investor

Annual Report 2021

Contents

The Annual Report for Investor AB (publ) 556013-8298 consists of the Administration Report on pages 8-15, 36-37, 42-55, 117-124 and the Financial Statements on pages 58-112. The Annual Report is published in Swedish and English.

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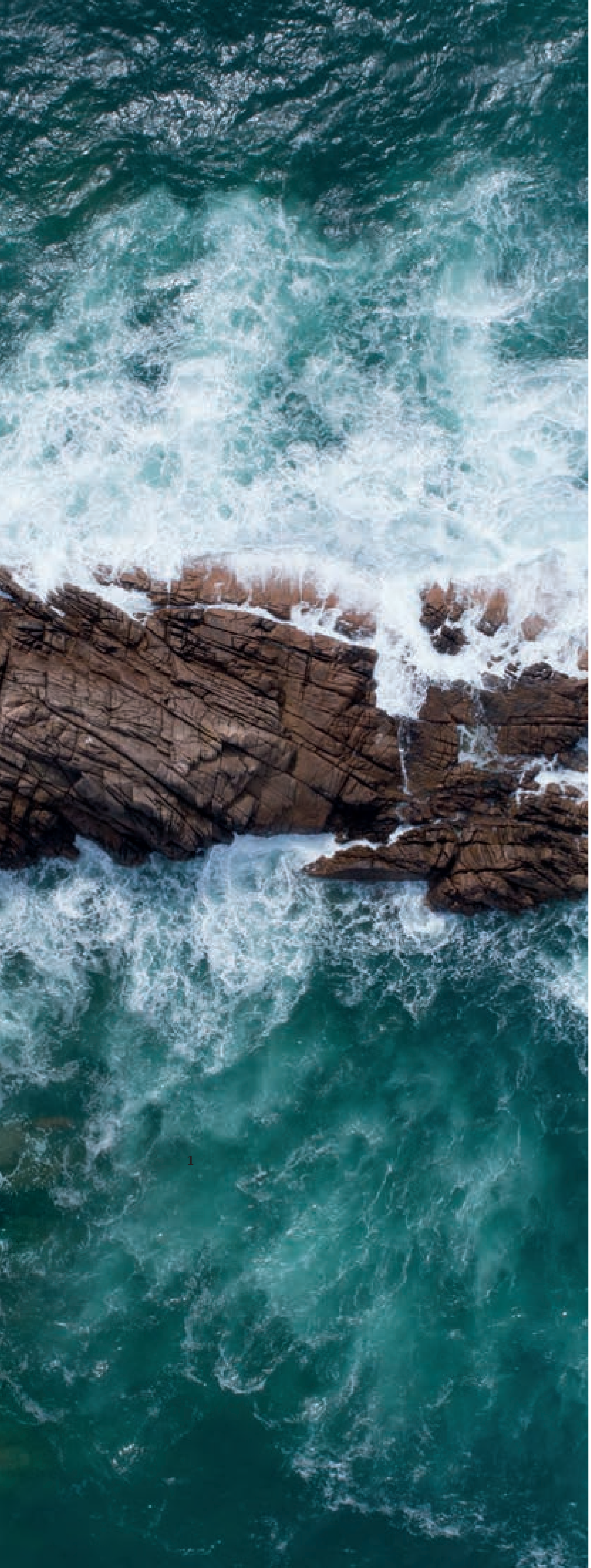
We create value for people and society by building strong and sustainable businesses



Welcome to Investor

Founded by the Wallenberg family in 1916, Investor builds and develops strong and sustainable companies. Through substantial ownership and board participation, we drive the initiatives that we believe will create the most value for each individual company. Our portfolio is organized in three business areas: Listed Companies, Patricia Industries and Investments in EQT.

2021 in Brief

55
%, total shareholder return (2020: 19)

711
SEK bn, market capitalization (2020: 458)

41
%, adjusted net asset value growth (2020: 14)

761
SEK bn, adjusted net asset value (2020: 546)

248
SEK per share, adjusted net asset value (2020: 178)

4.00
SEK per share, proposed dividend (2020: 3.50)

B
CDP score, climate rating (2020: B)

- Despite the pandemic, supply chain issues and other challenges, the world economy continued to recover. Equity markets were further supported by the low interest rates. While acknowledging this tailwind, 2021 was a strong year for Investor.
- Within Listed Companies, several companies, including Ericsson, Electrolux Professional, Husqvarna and ABB, took strategic initiatives.
- We invested SEK 1bn in Ericsson.
- Many companies within Patricia Industries made strategic add-on acquisitions, including Atlas Antibodies, subsequently becoming a major subsidiary.
- Grand Group and the Grand Hôtel property were divested.
- Investments in EQT developed strongly, with substantial value growth and net cash flow.
- We announced new climate targets, aligned with limiting global warming to 1.5 degrees and joined the UN initiative "Race to Zero".
- Investor's financial position strengthened further, driven by strong cash flow from all business areas, despite investments of SEK 7bn.
- Our shareholder base reached an all-time-high of approximately 480,000, supported by our 4:1 share split in May.
- The Board of Directors proposes a dividend of SEK 4.00 per share for fiscal year 2021 (3.50).

Our Business Areas

Listed Companies
Substantial minority owner in listed companies

Atlas Copco, ABB, AstraZeneca, Ericsson, Nasdaq, Sobi, Saab, Electrolux, Wärtsilä, Epiroc, Husqvarna Group, Electrolux Professional, SEB

SEK 515bn
Total adjusted value, December 31, 2021

66%
Share of total adjusted assets[1)]

44%
Total return, 2021

Patricia Industries
Wholly-owned subsidiaries, partner-owned companies and financial investments

Mölnlycke, Permobil, Sarnova, Piab, Advanced Instruments, BraunAbility, Atlas Antibodies, Laborie, Vectura, 3

Financial Investments

SEK 144bn
Total adjusted value, December 31, 2021

19%
Share of total adjusted assets[1)]

3%
Total return, 2021

Investments in EQT
Largest owner of listed EQT AB, fund investments

EQT

EQT AB

EQT EQUITY
EQT MID MARKET
EQT VENTURES
EQT INFRASTRUCTURE
EQT EXETER

SEK 117bn
Total adjusted value, December 31, 2021

15%
Share of total adjusted assets[1)]

111%
Total return, 2021

1) Including estimated market values of the wholly-owned and partner-owned investments within Patricia Industries.

Letter from our Chair

Dear shareholders,
2021 was characterized by the covid-19 pandemic, but also by economic recovery and rallying equity markets, making it a strong year for Investor. Tragically, 2022 will forever be remembered for the unprovoked Russian invasion and war in Ukraine, the first major war in Europe in over 80 years. Regardless of how this tragedy unfolds, the terrible suffering it is causing and its huge implications for global security will undoubtedly cast dark shadows for decades and serve as a stark reminder that lethal threats to democracy, in Europe and elsewhere, are something that we will have to continue to deal with, at a time when we should all be focusing on mitigating climate change instead.

I find great solace in the way democracies around the world have scrambled to resist the sinister agenda of a dictator and with strong unity and speed decided on sanctions to isolate Russia. It is truly heartening to see the resolve of the Ukrainian people and how the war has brought European nations, big and small, closer together reminding us about the original, peace-keeping purpose of the EU. Importantly, many companies have not only been vocal in condemning the war but quick to support the people in Ukraine as well as curb their operations in Russia. It is vital that business stands up for basic human rights, safety and freedom - even more important in times of war.

The aftermath of this grim war will impact not only geopolitics, but also business, an integral part of every thriving society, for many years to come. We have already seen cyber attacks as well as substantially higher energy prices, and the current supply chain constraints are likely to persist or even worsen. The global economy risks being thrown back into a scenario of stagflation not seen since the 1970s.

Looking into the future
In this rough landscape, we still need to focus on important issues and trends impacting Investor and our companies. As long-term, engaged owners, we try to learn from the past to navigate successfully into the future, making sure that our companies are at the forefront of major trends and that they are well positioned to outperform competition over time.

Geopolitics aside, climate change remains the most pressing issue. The challenges we are facing have intensified in scope and complexity, and we need to balance environmental benefits with economic costs. I was encouraged by the COP26 meeting in Glasgow, where the business community really engaged in discussing solutions and presenting new technologies to accelerate the decarbonization of the economy. In this context, I would like to encourage the business community to participate more in the dialog that shapes our politics. As business leaders, we have a responsibility to engage with all relevant stakeholders to find solutions for common issues.

To further future-proof our portfolio, we sharpened our climate targets and joined the UN initiative 'Race to zero'. I am impressed by how much our companies have already achieved when it comes to transforming processes related to procurement, production, and distribution into low-carbon alternatives. At the end of 2021, our companies had cut their emissions by 49 percent compared to 2016.

The energy transition is crucial for slowing down climate change, and it clearly has important geopolitical dimensions as well. Russia's invasion of Ukraine has potentially serious implications for international energy security. Energy prices were already on the rise before the invasion and the supply is increasingly volatile, resulting in occasional power shortages, mainly due to intermittent production of renewable energy. Simultaneously, electrification is rapidly growing, and if we are to reap the benefits of this positive trend, we need to accelerate investments in fossil-free energy production, modernize the grid and improve efficiency. Plannable production such as hydro and nuclear power is critical, enabling aggressive expansion of other renewable energy sources. In addition, if sanctions are fully implemented, Europe needs to act even more quickly.

Preserve free trade
The pandemic and the geopolitical turmoil have caused an instinctive protectionist attitude, putting free trade at risk. To close borders, introduce new trade barriers and generally turn isolationist is potentially perilous. Free trade and institutions such as the WTO keep the international dialog going and ultimately contribute to prosperity. Consequently, we need to encourage international solidarity.

On a more operational level, we need to solve the current global supply chain constraints and make sure that our companies are better prepared for capacity shortages, for example by securing alternative supply chains. The world’s economies will remain interlinked, and global supply chains enable efficiency and better allocation of resources.

The energy transition is crucial for slowing down climate change, and it clearly has important geopolitical dimensions as well. Plannable production such as hydro and nuclear power is critical, enabling aggressive expansion of other renewable energy sources.

Innovation and R&D more important than ever

To remain competitive over time, our companies need to push the envelope within R&D and digitalization. We encourage them to invest for the future, and I cannot stress enough the importance of collaboration between science, business, and politics – the so-called triple helix - to speed up the digital transformation. Personally, I am inspired by the creativity and entrepreneurship of the many new businesses, that will ultimately benefit people and society.

Focus on people and values

One of our companies' key challenges is to attract and retain talent. As owners, we focus on succession planning to ensure that we have the best boards and CEOs running our companies, not only today, but also tomorrow. We also need to listen to our employees and stakeholders to remain successful. How do people want to work? What kind of people do we need to attract, and which are the most important skill sets going forward? This fast-changing world is putting great demands on us, and we will only continue to deliver strong performance if we have the right people in the right places, with a good mix of perspectives.

We also need to safeguard core values such as business ethics and integrity. The reputation is one of the most valuable assets for any company aspiring to be an industry champion. For Investor, high business ethics are crucial. Does this mean that there will never be any unethical behavior in our companies? No, it means that we will always do our utmost to make sure that our companies identify and prevent risks. If any unethical behavior still is detected, it is critical to take forceful action. In short, our tolerance for unethical behavior is zero.

A solid year for Investor

Supported by the recovering global economy and strong equity markets, 2021 was a successful year for Investor. I am pleased that the Board of Directors is able to propose a dividend per share of SEK 4.00 (3.50), in line with our goal to pay a steadily rising dividend.

We can already conclude that 2022 will be a difficult year, with the extremely hazardous geopolitical situation, inflationary pressures and other uncertainties. However, being financially strong and operationally agile, Investor and our companies are well positioned to continue to perform well long-term.

On behalf of the Board, I would like to thank all employees at Investor and in particular the CEO Johan Forssell and his management team, for once more delivering outstanding results.

Finally, I would like to thank you, dear shareholders for your continued trust and support.

Jacob Wallenberg
Chair of the Board

Letter from our CEO

Dear fellow shareholders,
Despite the pandemic, supply chain constraints and several other challenges, the world economy continued to recover during 2021. Equity markets were further boosted by the low interest rate environment. While acknowledging the tailwind from the equity market, 2021 turned out to be a strong year for Investor:

- Our companies performed well operationally, managing rapid swings in demand and significant supply chain constraints, safeguarding customer deliveries.
- Many of our companies made important strategic acquisitions and investments, while continuing to focus on agility and constant efficiency improvements.
- Our business area Investments in EQT developed strongly.
- We sharpened our climate targets and joined the UN initiative “Race to zero”.
- Our financial position strengthened further, despite investments of more than SEK 7bn.
- Our shareholder base reached an all-time-high of approximately 480,000, supported by our 4:1 share split in May.
- Our adjusted net asset value grew 41 percent. Our total shareholder return amounted to 55 percent, while the SIXRX return index gained 39 percent.

Listed Companies
Listed Companies generated a strong total return and the companies performed well operationally.

From a strategic point of view, several companies took important initiatives. To name a few, Ericsson announced the acquisition of Vonage, strengthening its offering in the enterprise segment. Electrolux Professional acquired Unified Brands, its first major acquisition as a stand-alone company, significantly expanding its U.S. presence. By combining the acquired Orbit Irrigation with its Gardena division, Husqvarna is creating a global leader in residential watering. ABB continued to adjust its product portfolio by divesting non-core operations.

In December, the bid for Sobi, which we and the Sobi board of directors supported, was withdrawn. As the lead shareholder, our full focus is now to continue to create long-term value.

During the fourth quarter, we invested SEK 1bn in Ericsson, strengthening our share of the capital to 8 percent, an increase of almost 3 percentage points since the beginning of 2015.

Patricia Industries
In Mölnlycke, our largest subsidiary, the reported figures were substantially distorted by covid-19-related customer contracts for Personal Protective Equipment (PPE). Importantly, the largest business area, Wound Care, continued to perform strongly. Excluding Mölnlycke, organic sales and adjusted EBITA for our major subsidiaries grew by 11 and 26 percent, respectively.

