORE FINAL DISPOSAL FOCUSED ON INDRUM
Strategic contract negotiated with IFE/NND in Norway referring to preparations for future final disposal of nuclear fuel	Software adapted to new types of reactors such as SMR (Small Modular Reactors)	Business focus on waste treatment before final disposal with patented inDRUM technology

SCIP – AN INNOVATIVE PROJECT THAT IMPROVES SAFETY

The Studsvik Cladding Integrity Project, SCIP, is an international OECD/NEA project that started in 2004. The project is being run in five-year phases with the participation of 40 organizations from 15 different countries.

In the first years detailed studies were made of how cladding properties affect fuel failures that may arise during operation. Fuel rod damage is costly for the industry, as it could lead for example to reduced reactor efficiency. It was clear from early on that studies of fuel damage were central. At the same time many fuel manufacturers were developing new advanced pellets, aiming to reduce the risk of this costly damage, which contributed to the great interest in these questions and a SCIP II (2009) on this theme could be successfully launched with an increased number of members.

In parallel with SCIP II Studsvik, on behalf of the American regulatory body U.S.NRC, carried out a LOCA test series and shared the results with SCIP members. The conclusions, which to some extent were not in line with expectations, brought the subject to the fore and when it was time for SCIP III (2014) the focus of the project moved to LOCA. The fourth phase, SCIP IV, which has been in progress since 2019, aims to use basic simulations to improve understanding of fuel rod behavior in accident scenarios similar to LOCA and storage after operation. Common to all phases of SCIP is the opportunity for experience feedback between the participating organizations, an important component for competence assurance within this complex area.

Within the project Studsvik conducts advanced experiments on irradiated nuclear fuel in our laboratories where most of the

test rigs have been customized to meet the requirement specifications of project members. The experiments simulate for example nuclear fuel accidents and storage conditions which, together with advanced microscopy and other characterization technologies, provide the nuclear industry with important reference data for modelling of fuel behavior and decision support to regulatory bodies.

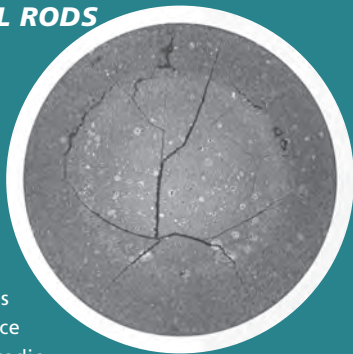
WHY STUDSVIK?

Through SCIP Studsvik has demonstrated the ability to organize major international research projects where theoretical modelling and experiments in a laboratory environment are combined effectively. By means of continual dialog with project members, the program is adapted in the course of the project, which ultimately optimizes the value for SCIP participants and the nuclear industry. Apart from Studsvik's proficiency in developing adapted experiments on irradiated material, our large material bank, which includes many different types of fuel from all over the world, is an important success factor for this type of project.

Right from the start of SCIP the interest and drive to be part of the project has expanded. SCIP has given the participating organizations the opportunity to qualify their models in relation to experimental data and the project contributes to increased understanding and prevention of failure mechanisms and consequences of failures that in summary improve nuclear safety.

NUCLEAR FUEL RODS

A fuel rod is usually about 4 meters long with a diameter of about 10 mm. The cladding is the metal tube, often a zirconium alloy, which surrounds the uranium pellets, thus keeping them in place and containing the radioactive fission products created while in operation. If a fuel rod breaks while in operation measures are taken for the reactor in accordance with applicable procedures.



LOCA

(Loss of Coolant Accident)

If a reactor loses its capability to cool the core, called a Loss of Coolant Accident, it results in an inability to control the temperature as normal, which in turn can lead to fuel damage of varying seriousness. To continually increase knowledge of the consequences of such overheating for the fuel rod, simulations in laboratories and research reactors are strategically important for all actors in the nuclear industry.





ADMINISTRATION REPORT

The Board of Directors and the President of Studsvik AB (publ), corporate identity number 556501-0997, hereby submit the annual accounts and consolidated accounts for the 2020 financial year. This document also includes the sustainability report of Studsvik AB, corporate identity number 556501-0997, in accordance with the Annual Accounts Act, Chapter 6, Sections 10–14.

The report covers the company and underlying subsidiaries in the same Group.

Apart from the risks described in this report, the company has not identified any further risks that are relevant to the business.

BUSINESS ACTIVITIES OF THE GROUP

Studsvik delivers specialist services to the international nuclear power industry. Its customers are mainly nuclear power plants and suppliers to the nuclear industry. Studsvik's operations are conducted at its own facilities in Sweden and at customer sites. The services cover the entire life cycle of the nuclear power plants as regards waste management, engineering services and fuel optimization and issues related to fuel and construction materials.

The company's share is listed on NASDAQ Stockholm.

MARKET

Demand in Europe is characterized by short-term cost savings at the plants in operation, while customers in Sweden and Germany prepare for future decommissioning. The American market is also characterized by restraint due to the "Nuclear Promise" efficiency-improvement program agreed on by the actors.

In Asia the market development continues to be positive, mainly driven by large investments in China and South Korea. Global demand for electricity is expected to grow in the next 25 years, mainly in non-OECD countries where demand from Asia, and mainly China, makes up a considerable part. The positive development, with a growing percentage of renewable and nuclear electricity, is continuing, with a phase-out of fossil fuels.

With the prevailing low energy prices the market is focusing on continuing to reduce costs, extend lifespan and increase output while the work of planning for future decommissioning, especially in Sweden and Germany, is increasing. All in all, this means that demand for services for example in fuel optimization, management of spent nuclear fuel and engineering services related to decommissioning and waste management is expected to increase.

STUDSVIK'S MARKET POSITION

Studsvik offers selective services to the global nuclear power industry in new construction, reactor operation, decommissioning and final disposal.

STUDSVIK'S AREAS OF OPERATION

Fuel and Materials Technology

Fuel and Materials Technology offers solutions by combining expertise, unique facilities and external networks. Our customers come to us for our customized solutions that are highly flexible, thus meeting their needs exactly.

Waste Management Technology

The Waste Management Technology offer focuses on advanced engineering services, technologies and services that optimize our customers' radiological programs and management of waste.

Scandpower

Scandpower offers software and engineering services to support nuclear power plants, fuel manufacturers, authorities as well as researchers in next generation reactor developers and research establishments.

Decommissioning and Radiation Protection Services (formerly Germany)

Decommissioning and Radiation Protection Services operates in radiation protection, decommissioning, dismantling and decontamination. Its customers are nuclear power plants, research centers and other nuclear facilities in Germany, Switzerland, Belgium and the Netherlands. The services also include practical solutions for working with radiation and radiation protection training adapted to customer needs.

SALES AND EARNINGS

Sales increased in local currencies by 11 per cent to SEK 721.9 (654.0) million. Operating profit was SEK 46.0 (–10.4) million. Profit for 2019 included a restructuring cost of SEK 14.8 million, related to Waste Management Technology.

Fuel and Materials Technology sales increased by 12 per cent in local currencies, to SEK 224.3 (200.1) million and the operating profit was SEK 34.0 (25.3) million.

Waste Management Technology increased its sales in local currencies by 17 per cent to SEK 65.3 (56.8) million, and the operating profit improved to SEK –1.5 (–33.6) million.

Sales for Scandpower in local currencies decreased by 2 per cent to SEK 125.6 (130.1) million, but the operating profit increased to SEK 17.2 (13.0) million.

Sales for Decommissioning and Radiation Protection Services increased in local currencies by 13 per cent to SEK 293.2 (263.0) million and the operating profit improved to SEK 17.4 (–1.0) million. The business areas' operations and performance are described in more detail on pages 12-19.

PROFITABILITY

The operating margin for the Group was 6.4 (–1.6) per cent. Return on capital employed was 11.3 (–0.2) per cent.

CASH FLOW

Cash flow from operating activities was SEK 83.6 (–13,5) million and the free cash flow was SEK 64.9 (–38,8) million.

FINANCING

Studsvik has financing with Danske Bank totaling SEK 147 million. Of this, SEK 47 million is a corporate loan and the remaining SEK 100 million is an overdraft facility. More information on the Group's borrowing can be found in note 2.1 and note 30.

FINANCIAL TARGETS

Studsvik's overall financial targets are an average annual growth of 10 per cent, achieving an operating margin of 8 per cent and an equity/assets ratio of at least 40 per cent. During the year sales in local currencies increased by 11 per cent. The operating margin was 6.4 (–1.6) per cent. The equity-assets ratio has increased to 41.2 (37.5) per cent.

INVESTMENTS

The Group's capital expenditure investments amounted to SEK 23.0 (32.7) million.

Investments are mainly related to current investments and the new production line for medical isotopes.

RESEARCH AND DEVELOPMENT

Development projects are initiated and implemented both in partnership with customers in the form of consultancy contracts and within the framework of Studsvik's own product development. Research expenditure is expensed as it is incurred. Identifiable expenditure for the development of new processes and products is capitalized to the extent it is expected to bring economic benefits.

In 2020 total costs of company-funded research and development amounted to SEK 8.3 (8.8) million. The greatest resources were allocated to Studsvik's in-core fuel management codes and reactor operation. Within software development the expenditure is a combination of further development of existing software and new development.

EFFECTS OF THE CORONA PANDEMIC

In 2020 the business was not significantly affected by the corona pandemic, but all in all during the year the Group's profit was negatively affected by SEK 8 million in Germany, where our staff were prevented from going into the facilities.

There are continued risks for 2021 related to the corona pandemic. Customers may decide to postpone some business and new temporary staff cuts may be necessary at some facilities in Germany and the facilities in Studsvik. The Executive Group Management is following developments and is prepared to take measures as necessary to reduce the negative effects on operations. The company acts in compliance with decisions and recommendations issued by governments and authorities in the respective markets, with the health and safety of employees as its highest priority.

"after several breakthroughs in new markets opportunities are created for increased growth ..."



JOAKIM LUNDSTRÖM
BUSINESS AREA PRESIDENT

WHAT IS INNOVATION FOR YOU?

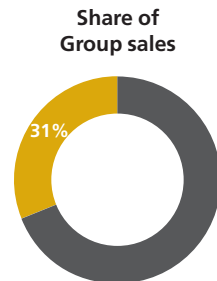
FOR ME INNOVATION IS WHEN NEW IDEAS lead to real improvement. It is something that germinates and grows in open and flexible interaction between individuals with different experience, skills and personalities but with common objectives.

CAN YOU GIVE EXAMPLES OF INNOVATION FROM FUEL AND MATERIALS TECHNOLOGY?

DIFFICULT TO CHOOSE AN INDIVIDUAL case but after several breakthroughs in new markets opportunities are created for increased growth. To meet the need rapidly and effectively we have held a series of workshops that were attended by all production staff. These have produced an amazing number of often simple and effective solutions. To see how the entire organization works together on such a broad front so that we can achieve our future goals makes me both happy and proud. It really feels great to be able to work in such an innovative and development-focused culture!

FUEL AND MATERIALS TECHNOLOGY

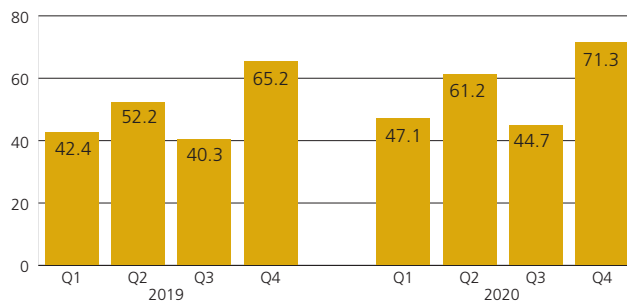
The business area offers services in fuel and materials technology for nuclear power plants, reactor and fuel manufacturers, government agencies and actors that use radioactive substances. The offer includes nuclear fuel qualification, analysis of material, research on final disposal, packaging of medical isotopes and advanced consultancy services. Testing and analysis operations are conducted at Studsvik's facility in Sweden and sometimes in collaboration with other international partners. The operations contribute to improved operating economy and increased security in the nuclear power industry.



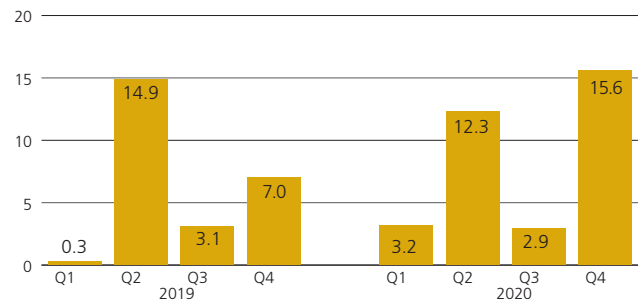
Key figures

Amounts in SEK million	2020	2019
Sales	224.3	200.1
Operating profit/loss	34.0	25.3
Operating margin, %	15.2	12.6
Investments	15.4	22.9
Average number of employees	111	104

Sales in SEK million



Operating profit in SEK million



STRONG INFLOW OF ORDERS

Sales increased to SEK 224.3 (200.1) million and operating profit to SEK 34.0 (25.3) million. Sales in local currencies increased by 12 per cent. The operating margin increased to 15.2 (12.6) per cent. The improved profit is largely due to an improved project mix. Customer value based sales continued to bear fruit in 2020, with major breakthroughs both in China and South Korea. In addition, business with Russia has been further consolidated and grew at the same time as investments in conditioning methods for old nuclear fuel are starting to show results, for example in Norway. The OECD-NEA SCIP IV project has gathered 17 member countries. In addition, the formation of a new OECD-NEA

program in materials testing for lifetime extension issues, SMILE, is far advanced, with great interest from many countries.

The new product with manufacture of sealed radiation sources for medical use for Elekta has been postponed due to delivery delays of isotopes, but production is expected to start at the end of 2021.

In 2019 an appeal was lodged against the Land and Environment Court order to Studsvik to provide a bank guarantee for future waste costs of SEK 43 million. There is still no notification concerning the appeal to the Land and Environment Courts.



***"During the year
a newly developed
variant was
patented, inDRUM"***



MIKAEL KARLSSON
BUSINESS AREA PRESIDENT

WHAT IS INNOVATION FOR YOU?

Being able to link existing experience knowledge in new ways and thus create new solutions.

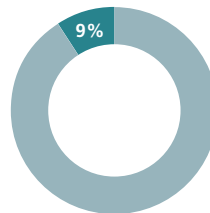
CAN YOU GIVE EXAMPLES OF INNOVATION FROM WASTE MANAGEMENT TECHNOLOGY?

One example is our patented solution, called FBSR, for managing in particular large quantities of cumbersome and radioactive liquid organic waste. During the year a newly developed variant was patented, inDRUM. This offers a solution for the customers who have mixed radioactive waste stored in drums, often stored for many years without any simple solution.

WASTE MANAGEMENT TECHNOLOGY

We offer licensing of technical solutions to stabilize and reduce the volume of radioactive waste from commercial and non-commercial activities before final disposal. The technical solutions are delivered with associated engineering services to customers in Europe, North America, and Asia, who build and operate their own facilities. In addition specialist services are offered to optimize customers' treatment of waste during operation and decommissioning. The service offer covers the life cycle from initial waste planning for facilities to management and final disposal of waste. In addition, safety analyses and services related to radioactive classified waste arising from decommissioning are offered.

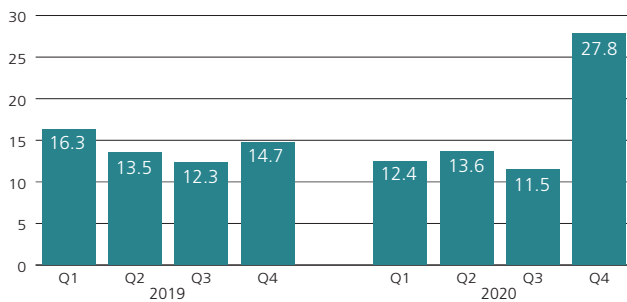
Share of Group sales



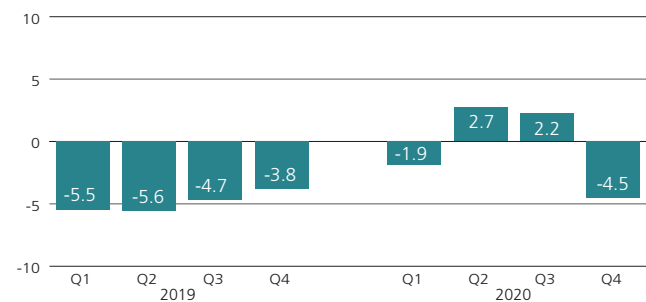
Key figures

Amounts in SEK million	2020	2019
Sales	65.3	56.8
Operating profit/loss	-1.5	-33.6
Operating margin, %	-2.3	-59.2
Investments	3.6	4.2
Average number of employees	22	46

Sales in SEK million



Operating profit in SEK million



RESTRUCTURING HAS AN EFFECT

Sales in local currencies increased by 17 per cent to SEK 65.3 (56.8) million, and the operating profit increased to SEK -1.5 (-33.6) million. The operating margin was -2.3 (-34.5) per cent. After restructuring the business area focused mainly on licensing of technology developed in-house for processing of radioactive

waste. The operations in England continued during the year via partnership in and services related to the storage of low-level waste in Cumbria.



"In Scandpower we see innovation as the daughter of imagination and creativity"

CAMILLA HOFLUND

ACTING BUSINESS AREA PRESIDENT

WHAT IS INNOVATION FOR SCANDPOWER?

DEVELOPING EXISTING products is important but combining products and application and creating new products is innovation. In Scandpower we see innovation as the daughter of imagination and creativity.

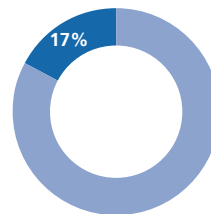
CAN YOU GIVE EXAMPLES OF INNOVATION FROM SCANDPOWER?

INNOVATION IS IMPLEMENTING a new solution that helps industry with a problem or need that goes on to commercial success. Such as earlier software versions of one of our main products that for many were too complicated to use. Removing "expert level" functions and replacing them with a simpler interface considerably improved customer benefit. The creativity was to remove functions, which went against what you usually do with software.

SCANDPOWER

Scandpower is a world-leader in software for fuel optimization. The software is independent of fuel, transport containers and reactor suppliers. The software development is based in the USA and sales are through offices in Europe, the USA, Japan and China. Scandpower's software is used in half of the world's nuclear power plants. Development is in progress to adapt the software to advanced fuel and core constructions. Apart from license fees for software sales, Scandpower receives annual maintenance and support fees from those who have installed the software. Scandpower also receives revenue from related consultancy services.

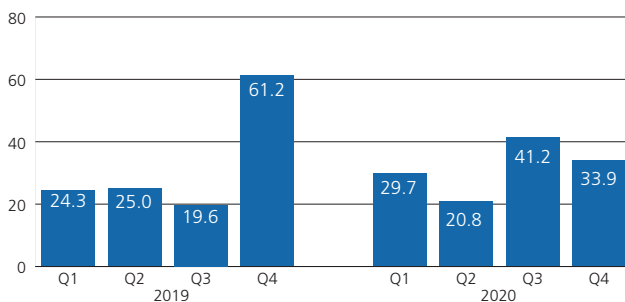
Share of Group sales



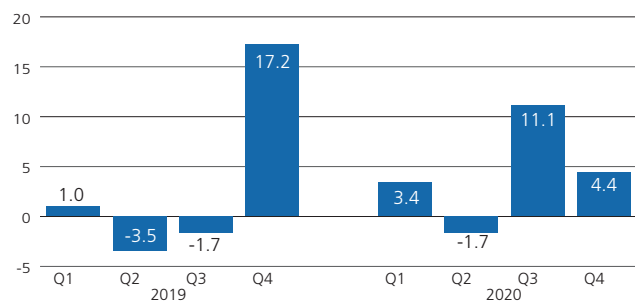
Key figures

Amounts in SEK million	2020	2019
Sales	125.6	130.1
Operating profit/loss	17.2	13.0
Operating margin, %	13.7	10.0
Investments	0.7	1.3
Average number of employees	36	35

Sales in SEK million



Operating profit in SEK million



INCREASING INTEREST FOR AN INDEPENDENT FUEL SUPPLIER

Sales in local currencies in 2020 decreased by 2 per cent to SEK 125.6 (130.1) million, but the operating profit increased to SEK 17.2 (13.0) million. The operating margin was 13.7 (10.0) per cent. Sales mainly consist of software licenses, annual maintenance and support agreements, training and consultancy services related to the software. Software is sold both as one-time licenses and annual fee subscriptions.

During the year a number of orders were signed with customers in the USA, Europe and China. Interest for independent fuel suppliers is growing in the USA and this is shown through

upgrades and purchases of Scandpower's software. The reclassification made by the American export control authority during the year referring to our products and the establishment of the office in China have given us opportunities to work up business in this expansive market. Scandpower is addressing other new markets such as the United Arab Emirates, where the first nuclear power plant started up in August 2020, with another three reactors being completed soon.



"new training program for nuclear engineers in collaboration with Mannheim University"



FLORIAN BUEHLER
BUSINESS AREA PRESIDENT

WHAT IS INNOVATION FOR YOU?

NEW, FUTURE-ORIENTED IDEAS to improve existing processes or proposals of benefit to the company and our customers. For me personally innovation is further development.

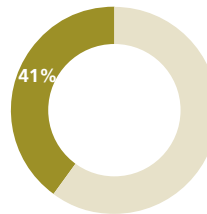
CAN YOU GIVE ANY EXAMPLES OF INNOVATION FROM DECOMMISSIONING AND RADIATION PROTECTION SERVICES?

Setting up a new training program for nuclear engineers in collaboration with the Mannheim University of Applied Sciences.

DECOMMISSIONING AND RADIATION PROTECTION SERVICES

Decommissioning and Radiation Protection Services (formerly Germany) offers services in radiation protection, decommissioning, dismantling, decontamination and engineering. Our customers are nuclear power plants, research centers and other nuclear facilities in Germany, Switzerland, Belgium and the Netherlands. Studsvik's decommissioning services cover the entire process from feasibility studies, planning and project management to practical work with radiological assessment, dismantling, radiological clearance of material and waste documentation.

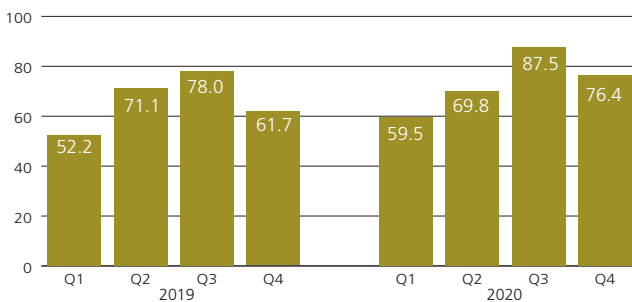
Share of Group sales



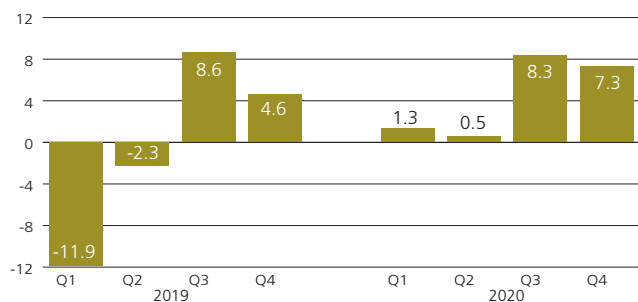
Key figures

Amounts in SEK million	2020	2019
Sales	293.2	263.0
Operating profit/loss	17.4	-1.0
Operating margin, %	5.9	-0.4
Investments	1.8	1.7
Average number of employees	329	349

Sales in SEK million



Operating profit in SEK million



INCREASED SALES

Sales in local currencies increased by 13 per cent to SEK 293.2 (263.0) million, and the operating profit improved to SEK 17.4 (-1.0) million. The operating margin increased to 5.9 (-0.4) per cent.

Demand is high in several specialist areas and the organization is investing in skills development of existing staff and new recruitment, mainly of radiation protection staff and engineers.

During the year the business implemented new software for effective management of the company's processes on the way to a digitalized working world.

The staff are experienced in waste characterization, sorting, packaging, measurement and transport of contaminated material, which optimizes the decommissioning process and saves time and money for the customers.

During the year the management of Decommissioning and Radiation Protection Services was augmented.



PARENT COMPANY

Operations in the parent company consist of coordination of the Group. Parent company sales decreased to SEK 11.1 (13.9) million and the operating profit decreased to SEK –21.2 (–15.2) million. Profit before tax was SEK 137.0 million (–64.7). The year's net financial income includes exchange rate effects of intra-group loans of SEK –14.2 (6.8) million. Cash and cash equivalents including current investments amounted to SEK 0.0 (0.0) million and interest-bearing liabilities to SEK 100.0 (123.1) million. The result from investments in group companies includes anticipated dividend from group companies of SEK 140.0 (0.0) million. Remuneration to senior management is presented in note 39 on page 62.

EMPLOYEES

The average number of employees in the Group in 2020 was 516 (552). The decrease is due to a smaller number of employees in the United Kingdom, in administration and in the German operations. Demand is increasing for Waste Management Technology and Fuel and Materials Technology, which, together with the generational shift that the nuclear power industry is facing, further underlines the importance of creating attractive conditions for the Group's existing and potential employees.

DECOMMISSIONING OF STUDSVIK'S NUCLEAR FACILITIES

The operations at Studsvik's nuclear facilities in Sweden are conducted under license pursuant to the Swedish Act on Nuclear Activities and it is therefore Studsvik's responsibility to decommission the facilities. Under the Act the holder of the license has both the technical and the financial responsibility for decommissioning.

Previously, a large proportion of decommissioning costs was financed through payments from the nuclear power industry in accordance with the Studsvik Act (1988:1597). This Act was, however, abolished in 2018 and the funds transferred to the Nuclear Waste Fund, which is administered by the National Debt Office.

Studsvik's commitments are financially guaranteed through an annual fee to the Nuclear Waste Fund and through pledged collateral concerning performance. Cost estimates are made to determine the extent of Studsvik's commitment. These then form the basis for determining the fee to be paid by Studsvik to the Nuclear Waste Fund.

In 2020 the fee to the Nuclear Waste Fund was SEK 8,557,000 (6,850,000). The fee is revised by the National Debt Office every third year and is also affected by the expenditure development at the supervisory authorities. Studsvik estimates that the annual fee starting in 2021 will be at a slightly higher level than at present. The balance in the Nuclear Waste Fund is recorded as an asset in the accounts.



SUSTAINABILITY REPORT

REDUCED NUMBER OF
WORKPLACE ACCIDENTS

68%

OVER 4 YEARS

THE GROUP HAS A HIGH SAFETY CULTURE, WHICH RESTS ON A LONG TRADITION OF CLEAR PROCEDURES FOR QUALITY ASSURANCE AND FOLLOW-UP IN THE CONTEXT OF OUR QUALITY CERTIFICATION PROCESSES.

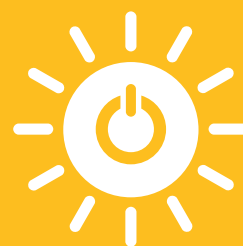
We want to prevent accidents and operational disruptions by having competent and motivated staff and high requirements of the facilities.



**Good health
and well-being**



Develop sustainable solutions for the nuclear industry



**Affordable and
clean energy**



Decent work and economic growth

67%

ELECTRIC AND HYBRID CARS IN THE COMPANY CAR FLEET (REFERS TO SWEDEN)



in

Be an attractive employer

Studsvik's emissions to air and water in 2019 were 0.000051 mSv, comparable to the annual exposure of a normal Swede for an average radiation dose of 3.0 mSv.



Industry, innovation and infrastructure



RATIO OF FEMALE MANAGERS TO TOTAL MANAGERS IN THE GROUP

10%



Take responsible economic decisions



The purpose of this report is to provide Studsvik's stakeholders with a deeper understanding of how we as a company create value for our customers, owners, employees and the communities where we operate. Consequently we want to be transparent with the social, economic and environmental risks and opportunities that characterize our activities and how they are handled within the company.

BUSINESS MODEL

We act to make all radiological and nuclear activities safer, and to make all projects we undertake value creating for our customers, employees, owners and for society as a whole. With a skills-based business model we can supply innovative technical solutions that reduce both risks and costs throughout the entire lifecycle of nuclear facilities and radioactive material.

With the help of our more than 500 employees in seven countries we can offer services in our four business areas: Fuel and Materials Technology, Scandpower, Waste Management Technology, and Decommissioning and Radiation Protection Services. In all we do, our strategic focus is to develop sustainable solutions for the nuclear industry, be an attractive employer for our potential and existing employees and take responsible economic decisions that benefit our owners. This is to be able to contribute to a more sustainable and safe nuclear industry, nuclear innovation, satisfied and healthy employees and economic return, and in that way contribute to four of the seventeen UN global goals for sustainable development. By taking responsibility for and focusing on the goals that are most significant for our business we can make the greatest difference.

OUR STAKEHOLDERS

As a large and global actor in a market that is critical to society there are high expectations from our stakeholders that we take responsibility for our activities and are transparent about what we do. Questions concerning nuclear technology are of public interest and various issues may be subject to expressions of opinion and debate. Consequently, we work consistently to

maintain a high level of public confidence by conducting activities in line with our stakeholders' expectations. Its approach to the rest of the world is characterized by dialogue and open communication with regions, municipalities, authorities and other stakeholders. We also aim to support the local community through cooperation with organizations and municipal administrations on matters that are strategically important to us. By means of a structured stakeholder dialog we want to maintain transparency that challenges and develops us, and ensure that we make the right priorities in our strategic sustainability work. In 2020 we have endeavored to maintain the dialog with our stakeholders despite COVID-19 and to move to digital communications to a large extent.

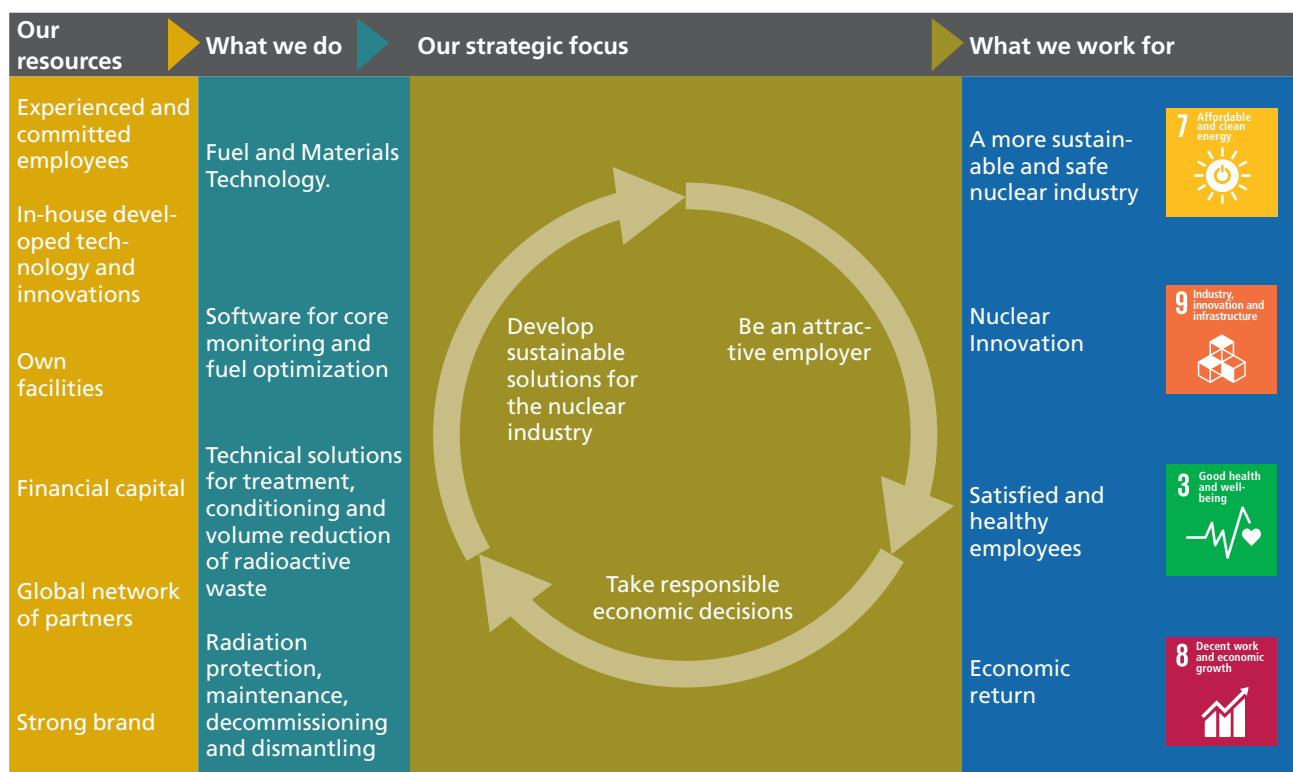
Stakeholder group Dialog method

Employees	Annual staff survey * Annual employee performance review
Customers	Regular physical customer meetings Annual customer satisfaction survey via questionnaire
Local community	Information letters inviting recipients to respond with questions**
Authorities	Announced and unannounced regulatory controls are carried out at regular intervals to examine and ensure that we comply with the safety procedures set up. In 2020 these have been conducted both physically and digitally.
Suppliers	Continual dialog Assessments for procurement Annual check of A suppliers***

* In 2020 no survey was carried out in Germany due to other priority measures linked to COVID-19.

** Adapted method due to COVID-19, normally takes place in physical meetings.

*** A suppliers are critical to our business, such as suppliers of services in the form of IT, building maintenance and security services.



Studsvik's ambition	Main areas	Focus areas	Risks
Develop sustainable solutions for the nuclear industry	Product development	Innovation, research projects, digitalization	Competition, patent protection, dependence on partners
	Quality and safety	Customer satisfaction, efficiency, information security, integrated risk management, enhanced protection against breaches of data security	License violations, theft, sabotage, burglary, breach of data security
	Climate impact	Energy efficiency, reduction of fuel consumption, climate adaptation	License violations, high emissions of carbon dioxide, reputational risk
	Waste and water management	World-leading processes for responsible management of radioactive waste	License violations, high emissions to air and water, ionizing radiation
Be an attractive employer	Work environment	Health and well-being, job satisfaction, efficiency, motivation, mental and physical work environment when working remotely	Work-related accidents, sickness absence, psychosocial ill health, remote work
	Attract and retain personnel	Leadership, skills development, participation, community, corporate culture	High staff turnover, dependence on key personnel
Take responsible economic decisions	Stable economy	Inclusion, diversified perspective in decision-making	Discrimination, harassment, culture of silencer
	Business ethics	Development of service areas, provision for future waste management, long-term investments	Unpredictable market development, dependence on political decisions, close-downs, fixed price commitments, currency exposure

OUR STRATEGIC FOCUS AND MATERIAL RISKS

Being an actor in the nuclear power industry entails specific risks that are regulated and supervised by national authorities and international organizations. Therefore we have well-established procedures for systematic risk management. They are formulated together with relevant authorities that take a position on our risk assessment and on whether the management of these risks is adequate. Risk dialogs are frequent and documented, which is a necessity to be able to maintain and extend our licenses. Consequently, our systematic risk management is a fundamental condition for our operations. The responsibility for assessing operational and financial risks lies with the respective business area, whose risk assessments are reviewed, compared and followed up annual by the parent company.

An overall analysis of the Group's risks and how they are dealt with is presented annually to the Board of Directors of Studsvik AB and is followed up on a regular basis.

Our risk assessment includes all parts of the operations and resulted in eight sustainability areas that address our most material risks. In the section below a description is given of why these areas are of material importance, how we deal with them in our operations and the outcome for the year in these areas. Financial risks are dealt with in the "Financial risk management" section, note 2.

DEVELOP SUSTAINABLE SOLUTIONS FOR THE NUCLEAR INDUSTRY

PRODUCT DEVELOPMENT

Studsvik endeavors to always be at the forefront as regards innovative solutions for the nuclear industry so as to contribute to more sustainable energy supply. With our services our customers can use existing assets longer, more safely and with less environmental impact. Our innovative technical solutions improve reactor performance and reduce both risks and costs over the entire lifecycle. We offer advisory services concerning fuel management and optimization as well as safety and fuel economy. We deliver world-leading software for fuel optimizing and core monitoring. The aim is to help improve profitability, safety and sustainability for our customers and for society as a whole.

Innovation

Much of our business is based on proprietary technology that is challenged by competition. Consequently, it is crucial for us to always have an innovative approach to all our assignments and together with our customers to develop new, customized and effective services. Where it is considered possible and economically justifiable, we limit the risk of competition by patenting our proprietary technology and constantly developing new solutions. Part of our strategy is to develop customer offers together with selected partners. This can result in a measure of natural dependence on these sub-contractors. To limit this risk, we work with contracts that enable close relationships based on trust, while keeping alternative partners available.

Research projects

The Studsvik Cladding Integrity Program (SCIP) was launched in 2004 to drive nuclear technology forward. SCIP is an international OECD project including experiments, studies, development of testing methods and knowledge transfer. The participants are from all over the world, as we believe that collaboration and exchange of experience and research findings are essential for development of the nuclear industry. Since the start, SCIP has developed into three separate projects (SCIP I, SCIP II and SCIP III) all of which have been run in five-year periods. In July 2019 SCIP IV was launched as an extension of the nuclear research with a clearer focus on fuel and with some 40 participants from 15 countries. This year the new project SMILE (Studsvik Material Integrity Life Extension) started, aimed at testing the life of the material in reactors by sampling various materials from Swedish nuclear power plants as a starting point.

Digitalization

Already in 2019 Studsvik invested in a move to digital working methods, both internally and externally, which has been hastened by COVID-19. In 2020 Microsoft Teams was rolled out throughout the organization, and we have succeeded in adapting both work with customers and internal meetings to Teams. We launched a GDPR training course in e-format that all employees had completed at the close of 2020. This training course is in two levels, basic and extended, which is adapted to the role of the employee in the company in terms of how they handle personal data.



QUALITY AND SAFETY

The Group has a high safety culture, which rests on a long tradition of clear procedures for quality assurance and follow-up in the context of our quality certification processes. We want to prevent accidents and operational disruptions by having competent and motivated staff and facilities of a high standard. Our policy for safety and quality applies to the entire Group and along with goals and regular follow-up of our action plans, creates a high level of safety and awareness among our employees. The company's operations vary considerably between the different countries in which we are active, and therefore concrete goals for safety and quality work have been formulated in the subsidiaries instead of at Group level. For that reason the specific quality goals are not presented here. We apply a precautionary principle in all our assignments, by systematically assessing, managing and communicating environmental, economic and social risks that the company's operations entail. We also help our customers to apply the precautionary principle in their operations.

Quality

We are responsible for timely delivery of high quality services. If a service is delivered late or does not fulfill requirements that a customer can rightfully impose, we risk loss of income or costs incurred for replacement or damages. To limit this risk we conduct our systematic quality work actively and make regular assessments of potential exposures and provisions for identified risks. Our main quality work is linked to our ISO certifications. The company has certification in quality (ISO9001), environment (ISO14001) and work environment (ISO45001). The ISO certifications cover the entire Group apart from operations in the USA, which hold specific certifications adapted to compliance with American laws and regulations. Holding our certifications requires that we regularly review and ensure that the operations meet the associated requirements.

Licensing obligation

We handle radioactive material and waste, which means that some of the operations must be licensed and are subject to official supervision and approval. Consequently, there is a risk that the conditions governing operations may be changed through revised or cancelled official permits, changes in the regulatory framework or through political decisions. This may for example involve further protective measures that we may need to invest in to fulfill requirements. The company has processes in place to monitor and manage changes. If it is alleged that we are infringing permits or regulations, we may receive notification from authorities. We meet the requirements under these regulations and our culture of high safety standards means that the capacity to adapt to new rules and directives is high. A part of our operations, especially in the field of materials testing, involves the transportation of material to and from our facilities. This could be hindered by new legislation or amendments to international conventions.

Theft, burglary and sabotage

A company handling radioactive material can never completely exclude the possibility of theft of this material. Consequently we work actively on physical protection in close cooperation with the police and authorities to reduce the risk of theft and burglary. The level of physical protection is continually adjusted in line with the assessment of the threat picture made by the police and public authorities. We follow the plans drawn up by

the licensing and supervisory authorities. Transportation of radioactive waste may also be subject to sabotage or other forms of attack. Transportation thus complies with high safety standards, is subject to frequent inspections by supervisory authorities and has a low risk of harmful consequences in the event of an accident, for example. By maintaining a high level of competence in our own transport organization and having access to our own transport packaging the risk is limited.

Insurance

Where the Group conducts nuclear activities subject to license, it is a licensing requirement that insurance has been taken out and maintained. This is regulated in the Nuclear Liability Act in Sweden and corresponding legislation in other countries. All our facilities have property insurance and consequential loss insurance has been taken out for all strategically important facilities. Apart from this, third party liability insurance has been taken out to protect Studsvik from economic risks and consequences of physical and/or financial loss for a contractual or third party. Nuclear liability insurance for the Swedish operations is provided by Nordic Nuclear Insurers (NNI) and European Liability Insurers Limited (ELINI). The non-nuclear operations are insured through a global liability insurance policy with the insurance company IF P&C Insurance Ltd. The amounts insured currently amount to SDR 360 million (special drawing rights) equivalent to SEK 4.3 billion.

Information security

As an actor in the nuclear industry we handle confidential information. For us it is therefore of utmost importance to handle confidential and classified information securely and in a structured manner, for the safety of ourselves, our customers and society. Compulsory e-training in information security was prepared in 2019, which was also translated into English. All employees in Sweden, the USA and the UK completed the training in 2020. Local instructions on how protected information should be dealt with as regards distribution, storage and destruction were also drawn up. During the year work referring to cyber-attacks was reinforced as a consequence of working from home and unprotected networks.

CLIMATE IMPACT

To offer sustainable solutions to the nuclear market, we must ensure that our own operations are environmentally defensible. Taking responsibility for our negative climate impact is therefore part of our strategy. The goal is to minimize the environmental impact of operations, both as regards emissions and use of resources, where Studsvik regularly carries out improvements at operative level. An important part of our climate impact is our energy consumption and our carbon dioxide emissions. In 2018 the Swedish operations defined targets for our energy consumption and a strategic plan for the period 2018–2020 was drawn up. Some of the measures identified have been implemented, others have been ordered and some have been re-evaluated in pace with ongoing energy mapping. The plan will continue beyond 2020, but as a tactical plan for the day-to-day work, where it will be used as a tool for continual evaluation of energy efficiency work.

Total emissions*	2020	2019	2018	2017	Change
					2019–2020
CO ₂ -emissions [tonnes]	516.5*	347**	*	*	+49%

The figures refer to emissions generated from electricity consumption, heat generation and company cars in Germany and Sweden.

* The increase in emissions of Co2e in 2020 is explained by stoppages in Studsvik's wood chip and electricity boilers in March, which forced the company to burn oil to produce heat. A new turnkey solution has been ordered and Studsvik will give up oil completely as a heat source after 2021.

**Total emissions were calculated for the first time in 2019.

Energy consumption

To reduce our energy consumption and our emissions, energy consumption is mapped continuously at the facility in Sweden, in accordance with the Act on Energy Audits in Large Enterprises (EKL). The mapping identified a need for better equipment for measurement and automatic control engineering. Between 2018 and 2019 we replaced our measurement system at the Swedish facility to improve potential energy performance. The work of energy mapping and improving efficiency is ongoing, and in 2021 Studsvik plans to use an energy engineer regularly to further strengthen the energy efficiency work.

In 2020 Studsvik closed a number of offices, both in Sweden and England. This has a negligible effect on energy consumption, as the major part of energy consumption is at the Studsvik facility. This is also why we choose to only report electricity consumption from Sweden, as almost our entire electricity consumption is at Studsvik and the work of compiling figures for Germany and the USA quite simply is not justified by the negligible consumption there. However, in 2020 a fall in electricity consumption can be noted as an effect of an unusually mild winter, but also of COVID-19 as people worked from home to a greater extent. Studsvik purchases only origin-labelled electricity from hydropower and nuclear power.

In March 2020 our wood chip boiler for heating broke down, as well as partially our electric boiler. This resulted in having to use our oil-fired boiler as a reserve unit. This led to a steep increase in the use of oil in 2020, but also forced a new solution for heat generation that means that we will completely give up oil from 2021.

Electricity consumption	2020	2019	2018	2017	Change 2017-2020
Total [MWh]	12,442	14,650	15,465	14,485	-14.1%
Sold to external customer [MWh]	7,073	9,203	9,459	10,063	-29.7%
CO ₂ emissions [tonnes]	50	95	3,875	4,774	-99%

The table refers to the facility in Sweden, see the explanation above.

Heat generation	2020	2019	2018	2017	Change 2017-2020
Total production thermal power plant [MWh]	9,011	10,110	12,111	12,887	-30%
Sold to external customer [MWh]	2,559	3,149	4,595	5,216	-51%
CO ₂ emissions [tonnes]	330**	20	*	*	*

The table refers to the facility in Sweden, as own heat generation exists only here.

*The climate impact of heat generation was calculated for the first time in 2019.

** See the explanation above under Total emissions.

Emissions from company cars

Business travel is an important and necessary part of the work in our organization but it has some negative climate impact. We have therefore increased the incentives to choose cars with a smaller climate footprint by introducing a company car policy in Sweden that promotes rechargeable vehicles. In January 2020 the Swedish company car policy was updated to further increase incentives to choose electric or hybrid cars, where Studsvik now sponsors a larger part of the company car if it is an electric car and has increased support for hybrid cars. This has meant that no fossil cars were ordered in 2020. Consequently, at present 67 per cent of the Swedish company car fleet consists of electric or hybrid cars. This

has led to an average reduction in emissions from our passenger cars in Sweden of 27 per cent from 110 g CO₂/km in 2017 to 80 g CO₂/km in 2020. In Germany emissions were 177 g CO₂/km in 2020. Studsvik only has company cars in Sweden and Germany. As regards other forms of transport, our travel policy makes it clear that it is important to take the environment and safety into consideration when we travel. Reducing the number of business trips and being cost effective does not need to mean compromising safety, the environment and quality.

Emissions from company cars	2020	2019	2018	2017	Change 2017-2020
Sweden (CO ₂ - emissions [tonnes])	28	32	*	*	*
Sweden (CO ₂ emissions [g/km])	80	95	107	110	-27%
Germany (CO ₂ emissions [tonnes])	158.5	200	*	*	*
Germany (CO ₂ emissions [g/km])	177	176	179	254	-30%
Total (CO₂ emissions [tonnes])	186.5	232	*	*	*

*Calculated for the first time in 2019.

WASTE AND WATER MANAGEMENT

As a leading actor in the nuclear power industry there is naturally great focus on reducing and treating waste responsibly. We have therefore developed world-leading, rigorous processes for managing different types of radioactive waste, which considerably reduce our and our customers' waste volumes. Our solutions can also enable recovery of energy and raw materials such as steel.

Only small amounts of radioactive waste are generated by Studsvik's own operations. For this waste, and some waste from our customers, we have owner liability. All hazardous waste is categorized, packaged and managed on a continuous basis. In 2020 the company's goal of establishing agreements with sub-contractors for disposal of nuclear waste was achieved. An agreement has been signed between SKB (Swedish Nuclear Fuel and Waste Management Co) and Studsvik Nuclear AB for final disposal of nuclear waste. The waste water generated by the facility is purified in our own water treatment plant. The waste water generated by the facility is purified in our own water treatment plant. Continual measurements are made, both in the form of analysis of bottom sediment and exploratory fishery that is regulated by the authorities. Changes in regulatory or commercial conditions that necessitate amendments or supplements to these arrangements cannot be ruled out. The risk is managed through Studsvik periodically calculating the economic effects of these commitments, making provision for future costs of final disposal, paying in fees in accordance with local regulations and receiving remuneration from customers for Studsvik's commitments.

The radioactive releases from Studsvik are very small in relation to other sources of radiation in society. Emissions for 2019 were about 0.000051 mSv, which at the time of writing is the most recent data available. The size of the emission is, however, representative of previous measurements. A normal Swede is exposed annually to an average radiation dose of 3.0 mSv.

Emissions of nutrients to water from sewage treatment plant*	2020	2019	2018	2017	Change 2017-2020
Phosphorus (kg)	11	12	15	14	-21%
Nitrogen [kg]	658	590	700	703	-6%
Biochemical oxygen consumption, 7 days (BOD7) [kg]	175	197	426	251	-30%
Organic carbon (kg)	543	530	746	552	-2%
Sludge (m ³)	110	93	73	191	-42%

*All companies operating in the Studsvik area contribute to the emissions in the table.



BE AN ATTRACTIVE EMPLOYER

WORK ENVIRONMENT

Our employees' health and well-being is of great importance to us. 2020 was a challenging year due to COVID-19. The measures we took to protect our employees were limiting staff, working at home, disinfection of tools and workplaces, clear distancing and staff with site-bound work staying home if they had the least symptom and being given other duties. Instead, we run our operations with a high standard of both physical and mental health in the work environment by means of efficient safety procedures and high requirements concerning our facilities. Under our management system every employee must also show personal commitment to the work environment in their day-to-day work. In our Group policy for safety, the environment, health and quality we clarify our active efforts to eliminate all risks of work-related injury and physical ill health. We also describe our work to ensure the mental well-being of our employees, which is fundamental to our success. We offer our employees the opportunity for professional development in health and safety and we consider that all employees' contributions are important in working towards our overall vision and objective. We continue to work actively against sexual harassment, discrimination and bullying. A policy and action plan against victimization is available to employees and describes the definition and the measures taken where victimization is suspected/ascertained. All managers must also complete work environment training that includes learning about victimization and discrimination.

To reduce the number of work-related injuries we have developed a program where steps are taken to eliminate physical work environment risks both at the Group's and its customers' facilities. Improved knowledge of risks and influencing and changing attitudes and behavior are equally important. Part of this work in Sweden is to encourage all employees to identify improvements and to report potential risks and risk behaviors to Studsvik's non-conformance system. We also encourage our employees to have an ongoing dialog with their immediate superiors as well as the head of safety and security. We have a Safety Committee in Sweden that meets twice a year to document and follow up all injuries and accidents relating to the work environment and transport to and from work. According to plan, safety rounds are conducted at least once a year in Sweden and Germany. In the USA and the UK operations are of such a nature that safety rounds are not deemed necessary. Specific working groups have also been appointed to carry out the task of investigating accidents and supporting the safety committee on a more current basis.

In Sweden every year all employees are offered training in cardio-pulmonary resuscitation, fire protection and safety. Every year compulsory health examinations are carried out for those who have radiological jobs, which is the majority of our employees.

Sickness absence (%)	2020	2019	2018	2017	Change 2017-2020
Sweden	5	5	3	2	+3-percentage points
UK	1	1	1	0	-
USA	2	0.5	0	0	+1,5 percentage points
Germany	7	8	8	13	-1 percentage point

Number of accidents during the year*	2020	2019	2018	2017	Change 2017-2020
Sweden	1	1	1	4	-75%
UK	0	0	0	0	0%
USA	0	1	0	0	0%
Germany	8	7	16	24	-67%
Total	9	9	17	28	-68%

*Refers to work-related accidents causing absence from work for more than three days.

Staff and health surveys

In 2019 Studsvik took the decision to conduct a staff survey every year in future, instead of every 18 months as before, to develop and adapt the organization at a faster rate to promote our employees' well-being and job satisfaction. We also decided to develop the survey, as the need emerged to carry out a more customized survey for the German operations. This is because the operations in Germany differ from the other countries in the Group, with employees that spend most of their time at our customers' facilities. No staff survey was conducted in Germany in 2020 because COVID-19 compelled other priority areas and measures. The plan is to resume staff surveys in Germany in 2021.

In the year's staff survey in Sweden a new tool was used to facilitate for the users. The 2020 staff survey response rate was 84 per cent of the employees (77 per cent in 2019). The figures for the new tool are not comparable with previous years' staff surveys, but showed a total commitment of 3.8 out of 5. As described in previous chapters, we work extensively with safety and will continue to do so. The survey shows that there are areas for development, but we are pleased to see an overall improvement and we want to develop this on an ongoing basis.

In 2018 we started to use the tool Howdy in the Swedish organization to frequently measure job satisfaction among our employees. The tool is based on having employees respond to five questions about their well-being every other week. In 2020 Howdy had a response rate of 56.3 %, which is a decrease from 2019 (63%). The results from Howdy are presented at least once a month at department meetings. The purpose is to create awareness of the tool, both to increase the response rate but also to gain knowledge of employees' well-being and the opportunity to act quickly on potential decline. In a situation where an employee's responses indicate a low level of well-being, Howdy functions as a third party and telephones the employee to further discuss well-being.

By law, individuals whose occupations include radiological work must undergo medical examinations. In 2020 these have been carried out for all relevant groups at Studsvik.

ATTRACT AND RETAIN PERSONNEL

As a knowledge-intensive service company, our employees are our most important asset. Without employees with the right skills we cannot deliver sustainable solutions for the nuclear industry and generate value for our shareholders. It is therefore of great importance to us to retain the competent staff we have and to attract new talent to the company. To limit the risk entailed in being dependent on key personnel and specialist skills, we are also systematizing the processes we develop and creating good and stable relations with our employees and trade union organizations.

In 2020 the organization in Sweden continued to work on developing and updating our leadership training. We have chosen to focus on the leadership philosophy of "The seven habits" that strengthen development and provide a step-by-step, progressive and well-integrated approach to develop personal and interpersonal efficiency. Our managers have been trained in this and new managers will also undergo this training. An initiative for adapted GDPR training has also been implemented.