Add-on acquisitions can be an attractive way to grow companies, provided they offer the right quality and fit. A great example is Advanced Instruments' acquisition of Solentim, a global leader in innovative solutions for cell line development of biopharmaceutical products. The acquisition adds a highly complementary, differentiated and innovative portfolio of bioprocessing instruments and consumables to Advanced Instruments' biopharma offering. The combination of the companies' commercial channels and R&D capabilities significantly strengthens the ability to drive global growth and long-term value creation.

Besides Advanced Instruments, Permobil, BraunAbility, Piab and Sarnova all made or announced significant strategic acquisitions, further strengthening their offerings. Going forward, capturing additional attractive add-on opportunities remains a key focus area for our subsidiaries,

Following the acquisition of evitria, AtlasAntibodies was reclassified from a financial investment into a major subsidiary. In addition, Grand Group and the Grand Hôtel property were divested during the year, as the hotel segment does not fit with our investment strategy.

Investments in EQT
The value of our investments in EQT rose sharply and net cash flow to Investor was strong. During the year, EQT AB acquired Exeter Property Group and Life Science Partners, extending its reach in the real estate and private healthcare sector respectively. Fund activity remained high, with new funds being launched and a large number of investments and exits. We will continue to invest selectively in new EQT funds.

In the coming years, sustainability, innovation and digitalization, as well as increased competition for talent, will shape Investor and our companies.

Going forward

We are facing an increasingly complex and fast-moving environment. In the coming years, sustainability, innovation and digitalization, as well as increased competition for talent, will shape Investor and our companies. Given this, and guided by our purpose to create value for people and society by building strong and sustainable businesses, we continue our efforts to future-proof Investor and our companies to maximize value creation. During 2021, we clarified our priorities.

Our ultimate target, to generate an attractive total return, is underpinned by three strategic priorities:

- *Grow our net asset value:* we own and develop high-quality companies and support them to grow profitably. Our financial flexibility enables us to capture attractive investment opportunities.
- *Pay a steadily rising dividend:* supported by the cash flow from all three business areas, our goal is to continue to pay a steadily rising dividend.
- *Deliver on our ESG targets:* high ambitions and decisive actions are required to reach a sustainable low-carbon economy. To successfully handle the energy transition will be key to improve companies' internal operations and product development, thereby strengthening long-term competitiveness. Good business ethics and governance remain a central focus area. In addition, diversity and inclusion remain highly prioritized to ensure a mix of perspectives to improve decision-making in an increasingly complex world.

Our strategic priorities are supported by our operating priorities: Engaged ownership, Ensure an attractive portfolio, Operate efficiently and Maintain financial flexibility.

2022 will forever be remembered for the Russian invasion of Ukraine, the horrendous suffering this is causing and its enormous implications for global security and co-operation. While trivial in comparison, there is no lack of additional, sometimes related, challenges. Inflation has risen sharply, and the U.S. Federal Reserve has communicated the need for several rate hikes and a gradual normalization of monetary policy during the year, following a long period of very low interest rates and massive liquidity injections. Supply chain constraints remain, global geopolitical tensions and energy-related issues are rising, the climate threat remains, and the pandemic is not over. Against this backdrop, increased market volatility should be expected.

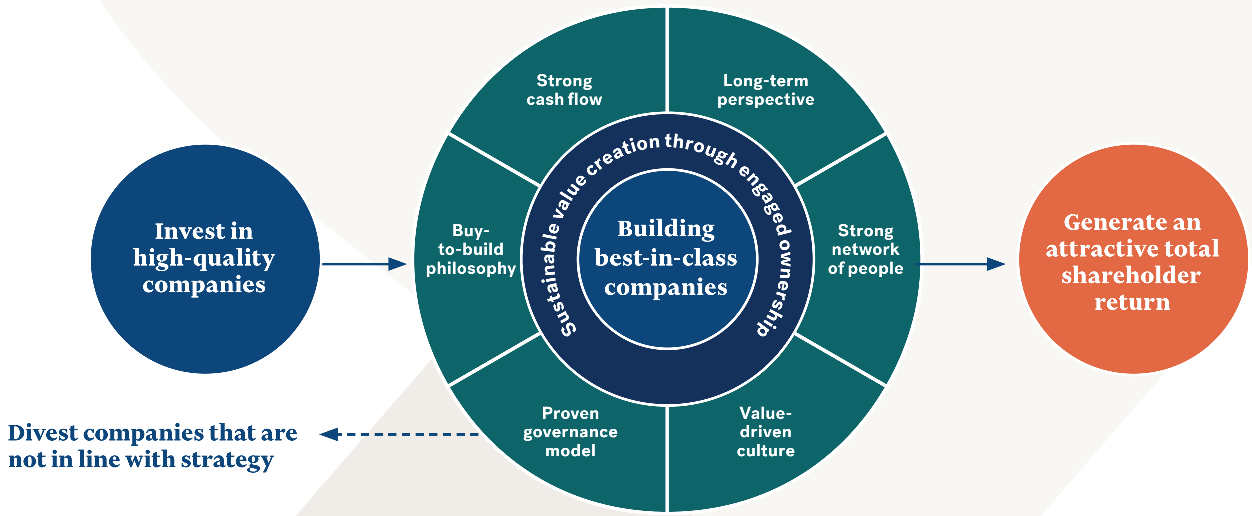
That said, regardless of how the global economy and equity markets will develop, Investor stands strong. Our portfolio consists of great companies with leading positions in attractive markets, and they are managed by highly skilled and experienced people. We also have a strong financial position, enabling us to act on attractive opportunities in all three business areas.

With a proven governance model, our strong portfolio of companies, and all the great employees at Investor and in our portfolio companies, I am confident that we are well positioned to continue to generate attractive long-term returns to you, dear fellow shareholders. Finally, I would like to take this opportunity to thank you for your confidence in Investor.

Johan Forssell
President and CEO

Business Model

By investing in high-quality companies and using our foundation as a base for sustainable value creation, we build best-in-class companies and thereby generate an attractive total shareholder return.



Foundation

Long-term perspective	Strong network of people	Value-driven culture	Proven governance model	Buy-to-build philosophy	Strong cash flow
with a focus on industrial devel-opment to increase the competitiveness	to share best practice and experience to drive value creation	that guides us in our decision making	built on clear roles and responsibilities between us as an owner, the companies' boards and managements	as long as we see further value creation potential in our companies	enables us to capture investment opportunities and pay a steadily rising dividend

Sustainable value creation process

Each company we are engaged in has a dedicated business team, consisting of our board representatives in the company and investment professionals at Investor. The business teams build company knowledge, benchmark versus competition and evaluate corporate structures. Considerable time is being spent on finding and capturing value-creating opportunities offered by long-term trends such as new technology and sustainability. Based on the analysis, we develop and constantly refine value creation plans, identifying strategic key value drivers that we believe that the companies should focus on to maximize long-term value. We present these plans to the company's Chair and CEO, drive them in the board discussions and follow up on the progress.

The plans typically focus on:

- Profitable growth
  - Innovation
  - Digitalization
  - Sustainability
  - Add-on acquisitions
- Operational excellence
- Corporate structure
- Agility & financial flexibility
- Succession planning & talent management

Strategy

We create value for people and society
by building strong and sustainable businesses.

Ultimate Target

Generate an attractive total return

Strategic Priorities

- **Grow net asset value**
- **Pay a steadily rising dividend**
- **Deliver on our ESG targets**

Operating Priorities

- **Engaged ownership**
- **Ensure an attractive portfolio**
- **Operate efficiently**
- **Maintain financial flexibility**

Foundation

Long-term perspective	Strong network of people	Value-driven culture	Proven governance model	Buy-to-build philosophy	Strong cash flow

Targets and Outcome

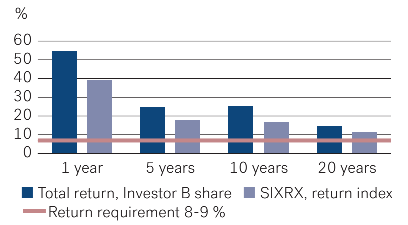
By focusing on our strategic priorities, we create value and generate an attractive total return, our ultimate target.

Ultimate target
Generate an attractive total return

Our ultimate target is to generate an attractive total return. Our annual return requirement is 8-9 percent (risk-free interest rate plus equity market risk premium). This is achieved through our three strategic priorities; grow net asset value, pay a steadily rising dividend and deliver on our ESG targets.

Outcome

55% total shareholder return, Investor B-share, 2021



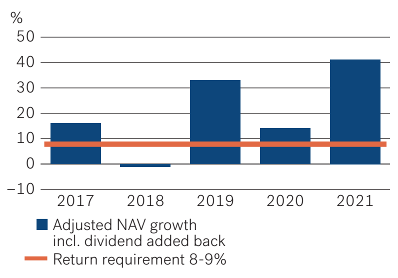
Comment

During 2021, our total shareholder return (TSR) was 55 percent (19), while the SIXRX return index gained 39 percent (15). Over the past 20 years our annual TSR has averaged 15 percent compared to 11 percent for SIXRX.

Strategic priority
Grow our net asset value

Our adjusted net asset value should grow in excess of our return requirement. To achieve this, we own high-quality companies and support them to grow profitably. We also strive to allocate our capital wisely.

Outcome



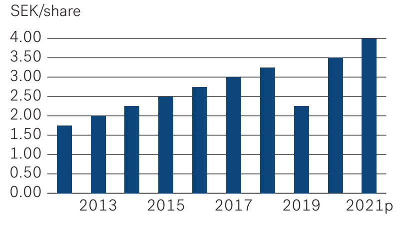
Comment

Our adjusted net asset value amounted to SEK 761bn at year-end 2021 (546), a change, with dividend added back, of 41 percent (14). Consequently, our net asset value growth exceeded our annual return requirement during 2021. Over the past five years, annual adjusted net asset value growth has averaged 20 percent.

Strategic priority
Pay a steadily rising dividend

Investor's dividend policy is to pay a steadily rising dividend. Our dividend policy is supported by cash flow from all three business areas: Listed Companies, Patricia Industries and Investments in EQT.

Outcome



Comment

The Board of Directors proposes a SEK 4.00 dividend per share (3.50), to be paid in two installments, SEK 3.00 per share in May, 2022, and SEK 1.00 per share in November, 2022. Based on this proposal, on average our dividend has increased by 8 percent annually over the past five years and 10 percent over the past 10 years.

Strategic priority
Deliver on our ESG targets

Business Ethics & Governance

Governance and business ethics constitute the foundation of our sustainability approach. Investor's Sustainability Guidelines (see page 14) set clear expectations for Investor and our portfolio companies to conduct the operations in a responsible and ethical manner. Investor has zero tolerance for non-ethical business behavior.

Outcome

96% of our companies have signed the UN Global Compact

100% of our companies have a Whistleblowing channel in place

96% of our companies have set measurable sustainability targets

Comment

In 2021, Investor engaged in a dialog with all portfolio companies regarding sustainability. Investor, as well as each of our companies, has a Code of Conduct, anti-corruption policy, health and safety policy, Human Rights policy and whistleblowing channel in place.

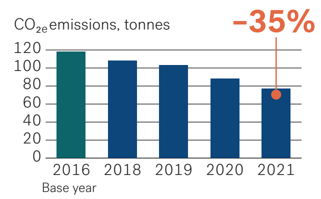
Climate & Resource Efficiency

Investor AB's emissions

Goal **-100%**

Investor is committed to climate targets aligned with limiting global warming to 1.5°C. Our target is to achieve net zero greenhouse gas emissions from our scope 1 and 2 by 2030.

Outcome



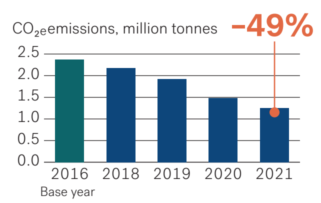
Comment

In 2021, emissions equaled 77 tonnes, a reduction of 35 percent compared to 2016 (26). The emissions from Investor AB are low as Investor has no operating business and its premises have a high proportion of renewable electricity.

Portfolio companies' emissions

Goal **-70%**

Investor's scope 3 target is to reduce greenhouse gas emissions from our portfolio by 70 percent by 2030 compared with 2016 (companies' scope 1 and 2). Investor encourages its portfolio companies to align with the Paris Agreement and when relevant, to commit to Science Based Targets.



In 2021, scope 1 and scope 2 emissions from our companies equaled 1,260,500 tonnes, a reduction of 49 percent compared to 2016 (40). 88 percent of our companies have targets to reduce their scope 1 and 2 emissions (78). By the end of 2021, 83 percent of our companies had aligned their reduction targets with the Paris Agreement (57) and 33 percent had committed to Science Based Targets (22).

Portfolio companies' indirect emissions

Goal **100%**

All our companies shall have targets to reduce emissions from their value chain, for example related to the use of their products (the portfolio companies' scope 3 emissions). In addition, all companies shall have resource efficiency targets relevant to their operations.

75% of our companies measure scope 3 emissions

63% of our companies have a target for scope 3 emissions

63% of the companies have a resource efficiency target

In 2021, 75 percent of our companies measured scope 3 emissions (74) and 63 percent had reduction targets related to their products, services or value chains (43). In terms of resource efficiency, and in addition to scope 3 targets, 63 percent of our companies have set specific resource efficiency targets (57).

Diversity & Inclusion

Investor AB

Goal **40/60**

Investor believes that diverse teams characterized by inclusion stimulate innovation and drive better decision-making. Our target is to maintain a gender balance of 40/60 in the Management Group. We measure perceived level of inclusion among employees.