Being an attractive employer also means that we attract the right skills to the company. Therefore we must live up to the expectations our potential employees have of their future employer. As an employer Studsvik is a unique company with its international, innovative and research-heavy operations. For those who want to work in the nuclear industry it is attractive to have access to the long experience our specialists possess. However, we see that requirements of employers now and in the future will be different compared with before. Consequently, we must adapt our communication and what we as employers have to offer our potential employees accordingly.

To encourage a sustainable working life and freedom with responsibility employees throughout the Group have the possibility of working flexibly, which may mean working in another location or working at times outside normal working hours. However, there are duties at Studsvik where the work is performed at specific places such as hot cells and where it is a requirement to be on site. A description is given of how these site-bound jobs are handled during COVID-19 under the heading Work Environment.

Staff turnover by business area (%)	2020	2019	2018	Change 2018-2020
Fuel and Materials Technology	5	7	20	-15 percentage points
Waste Management Technology	54	52	65	-11 percentage points
Decommissioning and Radiation Protection Services	17	23	4	+13 percentage points
Scandpower	3	9	13	-10 percentage points
Total	**	19	11	*

*The high staff turnover is due to restructuring of the business area.

** No total figure

Gender equality and diversity

Studsvik values and encourages diversity in the organization in a way that reflects the diversity in our markets. Our employees' differences and backgrounds reflect our international and innovative business and ensure that we can tackle the global challenges we face. Therefore it is important that we ensure that everyone, regardless of differences, must have the same opportunities as regards employment and working conditions and to achieve this, we must take responsibility at all levels and we focus on the following aspects we consider to be important to achieve a gender equal and inclusive organization:

- Ensure that recruitment, promotion and pay increases are only based on qualifications and experience.
- Improve the opportunity to combine working life and family life.
- Encourage women to take leading positions.
- Clarify our zero tolerance for any form of discrimination or harassment.

Women are underrepresented in the nuclear industry and we therefore regard it as important to actively work on gender equality. We

will continue to encourage women to take leading positions when they arise. To promote women in the nuclear industry WiN (Women in Nuclear) is a global network with 35,000 members, men and women, with participants from the Studsvik Group. A survey is made every year in Sweden of gender distribution and pay to assess whether pay differences between women and men performing the same or equivalent work have a gender correlation or not.

Gender distribution	2020		2019		2018		2017		Change 2017-2020	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Employees (number)	80	429	92	460	100	524	106	546	-24.5%	-21.4%
Managers with personnel responsibility (number)	8	31	8	23	5	28	11	25	-27.3%	+24%
Managers out of total number women/men (%)	10	7	9	5	5	5	10	5	0%	+2 percentage points

TAKE RESPONSIBLE ECONOMIC DECISIONS

STABLE ECONOMY

Studsvik has a long-term economic strategy, and our aim is a sustainable business. We value long-term economic stability above decisions characterized by short-term profit. This is important for our stakeholders, not least our employees. The aim is to be sustainable in all economic decisions. We work continually on improving the company's liquidity and equity/assets ratio, which is described in more detail in the administration report, pages 10-21.

Market development

Demand for Studsvik's services is dependent on the development of the nuclear power industry, which is affected by both political decisions and the price of other energy sources. This makes it difficult to predict future business. In some countries, including China and Russia, new nuclear power plants are being built, while nuclear power is being discontinued and decommissioned in other parts of the world. In most countries, both new construction and decommissioning require active participation by authorities through decisions concerning financing, decommissioning permits and rules for final disposal. In many markets these activities are funded through complex systems involving a combination of accumulated funds, income from the operations of nuclear power plants, and taxes. Political decisions therefore have a great impact on our business, above all in connection with our decommissioning services. Delays in processing by the authorities and resulting delay in completion of contracts cannot be ruled out. In that our services include all phases of the nuclear industry, the operations are only in the very long term dependent on the survival of the nuclear power industry. Our assessment is that more nuclear power contracts will develop in the long term and Studsvik is and will be an important actor in ensuring a future efficient, safe and sustainable nuclear power industry. In 2020 the market was impacted by COVID-19, but as Studsvik works with long-running projects, the negative impact as yet is limited. Previous sales efforts in Asia are starting to generate a return and we note a small increase in demand for services concerning fuel and materials technology.



Decommissioning of facilities

The operations at our Swedish nuclear facilities are conducted under license pursuant to the Swedish Act on Nuclear Activities and it is therefore Studsvik's responsibility to decommission the facilities. Extensive analyses of the costs of demolition, restoration and decommissioning are therefore carried out regularly and every year provision is made for this purpose.

Fixed price contracts

In many major service contracts we make fixed price commitments. These contracts require effective risk management and project management. We therefore have special procedures that are integrated into the quality systems to ensure professional management of risks. Development of work on risks continued in 2020 with the aim of making risk a more integrated part of the project estimates.

Sensitivity analysis

Variations in prices to customers and the Group's costs affect the Group's earnings. The Group's largest single cost item is personnel, which accounts for about 63 per cent of total costs. The Group's currency exposure is greatest against EUR, GBP and USD. Currency risks are dealt with in the annual report, see note 2 – Financial risks, pages 46-47.

BUSINESS ETHICS

The business ethics we follow are based on current legal requirements and standards of business ethics, and we always comply with the laws applicable in the countries where we operate. The Group is characterized by responsible leadership with zero tolerance for bribery and corruption. When we want to establish ourselves in a new market a thorough analysis is made based on permits and possible risks such as an uncertain political climate. We want to work mainly in direct contact with our customers without intermediaries, to minimize risks, be able to maintain a high ethical standard and guarantee the best possible quality.

Code of Conduct

To ensure a sustainable value chain Studsvik has drawn up a Code of Conduct that applies to both the Group and its suppliers. The aim of the Code is to provide guidance to employees and business partners, minimize risks, strengthen the corporate culture and convey Studsvik's core values. The code is based on the UN Global Compact and some of the common requirements defined through the Code of Conduct are as follows:

- That we comply with all local safety rules and laws
- That we have a sound financial position
- That we meet the requirements of our certification under ISO 9001, 14001 and 45001 for the European companies
- That we comply with legislation on bribery and corruption, where Swedish law constitutes the minimum level
- That we respect human rights in accordance with the UN Declaration through zero tolerance of harassment, work in high-risk environments, forced labor and child labor.

An updated version of the Code of Conduct was published in 2020 and communicated to all employees in Sweden via email and to all employees in Germany via letter, where the recipients confirmed that they had read and accepted it. The Code of Conduct is also presented to our employees in connection with new recruitment

and is also sent to our partners. All white-collar workers in the Group must give annual confirmation that they have taken note of the policy. This is checked by accepting the terms via the intranet or email. In 2019 it was planned to implement system support to make other policy documents and the staff manual more accessible to our employees. This is still at the planning stage and the start has been moved to 2021.

Suppliers

Our suppliers receive the Code of Conduct in connection with procurement, when they also receive our anti-corruption policy and sign a cooperation agreement. Before selecting suppliers, a supplier assessment is made to ensure that they can comply with our business ethics standards. We have decided to divide our suppliers into three categories:

- A suppliers: Are critical to Studsvik Nuclear's operations, including activities of a business-critical nature. There must be an agreement between Studsvik Nuclear and the supplier. For example, main suppliers of IT, physical protection or isotope sources are included.
- B suppliers: Are suppliers with a strong influence on our quality or delivery capacity but are not critical to the operations, for example suppliers of service and maintenance of our equipment. There should be agreements with these suppliers before starting collaboration, exceptions must be approved by the purchasing manager.
- C suppliers: Are other suppliers not included in the categories above.

For our existing suppliers we have an audit program. Our aim is every third year to audit all our A suppliers, which are the suppliers that are critical to Studsvik's core business. In addition, assessments of A and B suppliers are made on an ongoing basis, when a review is made of their delivery, policies and management system for quality, environment and work environment as well as creditworthiness.

In 2020 six supplier assessments of A suppliers were conducted. Only one audit of an A supplier was conducted this year due to COVID-19 and most have now been postponed until 2021.

For B suppliers we endeavor to evaluate them every third year on an ongoing basis after the initial supplier assessment. In 2020 a total of 38 supplier assessments were conducted.

Whistle-blower function

We have a whistleblower function, which means that our employees can safely and securely draw the management's attention to information about any suspected irregularities. The function is structured so that an email is sent to an external party that contacts the Chair of the Board, who can then take the case further to the Executive Group Management. All new employees must take note of information about our whistle-blower function and a whistle-blower policy is available on the intranet. No reports were made in the whistle-blower system in 2020.





PROPOSED DISTRIBUTION OF PROFIT

For 2020 the Board of Directors proposes a dividend of SEK 1 per share. At the disposal of the Annual General Meeting is the parent company's non-restricted equity, SEK 15,665,872, consisting of accumulated loss, SEK -121,849,316 and profit for the year, SEK 137,515,188. The Board of Directors proposes that the profits be distributed as follows:

Dividend	SEK -8,218,611
To be carried forward	SEK 7,447,261
Total non-restricted equity in the parent company	SEK 7,447,261

THE STUDSVIK SHARE

Share price and trading

The Studsvik share is listed on NASDAQ Stockholm. In 2020 the share price rose by 175 per cent from SEK 31.80 to SEK 87.40. At the close of the year the market value was SEK 718 million. During the year the share price varied between a high of SEK 104 on December 18 and a low of SEK 24 on March 23.

In 2020, 4.3 million Studsvik shares were traded for a value of SEK 241 million. This corresponded to 105 per cent of the free float (the value of shares that are available for trading). The free float refers to shares held by shareholders with holdings of less than 10 per cent of the total number of shares.

Number of shares and share capital

On December 31, 2020 Studsvik AB (publ) had 8,218,611 shares in issue. Each share carries one vote and entitles the owner to share equally in the company's assets and earnings. The quotient value is SEK 1.0 and the share capital amounted to SEK 8.2 million.

Shareholders

On December 31, 2020 Studsvik had 5,251 shareholders. The percentage of shares registered abroad was 12 per cent. The three largest owners, the Karinen family, Briban Invest AB and Peter Gyllenhammar AB, held 50.4 per cent of the shares and the ten largest shareholders 74.3 per cent. The shareholdings of the Board and the Executive Group Management are presented in the sections Board of Directors and auditors and Executive Group Management.

Dividend policy and dividend

The Board's target is that on average the dividend should correspond to at least 30 per cent of the consolidated profit after tax. Decisions on dividend proposals will take into consideration Studsvik's expansion potential, the strength of its balance sheet, liquid funds and financial position in general. For 2020 the Board of Directors proposes a dividend of SEK 1 per share, equivalent to 23 per cent of profit after tax. In the view of the Board of Directors the proposed dividend will not prevent the company from fulfilling its obligations in the short and long term, and can thus be justified under the prudence concept stipulated in the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2-3.

Market maker

ABG Sundal Collier is the market maker for the company's share.

ANALYSTS

The Studsvik share is monitored on a continuous basis by ABG Sundal Collier.

INFORMATION ON THE ARTICLES OF ASSOCIATION ETC.

There is no provision in Studsvik's Articles of Association that restricts the right to transfer shares. The company has not transferred any of its own shares or issued new shares during the financial year. The company is not aware of any agreements between shareholders that may result in restrictions on the right to transfer shares in the company. The company is not a party to any material agreement that is affected by any public take-over bid. The company's employees do not hold any shares for which the voting right cannot be exercised directly. The elected members of the Board of Directors are appointed by the Annual General Meeting. There is no provision in the Articles of Association concerning appointment and dismissal of Board members. The Board of Directors is not authorized to decide on the issue of new shares or acquisition of own shares.

SHAREHOLDERS

DECEMBER 31, 2020	Number of shares	Holding, %
Karinen Family	1,769,552	21.5
Briban Invest AB	1,343,362	16.4
Peter Gyllenhammar AB	1,027,000	12.5
Avanza Pensionsförsäkring AB	514,811	6.3
Girell family	380,800	4.6
Caceis Bank, Switzerland Branch	363,879	4.4
Malte Edenius	250,000	3.0
Leif Lundin	205,000	2.5
Nordnet Pensionsförsäkring AB	178,264	2.2
Pål Jarness	76,090	0.9
Total of the 10 largest shareholders – holdings	6,108,758	74.3
<i>Other shareholders</i>	2,109,853	25.7
Total	8,218,611	100.0

CHANGE IN SHARE CAPITAL

Year	Transaction	Increase in the number of shares	Share capital SEK	Total Number of shares
1994	Formation	500,000	500,000	500,000
2001	Bonus issue	5,300,000	5,800,000	5,800,000
2001	Private placement	2,314,211	8,114,211	8,114,211
2004	New issue ¹⁾	2,400	8,116,611	8,116,611
2005	New issue ¹⁾	102,000	8,218,611	8,218,611

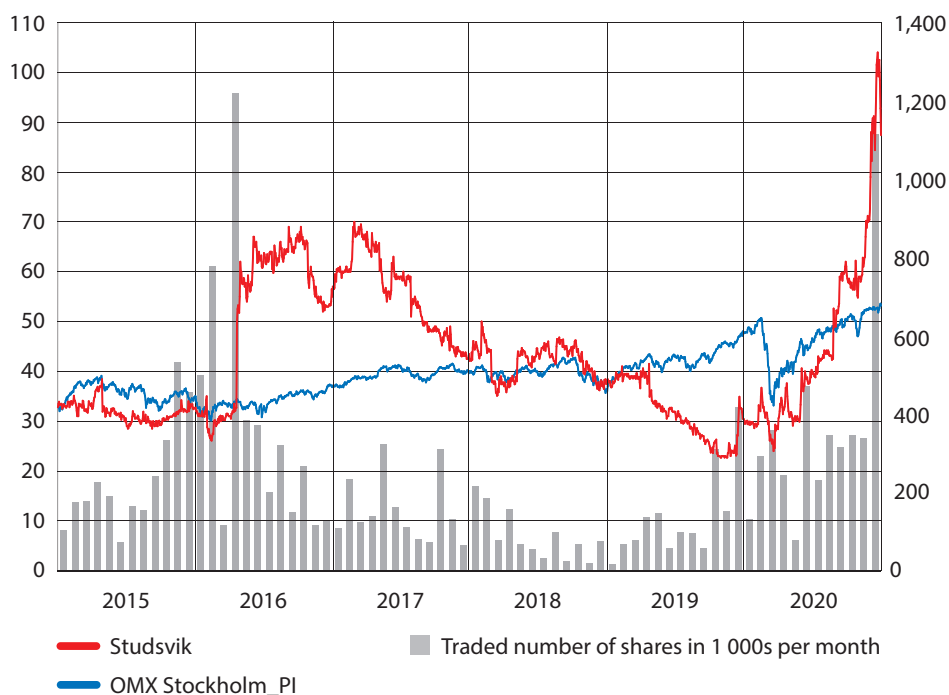
¹⁾ Conversion of warrants.

SHAREHOLDER STRUCTURE, DECEMBER 31, 2020

Shareholding	Number of shareholders	Number of shares	% of total shares
1 – 500	4,738	376,916	4.6
501 – 1 000	246	202,119	2.5
1 001 – 5 000	183	413,191	5.0
5 000 – 10 000	29	216,616	2.6
10 001 – 15 000	13	173,077	2.1
15 001 – 20 000	5	89,969	1.1
20 001 –	37	6,746,723	82.1
Total	5,251	8,218,611	100.0

DATA PER SHARE

Amount, SEK	2016	2017	2018	2019	2020
Number of shares at close of period	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Price, December 31	59.50	46.10	38.30	31.80	87.40
Earnings per share from continuing operations before and after dilution	2.07	-5.47	1.06	-3.41	4.28
Earnings per share from operations held for sale before and after dilution	5.60	-	-	-	-
Equity per share	42.41	35.09	38.47	36.84	38.13
P/E ratio	7.8	neg	36.1	neg	20.4



Source: [WebFinancialGroup](#)



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in SEK '000

	Note	2020	2019
Net sales	4	721,931	654,014
Costs of services sold	7	-526,969	-496,861
Gross profit		194,962	157,153
Selling and marketing costs	7	-56,116	-51,102
Administrative expenses	7, 8	-89,154	-101,994
Research and development costs	7	-8,309	-8,840
Profit share from associated companies and joint ventures	17, 18	3,429	9,483
Other operating income	5	5,426	4,830
Other operating expenses	6	-4,176	-19,982
Operating profit/loss	4, 5, 6, 7, 8, 9	46,062	-10,452
Financial income	10	379	9 700
Financial expenses	10	-5,514	-18,897
Fair value gain/loss (realized and unrealized)	10, 12	421	-3 198
Profit/loss before tax		41,348	-22,847
Income tax	11	-6,147	-5,194
Net profit/loss for the year		35,201	-28,041
NET PROFIT/LOSS FOR THE YEAR		35,201	-28,041
Other comprehensive income			
Items that may later be reversed in the income statement			
Translation differences on foreign subsidiaries	28	-24 590	13 324
Cash flow hedges		88	1 613
Income tax on items recognized in other comprehensive income		-18	-345
Other comprehensive income for the year, net after tax		-24 520	14 592
Total profit or loss and other comprehensive income for the year		10 681	-13 449
Income for the year attributable to			
Parent company's shareholders	27	35 201	-28 041
Non-controlling interests		-	-
Total comprehensive income attributable to			
Parent company's shareholders		10 726	-13 465
Non-controlling interests		-45	16
Earnings per share calculated on income attributable to the parent company's shareholders during the year (SEK)			
Earnings per share before and after dilution	13	4.28	-3.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK '000

	Note	2020	2019
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	15	134,550	143,263
Intangible assets	16	184,467	197,250
Holdings in associated companies and joint ventures	17, 18	7,265	17,789
Deferred tax assets	31	81,035	91,417
Financial assets at fair value through profit or loss	19, 23	35,080	32,851
Trade and other receivables	19, 22	38,736	41,421
Total non-current assets		481,133	523,991
<i>Current assets</i>			
Inventories	24	2,105	1,238
Trade and other receivables	19, 20, 22	202,144	242,786
Cash and cash equivalents	19, 20, 25	75,153	40,226
Total current assets		279,402	284,250
TOTAL ASSETS		760,535	808,241
EQUITY			
<i>Capital and reserves attributable to parent company's shareholders</i>			
Share capital	26	8,219	8,219
Other contributed capital	26	225,272	225,272
Other reserves	28	13,844	38,364
Retained earnings	27	65,733	30,532
Equity attributable to the parent company's shareholders		313,068	302,387
Non-controlling interests		340	385
Total shareholders' equity		313,408	302,772
LIABILITIES			
<i>Long-term liabilities</i>			
Liabilities to credit institutions	19, 30	44,500	46,500
Deferred tax liabilities	31	33,631	34,900
Pension obligations	32	10,120	10,388
Other provisions	33	64,767	82,893
Trade and other payables	29	28,615	27,774
Total long-term liabilities		181,633	202,455
<i>Current liabilities</i>			
Trade and other payables	29	203,837	221,091
Current tax liabilities		647	773
Borrowings	19, 30	55,457	76,595
Derivative financial instruments	19, 21	–	118
Other provisions	33	5,553	4,437
Total current liabilities		265,494	303,014
Total liabilities		447,127	505,469
TOTAL EQUITY AND LIABILITIES		760,535	808,241



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK '000

	Share capital	Other contributed capital	Other reserves	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interests	Total shareholders' equity
Opening balance at January 1, 2019	8,219	225,272	23,772	58,573	315,836	369	316,205
Other comprehensive income	–	–	14,592	–	14,592	16	14,608
– Net profit/loss for the year	–	–	–	–28,041	–28,041	–	–28,041
Closing balance at December 31, 2019	8,219	225,272	38,364	30,532	302,387	385	302,772
Opening balance at January 1, 2020	8,219	225,272	38,364	30,532	302,387	385	302,772
Other comprehensive income	–	–	–24,520	–	–24,520	–45	–24,565
– Net profit/loss for the year	–	–	–	35,201	35,201	–	35,201
Closing balance at December 31, 2020	8,219	225,272	13,844	65,733	313,068	340	313,408

GROUP STATEMENT OF CASH FLOW

Amounts in SEK '000

Total operations	Note	2020	2019
<i>Cash flow from operating activities</i>			
Operating profit/loss		46,062	-10,451
Adjustment for non-cash items	34	24,576	925
		70,638	-9,526
Interest received		379	9 700
Interest paid		-5,514	-18,898
Income tax paid		-7,566	-9,719
Cash flow from operating activities before changes in working capital		57,937	-28,443
<i>Change in working capital</i>			
– Current assets		37,266	14,581
– Other current liabilities		-11,656	337
Cash flow from operating activities		83,547	-13,525
<i>Cash flow from investing activities</i>			
Acquisition of non-current financial assets		-8,557	–
Purchases of property, plant and equipment	15	-21,429	-30,087
Sale of property, plant and equipment	15	–	125
Purchases of intangible assets	16	-1,637	-2,573
Dividend from associated companies	17, 18	12,913	7,277
Cash flow from investing activities		-18,710	-25,258
Free cash flow		64,837	-38,783
<i>Cash flow from financing activities</i>			
Loans raised	30	3,617	154,338
Amortization of loans	30	-30,515	-235,316
Cash flow from financing activities		-26,898	-80,978
Change in cash and cash equivalents		37,939	-119,761
Cash and cash equivalents at start of year		40,226	155,539
Translation difference		-3,012	4,448
Cash and cash equivalents at year-end	25	75,153	40,226



PARENT COMPANY INCOME STATEMENT

Amounts in SEK '000

	Note	2020	2019
Net sales	42	11,080	13,907
Costs of services sold		–	–
Gross profit		11,080	13,907
Administrative expenses	43, 44, 45, 47	–31,988	–29,633
Other operating income	46	63	788
Other operating expenses	46	–358	–270
Operating profit/loss	42, 43, 44, 45, 46, 47	–21,203	–15,208
Profit/loss from participations in group companies	48	140,000	–57,110
Interest income and similar items	49	10,452	18,680
Interest expense and similar items	50	–20,534	–19,693
Profit/loss before tax		108,715	–73,331
Appropriations	51	28,305	8,675
Income tax	52	495	–431
NET PROFIT/LOSS FOR THE YEAR		137,515	–65,087
Parent company statement of comprehensive income			
Net profit/loss for the year		137,515	–65,087
Other comprehensive income		–	–
Total comprehensive income for the year		137,515	–65,087

PARENT COMPANY BALANCE SHEET

Amounts in SEK '000

	Note	2020	2019
ASSETS			
<i>Non-current assets</i>			
Intangible assets	53	–	467
Property, plant and equipment			
– Equipment and tools		–	–
Financial assets	54		
– Deferred tax assets	52	15,492	14,997
– Shares in subsidiaries	54	269,091	269,134
– Participations in associated companies and joint ventures	54	12,072	12,072
– Receivables from subsidiaries	54	217,572	228,602
Financial assets at fair value through profit or loss	54	27,267	29,841
Total non-current assets		541,494	555,113
<i>Current assets</i>			
Inventories and goods for resale		449	463
Trade and other receivables		663	865
Derivative financial instruments		–	–
Receivables from group companies		168,600	11,638
Prepaid expenses and accrued income	55	436	365
Cash and cash equivalents		–	–
Total current assets		170,148	13,331
TOTAL ASSETS		711,642	568,444
EQUITY			
<i>Equity</i>			
Share capital		8,219	8,219
Restricted reserves		225,272	225,272
Total restricted equity		233,491	233,491
<i>Non-restricted equity</i>			
Non-restricted reserves		–121,850	–56,763
Net profit/loss for the year		13,515	–65,087
Total non-restricted equity		15,665	–121,850
Total shareholders' equity		249,156	111,641
Untaxed reserves		–	–
LIABILITIES			
<i>Long-term liabilities</i>			
Amounts owed to credit institutions	57	44,500	46,500
Deferred tax liabilities		–	–
Liabilities to group companies		52,558	68,568
Other liabilities		20,562	15,138
Total long-term liabilities		117,620	130,206
<i>Current liabilities</i>			
Liabilities to group companies		283,594	246,055
Trade payables		771	509
Liabilities to credit institutions	57	55,457	76,595
Derivative financial instruments		–	–
Other liabilities		957	970
Accrued expenses and deferred income	58	4,087	2,468
Total current liabilities		344,866	326,597
Total liabilities		462,486	456,803
TOTAL EQUITY AND LIABILITIES		711,642	568,444



PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK '000

	Share capital	Other contributed capital	Retained earnings	Equity attributable to parent company shareholders	Total shareholders' equity
Opening balance at January 1, 2019	8,219	225,272	-56,763	176,728	176,728
Comprehensive income					
– Net profit/loss for the year	–	–	-65,087	-65,087	-65,087
Closing balance at December 31, 2019	8,219	225,272	-121,850	111,641	111,641
Opening balance at January 1, 2020	8,219	225,272	-121,850	111,641	111,641
Comprehensive income					
– Net profit/loss for the year	–	–	137,515	137,515	137,515
Closing balance at December 31, 2020	8,219	225,272	15,665	249,156	249,156

PARENT COMPANY CASH FLOW STATEMENT

Amounts in SEK '000

	Note	2020	2019
<i>Cash flow from operating activities</i>			
Operating profit/loss		-21,203	-15,208
Adjustment for non-cash items	61	4,536	-54
		-16,667	-15,262
Interest received		935	1 708
Interest paid		-6,341	-10,372
Income tax paid		-263	-937
Cash flow from operating activities before changes in working capital		-22,336	-24,863
Change in working capital			
– Current assets		15,183	22,706
– Other current liabilities		39,975	21,351
Cash flow from operating activities		32,822	19,194
<i>Cash flow from investing activities</i>			
Acquisition of subsidiaries		–	-1,081
Amortization of financial assets	54	7,848	10,119
Loans to group companies	54	-6,463	-9,341
Cash flow from investing activities		1,385	-303
<i>Cash flow from financing activities</i>			
Loans raised		–	159,988
Amortization of loans		-34,207	-199,850
Cash flow from financing activities		-34,207	-39,862
Change in cash and cash equivalents		–	-20,971
Cash and cash equivalents at start of year		–	21,151
Translation difference		–	-180
Cash and cash equivalents at year-end		–	–



NOTES

NOTES TO THE CONSOLIDATED ACCOUNTS

Amounts in SEK '000

NOTE 1 Accounting policies and valuation principles

The principal accounting policies applied in the preparation of these consolidated accounts are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

1.1. BASIS OF PREPARATION

The consolidated accounts for the Studsvik Group have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board recommendation RFR 1, Supplementary accounting rules for groups, International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The consolidated accounts have been prepared in accordance with the historical cost method, except as regards financial assets and liabilities carried at fair value through profit or loss.

Preparing statements in accordance with IFRS requires the use of a number of important accounting estimates. Furthermore, the management must make certain judgements when applying the Group's accounting policies. The areas that entail a high degree of judgment, which are complex or of such a nature that assumptions and estimates are critical to the consolidated accounts are specified in note 3.