Outcome

60% of the Management Group are women

57% of the Extended Management Group are women

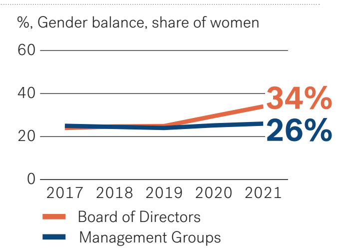
8.9 perceived level of inclusion among employees (scale 1-10)

Investor measures the perceived level of inclusion among our employees as well as the perception as an individual to make an impact and contribute to the overall strategy. In 2021, employees reported a high level of inclusion compared to external benchmark, scoring 8.9 (8.9)

Portfolio companies

Goal **40/60**

Investor encourages our companies to promote diversity and inclusion. Our aggregated portfolio targets are to reach a gender balance of 40/60 in the companies' boards and management by 2030. In addition, all our companies shall measure perceived level of inclusion among employees.



In 2021, the portfolio companies' board of directors included a representation of 15 nationalities (14) and an average share of women of 34 percent (30). In the portfolio companies' management groups, the share of women was 26 percent (25) and 23 nationalities were represented (23). During 2021, 83 percent of our companies had targets or commitments regarding diversity (83), and 92 percent measured the perceived level of inclusion among employees (87).

Operating Priorities

Our operating priorities support the strategic priorities and guide us in how we best can future-proof Investor and our companies, thereby creating long-term value.

Engaged Ownership

Investor's investment philosophy is buy-to-build. This means that we develop the companies in our portfolio over time, as long as we see further value creation potential. Our long-term perspective is never an excuse for weak short-term performance. We are typically the largest owner and actively support our companies to remain or become best-in-class through board representation. We spend considerable time on developing our network and on succession planning to ensure that we have the best possible boards and CEOs in our companies. We want board members to be experienced, engaged and willing to devote significant time to their assignment.

To ensure efficient corporate structures, we continuously evaluate potential value-creating opportunities, such as add-on acquisitions, divestments of non-core operations and sometimes focus-enhancing spin-offs.

The acceleration of the technological development and climate change offer new business opportunities while challenging current business models. Our companies are well positioned to these long-term trends, and we support them by encouraging collaboration, innovation, operational excellence, sustainability initiatives, and relentless execution, in order to ensure long-term competitiveness and success.

Ensure an Attractive Portfolio

In order to grow our net asset value and generate an attractive total return, we need to ensure that we always have a strong portfolio of high-quality, industry-leading companies, well-positioned to benefit from exposure to attractive long-term growth trends.

In practice, we constantly evaluate our portfolio to make sure that there is still attractive potential in our companies. As long as we believe that this is the case, we engage with the companies to support them in capturing profitable growth opportunities. Over time, we also need to rejuvenate our portfolio by adding new companies. Although we have a long-term investment horizon, if we arrive at the conclusion that a certain company no longer fits with our strategy, that its potential is not attractive enough, or that it would be better off in a different ownership, we would actively drive a divestment process to find a new good owner and maximize value for our shareholders.

From a capital allocation perspective, when we find attractive opportunities, we will continue to invest in selected current listed companies, and provide capital support when needed. Within Patricia Industries, our ambition is to make add-on acquisitions through our current platform companies and invest in new ones. We will also continue to invest selectively in new EQT funds.

Operate Efficiently

We always strive to operate efficiently. Maintaining cost discipline is important to maximize cash flow available for investments and dividends. We always try to find ways to work smarter, simplify processes and free up resources that can be used for more value-creating tasks.

Maintain Financial Flexibility

We strive to always maintain strong financial flexibility. A strong balance sheet gives us the ability to support our companies and capture attractive investment opportunities. Our cash flow generation is a key strength as it substantially increases our financial flexibility, enabling us to both invest and generate a steadily rising dividend. Over the past decade, we have generated significant cash flow based on dividends from Listed Companies, distribution from Patricia Industries' companies and net proceeds from Investments in EQT.

Created Impact

We create value for people and society
by building strong and sustainable businesses.

55%
total shareholder return

Investor AB

–35%
CO_{2e} emission reduction from Investor AB compared to 2016

Dividends

SEK 10.7bn
dividend paid in 2021

of which

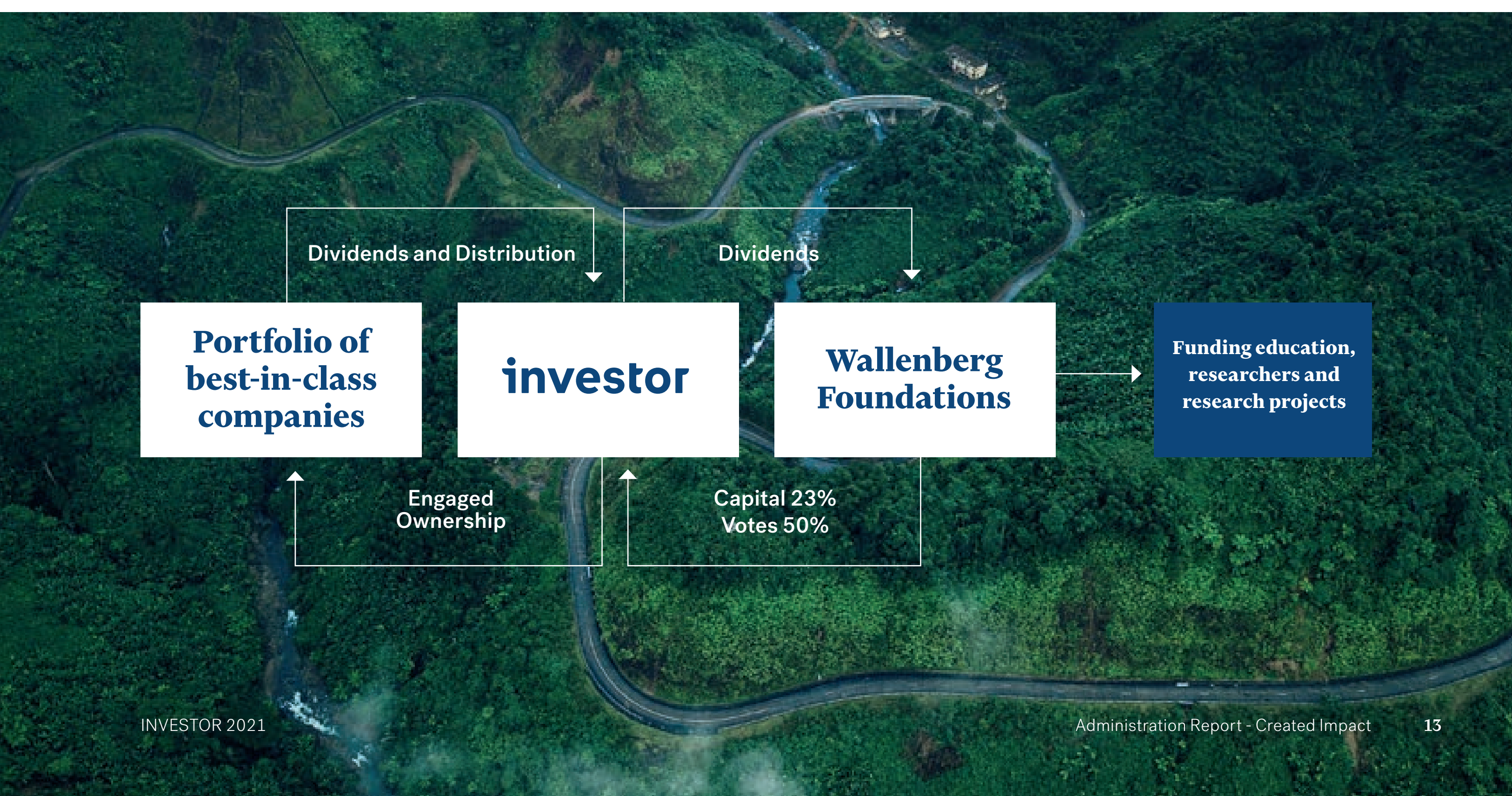
SEK 2.5bn
to our main owners, the Wallenberg Foundations

Our companies

–49%
CO_{2e} emission reduction from portfolio companies compared to 2016

SEK 155bn
R&D spending in our companies

Investor's main owners are the Wallenberg Foundations, whose purpose is the betterment of Sweden through funding of excellent research and research projects. Since 1917, more than SEK 39bn has been awarded in grants. By building strong and sustainable companies as well as generating dividend payments, Investor is an important part of this unique eco-system.



Sustainability

One of our three strategic priorities is to deliver on our ESG targets reflecting Investor's firm belief that a sustainable business approach is a prerequisite for creating long-term value.

Sustainability as a strategic priority
Guided by our purpose to create value for people and society by building strong and sustainability businesses, we continue our efforts to future-proof Investor and our companies. On a global scale we are in the midst of two major transformative shifts, digitalization and sustainability, impacting all companies. We believe that companies must invest in and further speed up the transformation in order to mitigate the risks and act on business opportunities. Investor's approach is built on materiality and the most important sustainability areas are identified based on our impact both as a company and an owner:

- Business Ethics & Governance
- Climate & Resource Efficiency
- Diversity & Inclusion

In our role as an owner we make an impact, through the capital we provide, our engaged ownership, our representation on the boards and through the employment, innovations, products and services delivered by our companies.

Business Ethics & Governance
Good business ethics and governance are key to build strong and successful companies. Investor has zero tolerance for non-ethical business behavior.

Investor's Sustainability Guidelines set clear expectations for Investor and our companies to conduct their operations in a responsible and ethical manner. Investor has a program for this work that covers a range of areas within governance, ethics, risk and compliance.

These areas are selected based on a risk assessment and include cyber and information security, ethical business conduct, whistleblowing, anti-corruption and anti-bribery.

The subsidiaries are reviewed in relation to these areas and in addition, one or two focus areas are selected for a deeper review. Dialogs are also held with all listed companies. In 2021, focus was on cyber and information security. Dialogs have also been held with all listed companies.

Investor, as well as each of our companies, has a Code of Conduct, Anti-corruption Policy and Whistleblowing channel in place. 96 percent of companies are members of UN Global Compact (96). All portfolio companies have a Health and Safety Policy and a Human Rights Policy in place. 96 percent have set measurable targets within sustainability (96).

Climate & Resource Efficiency
The business community has a key role in taking action and developing new innovative solutions to combat climate change and increase resource efficiency.

Investor is committed to climate targets aligned with the Paris Agreement. In 2021 we sharpened the targets to align with the 1.5 degree ambition and set a net zero target to be achieved by 2030. We joined the UN 'Race to Zero' initiative ahead of

UN Sustainable Development Goals

Investor is committed to the UN Sustainable Development Goals and contributes to a number of them. Read more at www.investorab.com

Gender Equality SDG 5.5	Decent Work & Economic Growth SDG 8.2	Responsible Consumption & Production SDG 12.2	Climate Action SDG 13	Peace, Justice & Strong Institutions SDG 16.5	Partnership for the Goals SDG 17.16
Ensure full participation in leadership and decision-making	Innovate and upgrade for economic productivity	Sustainable management and use of natural resources	Take urgent action to combat climate change and its impacts	Substantially reduce corruption and bribery	Enhance the global partnership for sustainable development
5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS

Investor's Sustainability Guidelines

1. Ensure that sustainability is integrated into the business.
2. Comply with local and national legislation in each country of operation.
3. Regularly assess material sustainability topics and have an active dialog with stakeholders.
4. Sign and adhere to the UN Global Compact, commit to UN Sustainable Development Goals, support the ILO conventions, Universal Declaration of Human Rights, as well as the OECD Guidelines for Multinational Enterprises.
5. Have implemented policies and Code of Conduct that address relevant sustainability areas including business ethics.
6. Analyze risks and opportunities and formulate relevant measurable targets.
7. Continuously improve social, environmental and economic impact with a special focus on innovation, climate, diversity and inclusion.
8. Have adequate processes and resources to manage and monitor sustainability performance.
9. Have a secure reporting channel for whistleblowing in place.
10. Transparently report on the sustainability development.

COP26 through the Exponential Roadmap Initiative. Read more about our roadmap to achieving our targets on pages 121-122.

Investor AB's scope 1 and 2 emissions equaled 77 tonnes in 2021, a reduction of 35 percent compared to 2016. As a long-term owner, we need to take into account risks as well as business opportunities related to climate change and thus accelerate the transition to a sustainable low carbon economy. Investor works through the board representatives by engaging and following up with the companies on their targets and measures to reduce their climate impact.

Our revised portfolio target is to reduce emissions by 70 percent (previously 50 percent) by 2030. The aim is to ensure that our companies stay at the forefront of their industries. We encourage the companies to align their climate targets with the Paris Agreement, to commit to Science Based Targets when relevant and to report in accordance with recommendations from Task force on Climate-related Financial Disclosures (TCFD). By the end of 2021, 83 percent of our companies had aligned their reduction targets with the Paris Agreement (57), 33 percent have approved Science Based Targets (22) and 33 percent report in accordance with TCFD. The companies' scope 1 and 2 emissions equaled 1,260,500 tonnes in 2021, a reduction of 49 percent compared to 2016.

Investor expects that all the companies have targets to reduce emissions from their value chain (companies' scope 3). In 2021, 63 percent of the companies had scope 3 targets (43) and 63 percent of the companies had resource efficiency targets relevant to their operations (57). Read more on page 121-123.

The first parts of the EU taxonomy regulation (EU 2020/852) has entered into force, with the aim to create a harmonized classification and criteria for sustainable economic activities. Disclosure obligations differ for non-financial companies and for financial market participants. As an industrial holding company, Investor AB has chosen to follow the taxonomy reporting requirements for financial institutions. Read more on page 123.

Diversity & Inclusion

Investor believes that building long-term successful companies requires people with different competences, perspectives and experiences. Diverse teams characterized by inclusion stimulate innovation and drive better decision-making. This is key for companies to outperform.

It is our ambition as a company to recruit from a broad talent base and contribute to a meritocratic business community free from unconscious bias. Investor has targets to maintain a gender balance of 40/60 in the Management Group, with at least 40 percent of the underrepresented gender. In 2021, the proportion of women in Investor's Management Group was 60 percent and 50 percent in the overall organization. We measure perceived inclusion through employee surveys and compared to the external benchmark, our employees reported a high level of inclusion, scoring 8.9 (scale 1-10).

Investor drives diversity in its portfolio companies through the nomination committees and board representation. Investor's targets for 2030 are to reach a gender balance of 40/60 at an aggregated level in the portfolio companies' boards and management groups. In addition, Investor has a target to ensure that all companies measure the perceived level of inclusion among employees regularly.

In 2021, the average share of women in the companies' boards was 34 percent (30). In the management groups the share was 26 percent (25). There were 15 nationalities represented in the boards and 23 in the management groups. 83 percent of the companies had diversity targets (83) and 92 percent measured inclusion (87). Read more on page 119.

GHG emissions, tonnes CO_{2e} [1]	2021	2020	2019	2018	2016 (base year)
Investor AB's scope 1	11	16	18	18	22
Investor AB's scope 2	66	72	86	90	96
Portfolio companies' scope 1 and 2	1,260,500	1,471,300	1,918,600	2,170,600	2,474,700

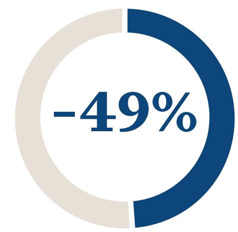
1) Method and more key performance indicators for Investor AB and portfolio are presented on page 121-123.

Diversity Investor AB, share of women [2]	2021	2020	2019	2018	2016 (base year)
Board of Directors	40%	44%	44%	40%	40%
Management Group	60%	60%	60%	60%	40%
Extended Management Group	57%	50%	50%	50%	29%
Employees	50%	50%	48%	50%	51%

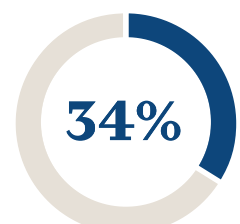
2) Method and more diversity key performance indicators for Investor AB and portfolio are presented on page 119-120.

Portfolio Companies

of our companies have a structured approach against corruption and bribery



reduction of CO_{2e} emissions from our companies compared to 2016



average share of women in our companies' boards of directors

Key activities 2021

- One of Investor's "Chair's Circle" meetings focused entirely on sustainability
- Investor Sustainability Network met six times
- Sharpened 2030 climate targets and joined the UN 'Race to Zero'
- Investor became a formal TCFD supporter
- Training sessions held on EU Taxonomy and TCFD for Investor employees and wholly-owned subsidiaries
- Cyber and information security deep-dive review of subsidiaries as special focus in risk assessment

Listed Companies

We own significant minority stakes in our listed companies and are typically the largest shareholder. This creates a solid base for engaged ownership, with sustainable value creation as the guiding principle.

Our ownership model

Our listed companies are international companies with strong market positions and proven track records within engineering, healthcare, financial services and technology.

Investor owns significant minority stakes and is typically the largest shareholder. This creates a solid base for engaged ownership and is a prerequisite for being able to influence the board composition and to impact key strategic decisions.

We usually head the nomination committees and use our network to support the companies in finding board candidates. We strive to have significant board representation in each company and the Chair role is important in our governance model.

Key activities 2021

The total return for Listed Companies amounted to 44 percent, compared to 39 percent for the SIXRX return index. Overall, our companies performed well operationally and managed supply chain constraints and other challenges successfully. Strategically, our companies continued to focus on innovation, digitalization, capturing growth opportunities, accelerating sustainability efforts and relentless efficiency improvements.

Several of our companies took significant strategic initiatives. To name a few, Ericsson announced the acquisition of Vonage, strengthening its offering in the enterprise segment. Electrolux Professional acquired Unified Brands, significantly expanding its presence in the U.S. By combining the acquired Orbit Irrigation with its Gardena division, Husqvarna creates a global leader within residential watering. ABB continued to adjust its product portfolio through divestments of non-core operations. Electrolux announced an adjustment of its capital structure through a revised dividend policy and substantial cash distribution. We invested SEK 1bn in Ericsson. Since the start of 2015, we have strengthened our share of the capital to 8 percent, an increase of almost 3 percentage points.

During the year, Agnafit Bidco launched a bid for Sobi. The Sobi board of directors recommended the bid and as the largest shareholder, we accepted the bid. However, as the bid did not reach sufficient acceptance, it was withdrawn. Our focus is now to continue to create long-term value.

We received SEK 10.8bn in dividends (7.3), including SEK 1.9bn in further ordinary dividends from SEB (0). In addition, we received SEK 1.5bn through redemption programs (0).

Key going forward

Our companies are well positioned to capture opportunities related to accelerating long-term trends such as digitalization, automation, electrification and sustainability. At the same time, these trends put new demands on the companies' business models, which is why constant up- and re-skilling, as well as talent management, are critical. It is crucial to stay in the forefront of these trends in order to outperform competition over time. While maintaining focus on long-term value creation, our companies also need to ensure efficiency and flexibility near-term.

When it comes to capital allocation, we will continue to prioritize additional investments in selected existing listed companies and are ready to support our companies in rights issues.

Overview

66%
of total adjusted assets

44%
total return 2021

SEK 515bn
adjusted net asset value

SEK 10.8bn
total dividends received

13
companies

SEK 1.0bn
invested 2021

Ownership
Significant minority owner

Ownership perspective
Long-term, buy-to-build strategy

Board representation
Significant representation from Investor AB, Chair role important in our governance model

Valuation methodology
Share price

Driving Value Creation

Build best-in-class companies

Over time, our companies should outperform competition and reach their full potential

Strong operational performance

Constructively challenge management

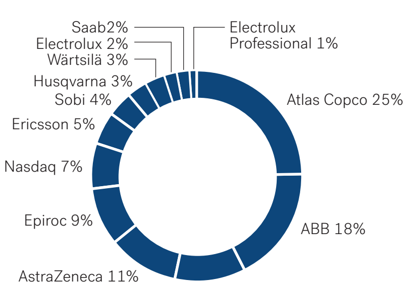
Support companies to capture opportunities related to long-term trends

Wise capital allocation

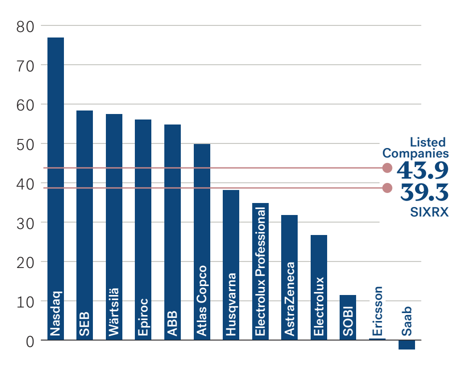
Strengthen ownership in selected listed companies

Ready to support companies in rights issues

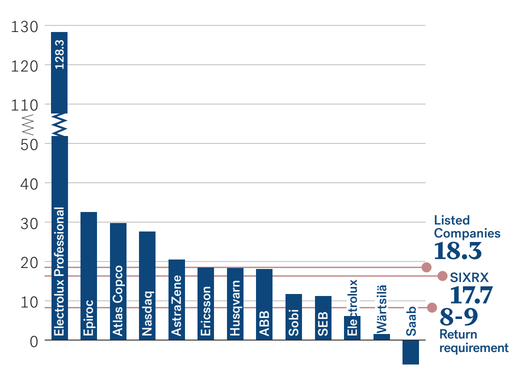
Share of Listed Companies



Total return 2021, %[1]

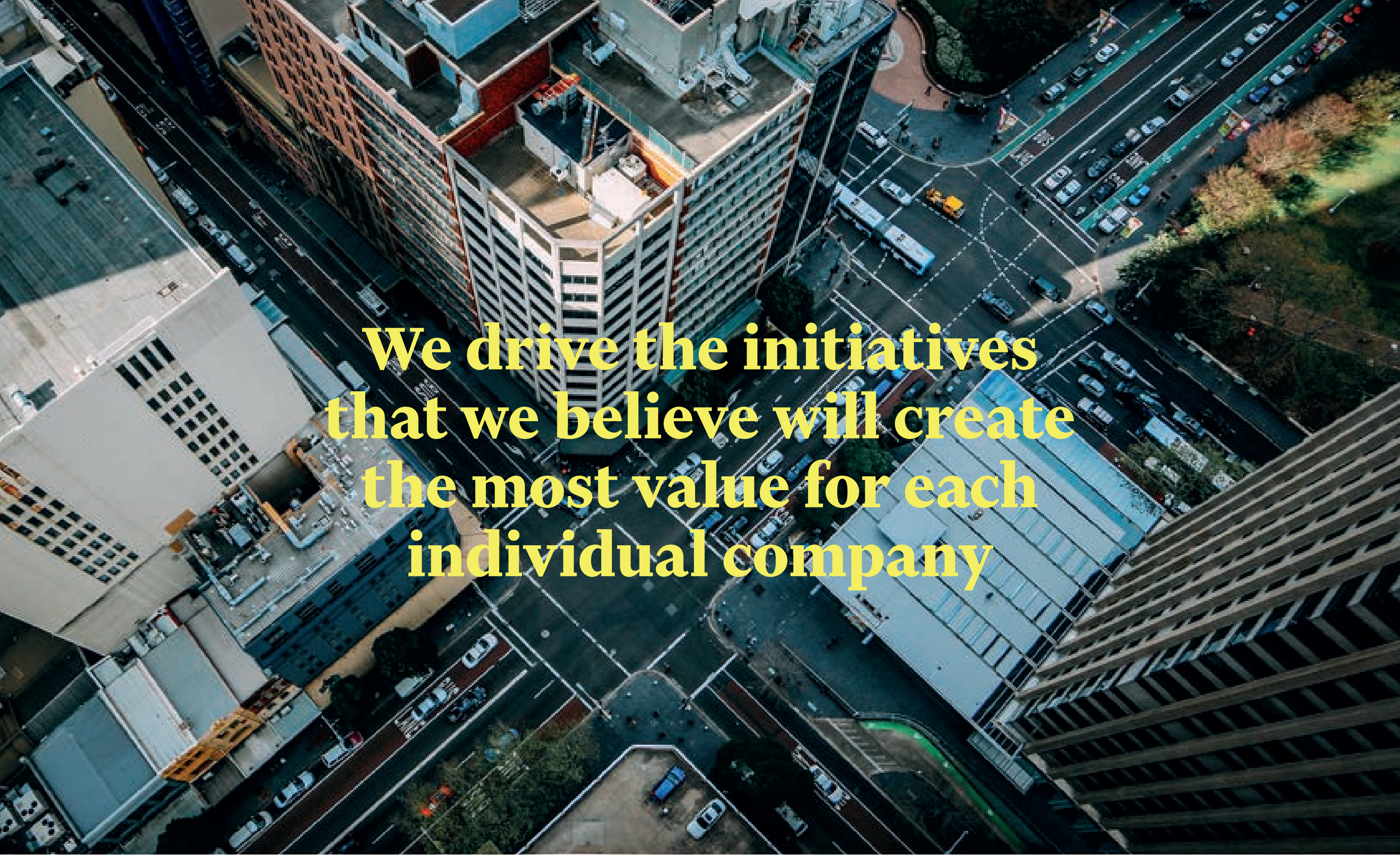


Average annual total return, % (5 years)[1]



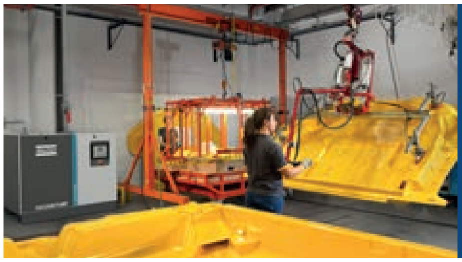
1) Calculated as the sum of share price changes with reinvested dividends, including add-on investments and/or divestments.

Electrolux Professional, listed March 23, 2020. Epiroc, listed June 18, 2018.



We drive the initiatives that we believe will create the most value for each individual company

Atlas Copco



SEK 129bn
value of holding

17%
of total adjusted assets

16.9%/22.3%
of capital/of votes

Atlas Copco is a leader in sustainable productivity solutions with a strong culture built on innovation.

OUR VIEW

- Atlas Copco has leading market positions in attractive industry segments with healthy growth potential. Operational performance is strong, underpinned by the decentralized organization.
- During 2021, Atlas Copco's total shareholder return was strong. The group delivered record orders, revenues and operating profit while continuing to invest for growth.
- Key for future value creation: Continued profitable growth, investments in innovation and digitalization across all business areas.

www.atlascopcogroup.com

ABB

SEK 92bn
value of holding

12%
of total adjusted assets

12.9%/12.9%
of capital/of votes

ABB is a leader in electrification, motion, robotics, and process automation, serving a broad range of end-markets.

OUR VIEW

- Based on its portfolio of leading and innovative businesses, ABB is well-positioned to capture growth opportunities from continued electrification and automation.
- During 2021, ABB made good progress on decentralization and significantly improved both profitability and cash flow. ABB divested the Mechanical Power Transmission division and further strengthened its financial position.
- Key for future value creation: Invest to improve long-term growth potential and continued execution on the strategy based on the simplified and decentralized organization.

www.abb.com

SEB

SEK 57bn
value of holding

7%
of total adjusted assets

20.8%/20.8%
of capital/of votes

SEB is a leading Nordic financial services group with strong corporate and private customer relationships.

OUR VIEW

- SEB has an attractive corporate banking position in its home markets and will be an important enabler in the sustainability transition, supporting customers with advice and capital.
- Despite the ongoing pandemic, 2021 was a very strong year for SEB with operating profit growth driven by high M&A activity, strong equity markets, and a strong balance sheet that supported continued lending growth.
- Key for future value creation: Supporting both Nordic and international corporate clients in their sustainability transition, as well as continuing investments in automation and data analytics to drive operational efficiency and customer benefits while maintaining a strong risk and compliance culture.

www.sebgroup.com

AstraZeneca

SEK 55bn
value of holding

7%
of total adjusted assets

3.3%/3.3%
of capital/of votes

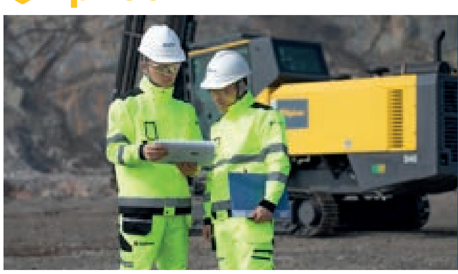
AstraZeneca is a global biopharmaceutical company focused on delivering innovative treatments.