New and amended standards applied by the Group

The following standards will be applied by the Group for the first time for the financial year starting on January 1, 2020:

- Annual Improvements to IFRS Standards 2018–2020 Cycle
- Definition of a business (amendment of IFRS 3)
- Definition of materiality (amendment of IAS 1 and IAS 8)
- Amendments to the References to the Conceptual Framework in IFRS Standards.
- Interest Rate Benchmark Reform (amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19 Related Rent Concessions (amendment to IFRS 16)

Other amendments have not had any impact on the Group's accounting policies or disclosures for the current financial year or previous financial year and neither are they expected to have any impact on coming periods.

Implementation of new International Financial Reporting Standards

No new standards have come into force for 2020.

1.2 CONSOLIDATED ACCOUNTS

Subsidiaries

Subsidiaries are all companies over which the Group has a controlling interest (note 56). The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the Group's business combinations. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities and shares issued by the Group. The purchase price also includes the fair value of all assets and liabilities that are a consequence of an agreement on contingent purchase price. Acquisition related costs are expensed as the arise. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. For each acquisition, the Group determines if all non-controlling interests in the acquired company are to be measured at fair value or at their proportionate share of the acquiree's identifiable net assets. The excess of the purchase price, any non-controlling interest and fair value on the acquisition date of prior shareholdings over the fair value of the Group's share of identifiable net assets acquired is recognized as goodwill. If the amount is less than the fair value for the acquired subsidiary's assets in the case of a "bargain purchase", the difference is recognized directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with

the Group's shareholders. For acquisitions from non-controlling interests the difference between the purchase price paid and the actual acquired share of the carrying amount of the subsidiary's net assets is recognized directly in equity. Gains and losses on sales to non-controlling interests are also recognized in equity.

When the Group no longer has a controlling interest or significant influence, each remaining holding is revalued to fair value and the change in the carrying amount is recognized in the income statement. The fair value is used as the first carrying amount and forms the basis of continued accounting treatment of the remaining holding as an associated company, joint venture or financial asset. All amounts referring to the entity sold, which were previously recorded in other comprehensive income, are recorded as though the Group had sold the related assets or liabilities directly. This may mean that amounts previously recorded in other comprehensive income are reclassified to profit or loss.

If the participating interest in an associated company decreases, but a significant influence nevertheless remains, where relevant only a proportional share of the amounts previously recorded in other comprehensive income is reclassified to profit or loss.

Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associated companies are accounted for in accordance with the equity method and initially recorded at cost. The Group's carrying amount for investments in associated companies includes goodwill identified on acquisition, net of any impairment.

The Group's share of the post-acquisition profit or loss of an associated company is recognized in the income statement and its share of post-acquisition changes in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealized gains on transactions between the Group and its associated companies are eliminated in relation to the Group's holding in the associated company. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been amended where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses on participations in associated companies are recognized in the income statement.

Joint ventures

For joint ventures, where there is a common controlling interest, the equity method is applied. Interests in a joint venture are initially recognized at cost at the time of acquisition and adjusted on a current basis by its share of changes in the equity of the entity under common control.

The Group's share of the profit from the entity under common control is recognized in the consolidated statement of comprehensive income. If the Group's share of accumulated losses is equal to or more than the Group's share of the equity of the entity under common control, the Group does not recognize further losses.

1.3 SEGMENT REPORTING

Operating segments must be reported in line with the internal reports submitted to the chief operating decision maker. The chief operating decision maker has been identified as the President.

1.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in SEK, which is the parent company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. An exception is when the trans-

actions qualify as cash flow hedges, in which case the gains/losses are recognized in other comprehensive income. More information on the Group's hedge accounting can be found in note 1.11.

Unrealized foreign exchange gains and losses attributable to loans and cash and cash equivalents are recognized in the income statement as financial income or expense. All other foreign exchange gains or losses, mainly on trade receivables and trade payables, are recorded in the items 'Other operating income' and 'Other operating expenses' in the income statement.

Translation differences for non-monetary financial assets and liabilities are recorded as part of fair value gains/losses. Translation differences for non-monetary financial assets and liabilities, such as shares recognized at fair value through profit or loss, are recorded in the income statement as part of fair value gains/losses.

Group companies

The results and financial position of all the Group companies (none of which has the currency of a hyperinflationary economy as functional currency) that have a functional currency different from the presentation currency are translated into the Group's presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate.
- Income and expenses for each income statement are translated at average exchange rates.
- All foreign exchange differences arising are recorded in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign business is sold, fully or partly, the currency differences reported in equity are transferred to the income statement and recognized as part of the capital gain/loss. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.5 NON-CURRENT PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at historical cost less depreciation. The Group applies depreciation of components, where each part of an item of property, plant and equipment with a cost of acquisition that is significant in relation to the total cost of the item is to be depreciated separately. The cost of acquisition includes expenses directly attributable to the acquisition of the asset. Expenditure for dismantling and restoration is added to the cost of acquisition and reported as a separate component. Dismantling and restoration costs during the useful life of the asset are calculated annually on the basis of the evaluation made on each date of estimate. Any adjustments of the future costs adjust the cost of acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount for the replaced part is removed from the balance sheet. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Buildings and land improvements	20–50 years
Plant and machinery	3–20 years
Equipment and tools	3–20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing sales proceeds with the carrying amount and are recorded under 'Other operating income' and 'Other operating expenses' in the income statement.

1.6 INTANGIBLE ASSETS

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associated companies is included in the value of investments in associated companies and tested for impairment as part of the value of the total investment. Goodwill that is disclosed separately is tested annually for impairment and recognized at cost less accumulated impairment losses. Goodwill impairment loss is not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units when tested for impairment. Allocation is to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination giving rise to the goodwill item.

Patents

The majority of Studsvik's patents refer to methods and techniques for treatment of radioactive waste. These capitalized costs are amortized over the estimated useful life (normally 15 years).

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These capitalized costs are amortized over the estimated useful life (normally 10 years).

Costs associated with developing or maintaining computer software are recognized as an expense as incurred.

Development costs for software recognized as an asset are amortized over the estimated useful life.

Contractual customer relations and similar rights

Contractual customer relations and similar rights consist mainly of customer relations and contracts as well as some tenancy rights. Documents to verify their capitalization could be business plans, budgets or the company's assessments of future outcomes. An individual assessment is made for each item. Amortization starts when the asset is ready for use and subsequently continues over the estimated useful life. Contractual customer relations are amortized over 15 years. The amortization period for other rights varies.

1.7 IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may possibly not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than financial assets and goodwill for which an impairment loss has previously been recognized, are tested to establish if any reversal should be made.

1.8 FINANCIAL ASSETS

The Group classifies its financial assets in accordance with IFRS 9 in the following categories: financial assets at fair value through profit or loss and amortized cost. The classification depends on the purpose for which the financial asset was acquired. The management determines the classification of financial assets at the time of initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired mainly for the purpose of selling in the short term. Derivatives are classified as held for trading if they are not designated as hedging instruments. Assets in this category are classified as current assets if they are expected to be settled within 12 months. Otherwise, they are classified as non-current assets.

The Group recognizes the following financial instruments at fair value through profit or loss:

- Investments in debt instruments that do not qualify for recognition at amortized cost or at fair value via other comprehensive income,
- Investments in equity instruments held for trading.

Investments in debt instruments

The Group classifies its investments in debt instruments in the measurement category Amortized cost, which is financial assets that have fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Amortized cost consists of trade and other receivables and cash and cash equivalents in the balance sheet (notes 22 and 25).

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Financial instruments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets recognized at fair value through profit or loss are initially recognized at fair value, while related transaction costs are recognized in the income statement. Financial assets are derecognized when the rights to receive cash flows from the instruments have expired or have been transferred and the Group has transferred substantially all risks and benefits of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value after the date of acquisition. Investments in debt instruments are carried at amortized cost after the acquisition date, applying the effective interest method. Debt instruments with short maturities are recognized at nominal value.



Gains and losses arising from changes in the fair value of the 'financial assets at fair value = "EN"> Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, are presented in the income statement in the period in which they arise under the items 'Other operating income' and 'Other operating expenses'.

1.9 OFFSET OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and recognized net in the balance sheet only if there is a legally enforceable right to set off the recognized amounts and an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legal right may not be contingent on a future event and it must be legally enforceable on the company and the counterparty, both in the normal course of business or in the event of default, insolvency or bankruptcy.

1.10 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Assets carried at amortized cost

The Group assesses at the close of each accounting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The Group applies the simplified method for calculating expected credit losses. The method means that expected losses during the entire life of the claim are used as the basis for trade receivables and contract assets. A financial asset or group of financial assets is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and this event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

The Group first assesses whether there is objective evidence of impairment.

The impairment is estimated as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses that have not yet occurred), discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is written down and the impairment loss is recognized in the consolidated income statement. If a loan or investment held to maturity has a variable interest rate, the current contractual effective interest rate used as the discount rate when impairment has been established. As a practical solution, the Group can establish impairment loss on the basis of the fair value of the instrument using an observable market price.

If the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized (for example an improvement in the debtor's creditworthiness), the previously recognized impairment loss is reversed through the consolidated income statement.

1.11 DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are recognized in the balance sheet on the date of the contract at fair value, both initially and on subsequent remeasurement. The method of reporting the gain or loss arising on revaluation depends on whether the derivative is identified as a hedging instrument, and, if so, the nature of the hedged item. The Group identifies certain derivatives as either:

- a hedge of the fair value of a recognized asset or liability or a firm commitment (fair value hedge),
- a hedge of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's risk management objective and strategy for undertaking the hedge. The Group also documents its assessment, both when the hedge is undertaken and on a continuous basis, of whether the derivative instruments used in hedging transactions are effective in offsetting the changes in the fair value or cash flows of the hedged items.

Information on the fair value of the different derivative instruments used for hedging purposes is given in note 21. The entire fair value of a derivative designated as a hedging instrument is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Fair value hedging

The Group only applies fair value hedging for certain financial non-current assets and borrowing.

Cash flow hedging

The effective portion of the change in fair value of a derivative instrument identified as a cash flow hedge and satisfying the criteria for hedge accounting, is reported in other comprehensive income in the hedging reserve in equity. The gain or loss referring to the ineffective portion is recognized immediately in the income statement in the items 'Other operating income' or 'Other operating expenses' - net. When a hedging instrument matures or is sold or when the hedge no longer fulfills the criteria for hedge accounting and accumulated gains or losses referring to the hedge are in equity, these gains/losses remain in equity and are recognized in revenue at the time when the forecast transaction is ultimately reported in the income statement. When

a forecast transaction is no longer expected to occur, the accumulated gains or losses deferred in equity must immediately be taken to the income statement items 'Other operating income' or 'Other operating expenses' - net.

1.12 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Borrowing costs are not included. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.13 TRADE RECEIVABLES

Accounts receivable are reported in the amount at which they are expected to be received after deduction for bad debts, assessed individually. The expected maturity of trade receivables is less than twelve months and therefore the value has been recognized at the nominal amount without discounting. Impairment losses in trade receivables are recognized in the item 'Selling and marketing costs'.

1.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, bank balances and other short-term liquid investments with original maturities of three months or less of the date of acquisition.

1.15 SHARE CAPITAL

Ordinary shares are classified as equity.

Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.16 TRADE PAYABLES

Trade payables are recognized at fair value and are commitments to pay for goods or services acquired from suppliers in the operating activities. Trade payables have a short expected maturity and are classified as current liabilities.

1.17 BORROWINGS

Borrowings are recognized initially at fair value, net after transaction costs. Subsequent measurement is at amortized cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1.18 CURRENT AND DEFERRED INCOME TAX

Tax expense for the period includes current and deferred tax. Tax is reported in the income statement, except when the tax refers to items reported in other comprehensive income or directly in equity. In that case the tax is also reported in 'Other comprehensive income' and 'Equity' respectively.

The current tax expense is calculated on the basis of the tax laws that have been enacted or substantively enacted on the balance sheet date in the countries in which the parent company's subsidiaries and associated companies operate and generate taxable revenues.

The management regularly assesses claims made in tax returns for situations where applicable tax rules are subject to interpretation and, where deemed appropriate, makes provision for amounts that will probably have to be paid to the tax authorities.

Deferred tax is recognized in its entirety, using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. However, the deferred tax is not recognized if it arises as a consequence of a transaction constituting the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be applied.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax liabilities and assets on a net basis.

1.19 EMPLOYEE BENEFITS

Pension obligations

The Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, in which the payments are determined on the basis of periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contri-

butions into a separate legal entity. The Group has no legal or constructive obligation to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits associated with the employees' service in the current or prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. It is characteristic of defined benefit plans that they define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses as a result of experience adjustments and changes in actuarial assumptions are reported in other comprehensive income in the period in which they arise. Past service costs are recognized directly in the income statement.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that cash refund or a reduction in the future payments is available to the Group.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy or in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates, a) when the Group can no longer withdraw the offer of those benefits, and b) when the company recognizes the costs for a restructuring within the scope of IAS 37 that includes the payment of termination benefits. In cases where the company has made an offer to encourage voluntary redundancy, the termination benefits are calculated on the basis of the number of employees expected to accept the offer.

Profit sharing and variable salary components

The Group recognizes a liability and an expense for variable salary and profit-sharing, based on a formula that takes into consideration the profit that can be attributed to the parent company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.20 PROVISIONS

Provisions for environmental restoration measures, future waste management costs, restructuring costs and other legal requirements are recognized when: The Group has a present legal or constructive obligation as a result of past events; it is more probable than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. No provision has been made for future operating losses.

If there are a number of similar obligations, the probability that an outflow of resources will be required to settle the obligations will be assessed overall for the entire group of obligations. A provision is reported even if the probability of an outflow for a particular item in this group of obligations is minor. See note 33, 'Other provisions'.

1.21 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for goods and services sold in the Group's operating activities. Revenue is reported exclusive of value added tax, returns and discounts and after elimination of sales within the Group.

Consultancy Services

The Group offers services at both fixed and variable prices. Revenue from services delivered is recognized in the period they are supplied. For fixed price contracts, the revenue is based on the percentage of the total contracted service delivered during the financial year when the customer receives and uses the services at the same time. This is determined on the basis of the actual cost incurred compared with the total expected cost of the contract. Estimates of revenue, costs or percentage of completion of projects are revised if circumstances change. Increases or decreases in assessed revenue or costs that depend on a changed estimate are recognized in the income statement in the period when the circumstances that caused the revision became known.

In fixed price contracts the customer pays the agreed price at agreed times of payment. If the services the Group has delivered exceed the payment, a contract asset is recognized in the item Trade and other receivables. If payments exceed the services delivered, a contract liability is recognized in the item Trade and other payables. If the contract is a cost plus contract based on an hourly rate, the revenue is recognized to the extent the Group has a right to invoice the customer. Customers are invoiced monthly, usually with a 30-day payment term. More information on the Group's Consultancy Services can be found in note 4 and the Waste Management Technology, Fuel and Materials Technology and Decommissioning and Radiation Protection Services segments.

Software

Revenue for the software developed by the Group is received through:

- Sale of goods
- License revenues
- Maintenance agreements
- Contract revenue

Sales of software are recognized in revenue when control of the products is transferred, which is when the software is delivered to the customer and there are no unfulfilled obligations that may affect the customer's approval of the software. A receivable is recognized when the software has been delivered, as this is the time at which payment becomes unconditional.

License revenues are classified as "right to use" licenses where control over the license is received by the customer directly at the time of sale and delivery and they are therefore recognized in revenue when the customer receives the license key. Customers are invoiced annually, usually with a 30-day payment term.

Maintenance agreements are normally signed on an annual basis and as it is difficult to estimate when the maintenance will be supplied, these revenues are recognized on a straight-line basis over the period of the agreement. The deferred income is recognized as a contract liability in the item Trade and other payables. Customers are invoiced annually, usually with a 30-day payment term.

Contract revenue is offered at both fixed and variable prices and the Group treats these revenues in the same way as Consultancy Services (see description above). More information about the Group's software can be found in note 4 and the Scand-power segment.

Interest income is recognized on a time-proportion basis using the effective interest method. When the value of a receivable is impaired, the Group reduces the carrying amount to the recoverable amount, which is the estimated future cash flow, discounted at the original effective interest rate for the instrument, and continues to reverse the discount effect as interest income. Interest income on impaired loans is recognized at the original effective interest rate.

Dividend income is recognized when the right to receive payment is established.

Remaining performance obligations

The table below shows unfulfilled performance obligations referring to long-term projects in the Fuel and Materials Technology segment. The table does not include revenue related to contracts invoiced on a cost plus basis or contracts with an expected maximum duration of one year.

Year	2021	2022	2023	2024	2025	2026	2027	2028	Total
MSEK	170	203	137	93	72	73	74	14	836

1.22 LEASES

IFRS 16 Leases has replaced IAS 17 Leases as of January 1, 2019. The new standard means that lessees must recognize all contracts that meet the definition of a lease as right-of-use assets and financial liabilities in the statement of financial position. For lessees the standard does not differentiate between operating and finance leases. Leases that previously constituted operating leases are now recognized in the balance sheet, with the consequence that what was previously recognized as an operating expense corresponding to the lease charge for the period, has now been replaced by depreciation and interest expense in the income statement.

The Group leases various offices, machinery and vehicles. Leases may include both lease and non-lease components and Studsvik has decided to only take into account lease components in their rights-of-use. The right of use is initially recognized at cost of acquisition and in subsequent reporting periods at cost of acquisition less accumulated depreciation and impairment. The lease liability is recognized initially at the present value of future lease payments discounted at the incremental borrowing rate. In subsequent accounting the lease liability will be adjusted for interest and lease charges paid, as well as changes in the lease, such as extension clauses. Payments for short-term leases and leases of low value are expensed on a straight-line basis in the income statement. Short-term leases have a lease term of less than 12 months and low value leases are valued at less than USD 5,000.

When determining the value of the rights of use and financial lease liability, the most significant assumptions are as follows:

The lease payments have been discounted at the incremental borrowing rate. The same discount rate has been used for rights of use with similar characteristics. Studsvik

vik has used an incremental borrowing rate of 2.6 per cent, which reflects the interest rate received from the Group's credit institution.

Options to extend and terminate leases have been taken into account for leases where it is reasonably certain that they will be exercised. When determining the lease term, the Group takes into account available information that gives an economic incentive to exercise an option to extend. The majority of the options to extend that refer to office premises and vehicles have not been included in the lease liability, as Studsvik can replace the rights of use without significant costs or business disruptions.

Historical information has been used in assessing a lease term in the cases where there are options to extend or terminate a lease.

1.23 DIVIDENDS

Dividend distribution to the parent company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the parent company's shareholders.

1.24 PARENT COMPANY

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities. RFR 2 means that the Parent Company, in its separate financial statements, must apply all the IFRS and statements adopted by the EU as far as possible, subject to the Annual Accounts Act and the Act on Safeguarding Pension Obligations taking into account the connection between accounting and taxation. The recommendation specifies the exemptions and additions that must be made in relation to IFRS. The differences between the Group's and the Parent Company's accounting policies are presented below. The main differences between the accounting policies applied by the Group and the Parent Company are:

Formats

The income statement and balance sheet follow the format of the Annual Accounts Act. This entails differences compared with the consolidated accounts, mainly as regards financial income and expense, the statement of comprehensive income, provisions and the statement of changes in equity.

Shares and participations in subsidiaries

Investments in subsidiaries are recorded at the lower of cost and fair value. Assessments are made as to whether the book amount corresponds to fair value and the book amount is written down if the impairment is deemed permanent and recorded in the item 'Profit/loss from investments in Group companies'. Dividend received is reported as financial income.

Revenues

The Parent Company's income includes dividends and group contributions received from subsidiaries and other internal transactions that are eliminated in the consolidated accounts.

Leases

All leases, regardless of whether they are finance or operating leases, are recorded as rental agreements (operating leases).

Pensions

Pension obligations refer to defined contribution plans and are covered by insurance arrangements.

Taxes

The accumulated values of accelerated depreciation and other untaxed reserves are presented in the parent company balance sheet under the item 'Untaxed reserves' with no deduction for the deferred tax. Changes in the untaxed reserves are shown on a separate line in the income statement in the parent company income statement. The consolidated accounts, however, divide untaxed reserves into deferred tax liability and equity.

Group contributions and shareholders' contributions for legal entities

The company reports group contributions and shareholders' contributions in accordance with the Swedish Financial Reporting Board's recommendation RFR 2. Shareholders' contributions are recognized directly in the equity of the recipient and capitalized in shares and participations by the giver, to the extent there is no impairment loss. Group contributions from subsidiaries are reported as financial income as is normal dividend from subsidiaries. Tax on group contributions is reported in accordance with IAS 12 in the income statement.

NOTE 2 Financial risk management

2.1 FINANCIAL RISK FACTORS

Through its operations the Group is exposed to a number of different financial risks; market risk (covering currency risk, fair value interest rate risk, cash-flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the Group's financial performance. The Group uses derivative instruments to hedge certain risk exposure. Risk management is handled by a central treasury function in accordance with policies determined by the Board of

Directors. The central function identifies, evaluates and hedges financial risk in close cooperation with the Group's operating units. The Board of Directors draws up written policies, both for overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of surplus liquidity.

Market risk

Price risk

The Group's largest single cost item is personnel, which accounts for 63 (68) per cent of the total costs of continuing operations. Other expenses vary. The Group's risk exposure as regards purchases is therefore of less significance.

Currency risk

The Group operates internationally and is exposed to currency risk arising from various currency exposures, above all in US dollars (USD), euros (EUR) and pounds sterling (GBP). Currency risk arises through future business transactions, reported assets and liabilities and net investment in foreign operations.

The Board of Directors has drawn up policies and guidelines for how currency risk is to be managed in the Group. To minimize the currency risk arising on business transactions and for reported assets and liabilities, the companies use different forms of currency derivatives issued by external banks. Currency risk arises when future business transactions or reported assets and liabilities are denominated in a currency that is not the functional currency of the unit.

At Group level only external foreign currency derivative contracts are classified as hedges of gross amounts of specific assets, liabilities or future transactions.

If the Swedish krona had weakened by 10 per cent against the euro, all other variables being constant, the year's profit for continuing operations as at December 31, 2020 would have been SEK 2.3 million higher (SEK 2.5 million lower), as the Group's total costs in EUR are lower than the corresponding revenue in EUR. Equity would have been SEK 2.2 million higher (2.5 million lower), mainly due to translation of the Group's net investments in Germany.

If the Swedish krona had weakened by 10 per cent against the pound sterling, all other variables being constant, the year's profit for continuing operations as at December 31, 2020 would have been SEK 0.1 million higher (1.9 million lower), as the Group's total revenues in GBP are greater than the corresponding expenses in GBP. Equity would have been SEK 0.1 million higher (1.9 million lower), mainly due to translation of the Group's net investments in the United Kingdom.

If the Swedish krona had weakened by 10 per cent against the US dollar, all other variables being constant, the year's profit from continuing operations as at December 31, 2020 would have been SEK 2.6 million lower (SEK 5.0 million lower), mainly as a result of Scandpower Inc's operations. Equity would have been SEK 2.3 million lower (5.0 million lower), mainly due to translation of the Group's net investments in the USA.

Interest rate risk referring to cash flows and fair values

Since the Group does not have any material interest-bearing assets, the Group's income and cash flow from operating activities are in all essentials independent of changes in market interest rates.

The Group's interest rate risk arises through long-term borrowings. Borrowing at variable interest rates exposes the Group to cash flow interest rate risk. Borrowing at fixed interest rates exposes the Group to fair value interest rate risk.

The Group's contractual repricing dates for interest rates are shown in note 30. The Group analyses its interest rate exposure regularly. Different scenarios are simulated, taking into account refinancing, renewals of existing positions, alternative funding and hedging. With these scenarios as a base, the Group calculates the impact on earnings of a given interest rate change. For each simulation the same interest rate change is used for all currencies. The scenarios are only simulated for debt constituting the largest interest-bearing positions.

Simulations carried out show that the impact on pre-tax earnings of a change of 0.1 percentage point would be a maximum increase or decrease respectively of SEK 0.0 (0.0) million.

If the interest rate on borrowing in SEK on December 31, 2020 had been 0.5 percentage points higher/lower, all other variables being constant, the pre-tax earnings for the financial year would have been SEK 0.2 (0.2) million higher/lower, mainly as an effect of higher/lower interest expense in connection with changes in reference rates.

Credit risk

Credit risk is managed at company and Group level. Credit risk arises through cash and cash equivalents, derivative instruments and balances at banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and contractual transactions. The Group only uses banks with an A+ or higher rating for depositing cash and cash equivalents. In cases where no independent credit evaluation exists, a risk appraisal is made of the customer's creditworthiness in which financial position and prior experience and other factors are taken into consideration. Individual risk limits are set, based on internal or external credit evaluations in accordance with limits set by the Board of Directors.

The credit quality of financial assets is described in note 20.

Liquidity risk

Liquidity risk is managed through the Group holding sufficient cash and cash equivalents and short-term deposits in a liquid market, available funding through contracted credit lines and the possibility of closing market positions. Due to the dynamic character of operations, the Group retains flexibility of funding by maintaining contracts for withdrawable lines of credit. The company has a bank loan of SEK 46.5 million, which falls due on April 2, 2024. The loan carries interest of 2.6 per cent + STIBOR 3 months. Expected interest expense is calculated as SEK 1.2 million in 2021. Apart from the bank loan, there is also a bank overdraft facility of SEK 100 million, which is extended 12 months at a time. The risk of non-extension is considered to be low as the Group has a good and ongoing working relationship with the bank. The management carefully follows rolling forecasts of the Group's liquidity reserve, consisting of unutilized loan assurances (note 30) and cash and cash equivalents (note 25), on the basis of expected cash flows.

The table below analyses the Group's financial liabilities and derivative instruments settled net that constitute financial liabilities, broken down by the contractual time to maturity remaining on the balance sheet date. The amounts stated in the table are the contracted, undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
As at December 31, 2020				
Bank loans	3,240	3,185	43,905	–
Derivative financial instruments	–	–	–	–
Trade and other payables	203,837	43	129	28,443
As at December 31, 2019				
Bank loans	3,237	3,185	46,976	–
Derivative financial instruments	118	–	–	–
Trade and other payables	233,727	42	126	14,970

The table below analyses the Group's financial derivative instruments that will be settled gross, broken down by the contractual time to maturity remaining on the balance sheet date. The amounts stated in the table are the contracted, undiscounted cash flows. The amounts that mature within 12 months have not been discounted, since the discount effect is immaterial.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Mer än 5 år
As at December 31, 2020				
Forward exchange contracts – Cash flow hedges				
– Outflow	–	–	–	–
– Inflow	–	–	–	–
As at 31 December 2019				
Forward exchange contracts – Cash flow hedges				
– Outflow	–	–	–	–
– Inflow	118	–	–	–

2.2 CAPITAL RISK MANAGEMENT

The Group's goal for its capital structure is to safeguard the Group's ability to continue as a going concern, so that it can generate a return for its shareholders and benefit for other stakeholders and maintain an optimal capital structure as a means of controlling the cost of capital. The Group assesses the capital on the basis of debt/equity ratio and equity/assets ratio. Studsvik has an overall goal of an equity/assets ratio of 40 per cent. The equity/assets ratio at the close of the year was 41.2 per cent (37.5).