OUR VIEW

- AstraZeneca has several fast-growing products within oncology and rare diseases, areas with large unmet needs, and a leading position in emerging markets.
- During 2021, AstraZeneca completed the acquisition of Alexion, building a position in rare diseases. Sales and core profits grew strongly mainly driven by the oncology portfolio. Through its vaccine, AstraZeneca also contributed in containing the covid-19 pandemic.
- Key for future value creation: Strong R&D productivity, successful commercialization of new treatments and maintained leadership in emerging markets.

www.astrazeneca.com

Epiroc



SEK 47bn
value of holding

6%
of total adjusted assets

17.1%/22.7%
of capital/of votes

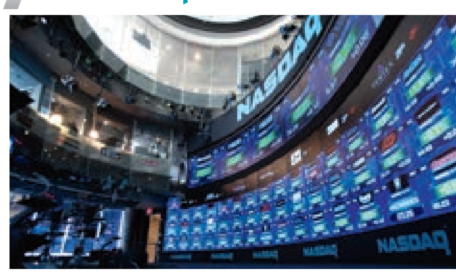
Epiroc is a leading supplier of equipment, service and solutions to the mining and infrastructure industries.

OUR VIEW

- Epiroc has a strong position in the attractive hard rock mining niche, a well-proven operating model with significant aftermarket revenues and industry-leading profitability.
- During 2021, Epiroc's total shareholder return was strong and the group reported record-high orders and profits. The company continued to invest in prioritized areas and closed a number of acquisitions within digitalization, communication and electrification.
- Key for future value creation: Continued investments in innovation, electrification and automation, as well as to achieve further operational improvements.

www.epirocgroup.com

Nasdaq



SEK 37bn
value of holding

5%
of total adjusted assets

11.6%/11.6%[1]
of capital/of votes

Nasdaq is a leading global provider of financial markets infrastructure, technology and information services.

OUR VIEW

- Nasdaq has leading positions in the profitable core trading business in both the US and Nordics. The company has also built a position in attractive high-growth adjacency businesses.
- Financial performance in 2021 was strong, supported by high trading volumes and rising asset values. Nasdaq also achieved strong growth in the non-trading segments driven by solid IPO activity and continued success in its anti-financial crime software business.
- Key for future value creation: Drive growth in the Investment Intelligence and Market Technology businesses, leverage the Verafin acquisition and improve performance in Market Infrastructure, and ensure best-in-class performance in the trading business.

1) No single owner is allowed to vote for more than 5 percent at the AGM

www.nasdaq.com

ERICSSON

SEK 27bn
value of holding

3%
of total
adjusted assets

8.0%/23.8%
of capital/of votes

Ericsson is one of the leading providers of Information and Communication Technology (ICT) to service providers.

OUR VIEW

- With its competitive product portfolio, Ericsson is at the technology forefront and drives innovation in mobile networks.
- During 2021, Ericsson performed strongly, both in terms of market share gains as well as profitability and cash flow. The company continued to execute on its enterprise strategy, including acquiring US-based Vonage for USD 6.2bn.
- Key for future value creation: Continue to invest to stay at the forefront of mobile technology, turn around Digital Services and capture opportunities related to enterprises' increasing use of mobile technology. The company also needs to continue to improve its business ethics and compliance culture.

www.ericsson.com

sobi
rare strength

SEK 20bn
value of holding

3%
of total
adjusted assets

35.0%/35.0%
of capital/of votes

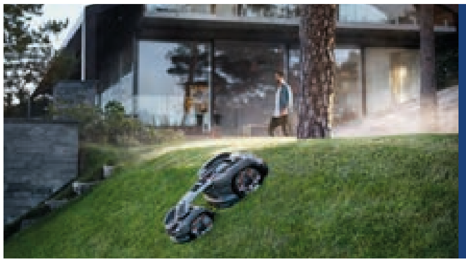
Sobi is a biopharmaceutical company focused on rare diseases.

OUR VIEW

- Sobi has an attractive product portfolio and a strong commercial platform offering long-term growth potential.
- In 2021, Sobi took important steps forward by making good progress on recently launched products and by receiving regulatory approval for, e.g., Aspaveli. Operating profit declined as Sobi increased R&D costs and costs related to launch activities for acquired products to facilitate growth in the coming years. A bid for the company was presented, which we supported, but as it did not reach the required shareholder support, it was later withdrawn. As the lead shareholder, our focus is now to continue to create long-term value.
- Key for future value creation: Defend strong market position in the haemophilia business, execute on recent acquisitions, and continue to broaden the portfolio through acquisitions.

www.sobi.com

Husqvarna Group



SEK 14bn
value of holding

2%
of total
adjusted assets

16.8%/33.2%
of capital/of votes

Husqvarna is a leading outdoor products company with strong brands, high end-customer focus and an innovative culture.

OUR VIEW

- With leading positions in attractive niches, such as the fast-growing robotic lawn mower category, Husqvarna is well positioned to deliver profitable growth.
- During 2021, Husqvarna performed strongly partly impacted by the stay at home trend. Through the acquisition of the North American Orbit, Husqvarna is creating the global residential watering leader with a stronghold in smart watering. The new financial targets announced in December raise the ambitions to accelerate growth while continuing to improve margins.
- Key for future value creation: Continued investments in profitable growth niches, winning the petrol-to-battery shift and adapting to changing end-customer expectations.

www.husqvarnagroup.com

WÄRTSILÄ

SEK 13bn
value of holding

2%
of total
adjusted assets

17.7%/17.7%
of capital/of votes

Wärtsilä is a leading supplier of hardware and software to the marine and energy markets.

OUR VIEW

- Wärtsilä has an attractive market position and offers solutions that help improve customers' financial performance while enabling the transition to a greener economy.
- During 2021, Wärtsilä's total shareholder return was strong, supported by recovering end markets and improved financial performance. However, a lot of hard work remains before the group reach full potential.
- Key for future value creation: Improve operational performance, build the leading green technology platform for shipping and energy markets, and continue to develop the digital offering.

www.wartsila.com

Electrolux

SEK 11bn
value of holding

1%
of total
adjusted assets

16.4%/28.4%
of capital/of votes

Electrolux is a leading global appliance company with strong focus on sustainability and innovative customer experiences.

OUR VIEW

- Electrolux is well positioned in the global appliance industry thanks to the company's strong brands, asset-light model and sustainability leadership.
- During 2021, Electrolux achieved strong organic sales and profit growth, following high demand for appliances during the pandemic. Profitability in North America was hampered by continued investments in manufacturing and innovation, which are important for future growth.
- Key for future value creation: Improve operational performance in North America, drive growth in Europe and build stronger end-customer relationships to increase customer lifetime value.

www.electroluxgroup.com

SAAB

SEK 9bn
value of holding

1%
of total
adjusted assets

30.2%/39.7%
of capital/of votes

Saab provides world-leading products, services and solutions for military defense in all domains to civil security.

OUR VIEW

- Based on its innovative solutions and strong system integration skills, Saab is well positioned to continue to capture attractive opportunities in niches of the global defense market.
- During 2021, a key focus was delivery of major projects, including Gripen E/F to Sweden and Brazil as well as GlobalEye to United Arab Emirates. The company also implemented a new organizational structure to simplify customer interaction and increase operational efficiency.
- Key for future value creation: Successful execution of the large projects, continued order wins and improved cash flow and profitability.

www.saabgroup.com

Electrolux Professional

SEK 4bn
value of holding

0%
of total
adjusted assets

20.5%/32.4%
of capital/of votes

Electrolux Professional is a leading global providers of food service, beverage and laundry solutions for professional users.

OUR VIEW

- Electrolux Professional has strong positions in markets with solid underlying demand growth and healthy profitability, driven by strong customer relationships and aftermarket potential.
- During 2021, sales and profitability recovered following the significant negative impact from covid-19 but still remained below pre-pandemic levels. The strategic acquisition of Unified Brands will strengthen presence with US chains, in line with company strategy.
- Key for future value creation: Improve operating efficiency and grow the business, especially with US chain customers and in emerging markets.

www.electroluxprofessional.com

Board members from Investor

ABB	Jacob Wallenberg (Vice Chair), Gunnar Brock
AstraZeneca	Marcus Wallenberg
Atlas Copco	Hans Stråberg (Chair), Johan Forssell
Electrolux	Petra Hedengran
Electrolux Professional	Daniel Nodhäll
Epiroc	Johan Forssell
Ericsson	Jacob Wallenberg (Vice Chair)
Husqvarna	Tom Johnstone (Chair), Daniel Nodhäll
Nasdaq	Jacob Wallenberg
Saab	Marcus Wallenberg (Chair), Sara Mazur, Daniel Nodhäll
SEB	Marcus Wallenberg (Chair), Sven Nyman, Helena Saxon
Sobi	Helena Saxon, Filippa Stenberg
Wärtsilä	Tom Johnstone (Chair), Johan Forssell

Patricia Industries

Patricia Industries invests in and develops wholly-owned companies with long-term growth potential. The vision is to be a great home for great companies.

Ownership model
Our key focus is to invest in and develop wholly-owned companies in the Nordics and North America. The ownership horizon is long-term, and exits are not part of the strategy. The aim is to exceed 90 percent ownership, with the companies' managements and boards of directors as co-owners, to ensure full alignment.

Patricia Industries operates with a decentralized model from Stockholm, New York and Palo Alto, and has a separate investment mandate and a specially appointed Board of Directors.

The boards of Patricia Industries' companies are typically composed of independent directors from our network and investment professionals from Patricia Industries, led by an independent, non-executive, chairperson.

The portfolio also includes Financial Investments, in which the investment horizon has not yet been defined.

We focus on investing through our existing wholly-owned companies, for example to finance organic growth initiatives or add-on acquisitions.

Key activities 2021
For the major subsidiaries, pro forma organic sales growth was 3 percent in constant currency, while EBITA decreased by 1 percent. Adjusting for items affecting comparability, EBITA was flat. Excluding Mölnlycke, where figures were substantially distorted by covid-19-related contracts for Personal Protective Equipment, organic sales and adjusted EBITA grew by 11 and 26 percent respectively.

Advanced Instruments, Sarnova, Atlas Antibodies, BraunAbility, Piab and Permobil all made or announced strategic add-on acquisitions. In total, Patricia Industries invested SEK 6.2bn of equity in its existing subsidiaries to fund add-on acquisitions. Following its acquisition of evitria, Atlas Antibodies was reclassified from a financial investment to a major subsidiary.

During the year, Grand Group was divested to FAM, which also acquired the Grand Hôtel property, previously owned by Vectura, Patricia Industries' subsidiary. The divestments within Financial Investments continued. Total divestments within Patricia Industries amounted to SEK 2.3bn.

Distributions to Patricia Industries amounted to SEK 6bn, mainly driven by Mölnlycke, Vectura and Three Scandinavia. These proceeds strengthen Patricia Industries capacity to invest in existing and new subsidiaries.

Key going forward
All companies are working actively to capture opportunities offered by long-term trends such as increased healthcare penetration, digitalization, automation and sustainability.

We continue to focus on further developing our existing companies and drive profitable growth, organically and through add-on acquisitions. Our ambition is also to find new subsidiaries in the Nordics and in North America. We will continue to divest holdings within Financial Investments to redeploy proceeds and resources to other portfolio companies.

Overview

19%
of total adjusted assets

3%
total return 2021

SEK 144bn
adjusted net asset value (ex. cash)

SEK 6.0bn
total distributions

9
subsidiaries

SEK 6.2bn
invested 2021

Ownership
Focus on wholly-owned companies

Ownership perspective
Long-term, buy-to-build strategy

Board representation
Boards comprise of independent directors and directors from Patricia Industries

Valuation methodology
Estimated market values, acquisition and equity methods and other relevant methods

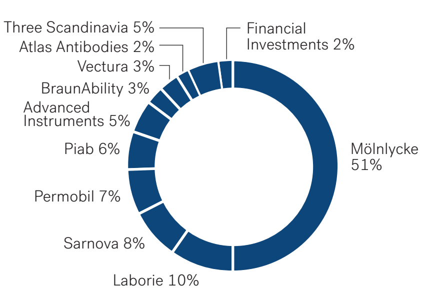
Investment criteria

Geography
- Nordics
- North America

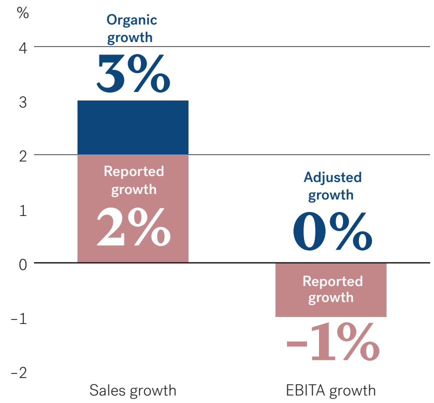
Industry
- Attractive industry niches, with long-term growth outlook

Companies
- Good growth opportunities
- Market-leading positions
- Strong profitability and cash flow
- Agility and resilience
- Strong corporate culture

Share of Patricia Industries

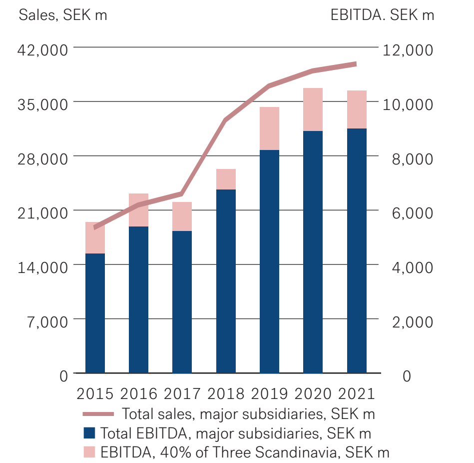


Performance 2021, major subsidiaries[1]



1) Including Advanced Instruments and Atlas Antibodies pro forma and excluding the Grand Group.

Annual sales and EBITDA[1]



1) Portfolio as of Dec 31, 2021. Reported EBITDA, incl. items affecting comparability, e.g. acquisition-related transaction costs.

Mölnlycke®

Mölnlycke designs, manufactures and supplies single use products and solutions for managing wounds, improving surgical safety and efficiency, and preventing pressure ulcers.

SEK 73 bn	9%	99%	–6%	–11%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

- Organic sales growth amounted to –6 percent in constant currency, mainly explained by less contribution from personal protective equipment (PPE) compared to 2020, and a temporary, covid-19-related production halt within Gloves during 2021. Excluding PPE, organic growth amounted to 4 percent.
- The EBITA margin declined due to higher raw materials and logistics costs and a temporary, covid-19-related production halt in Gloves.
- Wound Care grew 10 percent organically in constant currency.
- Organic growth within Surgical was –20 percent in constant currency, mainly explained by less contribution from PPE compared to 2020.
- Cash flow was strong and Mölnlycke distributed EUR 250m to the owners, of which EUR 249m to Patricia Industries.
- Mölnlycke launched a new structure with four decentralized, customer-centric and empowered business areas; Wound Care, Gloves, ORS (Operating Room Solutions), and Antiseptics. The business areas have end-to-end responsibility for business-specific operations, including P&L and balance sheet. All business area executives were recruited internally.

Important sustainability areas and related risks

- Corporate sustainability strategy based on three themes: green mindset, responsible relationships and ethical business.
- Green mindset encompasses both risks and opportunities, such as mitigating exposure to floods or droughts at certain manufacturing locations, finding sources of renewable energy and supplying reusable products and those produced from renewable sources.
- The principles covering these sustainability topics are primarily addressed in the Code of Conduct, Sustainability Policy, Quality Policy and Supplier standard and Code of Conduct.

Sustainability priorities 2021

- Sustainability incorporated into corporate strategy as one of the three strategic focus areas.
- Clear roadmap developed for each theme within sustainability and further developed sustainability reporting.
- VP Sustainability recruited building a dedicated resource to coordinate the sustainability work within the business areas.

Key figures, EUR m	2021	2020
Net sales	1,686	1,793
EBITDA	485	536
EBITDA, %	28.8	29.9
EBITA	421	475
EBITA, %	25.0	26.5
Operating cash flow	382	470
Net debt	1,510	1,492

Key sustainability performance indicators	2021	2020
Number of employees	8,315	7,910
Gender balance in Management Group, share of women %	50	22
CO_2e emissions, tonnes (scope 1 and 2)	96,208	96,105
Employees trained on anti-bribery and anti-corruption, %	97	98
Code of Conduct confirmed by suppliers, % [1]	85	96
Number of accidents per million working hours (LTA)	1.7	1.1
Employee engagement score, %	77	79

1) Agreements with suppliers of raw materials and outsourced sterilization.

www.molnlycke.com
Chair: Gunnar Brock
CEO: Zlatko Rihter
Board members from Patricia Industries: Gunnar Brock, Christian Cederholm

OUR VIEW

- Mölnlycke develops, produces and sells innovative, evidence-based quality products within wound management, pressure injury prevention and surgical solutions. Its strong position offers attractive long-term, profitable growth opportunities.
- To drive long-term profitable growth, Mölnlycke continues to invest in innovation and clinical evidence as well as commercial execution in both existing and new markets. In addition, Mölnlycke will continue to consider acquisitions as a way to accelerate growth and the pace of innovation.

Laborie

Laborie manufactures and delivers high-quality, high-impact diagnostic and therapeutic products within Urology, Urogynecology, Gastroenterology and Obstetrics, Gynecology & Neonatal Health.

SEK 15 bn	2%	98%	21%	126%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

- Organic sales growth amounted to 21 percent in constant currency, as end-customer demand recovered across business areas, while significant supply chain challenges impacted negatively.
- The reported EBITA margin amounted to 27 percent compared to 16 percent in 2020. Adjusting for items affecting comparability both during 2020 and 2021, the EBITA margin improved from 19 to 28 percent.
- Laborie acquired Pelvalon, a medical technology company that has developed the Eclipse™ System, an innovative, non-surgical, patient-controlled device for women suffering from fecal incontinence. The product is highly complementary to Laborie's existing urogynecology product portfolio and commercial channels.
- In January, 2022, Laborie exercised its option to acquire a perpetual, exclusive license to the Optilume™ drug-coated balloon for treatment of urethral strictures. The product fits well into Laborie's urology product portfolio and commercial channels. The total consideration amounted to USD 165m. Adjusting for its minority ownership, Laborie invested approximately USD 150m, of which USD 100m was provided by Patricia Industries and the remainder by Laborie's cash and external debt.

Important sustainability areas and related risks

- Material aspects include employee health and safety, workforce diversity and inclusion, ethical business conduct, environmental impact, product quality, and innovation intensity.
- The supporting principles are addressed in the Code of Conduct and Ethics, Supplier and Distributor Code of Conduct, compliance program, and Quality Policy.

Sustainability priorities 2021

- Continued to strengthen employee health and safety program (EHS) globally.
- Further strengthened focus on social sustainability through relaunched corporate brand and mission statement focused on preserving and restoring human dignity and quality of life.
- Continued to improve anti-bribery & corruption controls, including enhanced auditing and monitoring functions.
- Appointed new director of EHS to drive improvement initiatives across Laborie's supply chain, drafting of corporate EHS standards and implementation of EHS information management system.

Key figures, USD m	2021	2020
Net sales	313	230
EBITDA	93	44
EBITDA, %	29.9	19.1
EBITA	83	37
EBITA, %	26.6	16.0
Operating cash flow	60	21
Net debt	424	403

Key sustainability performance indicators	2021	2020
Number of employees	780	870
Gender balance in Management Group, share of women %	38	36
CO_2e emissions, tonnes (scope 1 and 2)	1,755	1,705[1]
Employees trained on anti-bribery and anti-corruption, %	98	100
Incident rate	0.98	0.40[1]
Employee satisfaction, eNPS	+4	+17
Percentage of women among senior leadership, %	37	44

1) Restated compared to annual report 2020.

www.laborie.com
Chair: Bo Jesper Hansen
CEO: Michael Frazzette
Board members from Patricia Industries: Yuriy Prilutskiy

OUR VIEW

- As an industry-leading innovator, manufacturer and supplier of medical technology products to the urology, gastroenterology and labor & delivery markets, Laborie has significant long-term growth potential supported by favorable underlying patient demographic trends, continued investment in new product development and global expansion, and multiple strategic acquisition opportunities.
- Laborie remains focused on core business performance and management of ongoing covid-driven supply chain constraints, as well as operational footprint enhancements. To drive growth, Laborie will accelerate investments in the development and launch of new products, expand globally into new markets, and continue to evaluate strategic acquisitions in both new and existing therapeutic areas. Looking ahead, Laborie will make significant investments in launching the recently acquired products, including Eclipse™ and Optilume™.

sarnova

Sarnova is a US provider of specialty healthcare and safety products, services and software to the emergency medical services (EMS), acute care, and cardiac response markets.

SEK 11bn	1%	95%	0%	31%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

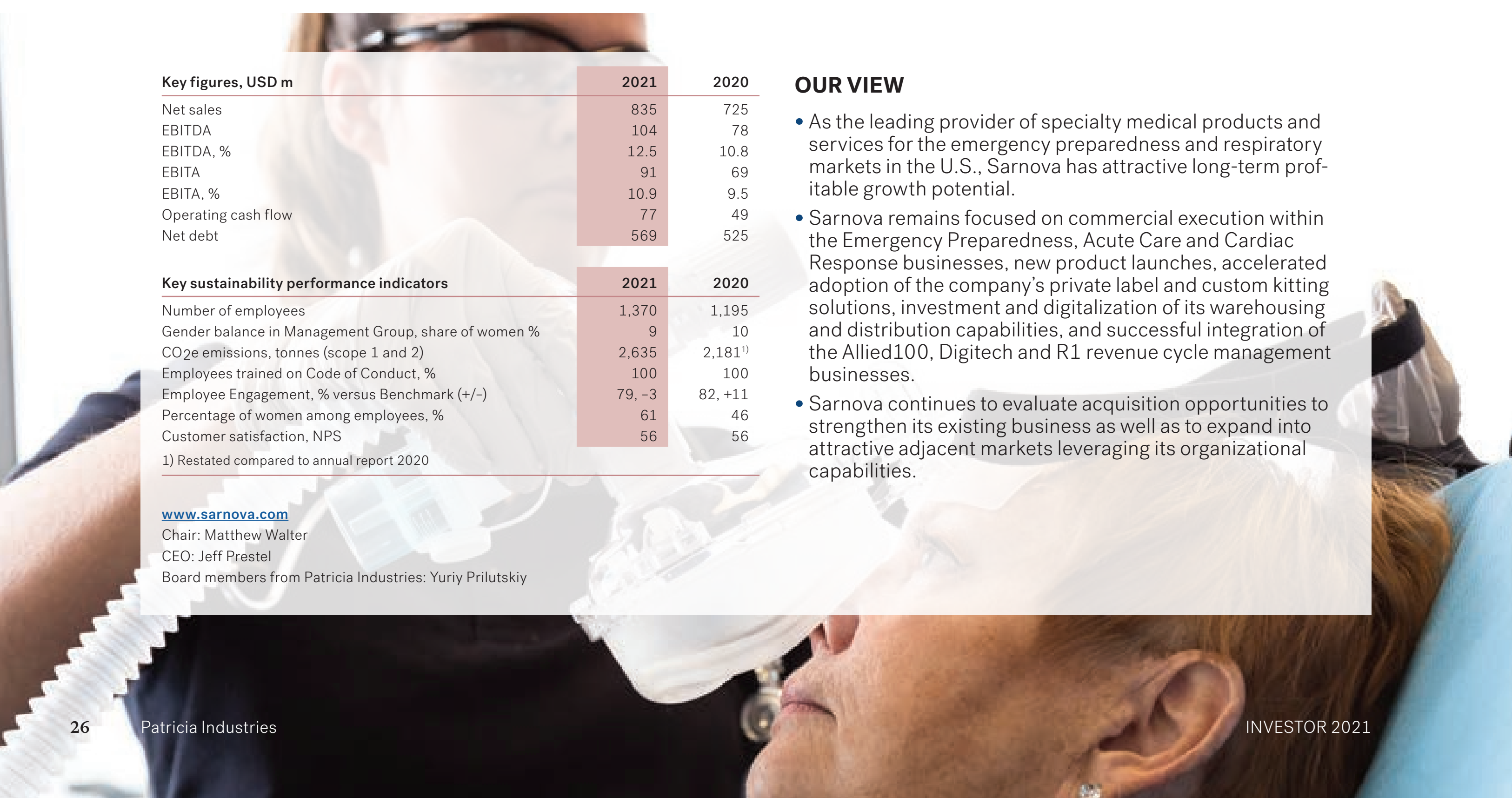
- Organic sales growth was flat in constant currency, compared to 2020 when demand surged due to covid-19. The underlying business developed positively.
- Adjusting for items affecting comparability, the EBITA margin was 13 percent, an improvement compared to 2020.
- Sarnova continued to invest in additional commercial resources, digital platform enhancements and warehouse optimization.
- Sarnova acquired Allied 100, a leading specialty distributor of automated external defibrillators (AEDs). The business has been combined with Sarnova's existing Cardio Partners business, creating the Cardiac Response business unit. For the 12-month period ending June 30, 2021, sales and adjusted EBITDA for Allied 100 were approximately USD 117m and USD 20m respectively. The total consideration amounted to USD 290m, of which USD 210m was funded through equity provided by Patricia Industries.

Important sustainability areas and related risks

- Focus areas include customer satisfaction, creating a safe and healthy workplace for employees, maintaining a diverse and engaged workforce, ensuring environmentally sustainable operations, and ethical business conduct.
- The principles supporting these sustainability areas are primarily addressed in the Code of Conduct, Employee Handbook and general corporate policies.

Sustainability priorities 2021

- Conducted a customer satisfaction survey to identify areas for customer service improvements.
- Continued education of employees on ethical conduct, with emphasis on anti-trust, anti-corruption, and Code of Conduct.
- Established Employee Resource Groups with charters focused on implementation of diversity and inclusion initiatives.
- Established cross functional team to develop emission reduction strategy initiatives.
- Conducted vendor sustainability survey.



Key figures, USD m	2021	2020
Net sales	835	725
EBITDA	104	78
EBITDA, %	12.5	10.8
EBITA	91	69
EBITA, %	10.9	9.5
Operating cash flow	77	49
Net debt	569	525

Key sustainability performance indicators	2021	2020
Number of employees	1,370	1,195
Gender balance in Management Group, share of women %	9	10
CO_2e emissions, tonnes (scope 1 and 2)	2,635	2,181[1]
Employees trained on Code of Conduct, %	100	100
Employee Engagement, % versus Benchmark (+/–)	79, –3	82, +11
Percentage of women among employees, %	61	46
Customer satisfaction, NPS	56	56

1) Restated compared to annual report 2020

www.sarnova.com
Chair: Matthew Walter
CEO: Jeff Prestel
Board members from Patricia Industries: Yuriy Prilutskiy

OUR VIEW

- As the leading provider of specialty medical products and services for the emergency preparedness and respiratory markets in the U.S., Sarnova has attractive long-term profitable growth potential.
- Sarnova remains focused on commercial execution within the Emergency Preparedness, Acute Care and Cardiac Response businesses, new product launches, accelerated adoption of the company's private label and custom kitting solutions, investment and digitalization of its warehousing and distribution capabilities, and successful integration of the Allied100, Digitech and R1 revenue cycle management businesses.
- Sarnova continues to evaluate acquisition opportunities to strengthen its existing business as well as to expand into attractive adjacent markets leveraging its organizational capabilities.

permobil

Permobil provides advanced mobility and seating rehab solutions through development, production and sale of powered and manual wheelchairs, pressure-relieving cushions and power-assist devices.