To retain or adjust the capital structure, the Group can alter the dividend it pays to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its liabilities.

Just like other companies in the industry, the Group assesses its capital on the basis of the debt/equity ratio. This ratio is defined as net debt divided by total equity. Net debt is defined as total borrowing (including the items current borrowing and Non-current borrowing in the consolidated balance sheet) less cash and cash equivalents. Equity is calculated including non-controlling interests.

	2020	2019
Total borrowing (note 30)	99,957	123,095
Less cash and cash equivalents (note 25)	–75,153	–40,226
Net debt	24,804	82,869
Total equity	313,408	302,772
Debt/equity ratio	7.9%	27.4%

The change in the debt/equity ratio for 2020 was mainly a consequence of improved cash flow and lower use of the bank overdraft facility. Improved earnings is the main reason for higher equity.

2.3 FAIR VALUE ESTIMATION

The table below shows financial instruments at fair value on the basis of their classification in the fair value hierarchy. The different levels are defined as follows:

- Level 1 – Quoted prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2 – Other observable market data for the asset or liability other than quoted prices included in level 1, either direct (i.e. as quoted prices) or indirect (i.e. derived from quoted prices).
- Level 3 – Data on the asset or liability not based on observable market data (i.e. unobservable inputs).

The following table shows the Group's assets and liabilities measured at fair value as at December 31, 2020.

	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss			
– Unlisted shareholdings	–	–	14,728
– Capital insurance	–	16,582	–
– Long-term bank deposits	–	3,723	–
Total assets	–	20,305	14,728
Liabilities			
Derivatives used for hedging	–	–	–
Total liabilities	–	–	–

The following table shows the Group's assets and liabilities measured at fair value as at December 31, 2019.

	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss			
– Unlisted shareholdings	–	–	14,703
– Capital insurance	–	15,180	–
– Long-term bank deposits	–	2,867	–
Total assets	–	18,047	14,703
Liabilities			
Derivatives used for hedging	–	118	–
Total liabilities	–	118	–

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and these prices represent actual and regularly occurring market transactions at arm's length. The Group does not currently hold such assets or liabilities.

Fair value of financial instruments not traded on an active market (for example OTC derivatives) is established using valuation techniques. These techniques use market information as far as possible when this is available, while company-specific information is used as little as possible if all material inputs required for fair value measurement of an instrument are observable the instrument is found at level 2.

Specific valuation techniques used to measure financial instruments include:

- Quoted market prices or brokers' quotations for similar instruments.
- The fair value of interest swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- The fair value of forward exchange contracts is determined using quoted forward exchange rates at the balance sheet date, where the resulting value is discounted to present value.
- Other techniques, such as estimating discounted cash flows, are used to determine the fair value of remaining financial instruments.

The following instruments at level 3 refer to our holdings in nuclear insurance companies. They are valued at acquisition cost plus our share of their surplus.

The following table shows changes for instruments at level 3 in 2020.

	Level 3
Opening balance	13,949
Gains recognized in the income statement	779
Closing balance	14,728
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	779

The following table shows changes for instruments at level 3 in 2019.

	Level 3
Opening balance	13,039
Gains recognized in the income statement	910
Closing balance	13,949
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	910



NOTE 3 Important accounting estimates

Estimates and assumptions are continually evaluated and rest on historical experience and other factors, including expectations of future events regarded as reasonable under the circumstances.

3.1 IMPORTANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimations and assumptions about the future. The estimates for accounting purposes derived from these assumptions will, by definition, seldom correspond to the actual outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Impairment tests for goodwill

Each year the Group examines whether goodwill is impaired, in accordance with the accounting policy described in note 1.7. Recoverable amounts for cash-generating units in continuing operations have been determined by calculating value in use. Certain estimates must be made for these calculations (in note 16)

Based on the assumptions and estimates made, there is no impairment loss on goodwill.

Income taxes

The Group is liable to pay tax in different countries. Extensive assessments are required to establish the global provision for income tax. There are many transactions and calculations in which the final tax is uncertain at the time the transactions and calculations are made. The Group reports a liability for expected tax field audits based on assessments of whether further tax liability will arise. In cases where the final tax for these cases differs from the amounts first reported, the differences will affect current tax and provisions for deferred tax in the period when these determinations are made. Moreover, estimates and assumptions are made to determine the value of the deferred tax asset and deferred tax liability on the balance sheet date. Future amendments to tax legislation and the development of the business climate affect the company's future taxable profit and thus the ability to use the deferred tax asset on tax loss carry forwards.

Fair value of derivative instruments or other financial instruments

Fair value of financial instruments not traded on an active market is established using valuation techniques. The Group chooses several methods and makes assumptions that are mainly based on the market conditions existing on the respective balance sheet date.

Revenue recognition

The Group uses the percentage of completion method for reporting fixed price contracts. The percentage of completion method means that the Group must estimate completion of services on the balance sheet date as a proportion of the total services to be provided. If the proportion of completed services to total services to be provided deviates by 10 per cent from the management's estimate, the year's reported revenue would increase by SEK 6.4 (5.8) million if the percentage of completion had increased, or decrease by SEK 6.4 (5.8) million if the percentage of completion had decreased.

Provisions

The operations at Studsvik's facilities in Sweden are subject to local licensing requirements and Studsvik is liable to decommission facilities, manage waste and restore land. The Group makes provision in its own balance sheet for these future decommissioning costs. The Group also provides collateral in the form of bank guarantees and deposits blocked funds. The Group makes regular assessments of its technical and financial obligations and revises the value of these provisions annually. The commitment consists of discounted values of future cash flows.

If the actual estimate of the future decommissioning cost were to deviate by 10 per cent from the management's assessment, the result would have been SEK 0.2 (0.9) million lower for a higher estimate of future costs. Changes in estimates of future costs refer to repository costs for waste treated in the Group's Swedish facility, which affect future cash flows. Other changes in estimated future costs are capitalized as property, plant and equipment and thus only affect future depreciation.

Changes in the Group's provisions are presented in note 33.

NOTE 4 Segment reporting

Operating segments have been established on the basis of information dealt with by the Board of Directors and the President and used to make strategic decisions. The Board of Directors and the President assess operations mainly from a business area perspective, and therefore the segments consist of the Group's four business areas, which are described on pages 12-19. Apart from these there is a small operating segment below under 'Other'. The main operations in this segment include Group-wide services and administration of Studsvik Tech Park.

The Board of Directors and the President assess the operating segments' performance on the basis of operating profit.

Operating segment assets refer to all non-current assets and current assets allocated by segment. Operating segment liabilities refer to all non-current and current liabilities allocated by segment.

Interest income and expenses are not allocated to the segments, since they are affected by measures taken by the central treasury, which handles the Group's cash liquidity.

Financial year 2020	Fuel and Materials Technology	Waste Management Technology	Scandpower	Decommissioning and Radiation Protection Services	Other	Eliminations	Group
Net sales	224,386	65,312	125,627	293,215	39,751	-26,360	721,931
External net sales	222,142	64,165	115,598	293,215	26,811	-	721,931
EBITDA before non-recurring items	46,972	-1,357	20,813	20,177	-15,268	-	71,337
Non-recurring items	-	-	-	-	-	-	-
Depreciation/amortization and impairment	-12,981	-2,307	-3,650	-3,996	-5,770	-	-28,704
Earnings from associated companies and joint ventures	-	2,212	-	1,217	-	-	3,429
Operating profit/loss	33,991	-1,452	17,164	17,398	-21,039	-	46,062
Net financial items							-4,714
Taxes							-6,147
Net profit/loss for the year							35,201
Holdings in associated companies and joint ventures	-	7,265	-	-	-	-	7,265
Other operating segment assets	194,230	122,274	161,916	217,373	354,394	-296,917	753,270
Total assets	194,230	129,539	161,916	217,373	354,394	-296,917	760,535
Operating segment liabilities	158,732	120,123	54,516	191,302	219,371	-296,917	447,127
Equity							313,408
Total equity and liabilities	158,732	120,123	54,516	191,302	219,371	-296,917	760,535
Investments	15,426	3,627	721	1,807	1,485	-	23,066
Average number of employees	111	22	36	329	18	-	516
Financial year 2019							
Net sales	200,076	56,726	130,104	263,064	50,972	-46,928	654,014
External net sales	196,767	49,659	118,525	258,552	30,511	-	654,014
EBITDA before non-recurring items	38,168	-21,107	16,460	-699	-8,904	-	23,917
Non-recurring items	-	-14,003	-	-	-800	-	-14,803
Depreciation/amortization and impairment	-12,918	-3,846	-3,482	-4,429	-4,374	-	-29,049
Earnings from associated companies and joint ventures	-	5,363	-	4,120	-	-	9,483
Operating profit/loss	25,250	-33,592	12,978	-1,009	-14,078	-	-10,451
Net financial items							-12,395
Taxes							-5,194
Net profit/loss for the year							-28,041
Holdings in associated companies and joint ventures	-	17,789	-	-	-	-	17,789
Other operating segment assets	206,373	139,939	170,356	222,042	381,781	-330,039	790,452
Total assets	206,373	157,728	170,356	222,042	381,781	-330,039	808,241
Operating segment liabilities	120,809	141,465	67,092	205,622	300,520	-330,039	505,469
Equity							302,772
Total equity and liabilities	120,809	141,465	67,092	205,622	300,520	-330,039	808,241
Investments	22,929	4,220	1,291	1,679	2,541	-	32,660
Average number of employees	104	46	35	349	18	-	552

**NOTE 4 (cont.)**

External net sales per product area	2020	2019
Consultancy and engineering services	230,355	94,089
Radiation protection services	40,366	50,843
Operational and outage support	111,460	186,616
Fuel and materials performance	211,406	142,892
Corrosion and water chemistry studies	–	34,518
Fuel optimization software	99,618	103,646
Other operations	28,726	41,410
Total	721,931	654,014

Other operations include the parent company and the part of the Swedish company Studsvik Nuclear AB that is not part of the Consultancy Services or Fuel and Materials Technology segments.

External net sales based on the customer's country of location

location	2020		2019	
	SEK '000	Per cent	SEK '000	Per cent
Sweden	110,799	15.3	113,733	17.4
Europe excluding Sweden	461,895	64.1	417,653	63.8
North America	89,144	12.3	86,904	13.3
Asia	60,093	8.3	35,724	5.5
All other countries	–	–	–	–
Total	721,931	100.0	654,014	100.0

In 2020 the Group had no customers that accounted for more than 10 per cent of total sales.

Non-current assets per country	2020		2019	
	SEK '000	Per cent	SEK '000	Per cent
Sweden	215,023	44.7	217,544	41.5
Europe excluding Sweden	165,232	34.3	190,070	36.3
North America	95,774	19.9	110,768	21.1
Asia	5,104	1.1	5,609	1.1
Total	481,133	100.0	523,991	100.0

NOTE 5 Other operating income

Other income	2020	2019
Sale of property, plant and equipment	2,034	–
Government support related to COVID-19	1,191	–
Other	227	1,599
Total	3,452	1,599

Other gains	2020	2019
Other financial instruments at fair value through profit or loss		
– Fair value gains	1,939	2,547
Forward exchange contracts		
– Foreign exchange differences	35	684
Total	1,974	3,231

NOTE 6 Other operating expenses

Other costs	2020	2019
Non-recurring structural costs	–	14,803
Other	598	623
Total	598	15,426
Other losses	2020	2019
Other financial instruments at fair value through profit or loss		
– Fair value losses	3,578	2,446
Forward exchange contracts		
– Foreign exchange differences	–	2,110
Total	3,578	4,556

Non-recurring structural costs amount to SEK 0 (14,803) thousand and consist of costs for termination of staff in Sweden of SEK 0 (1,450) thousand, in the UK of SEK (12,553) thousand and close-down of offices in Sweden of SEK 0 (800) thousand.

NOTE 7 Operating costs by nature of expense

	2020	2019
Purchases of material and services	198,886	168,678
Staff costs	428,125	445,961
Energy	12,487	12,849
Depreciation/amortization and impairment	28,704	29,048
Other costs	12,346	2,261
Total	680,548	658,797

NOTE 8 Remuneration to auditors

	2020	2019
PricewaterhouseCoopers		
– Audit assignments	2,415	2,767
– Other services	210	45
Total	2,625	2,812

Other auditors		
– Audit assignments	130	377
– Audit business in addition to audit	–	155
– Tax consultancy	374	880
Total	504	1,412
Group total	3,129	4,224

Audit assignments refers to examination of the annual accounts, the accounting records and the administration by the Board of Directors and the President, other duties incumbent on the company's auditors, as well as advisory services and other types of support as a result of observations made through such an examination or performance of such duties. Other services consist mainly of fees referring to the sale of the waste treatment operations.

The fees specified above refer to the following: PwC Sweden, audit assignment SEK 1,428 (1,881) thousand, audit business in addition to audit assignment, SEK 0 (0) thousand (tax consultancy) and other services SEK 210 (45) thousand.

NOTE 9 Employee benefits

Employee benefits	2020	2019
Salaries, benefits and other remuneration	348,179	366,161
Social security contributions	72,858	68,472
Pension costs - defined contribution based	16,462	20,746
Pension costs – defined benefit based	492	382
Total	437,991	455,761

NOTE 9 (cont.)

Salaries and other remuneration distributed between Board members and President as well as other employees	2020			2019		
	Board and President	Of which variable remuneration	Other employees	Board and President	Of which variable remuneration	Other employees
Parent company	4,421	–	4,784	5,661	–	1,802
Subsidiaries in Sweden	3,058	–	82,391	3,012	–	88,255
Subsidiaries abroad	2,557	202	250,968	2,649	227	264,556
Total, subsidiaries	5,615	202	333,359	5,661	227	352,811
Total for Group	10,036	202	338,143	11,322	227	354,613

Average number of employees	2020			2019		
	Men	Women	Total	Men	Women	Total
Parent company	1	3	4	1	3	4
Subsidiaries in Sweden	101	38	139	100	42	142
Subsidiaries abroad	332	41	373	359	47	406
– Germany	272	36	308	298	37	335
– United Kingdom	4	–	4	12	6	18
– USA	29	5	34	29	4	33
– Japan	1	–	1	1	–	1
– Switzerland	25	–	25	19	–	19
– China	1	–	1	–	–	–
Total, subsidiaries	433	79	512	459	89	548
Total for Group	434	82	516	460	92	552

Gender breakdown in the Group (including subsidiaries) for members of the Board and other senior management	2020		2019	
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
Board members	7*	4	7*	4
President and other senior management	5	4	5	4
Total for Group	12	8	12	8

All the Board Members and the President belong to continuing operations. Salaries and other remuneration includes severance pay in 2020. For information on benefits to senior management, see note 39.

* The number of board members only refers to ordinary members.

NOTE 10 Financial income and expense

	2020	2019
<i>Financial income</i>		
Current bank balances	119	219
Fair value gains (realized and unrealized)	868	–99
Other financial income	260	9,481
Total	1,247	9,601
<i>Financial expense</i>		
Bank loans	–4,323	–8,065
Fair value losses (realized and unrealized)	–447	–3,099
Other financial expense	–1,191	–10,832
Total	–5,961	–21,996
Net financial items	–4,714	–12,395

NOTE 11 Income tax

	2020	2019
<i>Current tax</i>		
Current tax on profit for the year	–4,163	–6,095
Adjustment for previous years	21	943
Total	–4,142	–5,152
<i>Deferred tax (note 31)</i>		
Origination and reversal of temporary differences	–2,005	–42
Total	–2,005	–42
Total income tax	–6,147	–5,194

NOTE 11 (cont.)

The Swedish income tax rate is 21.4 (21.4) per cent. The income tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate for profits of the consolidated companies as follows.

	2020	2019
Profit/loss before tax	41,348	–22,847
Tax at current tax rate	–7,171	5,088
Non-taxable revenue	24	185
Non-deductible expenses	–1,271	–12,666
Tax on unrecognized loss	1,873	46
Adjustment for foreign tax rate	2,382	1,251
Adjustment for previous years' tax assessment	21	–964
Change in deferred tax assets	–1,893	1,837
Revaluation, deferred tax assets	–112	29
Tax expense	–6,147	–5,194

The weighted average tax rate was 17 (22) per cent. The revaluation of deferred tax assets includes revaluation to new tax rate as well as new assessment concerning the potential utilization of tax loss carry-forwards.

Other comprehensive income only includes tax effects on cash flow hedges and on December 31 these were SEK –18 (–345) thousand. Other comprehensive income also includes foreign exchange differences, but they have no tax effect.

Information about the Group's non-capitalized tax loss carry forwards can be found in note 31.



NOTE 12 Foreign exchange differences – net

Foreign exchange differences are recognized in the income statement as follows.

	2020	2019
Other gains and losses – net (notes 5 and 6)	-1,604	-1,325
Financial items (note 10)	421	-3,197
Total	-1,183	-4,522

NOTE 13 Earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue to assume conversion of all dilutive potential shares. There were no unconverted share options or convertible debt instruments in issue on the balance sheet date.

Earnings per share before and after dilution is calculated by dividing the profit for the year by the weighted average number of shares in issue (note 26).

Before and after dilution

	2020	2019
Net profit/loss for the year	35,201	-28,041
Weighted average number of ordinary shares in issue	8,218,611	8,218,611
Earnings per share before and after dilution (SEK per share)	4,28	-3,41

NOTE 15 Tangible assets

	Buildings and land	Plant and machinery	Equipment and tools	Construction in progress and advance payments for property, plant and equipment	Total
January 1 – December 31 2019					
Opening book value	46,688	27,027	19,862	30,758	124,335
IFRS 16 adjustment opening balance	18,401	6,607	–	–	25,008
Foreign exchange differences	64	189	163	-1	415
Investments	3,463	3,982	2,407	20,235	30,087
Redistributions	-263	1,205	4,712	-5,654	–
Disposals and retirements	-6,995	-1,615	-640	–	-9,250
Depreciation/amortization	-10,498	-11,049	-5,785	–	-27,332
Closing book value	50,860	26,346	20,719	45,338	143,263
As at December 31, 2019					
Cost of acquisition	116,070	122,951	90,199	45,338	374,558
Accumulated depreciation and impairment	-65,210	-96,605	-69,480	–	-231,295
Book value	50,860	26,346	20,719	45,338	143,263
January 1 – December 31 2020					
Opening book value	50,860	26,346	20,719	45,338	143,263
Foreign exchange differences	-933	-167	-61	–	-1,161
Investments	1,975	8,557	1,307	9,590	21,429
Redistributions	–	38,787	756	-39,543	–
Disposals and retirements	-1,376	-1,654	1	–	-3,029
Depreciation/amortization	-8,672	-12,365	-4,915	–	-25,952
Closing book value	41,854	59,504	17,807	15,385	134,550
As at December 31, 2020					
Cost of acquisition	115,532	168,609	90,578	15,385	390,104
Accumulated depreciation and impairment	-73,678	-109,105	-72,771	–	-255,554
Book value	41,854	59,504	17,807	15,385	134,550

Depreciation costs include SEK 17,153 (15,376) thousand in 'Cost of services sold', SEK 110 (171) thousand in 'Selling and marketing costs' SEK 8,625 (11,719) thousand in 'Administrative expenses' and SEK 64 (66) thousand in 'Research and development costs'. The value of finance leases capitalized as property, plant and equipment is presented in note 37.

NOTE 16 Intangible assets

	Goodwill	Patents	Software rights	Contractual customer relations and similar rights	Total
January 1 – December 31 2019					
Opening book value	182,056	–	3,892	4,270	190,218
Foreign exchange differences	5,855	351	–	–32	6,174
Investments	–	774	767	1,033	2,574
Redistributions	–	2,533	1,354	–3,887	–
Depreciation/amortization	–	–331	–1,290	–95	–1,716
Closing book value	187,911	3,327	4,723	1,289	197,250

As at December 31, 2019

Cost of acquisition	225,837	6,216	10,549	20,613	263,215
Accumulated depreciation and impairment	–37,926	–2,889	–5,826	–19,324	–65,965
Book value	187,911	3,327	4,723	1,289	197,250

January 1 – December 31 2020

Opening book value	187,911	3,327	4,723	1,289	197,250
Foreign exchange differences	–11,270	–357	–2	–39	–11,668
Investments	–	1,466	–	171	1,637
Redistributions	–	–	934	–934	–
Depreciation/amortization	–	–414	–2,097	–241	–2,752
Closing book value	176,641	4,022	3,558	246	184,467

As at December 31, 2020

Cost of acquisition	209,271	10,190	10,621	15,657	245,739
Accumulated depreciation and impairment	–32,630	–6,168	–7,063	–15,411	–61,272
Book value	176,641	4,022	3,558	246	184,467

Contractual customer relations and similar rights consist mainly of customer relations/contracts as well as some tenancy rights. Depreciation of SEK 2,752 thousand (1,716) is included in "Cost of goods sold" in the income statement.

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) identified by segment. A segment level summary of the goodwill allocation is presented below.

	2020	2019
Waste Management Technology	176,641	187,911
Total	176,641	187,911

Goodwill is tested annually to identify any impairment loss. Acquired operations are integrated with other operations after acquisition. Impairment testing is therefore carried out at segment level. The segments are identified as cash generating units.

The cash-generating units' recoverable amount is based on value in use. These values are based on estimated future cash flows based on business plans for the next five years. The earnings forecast is based on the most recent budgets and forecasts adopted by the Board, as well as reasonable and verifiable assumptions that constitute Studsvik's best estimates of the economic conditions expected to apply during the forecast period. The management has established the budgeted gross margin on the basis of previous earnings and its expectations concerning market developments. The earnings forecast covers a maximum of five years. The rate of growth is estimated for each cash-generating unit on the basis of market position and development. Cash flows beyond the five-year period are extrapolated with an estimated annual rate of growth. A weighted cost of capital for borrowed capital and equity is applied as the discount rate, as presented below.

Material assumptions used for calculating value in use:

	Gross margin, %	Rate of growth after year 5, %	Discount rate, %
Waste Management Technology 2020	39.0	2.0	11.4
Waste Management Technology 2019	28.0	2.5	10.4

The cost of borrowed capital has been determined individually for each segment, thereby taking into consideration differences in market rates between the markets in which the various units operate. The cost of equity is calculated as the return on risk-free investments for each segment, plus a market risk premium. The weighted cost of capital used in calculating the recoverable amount is 16 (14) per cent before tax. Based on the assumptions and estimates made, there is no impairment loss on goodwill. Studsvik has also assessed the sensitivity of value in use to unfavorable changes in the most important assumptions concerning cash flows and discount rate. There are no other specific circumstances that have affected impairment testing.

Sensitivity analysis

Sensitivity analysis of the calculations for value in use was carried out for one assumption at a time. The recoverable amount for Waste Management Technology would be the same as the carrying amount if the major assumptions were changed as follows:

	2020		2019	
	From	To	From	To
Gross margin, %	39.0	33.1	28.0	20.1
Growth rate after year 5, %	2.0	–1.4	2.5	0.1
Discount rate, %	11.4	13.5	10.4	12.1

**NOTE 17 'Holdings in associated companies**

	2020	2019
As at January 1	5,421	5,962
Share in earnings	2,808	6,614
Dividend received from associated companies	-5,423	-7,277
Foreign exchange differences	-666	122
As at December 31	2,140	5,421

The Group's holding in UK Nuclear Waste Management Ltd. The ordinary shares are directly owned by the Group.

2019	Participating interest %	Valuation method
UK Nuclear Waste Management Ltd	15.0	Equity method

2020	Participating interest %	Valuation method
UK Nuclear Waste Management Ltd	15.0	Equity method

UK Nuclear Waste Management Ltd (NWM) has been appointed to be responsible, together with the Nuclear Decommissioning Authority (NDA), for management and operation of a final repository and to implement a well-functioning strategy for management of low-level waste in the United Kingdom. Representatives of Studsvik Ltd sit on the Board of NWM and participate in all material financial and operational decisions. Studsvik has therefore made the assessment that they have a controlling interest despite only holding 15% of the votes.

Obligations and contingent liabilities

There is an obligation to contribute capital to associated companies if necessary.

Financial information for the Group's associated companies

A financial summary of the Group's associated companies to which the equity method is applied is given below.

Balance sheet	UK Nuclear Waste Management Ltd*	
	2020	2019
Current		
Cash and cash equivalents	827	2,096
Other current assets	870	2,205
Total current assets	1,698	4,301
Financial liabilities (excluding trade payables)	-	-
Other current liabilities (including trade payables)	9,544	24,178
Total current liabilities	9,544	24,178
Non-current		
Non-current assets	22,113	56,017
Total non-current assets	22,113	56,017
Financial liabilities	-	-
Other non-current liabilities	-	-
Total non-current liabilities	-	-
Net assets	14,267	36,140
Statement of comprehensive income	2020	2019
Revenues	29,054	95,711
Profit/loss before tax	18,720	44,093
Net profit/loss for the year	18,720	44,093
Other comprehensive income	-	-
Total comprehensive income	18,720	44,093

The information above reflects the figures presented in the associated companies' financial statements adjusted for differences in accounting rules between the Group and the respective associated company.

* UKNWM's financial year runs from April 1 to March 31. The figures are estimated on the basis of information available at the year-end closing in 2019 and 2020.

Reconciliation of the financial information

Reconciliation of the financial information to the carrying amount of the Group's participations in associated companies.

	UK Nuclear Waste Management Ltd	
	2020	2019
Net assets as at January 1	36,140	39,747
Net profit/loss for the year	18,720	44,093
Dividend	-36,153	-48,513
Foreign exchange differences	-4,440	813
Net assets as at December 31	14,267	36,140
Participating interest associated companies	2,140	5,421
Carrying amount	2,140	5,421

NOTE 18 Holdings in joint ventures

	2020	2019
As at January 1	12,368	6,569
Share in earnings	621	2,869
Dividend received from joint venture	-7,490	-
Foreign exchange differences	-374	416
Reclassifications	-	2,514
As at December 31	5,125	12,368

The Group's share in earnings of the joint ventures in which the company has interests, all of which are unlisted, and its share of assets (including goodwill and liabilities) is as follows.

2020		Non-current assets	Current assets	Current liabilities	Net assets	Revenue	Result	Participating interest
THOR Treatment Technologies, LLC	USA	-	387	2	385	-	-18	50
KOBELCO STUDSVIK Co., Ltd	Japan	6,482	3,984	214	10,252	-	-578	49
ARGE SH KWO BIOSCHILD	Germany	-	-	-	-	2,147	1,217	50
Total		6,482	4,371	216	10,637	2,147	621	

2019		Non-current assets	Current assets	Current liabilities	Net assets	Revenue	Result	Participating interest
THOR Treatment Technologies, LLC	USA	-	459	2	457	265	-76	50
KOBELCO STUDSVIK Co., Ltd	Japan	7,392	4,272	52	11,612	-	-1,175	49
ARGE SH KWO BIOSCHILD	Germany	-	6,862	291	6,571	11,410	4,120	50
Total		7,392	11,593	345	18,640	11,675	2,869	

THOR Treatment Technologies, LLC (TTT) and KOBELCO STUDSVIK Co., Ltd, are joint ventures where Studsvik is a co-owner under a cooperation agreement on joint control. TTT conducts waste treatment operations on the US federal waste market. KOBELCO STUDSVIK Co., Ltd is a joint venture in Japan, focusing on design of facilities for treatment of Japanese radioactive waste. ARGE SH KWO BioSchild is a joint venture in Germany focusing on decommissioning of the biological shield and pool structures of the Obrigheim (KWO) nuclear power plant.

Obligations and contingent liabilities

The Group has an obligation to contribute capital to TTT if necessary. The Group has no obligations regarding KOBELCO STUDSVIK Co., Ltd and ARGE SH KWO BioSchild.

Financial information for the Group's joint ventures

A summary is given below of the Group's joint venture companies in which the equity method is applied.

Balance sheet	KOBELCO STUDSVIK Co., Ltd		THOR Treatment Technologies, LLC		ARGE SH KWO Bioschild	
	2020	2019	2020	2019	2020	2019
Current						
Cash and cash equivalents	2,079	2,367	1,133	1,324	-	1,056
Other current assets	6,051	6,352	-	-	-	12,668
Total current assets	8,130	8,719	1,133	1,324	-	13,724
Other current liabilities (including trade payables)	436	106	363	410	-	582
Total current liabilities	436	106	363	410	-	582
Non-current						
Non-current assets	13,228	15,087	-	-	-	-
Total non-current assets	13,228	15,087	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
Net assets	20,922	23,699	770	914	-	13,142
Share of net assets	10,252	11,612	385	457	-	6,571
Elimination of intra-group profit against share of equity	-5,512	-6,272	-	-	-	-
Carrying amount	4,740	5,340	385	457	-	6,571
Statement of comprehensive income						
	2020	2019	2020	2019	2020	2019
Revenues	-	-	-	529	4,293	22,821
Interest income	4	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Profit/loss before tax	-1,224	-2,171	-37	-150	2,434	8,240
Income tax	44	-228	1	-	-	-
Net profit/loss for the year	-1,180	-2,398	-36	-150	2,434	8,240
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-1,180	-2,398	-36	-150	2,434	8,240

The information above reflects the figures presented in THOR Treatment Technologies, LLC, KOBELCO STUDSVIK Co., Ltd, ARGE SH KWO BioSchild, financial statements adjusted for differences in accounting rules between the Group and the joint venture company.



NOTE 19 Financial instruments by category

Accounting policies for financial instruments have been applied to the items below.

	Amortized cost	Assets at fair value through profit or loss	Total
As at December 31, 2020			
<i>Assets on the balance sheet</i>			
Trade and other receivables	240,880	–	240,880
Other financial instruments at fair value through profit or loss	–	35,080	35,080
Cash and cash equivalents	75,153	–	75,153
Total	316,033	35,080	351,113

	Amortized cost	Liabilities at fair value through profit or loss	Total
<i>Liabilities on the balance sheet</i>			
Trade and other payables	232,452	–	232,452
Liabilities to credit institutions	99,957	–	99,957
Total	332,409	–	332,409

Accounting policies for financial instruments have been applied to the items below.

	Amortized cost	Assets at fair value through profit or loss	Total
As at December 31, 2019			
<i>Assets on the balance sheet</i>			
Trade and other receivables	284,207	–	284,207
Other financial instruments at fair value through profit or loss	–	32,851	32,851
Cash and cash equivalents	40,226	–	40,226
Total	324,433	32,851	357,284

	Amortized cost	Liabilities at fair value through profit or loss	Total
<i>Liabilities on the balance sheet</i>			
Trade and other payables	248,865	–	248,865
Liabilities to credit institutions	123,095	–	123,095
Derivative financial instruments	–	118	118
Total	371,960	118	372,078

NOTE 20 Credit quality of the financial assets

The credit quality of the financial assets can be assessed by referring to external credit ratings (if available) or to the counterparty's payment history.

	2020	2019
<i>Trade receivables</i>		
Counterparties without external credit rating		
– New customers (less than 6 months)	423	–
– Existing customers with no defaults in the past	116,079	158,299
– Existing customers with some delayed payments in the past	408	1,695
Total	116,910	159,994
<i>Loans to related parties</i>		
Existing related party with no previous defaults	1,664	1,832
Total	1,664	1,832
No repayment of loans to related parties was made during the year.		
<i>Bank balances</i>		
AA- and A+	75,153	40,226
Total	75,153	40,226
No repayment of loans to related parties was made during the year.		

NOTE 21 Derivative instruments

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts – Cash flow hedges	–	–	–	118

The entire fair value of a derivative instrument designated as a hedging instrument is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity is less than 12 months. Revaluation of forward exchange contracts designated as hedges is through equity. Other forward contracts are revalued through profit or loss.

The ineffective portion, recognized in the income statement, referring to cash flow hedges, amounts to SEK 35 thousand (notes 5 and 6).

The hedged, highly probable forecast transactions in foreign currency are expected to occur at varying dates during the coming 12 months. Gains and losses on forward exchange contracts as at December 31, 2020, recognized in the hedging reserve in equity (note 28), are recognized in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

Outstanding forward exchange contracts on December 31, 2020

Förfalloår		INFLOW CURRENCIES			OUTFLOW CURRENCIES	
		EUR 000	GBP 000	USD 000	EUR 000	JPY 000
2021	Amount	–	–	–	–	–
	Rate ¹	–	–	–	–	–
2022	Amount	–	–	–	–	–
	Rate ¹	–	–	–	–	–
Remeasured at fair value, SEK '000		–	–	–	–	–

¹ Average contractual rate

The nominal amount for outstanding forward exchange contracts is SEK 0 (2,980) thousand.

	Spot component of forward exchange contract
As at January 1, 2020	-70
In addition: Change in fair value of hedging instruments recognized in OCI	88
Less: Deferred tax	-18
As at December 31, 2020	–
As at January 1, 2019	-1,338
In addition: Change in fair value of hedging instruments recognized in OCI	1,613
Less: Deferred tax	-345
As at December 31, 2019	-70

NOTE 22 Trade and other receivables

	2020	2019
Trade receivables	134,593	160,242
Less – Provision for impairment of receivables	-17,683	-248
Trade receivables – net	116,910	159,994
Loans to related parties (note 38)	1,664	1,832
Other non-current receivables	36,962	39,248
Service contracts in progress	44,300	53,903
Tax assets	3,080	5,588
Other receivables	11,659	10,650
Prepaid expenses and accrued income		
– Accrued income	19,376	4,007
– Prepaid rent	439	741
– Prepaid insurance premiums	2,663	2,768
– Other prepaid expenses	3,827	5,476
Total	240,880	284,207
Long term portion	38,736	41,421
Current portion	202,144	242,786
Total	240,880	284,207

NOTE 22 Trade and other receivables (cont.)

SEK 1,664 (1,832) million of the non-current receivables are receivables from related parties. The book value for trade and other receivables is the fair value, as the discount effect is deemed to be non-material.

The effective interest rate on non-current receivables is as follows:

	2020	2019
Loans to related parties (note 38)	1.7 %	2.0 %

As at December 31, 2020 trade receivables amounting to SEK 57,358 (53,977) thousand were overdue without any impairment loss being identified. These refer to a number of independent customers who have not had payment difficulties in the past. The Group applies the simplified method for calculating expected credit losses. The method means that expected losses during the entire life of the claim are used as the basis for trade receivables and contract assets. The expected credit loss levels are based on the customers' payment history. An age analysis of these trade receivables and contract assets is given below:

December 31, 2020	Not past due	Up to 3 months overdue	3-6 months overdue	More than 6 months overdue	Total
Expected loss level in %	0%	26%	17%	78%	
Carrying amount trade receivables gross	69,045	63,550	408	1,590	134,593
Carrying amount, contract assets, gross	44,300	–	–	–	44,300
Credit loss reserve	–	16,379	70	1,234	17,683

January 1, 2020	Not past due	Up to 3 months overdue	3-6 months overdue	More than 6 months overdue	Total
Expected loss level in %	0%	0%	8.5%	10.0%	
Carrying amount trade receivables gross	106,265	51,159	2,171	647	160,242
Carrying amount, contract assets, gross	53,903	–	–	–	53,903
Credit loss reserve	–	–	183	65	248

The reserve for doubtful receivables amounted to SEK 17,683 (248) thousand as at December 31, 2020.

Carrying amounts of the Group's trade and other receivables by currency are as follows.

	2020	2019
SEK	138,426	152,797
EUR	71,217	67,575
GBP	1,530	6,854
USD	19,650	49,777
Other currencies	10,057	7,204
Total	240,880	284,207

Changes in the reserve for doubtful receivables:

	2020	2019
As at January 1	-248	-244
Translation difference	10	-56
Provision for doubtful receivables	-17,525	–
Unused amounts reversed	80	52
As at December 31	-17,683	-248

Transfers to and reversals from reserves for doubtful receivables are included in the item 'Selling and marketing costs' in the income statement. Amounts stated in the depreciation account are normally written off when the Group is not expected to recover further cash funds. No impairment loss has been identified for any assets in other categories of trade and other receivables. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

**NOTE 23 Financial assets at fair value through profit or loss**

	2020	2019
Unlisted shareholdings	14,728	14,703
Capital insurance	16,539	15,138
Long-term bank deposits	3,813	3,010
Total	35,080	32,851

The statement of cash flows includes financial assets measured at fair value through profit or loss in the category 'Cash flow from operating activities' as part of the change in working capital. This does not, however, apply to bank deposits recorded as 'Cash flow from financing activities'.

NOTE 24 Inventories

	2020	2019
Raw material	–	–
Finished products	2,105	1,238
Total	2,105	1,238

The expensed expenditure for inventories is included under 'Cost of services sold' and amounts to SEK 490 (610) thousand.

NOTE 25 Cash and cash equivalents

	2020	2019
Cash and bank balances	75,153	40,226
Total	75,153	40,226

NOTE 26 Share capital and other contributed capital

	Number of shares	Share capital	Other contributed capital
As at January 1, 2019	8,218,611	8,219	225,272
As at December 31, 2019	8,218,611	8,219	225,272
As at January 1, 2020	8,218,611	8,219	225,272
As at December 31, 2020	8,218,611	8,219	225,272

All shares are ordinary shares with a quotient value of 1.0. Number of shares in absolute figures.

NOTE 27 Retained earnings

As at January 1, 2019	58,573
Net profit/loss for the year	–28,041
As at December 31, 2019	30,532
As at January 1, 2020	30,532
Net profit/loss for the year	35,201
As at December 31, 2020	65,733

NOTE 28 Reserver

All the items below may be reclassified in the income statement.

	Currency translation reserve	Hedging reserve	Total reserves
As at January 1, 2019	25,110	–1,338	23,772
Foreign exchange differences			
–Group	13,324	–	13,324
Cash flow hedges			
–Currency translation reserve	–	1,268	1,268
As at December 31, 2019	38,434	–70	38,364
As at January 1, 2020	38,434	–70	38,364
Foreign exchange differences			
–Group	–24,590	–	–24,590
Cash flow hedges			
–Currency translation reserve	–	70	70
As at December 31, 2020	13,844	–	13,844

NOTE 29 Trade and other payables

	2020	2019
Trade payables	33,374	39,663
Liabilities for work in progress	64,215	72,093
Social security and other taxes	18,628	21,781
Other liabilities	39,399	49,447
Accrued expenses and deferred income		
–Deferred income	1,655	2,104
–Accrued wages and salaries	31,548	21,545
–Accrued pension costs	28,613	15,138
–Accrued consulting and service costs	8,171	5,546
–Accrued audit fees	2,404	1,570
–Other items	4,445	19,978
Total	232,452	248,865
Long term portion	28,615	27,774
Current portion	203,837	221,091
Total	232,452	248,865

For liabilities referring to service contracts in progress in existence at the close of 2019, SEK 59 million was recognized in revenue in 2020.

NOTE 30 Borrowings

	2020	2019
Long term portion		
Bank loans	44,500	46,500
Total	44,500	46,500
Current portion		
Bank loans	55,457	76,595
Total	55,457	76,595
Total borrowings	99,957	123,095

The bank loan bears an interest margin of 2.60 per cent plus stibor 90 days and matures in its entirety on April 2, 2024.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows

	2020	2019
0–6 months	99,957	123,095
6–12 months	–	–
1–5 years	–	–
More than 5 years	–	–
Total borrowings	99,957	123,095

Shares in Studsvik Nuclear AB and Studsvik Scandpower AB and a corporate mortgage of SEK 100 million have been put up as collateral for the Group's bank loan and credit facilities.

Carrying amounts and fair value for non-current borrowing are presented below. The loans are at level 2 of the fair value hierarchy.

	FAIR VALUE		CARRYING AMOUNT	
	2020	2019	2020	2019
Maturities of borrowings				
Less than 1 year	55,457	76,595	55,457	–
Between 1 and 2 years	2,000	2,000	2,000	123,095
Between 2 and 5 years	42,500	44,500	42,500	–
More than 5 years	–	–	–	–
Total	99,957	123,095	99,957	123,095

Carrying amounts, per currency, for the Group's borrowings

	2020	2019
SEK	99,957	123,095
Total	99,957	123,095

The Group has the following unutilized credit facilities

	2020	2019
Variable interest rate		
– Matures within one year	46,543	25,405
Total	46,543	25,405

The lines of credit that mature within one year are one-year credit facilities that will be reviewed on varying dates in 2020.

Average effective interest rate on balance sheet date, bank loans

	2020	2019
SEK	2.72%	2.60%

NOTE 31 Deferred tax

Deferred tax assets and tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax refers to the same tax authority.

Offset amounts			2020	2019
<i>Deferred tax assets</i>				
Deferred tax assets to be utilized after more than 12 months			79,087	88,193
Deferred tax assets to be utilized within 12 months			1,948	3,224
Total			81,035	91,417
<i>Deferred tax liabilities</i>				
Deferred tax liabilities to be paid after more than 12 months			33,433	34,732
Deferred tax liabilities to be paid within 12 months			198	168
Total			33,631	34,900
Deferred tax assets	Tax losses	Fair value gains	Other*	Total
As at January 1, 2019	89,420	667	2,928	93,016
Recognized in the income statement	256	-649	321	-73
Reposting to current tax	-1,576	-	-	-1,576
Translation differences	50	-	-	50
As at December 31, 2019	88,150	18	3,249	91,417
Recognized in the income statement	-2,983	-18	996	-2,005
Reposting to current tax	-66	-	-	-66
Translation differences	-8,311	-	-	-8,311
As at December 31, 2020	76,790	-	4,245	81,035
Deferred tax liabilities	Tax losses	Fair value gains	Other*	Total
As at January 1, 2019	-	270	34,110	34,380
Recognized in the income statement	-	-	-	-
Reclassifications	-	-110	110	-
Translation differences	-	-160	680	520
As at December 31, 2019	-	-	34,900	34,900
Recognized in the income statement	-	-	-	-
Translation differences	-	-	-1,269	-1,269
As at December 31, 2020	-	-	33,631	33,631

* Other deferred tax liabilities include deferred tax of SEK 33.6 (34.7) million referring to temporary differences from goodwill in the German operations. Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable. Most of the Group's tax loss carry forwards are related to the US and UK operations. They amount to a total of USD 106.6 (105.7) million, which restated at the balance sheet rate is SEK 873.4 (985.3) million, to be utilized within a 20-year period in the USA, and GBP 9.3 (9.2) million in the United Kingdom, which restated at the balance sheet rate is SEK 102.7 (112.3) million, where there is no time limit on the right to apply tax loss carry forwards. Apart from these, the Group has tax loss carry forwards in Germany of EUR 5.9 (7.1) million, which restated at the balance sheet rate amount to SEK 58.9 (73.7) million, and in Sweden of SEK 54.6 (61.8) million. The Group's recognized deferred tax assets include the USA, SEK 51.6 (59.3) million, Sweden, SEK 15.5 (16.0) million and Germany, SEK 13.9 (16.1) million.

NOTE 32 Pension obligations**Defined benefit pension plans**

There are a few defined benefit pension plans within the Group, which primarily cover old-age pension. Qualification is based on the number of years within the pension plan and salary at the time of retirement. The pension obligations are secured through retirement benefit plans or similar or by the company. The largest of the plans is in Germany. Other pension obligations, which also exist in Germany and Japan, have not been regarded as having any material effect and have not been subject to actuarial calculation.

Pension insurance with Alecta

Commitments for old-age pension and family pension for employees in Sweden are safeguarded through insurance with Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan covering several employers. For the 2020 financial year the Group has not had access to such information as will make it possible to report this plan as a defined benefit plan. The pension plan under ITP, which is vested through insurance with Alecta, is therefore reported as a defined contribution plan. The year's contributions for pension insurance taken out with Alecta amount to SEK 3,094 (8,909) thousand. Alecta's surplus can be distributed to the policy holders and/or the insured. At the end of 2020 Alecta's surplus in the form of a collective solvency level was 148 (148) per cent. The collective solvency level comprises the market value of Alecta's assets as a percentage of its insurance commitments calculated in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19.

**NOTE 32 Pension obligations (cont.)**

	2020	2019
<i>Obligations in the balance sheet for</i>		
Pension benefits	10,120	10,388
<i>Recognition in the income statement for (note 9)</i>		
Pension costs	17,889	21,128
Amounts recognized in the balance sheet	2020	2019
Present value of unfunded obligations	10,120	10,388
Total	10,120	10,388
Amounts recognized in the income statement	2020	2019
<i>Defined benefit plans</i>		
Interest expense	42	64
Total	42	64

Of the total cost, SEK 42 (64) thousand was included in the items 'Cost of goods sold' and 'Administrative expenses'. The actual return on the plan assets was SEK –(–) thousand.

Changes in the liability recognized in the consolidated balance sheet

	2020	2019
At the start of the year	10,388	9,719
Translation differences	–270	376
Total expense recognized in the income statement	42	64
Contributions paid	–40	229
At the end of the year	10,120	10,388

Total pension costs recognized in the consolidated income statement

	2020	2019
Total costs for defined benefit plans	42	64
Total costs for defined contribution plans	17,368	21,064
Costs of special employer's contribution and tax on returns from pension funds	479	–
Total	17,889	21,128

Actuarial assumptions

	2020	2019
Discount rate	0.7 %	1.0 %
Expected return on plan assets	1.0 %	1.0 %
Future salary increases	0.0 %	0.0 %
Future pension increases	1.0 %	1.0 %

NOTE 33 Other provisions

	Future waste management costs	Other Provisions	Total
As at January 1, 2020	85,686	1,645	87,330
Recognized as an expense in the consolidated income statement			
– Additional provisions	11,905	–	11,905
– Reversed provisions	–11,138	–1,405	–12,543
Capitalized as property, plant and equipment			
Transfers	2,604	–	2,604
Amount utilized during the period	–18,976	–	–18,976
As at December 31, 2020	70,081	240	70,320
Long term portion	64,767	–	64,767
Current portion	5,313	240	5,553
Total	70,080	240	70,320

NOTE 33 Other provisions (cont.)

	Future waste management costs	Other Provisions	Total
As at January 1, 2019	91,637	20,761	112,397
Recognized as an expense in the consolidated income statement			
– Additional provisions	9,124	–	9,124
– Reversed provisions	–4,300	–19,118	–23,418
Capitalized as property, plant and equipment			
Transfers	802	2	804
Amount utilized during the period	–11,577	–	–11,577
As at December 31, 2019	85,686	1,645	87,330
Long term portion	81,488	1,405	82,893
Current portion	4,197	240	4,437
Total	85,685	1,645	87,330

The Group's operations generate nuclear waste and radioactive waste which must be sent for final disposal within the framework of the systems and rules in force in the countries in which Studsvik carries on operations in its own production facilities. Provisions are made for operational waste, spent reactor fuel and also to some extent for decommissioning of facilities and the resulting decommissioning waste. The main part of the costs of decommissioning and decommissioning waste from the Group's Swedish nuclear facilities is financed, under the provisions of the Studsvik Act 1988:1597, through a charge on nuclear generated electricity. Fees paid in are administered by the Nuclear Waste Fund. The Group's total payments to the Nuclear Waste Fund amount to SEK 25,105 (16,548) thousand and are recorded as a non-current receivable, see note 22. Funds for decommissioning and waste management may be withdrawn from the Fund by Studsvik, which holds the nuclear permit for the facilities in question. Studsvik is not liable to pay under the current Act. Studsvik's responsibility for decommissioning and waste management for its own nuclear facilities is limited to buildings, systems and components coming into existence after June 30, 1991. Studsvik estimates these commitments on a current basis and provision is made for them.

Future waste management costs

Future waste management costs cover provisions for operational waste and spent reactor fuel. Of the total provisions of SEK 70.1 million, SEK 5.3 million is expected to be utilized in 2021 and the rest is expected to be utilized successively and at the earliest starting in 2022.

Other provisions

Other provisions cover future costs for decommissioning and management of waste in connection with the decommissioning of the Studsvik facility. Of the total provisions of SEK 0.2 million, SEK 0.2 million is expected to be utilized in 2021. The remaining part of the provisions is expected to be utilized only in connection with decommissioning operations. Studsvik's payments to the Nuclear Waste Fund are included in the item 'Financial assets at fair value through profit or loss'.

NOTE 34 Cash flow

	2020	2019	
Non-cash items			
Depreciation/amortization	28,704	29,048	
Impairment losses on property, plant and equipment	2,408	8,956	
Share in earnings from associated companies	–3,429	–9,483	
Revaluation of financial holdings	421	–3,198	
Other changes in provisions	–3,528	–24,398	
Total	24,576	925	
Reconciliation of items included in financing activities			
	Bank loans	Lease liabilities	Total
Liabilities as at January 1, 2019	199,850	25,008	224,858
Cash flow	–76,755	–4,223	–80,978
Acquisitions - leases	–	–2,465	–2,465
Foreign exchange differences	–	626	626
Liabilities as at December 31, 2019	123,095	18,946	142,041
Liabilities as at January 1, 2020	123,095	18,946	142,041
Cash flow	–23,138	–3,760	–26,898
Acquisitions - leases	–	–1,492	–1,492
Foreign exchange differences	–	–905	–905
Liabilities as at December 31, 2020	99,957	12,789	112,746

NOTE 35 Contingent liabilities and pledged assets

The Group has contingent liabilities in respect of bank guarantees and other guarantees as well as other items arising in the normal course of business. No material liabilities are expected to arise through these contingent liabilities. In the normal course of business the Group has issued guarantees amounting to SEK 38,527 (43,103) thousand to third parties. No further payments are expected as at the date of these financial statements.

Pledged assets	2020	2019
Real estate mortgage	40,000	40,000
Corporate mortgage	100,000	100,000
Shares in subsidiaries	701,623	332,327
Total	841,623	472,327

NOTE 36 Commitments**CAPITAL COMMITMENTS**

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2020	2019
Property, plant and equipment	2,985	–
Intangible assets	–	–
Total	2,985	–

NOTE 37 Rights of use**COMMITMENTS REGARDING LEASES**

Studsvik applies IFRS 16 from January 1, 2019, using the simplified transition method. An exemption is made for contracts with a shorter maturity than 1 year and contracts whose value is less than USD 5,000.

FINANCE LEASE COMMITMENTS

Lease expenses for finance leases for the year amounted to SEK 8,340 (10,828) thousand.

Future aggregate minimum lease payments

	2020	2019
Within 1 year	7,340	9,264
Between 1 and 5 years	6,130	12,106
More than 5 years	–	–
Total	13,470	21,370

LEASES

Carrying amounts on the balance sheet

Right of use assets	2020	2019
Land and buildings	8,444	15,155
Plant and machinery	5,110	4,676
Total	13,554	19,831
Lease liabilities	2020	2019
Current	7,158	8,650
Non-current	5,631	10,296
Total	12,789	18,946

Lease liabilities are recognized in the balance sheet under the Item 'Trade and other payables'. Additional rights of use in 2020 amounted to SEK 6,006 (5,641) thousand, which mainly refers to new premises and vehicles.

	Buildings and land	Plant and machinery	Total
January 1 – December 31, 2019			
Opening book value	–	–	–
IFRS 16 adjustment opening balance	18,401	6,607	25,008
Foreign exchange differences	860	159	1,019
Investments	3,319	2,322	5,641
Disposals and retirements	–110	–1,149	–1,259
Depreciation/amortization	–7,315	–3,263	–10,578
Closing book value	15,155	4,676	19,831

NOTE 37 Rights of use (cont.)

	Buildings and land	Plant and machinery	Total
January 1 – December 31 2020			
Opening book value	15 155	4 676	19 831
Foreign exchange differences	–932	–75	–1 007
Investments	1 525	4 481	6 006
Disposals and retirements	–1 375	–908	–2 283
Depreciation/amortization	–5 929	–3 064	–8 993
Closing book value	8 444	5 110	13 554

Carrying amounts in the income statement

Amortization on rights of use	2020	2019
Land and buildings	–5 929	–7 315
Plant and machinery	–3 064	–3 263
Total	–8 993	–10 578
Interest expense (included in financial expense)	–422	–590
Expenditure referring to current leases (included in costs of services sold and administrative expenses)	–1 593	–1 209
Expenditure referring to leases for which the underlying asset is of low value (included in costs of services sold and administrative expenses)	–816	–779

The total cash flow for leases in 2020 was SEK 6,157 (–6,062) thousand.

NOTE 38 Transactions with related parties

Studsvik, Inc. owns 50 percent of THOR Treatment Technologies, LLC (TTT). In accordance with a "Joint Venture Operating Agreement", the owners are to provide management, technical and marketing services to TTT. Studsvik owns 15 per cent of UK Nuclear Waste Management Ltd (NWM), where Studsvik, in a consortium together with other partners, is to manage and operate a repository for low level radioactive waste in the United Kingdom. Studsvik AB owns 49 per cent of KOBELCO STUDSVIK Co. Ltd, a joint venture in Japan, focusing on design of facilities for treatment of Japanese waste. Studsvik Germany GmbH & Co. KG. owns 50 per cent of ARGE SH KWO BioSchild, where Studsvik, in a consortium with other owners, is to manage and operate the decommissioning of the biological shield and pool structures of the nuclear power plant Obrigheim (KWO) in Germany. The participating interest in ARGE SH KWO BioSchild was terminated in 2020.

Related party transactions	2020	2019
Sale of services		
– UK Nuclear Waste Management Ltd	–	–
– KOBELCO STUDSVIK Co., Ltd	18	–
– ARGE SH KWO BioSchild	–	1,430

Reported receivables from related parties

– ARGE SH KWO BioSchild	–	42
Provision for doubtful trade receivables	–	–
Impairment loss on trade receivables	–	–

Total costs referring to provisions and impairment losses recognized in the income statement

Total costs referring to provisions and impairment losses recognized in the income statement	–	–
Loans receivable from related parties		
– UK Nuclear Waste Management Ltd	1,664	1,832

Under an agreement with the owners the services are supplied on a commercial basis.