SEK 11bn	1%	98%	6%	-5%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

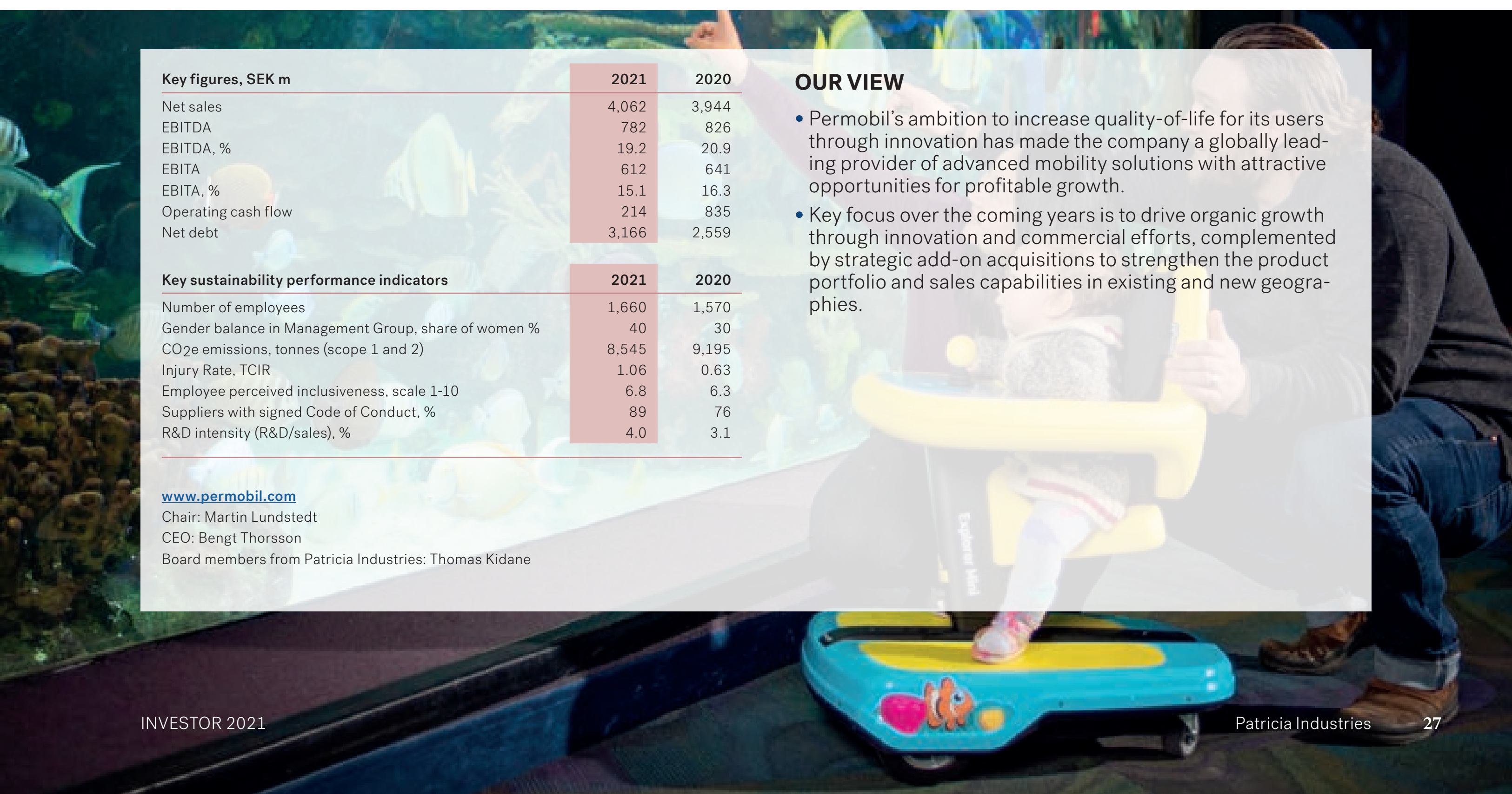
- Organic sales growth amounted to 6 percent in constant currency. Americas and EMEA grew, while APAC declined. Covid-19-related restrictions and supply chain constraints continued to impact negatively.
- The EBITA margin declined, explained by increased costs for freight and sourcing as well as investments in a strategic product development project. Good cost control mitigated the margin decline.
- Permobil acquired Progeo, a leading Italian manufacturer of manual wheelchairs with annual sales of approximately SEK 100m, thereby significantly improving its portfolio of manual wheelchairs in Europe and strengthening its position in Italy.
- Permobil also entered an agreement to acquire Panthera. The acqusition will strengthen Permobil's product offering with the world's lightest manual wheelchairs for active users, alongside the company's Progeo and TiLite product ranges. The acquisition was completed in January 2022.
- Permobil launched the Voice Assistant feature on its Permobil app, enabling wheelchair users to access their usage data, for example remaining driving range, verbally through Amazon Alexa™ and Google Assistant™. It also launched Mototronik, a front-mounted power assist device for manual wheelchairs.

Important sustainability areas and related risks

- The most material aspects are quality of life for users, product and service quality and safety, safe and respectful work place, diversity and inclusion, business ethics, responsible sourcing and environmental impact.
- The principles covering these aspects are found in the Sustainability Policy, Core Values, Code of Conduct, Anti-Corruption Policy, Health and Safety Policy and Supplier Code of Conduct.

Sustainability priorities 2021

- For each sustainability focus area, key performance indicators have been identified, and targets and associated action plans are in various stages of development for each area.
- Defined, launched and communicated Sustainability Policy both internally and externally.
- Switched to electricity from renewable sources in one location with other sites to follow.
- Secured supply chain during covid-19 pandemic in order to deliver products to users and thereby sustaining Quality of Life for Users.



Key figures, SEK m	2021	2020
Net sales	4,062	3,944
EBITDA	782	826
EBITDA, %	19.2	20.9
EBITA	612	641
EBITA, %	15.1	16.3
Operating cash flow	214	835
Net debt	3,166	2,559

Key sustainability performance indicators	2021	2020
Number of employees	1,660	1,570
Gender balance in Management Group, share of women %	40	30
CO_2e emissions, tonnes (scope 1 and 2)	8,545	9,195
Injury Rate, TCIR	1.06	0.63
Employee perceived inclusiveness, scale 1-10	6.8	6.3
Suppliers with signed Code of Conduct, %	89	76
R&D intensity (R&D/sales), %	4.0	3.1

www.permobil.com
Chair: Martin Lundstedt
CEO: Bengt Thorsson
Board members from Patricia Industries: Thomas Kidane

OUR VIEW

- Permobil's ambition to increase quality-of-life for its users through innovation has made the company a globally leading provider of advanced mobility solutions with attractive opportunities for profitable growth.
- Key focus over the coming years is to drive organic growth through innovation and commercial efforts, complemented by strategic add-on acquisitions to strengthen the product portfolio and sales capabilities in existing and new geographies.

piab

Piab develops, produces and distributes gripping and moving solutions for end-users and machine manufacturers to improve energy efficiency, productivity and work environment.

SEK 8 bn	1%	97%	18%	18%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

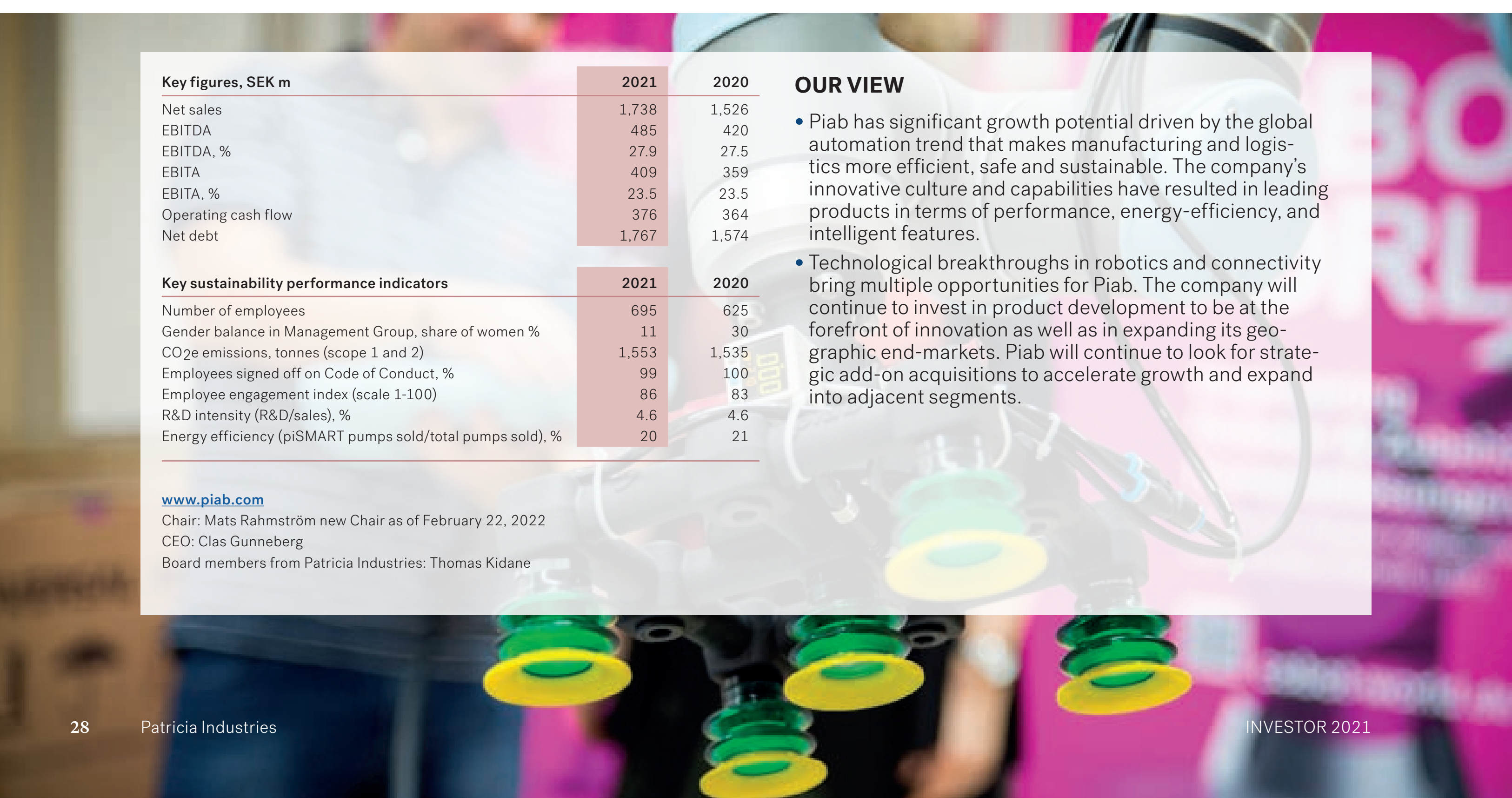
- Organic sales growth amounted to 18 percent in constant currency, driven by all divisions and regions.
- The reported EBITA margin was flat. Adjusting for items affecting comparability both during 2020 and 2021, the EBITA margin improved slightly to 25 percent.
- Within Vacuum Automation, Piab launched a new range of suction cups for the Logistics, Warehousing, E-commerce and Automotive industries. Within Vacuum Conveying, Piab launched the piFLOW®am, a vacuum conveyor for the additive manufacturing market.
- Piab acquired Airbest, a leading Chinese company within Vacuum Automation, strengthening its presence in the country. In early January, 2022, Piab announced the acquisition of Manut-LM, a French manufacturer of lifting automation equipment, further strengthening the company's presence in the French market.

Important sustainability areas and related risks

- Corporate sustainability strategy based on four key areas: innovation for inclusive and sustainable industrialization, safety and well-being, diversity and inclusion, and climate and resource efficiency.
- The principles around these aspects are primarily addressed in the Code of Conduct, Sustainability Policy, Trade Compliance Policy, and Anti-Corruption Policy.

Sustainability priorities 2021

- Introduced sustainability evaluation in New Product Introduction (NPI) process, including a new criteria of recyclability.
- Started establishing divisional plans for recyclability of products.
- Transitioned to renewable energy for all locations where possible.
- Established and measured a group wide well-being index.



Key figures, SEK m	2021	2020
Net sales	1,738	1,526
EBITDA	485	420
EBITDA, %	27.9	27.5
EBITA	409	359
EBITA, %	23.5	23.5
Operating cash flow	376	364
Net debt	1,767	1,574

Key sustainability performance indicators	2021	2020
Number of employees	695	625
Gender balance in Management Group, share of women %	11	30
CO_2e emissions, tonnes (scope 1 and 2)	1,553	1,535
Employees signed off on Code of Conduct, %	99	100
Employee engagement index (scale 1-100)	86	83
R&D intensity (R&D/sales), %	4.6	4.6
Energy efficiency (piSMART pumps sold/total pumps sold), %	20	21

www.piab.com
Chair: Mats Rahmström new Chair as of February 22, 2022
CEO: Clas Gunneberg
Board members from Patricia Industries: Thomas Kidane

OUR VIEW

- Piab has significant growth potential driven by the global automation trend that makes manufacturing and logistics more efficient, safe and sustainable. The company's innovative culture and capabilities have resulted in leading products in terms of performance, energy-efficiency, and intelligent features.
- Technological breakthroughs in robotics and connectivity bring multiple opportunities for Piab. The company will continue to invest in product development to be at the forefront of innovation as well as in expanding its geographic end-markets. Piab will continue to look for strategic add-on acquisitions to accelerate growth and expand into adjacent segments.

ADVANCED INSTRUMENTS

Advanced Instruments is a global provider of scientific and analytical instruments for the biotechnology, clinical and food & beverage industries.