There have been no transactions with other related parties, besides remuneration to the Board of Directors, President and senior management. Remuneration to the Board of Directors, President and senior management is described in note 9.

Studsvik holds 79 per cent of Studsvik Scandpower, Inc. The remaining 21 per cent is held by a private individual previously employed by the company. Studsvik owns 91 per cent of Studsvik Scandpower AB and its subsidiary Studsvik Scandpower GmbH. The remaining 9 per cent is held by the minority shareholder of Studsvik Scandpower, Inc.

The owners have agreed on how share transfers are to take place in the event of one of the parties wishing to relinquish or increase their holdings in the two companies. Studsvik can only increase its ownership through acquisition of the entire minority holding. The acquisition must be at market price. An acquisition must cover both companies. If the minority wishes to relinquish its ownership, the shares must be offered to Studsvik at market price. The market price will be determined by an independent valuation institute. In a situation where Studsvik AB wishes to relinquish its holding the minority has an option to acquire 12 per cent of the shares in Studsvik Scandpower AB at book value of equity.

**NOTE 39 Information on the Board of Directors and senior management**

Salaries and other benefits, 2020	Basic salary/ Board fee	Committee fee	Variable Remuneration	Other benefits	Pension cost	Other remuneration	Total
Chair of the Board							
– Anders Ullberg	650	75	–	–	–	–	725
Members of the board (6)							
– Jan Barchan	225	–	–	–	–	–	225
– Anna Karinen	225	–	–	–	–	–	225
– Peter Gossas	225	150	–	–	–	–	375
– Agneta Nestenborg	225	75	–	–	–	–	300
Employee representatives* (4)	–	–	–	–	–	–	–
President	2,571	–	–	87	752	–	3,410
Other senior management (4)	7,101	–	204	548	1,649	–	9,502
Total	11,222	300	204	635	2,401	–	14,762

* Two ordinary members and two alternates.

Salaries and other benefits, 2019	Basic salary/ Board fee	Committee fee	Variable Remuneration	Other benefits	Pension cost	Other remuneration	Total
Chair of the Board							
– Anders Ullberg	650	75	–	–	–	–	725
Members of the board (6)							
– Jan Barchan	225	–	–	–	–	–	225
– Anna Karinen	225	–	–	–	–	–	225
– Peter Gossas	225	150	–	–	–	–	375
– Agneta Nestenborg	225	75	–	–	–	–	300
Employee representatives* (4)	–	–	–	–	–	–	–
President	2,677	–	–	87	459	–	3,223
Other senior management (5)	7,246	–	229	486	1,989	–	9,950
Total	11,473	300	229	573	2,448	–	15,023

* Two ordinary members and two alternates.

Remuneration to the board of directors and other senior management

	2020	2019
<i>Parent company</i>		
Salaries, benefits and other remuneration	6,313	6,510
– Of which variable remuneration	–	–
Pensions	1,239	905
Number of persons	7	8
<i>Subsidiaries</i>		
Salaries, benefits and other remuneration	6,047	6,065
– Of which variable remuneration	204	229
Pensions	1,161	1,543
Number of persons	3	3
<i>Group</i>		
Salaries, benefits and other remuneration	12,360	12,575
– Of which variable remuneration	204	229
Pensions	2,400	2,448
Number of persons	10	11

Principles

In 2020 the members of the Board of Directors did not receive any remuneration in addition to the Board and Committee fees.

Variable remuneration

The President has the right to variable remuneration. The forms of the variable salary component are established annually. No variable remuneration was paid for 2020. The variable salary component for other senior management for 2020 is based on outcomes related to individually specified targets at both Group and unit level. For 100 per cent target fulfillment in all parameters a maximum variable salary component is payable of 10–30 percent of the basic salary.

Other benefits and remuneration

Other benefits reported are company car, meal subsidies and other benefits such as health care. Other remuneration consists of severance pay.

Financial instruments

Under current employment contracts there are no share-based payments.

Pension

The pensionable age of the President is 65 years. Apart from statutory national pension she has a defined contribution pension plan to which the company pays in a monthly pension premium equivalent to 30 per cent of fixed monthly salary. For other members of the Executive Group Management a pension is payable as a rule from the age of 65. Swedish members of the Executive Group Management are included in the ITP plan and have a defined contribution pension of a maximum of 35 per cent of fixed salary. National defined contribution pension plans apply to Executive Group Management members outside Sweden.

Termination and severance pay

The President's period of notice is 6 months for his own termination of employment

and 12 months for termination by the company. In the case of termination of employment by the company, salary is payable during the period of notice as well as an additional monthly severance payment for 9 months after termination of employment, though no longer than until retirement age. The monthly severance payment will be equivalent to the fixed monthly salary received during the period of notice. Deduction is made for any salary from a new employer. For other members of the group executive management, the main rule is that the period of notice is 6 months when employment is terminated by the employee and 6 months when terminated by the company. In the case of termination of employment by the company, salary is payable during the period of notice as well as an additional severance payment of up to 6 months' salary.

NOTE 40 Events after the close of the reporting period

In January 2021, a contract was signed with the Institute for Energy Technology (IFE) in Norway, worth SEK 134 million.

NOTE 41 Reconciliations of key figures and ratios**Amounts in SEK million**

	2020	2019
Return on capital employed		
Profit/loss after financial items	41.3	–22.8
Financial costs according to the income statement	6.0	22.0
Total	47.3	–0.8
Balance sheet total	808.2	900.6
Provisions and other non-current liabilities	–155.9	–166.6
Non-interest bearing current liabilities	–226.4	–217.9
Opening capital employed	425.9	516.1
Balance sheet total	760.5	808.2
Provisions and other non-current liabilities	–137.1	–155.9
Non-interest bearing current liabilities	–210.0	–226.4
Closing capital employed	413.4	425.9
Average capital employed	419.7	471.0
Return on capital employed	11.3	–0.2
Return on equity		
Net profit/loss for the year	35.2	–28.0
Total	35.2	–28.0
Opening equity	302.8	316.2
Closing equity	313.4	302.8
Return on equity	11.4	–9.0
Net debt		
Current borrowing	55.5	76.6
Non-current borrowing	44.5	46.5
Total debt	100.0	123.1
Cash and cash equivalents	75.2	40.2
Net debt	24.8	82.9

Definitions of key figures and ratios are presented on page 80.

NOTES TO THE PARENT COMPANY ACCOUNTS

For the parent company's accounting policies, see note 1.24.

NOTE 42 Net sales

Net sales by geographical market	2020	2019
Sweden	4,101	5,204
Europe, not including Sweden	4,984	6,018
Asia	6	–
North America	1,989	2,685
Total	11,080	13,907

NOTE 43 Employee benefits

	2020		2019	
	Salaries and other remuneration (of which variable remuneration)	Social security expenses (of which pension costs)	Salaries and other remuneration (of which variable remuneration)	Social security expenses (of which pension costs)
Board of Directors and President	4,421 (–)	2,014 (935)	4,527 (–)	1,792 (571)
Other employees	4,784 (–)	6,083 (4,960)	2,936 (–)	3,164 (1,430)
Total	9,205 (–)	8,097 (5,895)	7,463 (–)	4,956 (2,001)

Salaries and other remuneration includes severance payments. See note 39.

NOTE 44 Costs by nature of expense

	2020	2019
Purchases of material and services	14,036	16,039
Staff costs	17,485	12,893
Depreciation/amortization	467	701
Total	31,988	29,633

Services include fees and remuneration to accounting firms as follows:

	2020	2019
<i>PricewaterhouseCoopers AB</i>		
Audit assignments	851	1,314
Other services	210	–
Total	1,061	1,314

Audit assignments refer to the examination of the annual accounts, the accounting records and the administration by the Board of Directors and the President. It also includes other duties that are incumbent on the company's auditors as well as advisory services and other types of support as a result of observations made through such an examination or the performance of such duties.

NOTE 45 Depreciation

	2020		2019	
	According to plan	Book	According to plan	Book
Equipment and tools	467	467	701	701
Total	467	467	701	701

NOTE 46 Other operating income and expenses

Other operating income	2020	2019
Financial assets at fair value through profit or loss		
– Fair value gains	29	754
Foreign exchange gains	34	34
Total	63	788
Other operating expenses	2020	2019
Foreign exchange losses	–358	–270
Total	–358	–270

NOTE 47 Operating leases

	2020	2019
Maturity within one year	260	123
Maturity after one year but within five years	222	144
Maturity after five years	–	–
Total	482	267

The parent company's leases mainly refer to vehicles with traditional terms and conditions.

NOTE 48 Result from investments in group companies

	2020	2019
Dividend from group companies	140,000	–
Result of recognition of impairment loss on shares in subsidiary	–	–57,110
Total	140,000	–57,110

NOTE 49 Interest income and similar income items

	2020	2019
Interest	10,452	12,053
Exchange rate differences	–	6,627
Total	10,452	18,680

Of which in respect of Group companies

Interest	10,306	11,872
Total	10,306	11,872

NOTE 50 Interest expense and similar income items

	2020	2019
Interest	6,329	10,390
Other financial expense	–	9,303
Exchange rate differences	14,205	–
Total	20,534	19,693

Of which in respect of Group companies

Interest	2,785	2,974
Total	2,785	2,974

NOTE 51 Appropriations

	2020	2019
Group contributions received	28,305	8,675
Total	28,305	8,675

NOTE 52 Income tax

	2020	2019
<i>Current tax</i>		
Current tax on profit for the year	–521	–781
Total	–521	–781

Deferred tax

Origination and reversal of temporary differences	1,016	350
Total	1,016	350
Total income tax	495	–431

Deferred tax asset

As at January 1, 2020	14,997
Recognized in the income statement	1,016
Tax loss carry-forwards utilized	–521
As at December 31, 2020	15,492

**NOTE 52 Income tax (cont.)**

The Swedish income tax rate is 21.4 (21.4) per cent. The income tax on the parent company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate for profits as follows.

	2020	2019
Profit/loss before tax	137,020	-64,656
Tax at current tax rate	-29,322	13,836
Non-taxable revenue	29,965	161
Non-deductible expenses	-1,164	-14,778
Revaluation to new tax rate	-112	29
Tax referring to temporary differences	1,128	321
Total	495	-431

The effective tax rate was 0.4 (0.7) per cent.

NOTE 53 Non-current intangible assets

	2020	2019
<i>Equipment and tools</i>		
Opening cost of acquisition	3,505	3,505
Closing accumulated cost of acquisition	3,505	3,505
Opening depreciation	-3,038	-2,337
Depreciation for the year	-467	-701
Closing accumulated depreciation	-3,505	-3,038
Closing residual value according to plan	-	467

NOTE 54 Non-current financial assets

	2020	2019
<i>Shares in subsidiaries</i>		
Opening cost of acquisition	1,044,185	1,035,994
Shareholders' contributions	-	7,110
Investment in subsidiaries	-	1,081
Sale of subsidiaries	-43	-
Closing cost of acquisition	1,044,142	1,044,185
Opening impairment losses	-775,051	-717,941
Impairment losses for the year	-	-57,110
Closing impairment losses	-775,051	-775,051
Closing value	269,091	269,134

	2020	2019
<i>Interests in joint ventures</i>		
Opening cost of acquisition	12,072	12,072
Closing cost of acquisition	12,072	12,072

	Number	Nominal valu	Participation	Book value 31/12/20	Book value 31/12/19
KOBELCO	3,000	98.000 YEN	49 %	12,072	12,072
STUDSVIK Co., Ltd					

	2020	2019
<i>Receivables from subsidiaries</i>		
Loans to Studsvik Holding, Inc. Group		
- Opening cost of acquisition	101,655	87,816
- New loans	7,000	4,353
- Change in accrued interest	814	5,794
- Foreign exchange differences	-13,329	3,692
Closing value	96,140	101,655

NOTE 54 (cont.)

	2020	2019
<i>Loan to Studsvik Ltd</i>		
- Opening cost of acquisition	12,210	25,492
- Repayment received	-	-3,615
- New loans	3,558	4,989
- Change in accrued interest	2	-9
- Conversion to shareholders' contribution	-	-7,110
- Impairment loss	-	-9,303
- Foreign exchange differences	-1,353	1,766
Closing value	14,417	12,210

	2020	2019
<i>Loan to Studsvik GmbH</i>		
- Opening cost of acquisition	114,738	114,269
- Repayment received	-3,269	-4,608
- Change in accrued interest	-	2,664
- Foreign exchange differences	-4,454	2,413
Closing value	107,015	114,738

Financial assets measured at fair value through profit or loss

	2020	2019
<i>Unlisted shareholdings</i>		
- Opening cost of acquisition	14,703	13,949
- Revaluation to fair value	25	754
Closing value	14,728	14,703

	2020	2019
<i>Capital insurance</i>		
- Opening cost of acquisition	15,180	12,233
- Items added	295	303
- Reposting to current asset	-42	1,447
- Items deducted	-43	-912
- Revaluation to fair value	1,149	2,109
Closing value	16,539	15,180

NOTE 55 Prepaid expenses and accrued income

	2020	2019
Prepaid pension premiums	84	-
Prepaid software licenses	222	171
Other	130	194
Total	436	365

NOTE 56 Shares and investments in subsidiaries

	Share of equity, %	Share of voting rights, %	Number of participations/shares	Nominal value	Book value	Equity	Profit/loss for the year
<i>Parent company's holdings</i>							
Studsvik Holding, Inc.	100	100	2,000	KUSD 25,372	24,042	569,164	-4,894
Studsvik Nuclear AB	100	100	5,000	KSEK 50,000	223,400	308,678	4,930
Studsvik Scandpower, Inc.	79	79	1,503	KUSD 149	984	48,821	5,750
Studsvik Scandpower AB	91	91	1,000	KSEK 91	603	28,666	-29
Studsvik Japan Ltd	100	100	10,000	KJPY 10,000	373	2,933	374
Studsvik Germany GmbH	100	100		KEUR 26	241	34,658	-4,909
Studsvik Verwaltungs GmbH	100	100		KEUR 26	261	2,751	-
Studsvik Instrument Systems AB	100	100	17,000	KSEK 17,000	18,106	18,106	-
Studsvik Limited	100	100	1,000,000	KSEK 1,000	-	-9,904	4,519
Studsvik Engineering Technology (Beijing) Co., Ltd.	100	100		KEUR 100	1,081	1,593	743
Total					269,091		

Information on subsidiaries' corporate identity numbers and registered offices

	Corporate identity number	Registered office
Studsvik Nuclear AB	556051-6212	Nyköping, Sweden
Studsvik Scandpower, Inc.	36-3088916	Wilmington, USA
Studsvik Scandpower AB	556137-8190	Nyköping, Sweden
Studsvik Scandpower GmbH	HRB 4839	Norderstedt, Germany
Studsvik Suisse AG	CH400.3.036.599-0	Fischbach-Göslikon, Switzerland
Studsvik Japan Ltd	-	Osaka, Japan
Studsvik Holding, Inc.	35-3481732	Atlanta, USA
Studsvik, Inc.	36-2999957	Atlanta, USA
RACE Holding, LLC	20-2472653	Atlanta, USA
Studsvik Germany GmbH	HRB 504467	Mannheim, Germany
Studsvik Verwaltungs GmbH	HRB 504468	Mannheim, Germany
Studsvik GmbH & Co. KG	HRA 503411	Mannheim, Germany
Studsvik Instrument Systems AB	556197-1481	Nyköping, Sweden
Studsvik Waste Management Technology AB	559019-2448	Nyköping, Sweden
Studsvik Limited	9660060	Gateshead, England
Studsvik Engineering Technology (Beijing) Co., Ltd.	911101 05MA01K Y4A74	Peking, China

NOTE 57 Liabilities to credit institutions

	2020	2019
<i>Bank loans</i>		
Long term portion	44,500	46,500
Current portion	2,000	2,000
Total	46,500	48,500
<i>Bank overdraft facility</i>		
Long term portion	-	-
Current portion	53,457	74,595
Total	53,457	74,595
TOTAL	99,957	123,095

NOTE 58 Accrued expenses and deferred income

	2020	2019
Holiday pay liability	1,193	1,028
Accrued wages and salaries	1,582	-
Accrued social security contributions	691	892
Other	621	548
Total	4,087	2,468

NOTE 59 Pledged assets

	2020	2019
Shares in subsidiaries	248,547	224,003
Floating charges	100,000	100,000
Total	348,547	324,003

Shares in Studsvik Nuclear AB and Studsvik Scandpower AB have been put up as collateral for bank loans. Shares in Studsvik Germany GmbH, Studsvik Werwaltungs GmbH and Studsvik Holding Inc. have been put up as collateral for future waste management costs.

NOTE 60 Contingent liabilities

	2020	2019
Contingent liabilities referring to insurance	4,742	4,542
Total	4,742	4,542

In addition, the parent company has made a guarantee commitment for a subsidiary as for its own debt.

NOTE 61 Cash flow from operating activities

	2020	2019
Non-cash items		
Depreciation/amortization	467	701
Fair value gains	70	-
Other items	3,999	-755
Total	4,536	-54

NOTE 62 Transactions with related parties**Intra-Group purchases and sales**

The percentage of the year's purchases and sales referring to other companies within the Studsvik Group is presented below.

	2020	2019
Purchases	25%	14%
Sales	100%	100%

The same pricing principles are applied to purchases and sales between group companies as apply to transactions with external parties.

NOTE 63 Number of employees

	2020	2019
Women	3	3
Men	1	1
Total	4	4

	2020		2019	
Board members and senior management executives	Number on balance sheet date	Of which men	Number on balance sheet date	Of which men
Board members	7*	4	7*	4
President and other senior management	2	1	2	1

* The number of board members only refers to ordinary members.

Agreements on severance payments and other commitments to Board members and the President

The President's period of notice is 6 months for his own termination of employment and 12 months for termination by the company. In the case of termination of employment by the company, salary is payable during the period of notice as well as an additional severance payment equivalent to 9 months' salary. See note 39.

NOTE 64 Investment in subsidiaries

	2020	2019
Investment in subsidiaries	-	1,081
Total	-	1,081

The investment in 2019 refers to the subsidiary Studsvik Engineering Technology (Beijing) Co. Ltd.



The consolidated income statement and balance sheet will be presented at the Annual General Meeting on June 23, 2021 for adoption.

The Board of Directors and the President certify that the consolidated accounts have been prepared in accordance with international financial reporting standards, IFRS, as adopted by the EU, and give a true and fair view of the Group's financial position and performance. The annual accounts have been prepared in accor-

dance with generally accepted accounting principles and give a true and fair view of the parent company's financial position and performance.

The administration report for the Group and parent company provides a fair review of the development of the Group's and the parent company's business, financial position and performance and describes significant risks and uncertainties faced by the parent company and the companies that are part of the Group.

Nyköping, February 16, 2021

Anders Ullberg
Chair

Anna Karinen
Vice Chair

Jan Barchan
Member

Peter Gossas
Member

Agneta Nestenborg
Member

Jitka Zakova
Employee representative

Per Ekberg
Employee representative

Camilla Hoflund
President/CEO

Our auditor's report was submitted on March 8, 2021
PricewaterhouseCoopers AB

Martin Johansson
Authorized public accountant

AUDITOR'S REPORT

To the General Meeting of Shareholders of Studsvik AB (publ),
corporate identity number 556501-0997

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Studsvik AB for 2020 with the exception of the sustainability report on pages 27-31. The company's annual accounts and consolidated accounts are included on pages 10-21 and 32-66 of this document.

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 at December 31, 2020 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 at December 31, 2020 and of its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the sustainability report on pages 22-31. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the General Meeting adopts the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position and the income statement and balance sheet of the parent company.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the contents of the additional report submitted to the parent company's and the Group's Audit Committee in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISAs) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and we have fulfilled our other ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to Article 5.1 of the Audit Regulation (537/2014), have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

AUDIT FOCUS AND SCOPE

We designed our audit by determining materiality and assessing the risk of material misstatement in the financial statements. In particular, we considered areas where the President and Board of

Directors made subjective assessments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of systematic bias that represented a risk of material misstatement due to fraud.

We tailored our audit to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, accounting processes and controls, and the industry in which the Group operates.

The Studsvik Group consists of several companies. Of these, operations in Sweden and Germany constitute significant units and are therefore included in our audit of the Group. The audit of these units and the parent company include audit measures in the form of testing of details supplemented by analytical review of the units in the USA. A majority of the subsidiaries in the Group are also subject to statutory audit under local requirements.

MATERIALITY

The scope and focus of our audit was influenced by our application of materiality. An audit is designed to achieve reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the focus and scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts for the current period. These matters were addressed in the context of the audit of, and in forming our opinion on, the annual accounts and consolidated accounts as a whole, and we do not provide a separate opinion on these matters.



Key audit matters

Measurement of goodwill on consolidation for the Waste Management Technology business area, note 16

The consolidated balance sheet reports goodwill referring to the Waste Treatment business area of SEK 176 (182) million, which is presented in note 16 of the financial statements. This constitutes 23 per cent of the Group's balance sheet total and 56 per cent of the Group's equity. The nature of the business area's operations is such that there is a high degree of uncertainty in the forecasts, as license business is negotiated over a long period and dependent among other things on the outcome of feasibility studies. Under International Financial Reporting Standards (IFRS) the company must measure the value of goodwill on consolidation for impairment by conducting impairment tests for each cash generating unit, based on the present value of forecast future cash flows. The impairment tests are based on several material assumptions on future development based on the management's assessments. These are presented in more detail in note 16 of the financial statements.

The impairment testing set up as at December 31, 2020 for the business area did not show any impairment loss.

Provisions for decommissioning, waste treatment and restoration of land (see the Group's accounting policies in note 1.20, material assumptions in note 3 and note 33)

The operations at Studsvik's facilities in Sweden and the now sold facility in the UK are subject to local licensing requirements and Studsvik is liable to decommission facilities, manage waste and restore land. The Group makes provision in the balance sheet for these future decommissioning costs, as well as costs for handling waste.

At the close of 2020, provision of SEK 65 (83) million was made in the balance sheet for future waste costs and decommissioning and restoration.

The Group has a process for monitoring and measuring provisions for waste treatment, decommissioning and restoration. Determination of provisions has a significant influence on the audit of the Group as the assessment of the value of the size of provisions is influenced by the management's estimates and assumptions.

Valuation of deferred tax assets (see the Group's accounting policies in note 1.18, material assumptions in note 3 and note 31)

The Group reports deferred tax assets referring to tax loss carry forwards of SEK 81 (91) million.

As valuation of tax loss carry forwards reported in the balance sheet depend on the management's estimates in the form of forecasts of future taxable profit, the determination of the value of the deferred tax assets has a significant influence on the audit.

How our audit addressed the key audit matter

In our audit we carried out a number of audit procedures on the impairment tests prepared by the company's management. This included verifying, with the help of internal valuation specialists, that the impairment testing is based on generally accepted valuation methods and meet the preparation requirements that exist under International Financial Reporting Standards (IFRS). Moreover, we have verified the mathematical correctness of the model and evaluated the reasonableness of the management's assumptions concerning future cash flows, growth and discount rates.

Our audit measures also included verifying that the forecasts in the impairment tests are in line with the strategic plans and budgets produced by the company management.

In addition, we have evaluated the company's analysis of the sensitivity of the valuation to changes in material parameters that, on an individual or collective basis, could indicate the existence of impairment loss.

We have evaluated the Group's process for identifying additional waste and the valuation process for the provision for waste treatment, decommissioning and restoration of land.

Our audit procedures include evaluating whether the provisions comply with the Group's accounting policies.

Moreover, based on risk and materiality, we have cross-checked and assessed material parameters, such as volume and price, for calculating the provision against documentation in the form of agreements and reporting from external parties, where these exist, and internal calculations on which these are based.

Furthermore, we have tested the mathematical correctness of the provision calculations.

We have examined whether the management's estimate of the carrying amount of deferred tax assets referring to tax loss carry forwards is based on the Group's budgets and forecasts regularly prepared by the management.

We have checked that the assumptions used in these budgets and forecasts of future taxable profits are in accordance with the management's strategic plans and intentions and evaluated whether they are realistic on the basis of our experience of the business. This was done by analyzing how well previous years' assumptions were met, any adjustments made of assumptions from previous years as a consequence of developments in the operations, as well as external factors.

In addition, we have tested the mathematical correctness of the calculations for material deferred tax assets referring to tax loss carry forwards.

Information in the annual report additional to the annual accounts and consolidated accounts

This document also includes other information than the annual accounts and consolidated accounts and can be found on pages 10–21 and 32–66, as well as the sustainability report on pages 22–31. The other information also consists of the remuneration

report we expect to have access to after the date of this auditor's report. The Board of Directors and the President are responsible for this other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information iden-

tified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information in other respects appears to be materially misstated.

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

Responsibilities of the Board of Directors and President

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

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

The Board of Director's Audit Committee shall, among other things and without impacting the Board's responsibilities and duties in general, monitor the company's financial reporting.

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have examined the administration of the Board of Directors and the President of Studsvik AB for 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the General 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 President be discharged from liability for the financial year.

Basis for opinion

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

other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors and President

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

The Board of Directors is responsible for the organization of the company and the administration of its affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs in other respects are controlled in a satisfactory manner. The President shall conduct the day-to-day management in accordance with the Board of Director's guidelines and instructions and take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a satisfactory manner.

Auditor's responsibility

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

has undertaken any action or been guilty of any omission that may give rise to liability to the company,

in any other way has acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

A further description of our responsibility for the audit of the administration can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 22–31 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our examination was conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report 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. We believe that the examination has provided us with sufficient basis for our opinion.

A sustainability report has been prepared.

PricewaterhouseCoopers AB, Torsgatan 21, Stockholm, was appointed as auditor of Studsvik AB (publ) by the General Meeting held on June 23, 2020 and has been the company's auditor since its listing on May 4, 2001.

Stockholm, March 8, 2021
PricewaterhouseCoopers AB

Martin Johansson
Authorized public accountant



CORPORATE GOVERNANCE

Corporate governance

Studsvik AB is a Swedish public company with its registered office in Nyköping and is listed on Nasdaq Stockholm. The company is the parent of a Group that carries on business in nuclear technology in an international arena. Corporate governance is based on the Articles of Association and the Swedish Companies Act, a number of Swedish and foreign laws and ordinances and the Swedish Code of Corporate Governance (the Code). Studsvik has no departures from the Code to report.

General Meeting of Shareholders

The General Meeting is the company's highest decision-making body, where the shareholders exercise their influence through discussions and decisions. An Annual General Meeting must be held once a year to adopt income statements and balance sheets, decide on dividend as well as elect a Board of Directors and auditors and decide on their remuneration.

The number of shareholders on December 31, 2020 was 5,251. The total number of shares was 8,218,611. All shares have an equal right to participate in the company's assets and profits. Three shareholders each account for more than 10 per cent of the shares in the company. Information on shareholders, voting rights and the Articles of Association is presented in the annual report on pages 70–73.

Due to the Corona pandemic, only 13 shareholders could participate at the Annual General Meeting held in June 2020, representing a total of 45.4 per cent of the votes in the company. The Annual General Meeting adopted the consolidated income statements and balance sheets, adopted the Board's proposed dividend, discharged the Board of Directors and President from liability, and elected PricewaterhouseCoopers AB as auditor. All members of the Board of Directors were re-elected, and Anders Ullberg was appointed as Chair. The Meeting also established principles for benefits to senior management and appointed the Nomination Committee. The minutes of the Annual General Meeting can be found on the company's website.

Nomination Committee

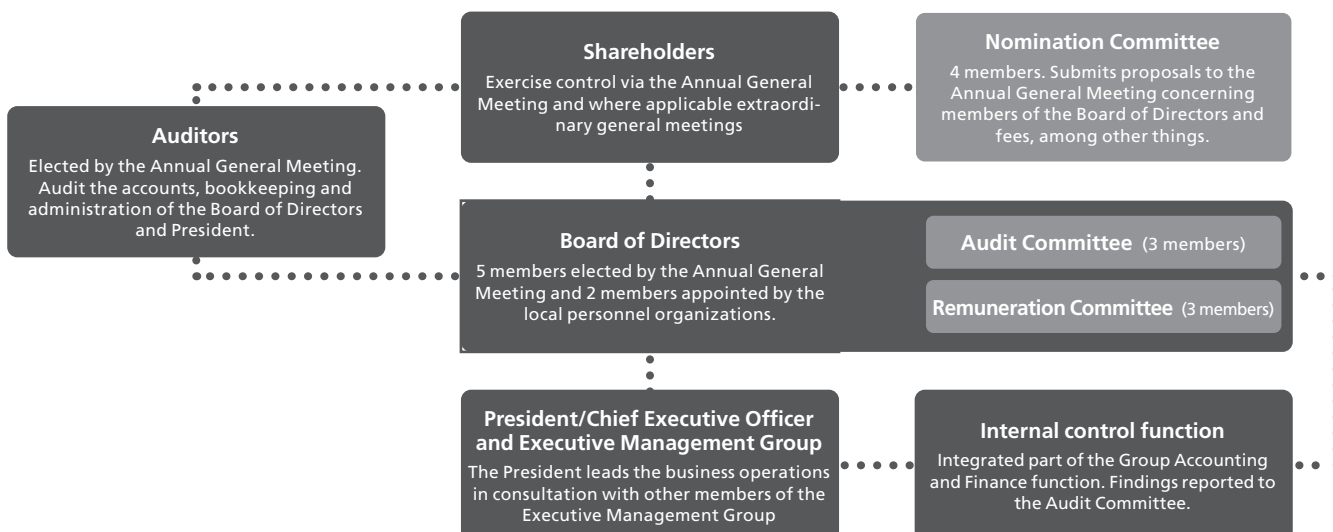
The main task of the Nomination Committee is to propose to the Annual General Meeting candidates for the Board of Directors, Chair of the Board and auditors and their fees. The Nomination Committee is also to propose a new Nomination Committee.

As resolved by the Annual General Meeting, the Nomination Committee is to consist of the Chair of the Board and representatives of each of the three largest shareholders. The Annual General Meeting appointed Jan Barchan (Briban Invest AB), Sven Ericsson (representative of the Karinen family), Peter Gyllenhammar (Peter Gyllenhammar AB) and Anders Ullberg (Chair of the Board) as members of the Nomination Committee. The Nomination Committee's term of office is until a new Nomination Committee is appointed.

Information on how shareholders can submit proposals to the Nomination Committee has been published on Studsvik's website. The work of the Nomination Committee focuses on ensuring that the Board of Directors is composed of members that together have the knowledge and experience that meet the requirements of the owners concerning Studsvik's highest governing body. In the process of preparing proposals for candidate members of the Board, the Chair of the Board therefore presents to the Nomination Committee the evaluation made of the work of the Board of Directors in the past year.

Composition of the Board of Directors

The Board of Directors consists of five board members elected by the General Meeting of Shareholders, as well as two members and two alternates appointed by the staff organizations Unionen and the Swedish Association of Graduate Engineers. Of the ordinary seven members, the proportion of women is 43 per cent, which is in line with the Group's policy for diversity and gender equality. The members of the Board of Directors are presented on pages 74–75 of the annual report and under Board of Directors and auditors on the website.



The members elected by the Annual General Meeting are to be regarded as independent in relation to the company and the company management. All, apart from Jan Barchan and Anna Karinen, are independent of major shareholders.

Chair

Anders Ullberg is the Chair of the Board and leads the work of the Board. He has a particular responsibility to follow the company's development between Board meetings and ensure that the Board Members regularly receive the information necessary for performing a satisfactory job. The Chair is to maintain regular contact with the President on various matters as needed.

Work of the Board of Directors.

The task of the Board of Directors is to administer the company's business in the best way possible and in its work safeguard the interests of the shareholders. The Board's work follows rules of procedure adopted annually at the inaugural board meeting. The rules of procedure specify the division of duties between the Board and the President, the responsibilities of the Chair and President respectively, and the forms of financial reporting. The President takes part in the work of the Board of Directors and other employees take part when this is called for. The Group's Chief Financial Officer acts as secretary to the Board.

In 2020 the Board of Directors held 11 meetings, including the inaugural meeting in connection with the Annual General Meeting. The attendance of the members is shown in the table below.

The Board of Directors receives information on the company's economic and financial situation through monthly reports and at board meetings. Operations in the various business areas are monitored and discussed in accordance with a rolling plan, which means that the Board of Directors makes a detailed analysis of each business area at least once a year. Moreover, the Board of Directors agrees each year on a number of issues that are to be examined at a board meeting during the year. In 2020 the Group's

strategy and business opportunities in new markets were among the matters dealt with. In-depth reviews of all business areas were carried out during the year. In addition, the possibilities of administrative efficiency improvements and savings within the Group were considered.

Ahead of each board meeting the Chair and President go through the business to be dealt with at the meeting and supporting documentation for the Board's processing of the business is sent to the members about a week before each board meeting.

At two meetings the company's auditors reported on their findings from the audit of the annual accounts and the company's administration. The Board of Directors was then also given the opportunity of discussions with the auditors without the company management being present. The Chair ensures that the work of the Board of Directors is evaluated annually and that the Nomination Committee receives the information necessary concerning the results of the evaluation. The evaluation is discussed by the Board of Directors as a basis for planning the Board's work for the coming year.

Policies, guidelines and instructions

The Board reviews and adopts Group policies and guidelines and the Group's Code of Conduct. The Code of Conduct aims to provide guidance to employees and business partners, minimize risks, strengthen the corporate culture and convey Studsvik's core values.

The President adopts guidelines and operative instructions based on policies and guidelines established by the Board. Guidelines and operative instructions issued by the President/CEO primarily cover financial reporting, treatment of personal data (GDPR) and information technology. All policies and guidelines are available to the Group's employees on Studsvik's intranet.

Audit Committee

The Board of Directors has set up an Audit Committee. The Committee monitors the effectiveness of the company's internal controls, management of the company's risks and assures the

Board members	Elected	Attendance	Remuneration Committee	Audit Committee	Independent from company	Independent from major	Fee
Anders Ullberg, Chair	2007	11/11	4/4	4/4	Yes	Yes	725
Anna Karinen, Vice Chair	2003	10/11	4/4		Yes	No	225
Jan Barchan	2004	10/11	4/4		Yes	No	225
Peter Gossas	2013	11/11		4/4	Yes	Yes	375
Agneta Nestenborg	2010	11/11		4/4	Yes	Yes	300
Per Ekberg (A)	2005	11/11					
Roger Lundström (A) Alternate	2006	4/11					
Linda Ekstrand (A) <small>resigned on October 31, 2020</small>	2016	8/11					
Jennifer Arnesson (A) <small>alternate resigned on March 1, 2020</small>	2017	2/11					
Jitka Žáková (A) <small>elected on November 1, 2020</small>	2020	1/11					
Oscar Lemón (A) Alternate <small>alternate elected on November 1, 2020</small>	2020	1/11					



quality of the company's financial reporting. The Audit Committee consists of Peter Gossas (chair), Agneta Nestenborg and Anders Ullberg. The presenter in the Committee is the Chief Financial Officer. Apart from the Group's quarterly reports, during the year the Committee has taken note of and dealt with reports from the follow-up of internal controls. In addition, the Committee has been updated on the development of major current fixed price contracts, dealt with accounting matters, with particular focus on impairment testing, as well as continually following the progress of the Group's legal disputes. The company's auditors have reported to the Committee on their findings from the audit of the third-quarter closing (review) and the audit of the annual accounts. The Committee meets before each reporting date and on more occasions if necessary. The Committee held four meetings during the year. The Audit Committee works in accordance with the instructions adopted annually by the Board of Directors and reports on its work to the Board of Directors.

Remuneration Committee

The Board has appointed a Remuneration Committee from among its number. The Remuneration Committee submits proposals to the Board for the President's salary and other conditions of employment and approves salaries and other conditions of employment for the Executive Group Management proposed by the President. The Committee also draws up the Board of Directors' proposals to the General Meeting concerning principles of remuneration and other conditions of employment for the Executive Group Management. The Committee held four meetings during the year. The Remuneration Committee works in accordance with the instructions adopted annually by the Board of Directors and reports on its work to the Board of Directors. The Remuneration Committee consists of Anders Ullberg (chair), Jan Barchan and Anna Karinen.

A description of benefits to senior management is given in note 39 on page 62.

Board fees

The total board fee for Studsvik AB for 2020 amounted to SEK 1,850 (1,850) thousand. In accordance with a resolution passed by the Annual General Meeting, the Chair of the Board receives SEK 650 thousand per year and ordinary members SEK 225 thousand per year. No fee is paid to members appointed by the employee organizations. The chair of the Audit Committee receives a fee of SEK 150 thousand per year and the members SEK 75 thousand per year. No fee is paid to the Remuneration Committee. Board fees paid are presented in note 39 on page 62.

Auditors

At the 2020 Annual General Meeting the registered public accounting firm PricewaterhouseCoopers AB was elected as auditor for the period up to and including the 2021 Annual General Meeting. The auditor in charge is authorized public accountant Martin Johansson. PricewaterhouseCoopers conducts the audit of all the Group's material companies. The audit is based on an audit plan and during the year the auditor regularly reports findings to

the Audit Committee and on at least one occasion to the Board of Directors. The auditor obtains views from the Audit Committee concerning Studsvik's risks, which are thereafter given particular consideration in the audit plan. The auditor also participates in the Annual General Meeting to present the auditor's report and describe the audit work and findings.

In addition to the audit assignment, Studsvik has consulted PricewaterhouseCoopers in the area of taxation and on various accounting and financial issues. PricewaterhouseCoopers is obliged to test its independence prior to every decision to provide advice to Studsvik unrelated to the audit assignment. Advisory services in excess of SEK 50 thousand are to be approved in advance by the chair of the Audit Committee. Remuneration to the company's auditors is paid in accordance with an approved invoice on agreed terms. For information concerning remuneration in 2020 please refer to notes 8 and 44.

President/CEO and Executive Group Management

The President is responsible for the day-to-day management of the company. The President/CEO leads the operative business and prepares information and data for decision-making for the Board of Directors and is the presenter at Board meetings. In 2020 the Executive Group Management consisted of the President/CEO, the Chief Financial Officer and the heads of the business areas; Fuel and Materials Technology, Waste Management Technology and Scandpower. From January 1, 2021 the Business Area President Decommissioning and Radiation Protection Services is a member of the Executive Group Management. The Executive Group Management is presented on pages 76-77 of the annual report and on the website under Executive Group Management.

The Executive Group Management meets monthly to follow up the operative and financial developments in the segments. On two to three occasions during the financial year the Executive Group Management meets to deal in more detail with matters of an operative, strategic or long-term nature.

The President/CEO and Group functions are located in Studsvik. In accordance with the policies and guidelines established by the Board, the Group functions are responsible for business development, allocation of financial resources among the Group's operations, capital structure, risk management and human resources. The tasks also include questions concerning Group wide acquisitions and disposals, certain major projects, the Group's financial reporting, communication with the stock market and other internal and external communication.

Operative management

The Group's operative business was conducted during the year in subsidiaries, which are included in the four business areas. Operations in the business areas were followed up partly through business area reviews, partly through active board work in the subsidiaries. The business area reviews, which take place quarterly, not only analyze and discuss financial developments, but also market developments, risks and sustainability issues, among other things. The management groups for the business areas

follow the business areas' day to day activities on a monthly basis. Business plans and budgets are prepared by each business area in consultation with the Executive Group Management. The business is carried on in accordance with the rules, guidelines and policies established by the parent company, and local rules established by the respective local board. The Business Area Presidents have budget responsibility and are to ensure growth in their operations as well as being responsible for utilizing the synergies between the Group's various units.

Internal control

- internal control aims to ensure:
- that company goals and strategies are followed up,
- that shareholders' interests are protected,
- that external financial reporting reflects the actual situation with reasonable assurance,
- that financial reports are prepared in accordance with generally accepted accounting principles, laws and ordinances and other requirements of listed companies.

The Board of Directors has the overall responsibility for ensuring the Group has effective internal controls. The President is responsible

for ensuring that processes and organization that guarantee internal control and the quality of financial reporting are in place. Studsvik has no special internal audit function. The review and internal control are performed by an external consultant on behalf of the Chief Financial Officer, which the Board has found to be appropriate. The audit is based on an overall risk analysis at Group level, as well as on checklists and question lists in material for self-assessment that is subsequently verified from the point of view of materiality through direct audit. The audit is conducted via interviews and spot checks and is summarized in a report to the Audit Committee, where it is dealt with. A detailed description of the Group's risks and how they are managed is presented in the Administration Report on pages 10–31. An account of the Group's financial risks can be found in note 2 on pages 46–47.

The outcome of the examination is reported to the Audit Committee and the Board. The company's financial situation is discussed at every board meeting and the management makes a monthly analysis of the financial reporting at a detailed level. At its meetings the Audit Committee follows up the financial reporting and receives a report from the auditors.

Statement by the auditor on the corporate governance report

To the General Meeting of Shareholders of Studsvik AB (publ), corporate identity number 556501-0997

Assignment and division of responsibilities

The Board of Directors is responsible for the corporate governance report for 2020 on pages 70–73 and for its preparation in accordance with the Annual Accounts Act.

Focus and scope of the examination

Our examination was conducted in accordance with FAR's recommendation RevR 16 *The auditor's examination of the corporate governance report*. This means that our examination of the corporate governance report 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. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act are consistent with the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 8, 2021
PricewaterhouseCoopers AB

Martin Johansson
Authorized public accountant



BOARD OF DIRECTORS AND AUDITORS

Anders Ullberg

Danderyd, born in 1946
Chair since 2007
Former President and CEO of SSAB Svenskt Stål. Chair of the board of Boliden and Eneqvist Consulting and board member of Beijer Alma, Epiroc and Valedo Partners. Chair of the Swedish Financial Reporting Board and board member of the European Financial Reporting Advisory Group
Education: Graduate business administrator
Holding: 60,000 shares

Peter Gossas

Mora, born in 1949
Member since 2013
Previously President of Sandvik Materials Technology Chair of the board of the Alumbra Group and board member of Graphmatech and Sinsic AB.
Industrial advisor.
Education: M.Sc. Engineering physics
Holding: 2,000 shares

Anna Karinen

Sparreholm, born in 1963
Member since 2003, Vice Chair since 2007
Self-employed, in commercial real estate management, board member of the Flen local branch of Handelsbanken.
Education: Bachelor of laws
Holding: 1,327,492 shares

Agneta Nestenborg

Kävlinge, born in 1961
Member since 2010
Director, Project Support & Administration, European Spallation Source ERIC. Board member of Öresundskraft AB
Education: Ph.D. and MBA
Holding: 2,000 shares

Jan Barchan

Malmö, born in 1946
Member since 2004
President of Brihan Invest AB, member of the board of Audiodev AB and member of the board of Net Insight AB, Trianon AB and Trialbee AB
Education: Graduate business administrator
Holding: 1,343,362 shares

EMPLOYEE REPRESENTATIVES

Jitka Zakova

Nyköping, born in 1978
Member since 2020
Employee representative appointed by the Swedish Association of Graduate Engineers, works at Studsvik Nuclear AB
Education: Ph.D.
Holding: 28 shares

Roger Lundström

Nyköping, born in 1966
Alternate since 2018, member 2017-2005, alternate 2003-2005
Employee representative appointed by Unionen. Works in microscopy and damage analysis at Studsvik Nuclear AB
Education: Mechanical engineer
Holding: 0 shares

Per Ekberg

Nyköping, born in 1959
Member since 2018, alternate 2017-2006
Employee representative appointed by Unionen. Works in the materials research department at Studsvik Nuclear AB
Education: Power generation technology
Holding: 100 shares

Oscar Lemón

Huddinge, born in 1980
Alternate since 2020.
Employee representative appointed by the Swedish Association of Graduate Engineers, works at Studsvik Nuclear AB
Education: M.Sc. Engineering
Holding: 0 shares

AUDITOR

PricewaterhouseCoopers AB

Auditor in charge: Martin Johansson
Year of birth 1967
Auditor of Studsvik since 2016
Other assignments: Melker Schörling AB, Endomines AB, Orio AB and Toyota Industries Europe AB



ANDERS ULLBERG



ANNA KARINEN



JAN BARCHAN



PETER GOSSAS



AGNETA NESTENBORG



JITKA ZAKOVA



PER EKBERG



ROGER LUNDSTRÖM



OSCAR LEMÓN



EXECUTIVE GROUP MANAGEMENT

Camilla Hoflund

President and Chief Executive Officer, acting Business Area President for Scandpower
 Education: Mining engineer, Materials technology
 Born: 1969
 Year of employment: 1994–2000, 2003
 Other directorships: Board member of SIS, the Swedish Institute for Standards
 Background: Consultant and business developer at Det Norske Veritas and other senior positions in the group
 Holding: 8,200 shares

Mikael Karlsson

Business Area President Waste Management Technology
 Education: M.Sc. Engineering physics
 Born: 1962
 Year of employment: 1989
 Background: Several leading positions in the Group
 Holding: 2,101 shares

Claes Engvall

Chief Financial Officer
 Education: Graduate business administrator
 Born: 1964
 Year of employment: 2019
 Background: Leading positions at BillerudKorsnäs, PostNord and Ericsson
 Holding: 1,600 shares

Florian Buehler

Business Area President Decommissioning and Radiation Protection Services
 Education: Graduate Engineer
 Born: 1981
 Year of employment: 2019
 Background: Administrative and technical manager at GSE Systems Inc. and other leading positions in SAIC and Raytheon
 Holding: 0 shares

Joakim Lundström

Business Area President Fuel and Materials Technology
 Education: M.Sc. Engineering physics
 Born: 1978
 Year of employment: 2002
 Background: Various leading positions at Studsvik Nuclear AB
 Holding: 0 shares

Arthur DiGiovine, Senior Vice President Business development, is a co-opted member of the Executive Group Management.



CAMILLA HOFLUND



CLAES ENGVALL



JOAKIM LUNDSTRÖM



MIKAEL KARLSSON



FLORIAN BUEHLER



FIVE YEAR REVIEW

CONDENSED INCOME STATEMENTS

Amounts in SEK million	2016	2017	2018	2019	2020
Sales revenues	758.8	704.8	726.1	654.0	721.9
Cost of services sold	-535.3	-539.1	-551.2	-496.9	-526.9
Gross profit	223.5	165.7	174.9	157.1	195.0
Selling and marketing costs	-44.4	-44.2	-39.9	-51.1	-56.1
Administrative expenses	-112.8	-116.9	-107.9	-102.0	-89.2
Research and development costs	-27.5	-28.2	-9.0	-8.8	-8.3
Participation in associated company's profit before tax	4.1	8.7	10.6	9.5	3.4
Other, net	-18.2	-26.7	4.9	-15.1	1.2
Operating profit/loss	24.7	-41.6	33.5	-10.4	46.0
Net financial items	-16.4	-17.1	-14.9	-12.4	-4.7
Profit/loss after financial items	8.3	-58.6	18.7	-22.8	41.3
Income tax	8.7	13.7	-10.0	-5.2	-6.1
Profit/loss for the year from continuing operations	17.0	-45.0	8.7	-28.0	35.2
Operations held for sale					
Profit/loss for the year from operations held for sale	46.0	-	-	-	-
NET PROFIT/LOSS FOR THE YEAR	63.0	-45.0	8.7	-28.0	35.2

CONDENSED BALANCE SHEETS

Amounts in SEK million	2016	2017	2018	2019	2020
Assets					
Goodwill	173.7	173.4	182.1	187.9	176.6
Other non-current assets	273.4	283.2	301.4	336.1	304.5
Trade receivables	150.8	158.9	145.7	160.0	116.9
Other non-interest-bearing current assets	107.7	110.7	115.9	84.0	87.3
Cash and cash equivalents and short-term investments	195.4	98.7	155.9	40.2	75.2
Assets in operations held for sale	-	-	-	-	-
Total assets	901.0	824.9	900.6	808.2	760.5
Equity and liabilities					
Equity	348.1	288.1	315.8	302.4	313.1
Non-controlling interests	0.4	0.3	0.4	0.4	0.3
Non-current interest-bearing liabilities	198.2	199.9	0.0	46.5	44.5
Non-current non-interest-bearing liabilities	161.7	164.8	166.6	155.9	137.1
Current interest-bearing liabilities	-	-	199.9	76.6	55.5
Current non-interest-bearing liabilities	192.6	171.8	217.9	226.4	210.0
Liabilities in operations held for sale	-	-	-	-	-
Total equity and liabilities	901.0	824.9	900.6	808.2	760.5

CONDENSED CASH FLOW STATEMENTS**Refers to total operations**

Amounts in SEK million	2016	2017	2018	2019	2020
Operating profit/loss	70.0	-41.6	33.5	-10.4	46.0
Reversal of depreciation/amortization	20.8	16.1	19.4	29.0	28.7
Other non-cash items	-64.4	-	-3.1	-28.1	-4.1
Cash flow from operating activities	26.4	-25.5	49.8	-9.5	70.6
Net financial items	-25.5	-9.0	-14.4	-9.2	-5.1
Tax	-8.3	-6.5	-6.4	-9.7	-7.6
Cash flow before changes in working capital	-7.4	-41.0	29.1	-28.4	57.9
Changes in working capital	-48.7	-32.1	51.2	14.9	25.7
Cash flow before investments	-56.1	-73.1	80.3	-13.5	83.6
Investments	185.6	-11.0	-26.1	-25.3	-18.7
Cash flow after investments	129.5	-84.1	54.2	-38.8	64.9

DATA PER SHARE

	2016	2017	2018	2019	2020
Number of shares at close of period	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Earnings per share from continuing operations before and after dilution, SEK	2.07	-5.47	1.06	-3.41	4.28
Earnings per share from operations held for sale before and after dilution, SEK	5.6	-	-	-	-
Earnings per share before and after dilution, SEK	7.67	-5.47	1.06	-3.41	4.28
Equity per share, SEK	42.41	35.09	38.47	36.84	38.13

KEY FINANCIAL FIGURES AND RATIOS

	2016*	2017	2018	2019	2020
<i>Margins</i>					
Operating margin, %	3.2	-5.9	4.6	-1.6	6.4
Profit margin, %	-0.1	-8.3	2.6	-3.5	5.7
<i>Return on investment*</i>					
Return on operating capital, %	6.3	-11.2	9.9	-2.8	12.7
Return on capital employed, %	7.3	-7.8	7.4	-0.2	11.3
Return on equity, %	2.5	-14.1	2.9	-9.0	11.4
<i>Capital structure</i>					
Operating capital, SEK million	351.3	389.6	360.6	385.7	338.2
Capital employed, SEK million	546.7	488.3	516.1	425.9	413.4
Equity, SEK million	348.5	288.4	316.2	302.8	313.4
Net interest-bearing debt, SEK million	2.9	101.2	44.4	82.9	24.8
Net debt-equity ratio, %	0.8	35.1	14.0	27.4	7.9
Interest coverage ratio	1.3	-2.6	2.0	1.1	8.4
Equity-assets ratio, %	38.7	35.0	35.1	37.5	41.2
<i>Cash flow</i>					
Self-financing ratio, multiple	-	-	-	-	-
Investments, SEK million	15.3	22.1	32.1	32.7	23.0
EBITDA	40.0	-25.0	53.0	18.6	77.2
EBITDA/Net financial items	2.4	-1.5	-3.6	-1.5	-16.4
<i>Employees</i>					
Average number of employees	687	662	624	552	516
Net sales per employee, SEK million	1.1	1.1	1.2	1.2	1.4

* Calculation based on continuing operations.



DEFINITIONS OF KEY FIGURES AND RATIOS

EBITDA

Operating profit/loss before amortization and impairment.

EBITDA/Net financial items

Operating profit/loss before amortization and impairment divided by net financial items.

Equity

The total of non-restricted and restricted equity at the end of the year. Average equity has been calculated as opening balance plus closing balance of equity, divided by two.

Equity per share

Equity divided by the number of shares at the end of the period.

Sales revenue per employee

The year's net sales divided by the average number of employees.

Investments

Total of the acquisition of businesses/subsidiaries and acquisition of intangible assets and property, plant and equipment

Average number of employees

Average number of employees at the end of each month.

Net debt

Total non-current and current borrowing less cash and cash equivalents.

Net debt/equity ratio

Interest-bearing net debt divided by equity including non-controlling interests.

Operating capital

The balance sheet total less non-interest-bearing liabilities, current investments, cash and bank balances. Average operating capital has been calculated as opening balance plus closing balance of operating capital, divided by two.

P/E ratio

Share price divided by earnings per share.

Earnings per share

Profit for the year divided by the average number of shares. The average number of shares has been calculated as a weighted average of all shares in issue for the year.

Return on equity

Profit for the year as a percentage of average equity.

Return on operating capital

Operating profit/loss as a percentage of average operating capital.

Return on capital employed

Profit/loss after financial items with financial expenses added back, as a percentage of average capital employed.

Net interest-bearing debt

Total of current and non-current interest-bearing liabilities less current investments and cash and bank balances.

Interest coverage ratio

Profit/loss after financial income divided by financial expense.

Operating margin

Operating profit/loss after depreciation/amortization as a percentage of net sales.

Self-financing ratio

Cash flow before investments divided by investments.

Equity-assets ratio

Equity including non-controlling interests as a percentage of the balance sheet total.

Capital employed

Balance sheet total less non-interest-bearing liabilities. Average capital employed has been calculated as opening balance plus closing balance of capital employed, divided by two.

Profit margin

Profit/loss after financial items as a percentage of net sales.



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