SEK 7 bn	1%	99%	24%	4%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

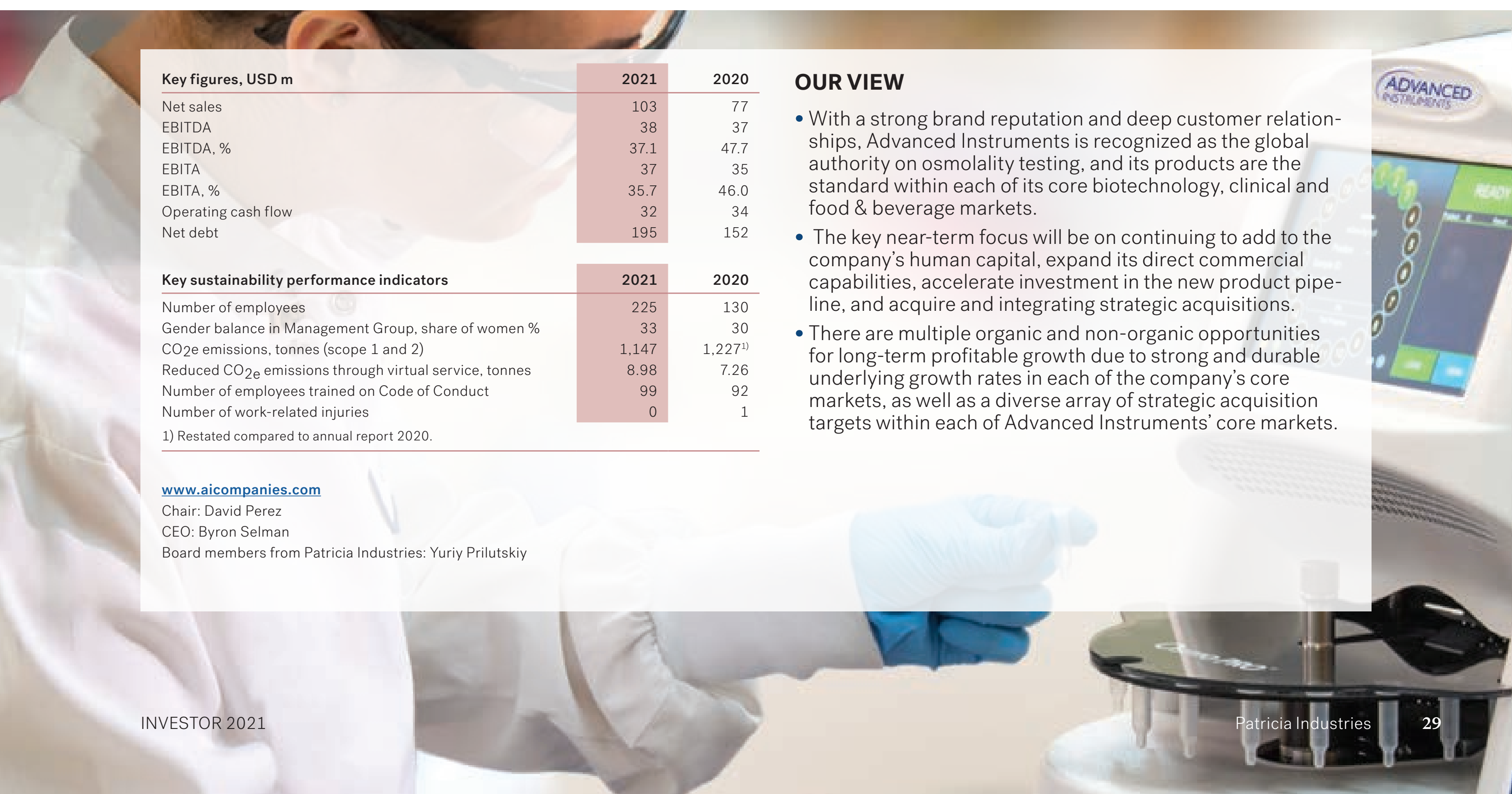
- Organic sales growth amounted to 24 percent in constant currency, driven by good growth in consumables, services and instruments.
- Adjusting for acquisition-related transaction costs, the EBITA margin amounted to 46 percent, unchanged compared to 2020.
- In order to prepare Advanced Instruments for future growth, investments to further expand the global commercial organization and accelerate key product development projects continued.
- Advanced Instruments acquired Solentim, a global leader in innovative solutions for cell line development of biopharmaceutical products. For the 12-month period ending June 2021, Solentim's revenues and adjusted EBITDA amounted to approximately USD 17m and USD 5m respectively. Average annual growth for the past three years amounted to 38 percent. The total consideration amounted to USD 240m, of which Patricia Industries contributed USD 170m in equity.

Important sustainability areas and related risks

- Key sustainability areas include diversifying our supply chain, engaged and trained work force, effective M&A integrations, reduced energy reliance and consumption and innovation of new products with focus on customer needs.
- The principles supporting these areas are primarily addressed in the Code of Conduct and the Quality Management System.

Sustainability priorities 2021

- Expanded use of virtual service capabilities to reduce environmental impacts.
- Progressed implementation of recycling programs to reduce the environmental impact of operations, focused on energy consumption and carbon emissions.
- Continued to implement cellular manufacturing, with positive implications for environmental performance such as eliminating overproduction, reducing material waste, shifting to rightsized equipment and optimizing production floor space.



Key figures, USD m	2021	2020
Net sales	103	77
EBITDA	38	37
EBITDA, %	37.1	47.7
EBITA	37	35
EBITA, %	35.7	46.0
Operating cash flow	32	34
Net debt	195	152

Key sustainability performance indicators	2021	2020
Number of employees	225	130
Gender balance in Management Group, share of women %	33	30
CO_2e emissions, tonnes (scope 1 and 2)	1,147	1,227[1)]
Reduced CO_{2e} emissions through virtual service, tonnes	8.98	7.26
Number of employees trained on Code of Conduct	99	92
Number of work-related injuries	0	1

1) Restated compared to annual report 2020.

www.aicompanies.com
Chair: David Perez
CEO: Byron Selman
Board members from Patricia Industries: Yuriy Prilutskiy

OUR VIEW

- With a strong brand reputation and deep customer relationships, Advanced Instruments is recognized as the global authority on osmolality testing, and its products are the standard within each of its core biotechnology, clinical and food & beverage markets.
- The key near-term focus will be on continuing to add to the company's human capital, expand its direct commercial capabilities, accelerate investment in the new product pipeline, and acquire and integrating strategic acquisitions.
- There are multiple organic and non-organic opportunities for long-term profitable growth due to strong and durable underlying growth rates in each of the company's core markets, as well as a diverse array of strategic acquisition targets within each of Advanced Instruments' core markets.

BraunAbility

BraunAbility is a global manufacturer of mobility transportation solutions, including wheelchair accessible vehicles, wheelchair lifts and seating, storage and securement products.

SEK 4 bn	<1%	95%	17%	23%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

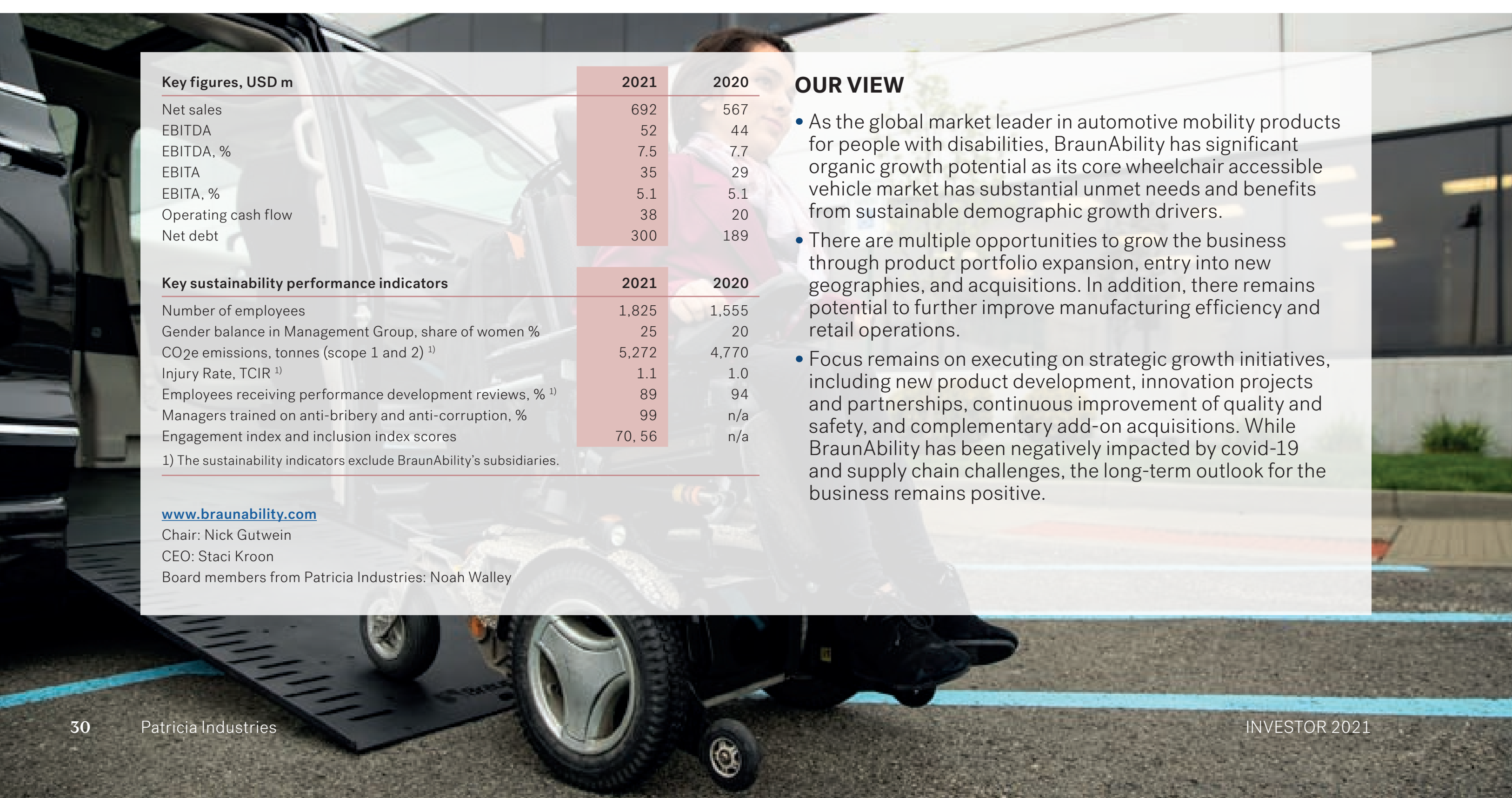
- Organic sales growth amounted to 17 percent in constant currency, as demand recovered from low levels last year due to covid-19. The recovery was driven by the consumer segment, while the commercial segment remained challenged by the limited availability of vehicle chassis.
- The EBITA margin was essentially flat compared to last year. Increased material and labor costs as well as an unfavorable product mix were largely offset by pricing initiatives and cost management.
- BraunAbility acquired a 51 percent interest in Q'Straint, the global leader in wheelchair securement solutions for private and public transportation. Q'Straint's deep and innovative portfolio of wheelchair restraints is highly complementary and strategic to BraunAbility's product portfolio. For the 12-month period ending June 30, 2021, Q'Straint's sales were approximately USD 61m, with profitability above BraunAbility's historical levels. The transaction was funded by cash on hand and USD 20m in equity from Patricia Industries.

Important sustainability areas and related risks

- Material aspects include product quality, customer satisfaction, innovation, regulatory compliance, occupational health and safety, sustainable supply chain, financial health and talent management.
- The principles guiding these areas are primarily addressed in the Code of Conduct, Supplier Code of Conduct, Employee Handbook, Quality Policy and company vision and values.

Sustainability priorities 2021

- Launched the company's first hybrid wheelchair accessible vehicle.
- Conducted an anti-bribery/anti-corruption (ABAC) risk assessment and deployed training to employees.
- Launched an employee voice survey to obtain engagement and inclusion indices.



Key figures, USD m	2021	2020
Net sales	692	567
EBITDA	52	44
EBITDA, %	7.5	7.7
EBITA	35	29
EBITA, %	5.1	5.1
Operating cash flow	38	20
Net debt	300	189

Key sustainability performance indicators	2021	2020
Number of employees	1,825	1,555
Gender balance in Management Group, share of women %	25	20
CO_2e emissions, tonnes (scope 1 and 2) [1]	5,272	4,770
Injury Rate, TCIR [1]	1.1	1.0
Employees receiving performance development reviews, % [1]	89	94
Managers trained on anti-bribery and anti-corruption, %	99	n/a
Engagement index and inclusion index scores	70, 56	n/a

1) The sustainability indicators exclude BraunAbility's subsidiaries.

www.braunability.com
Chair: Nick Gutwein
CEO: Staci Kroon
Board members from Patricia Industries: Noah Walley

OUR VIEW

- As the global market leader in automotive mobility products for people with disabilities, BraunAbility has significant organic growth potential as its core wheelchair accessible vehicle market has substantial unmet needs and benefits from sustainable demographic growth drivers.
- There are multiple opportunities to grow the business through product portfolio expansion, entry into new geographies, and acquisitions. In addition, there remains potential to further improve manufacturing efficiency and retail operations.
- Focus remains on executing on strategic growth initiatives, including new product development, innovation projects and partnerships, continuous improvement of quality and safety, and complementary add-on acquisitions. While BraunAbility has been negatively impacted by covid-19 and supply chain challenges, the long-term outlook for the business remains positive.

Vectura

Vectura develops, owns and manages properties for community service, office and hotel with a long-term commitment. Manages the whole value chain, from land acquisition to development and management.

SEK 4 bn	<1%	99%	–6%	31%
estimated value of holding	of total adjusted assets	total exposure	reported sales growth	reported EBITA growth

Important events 2021

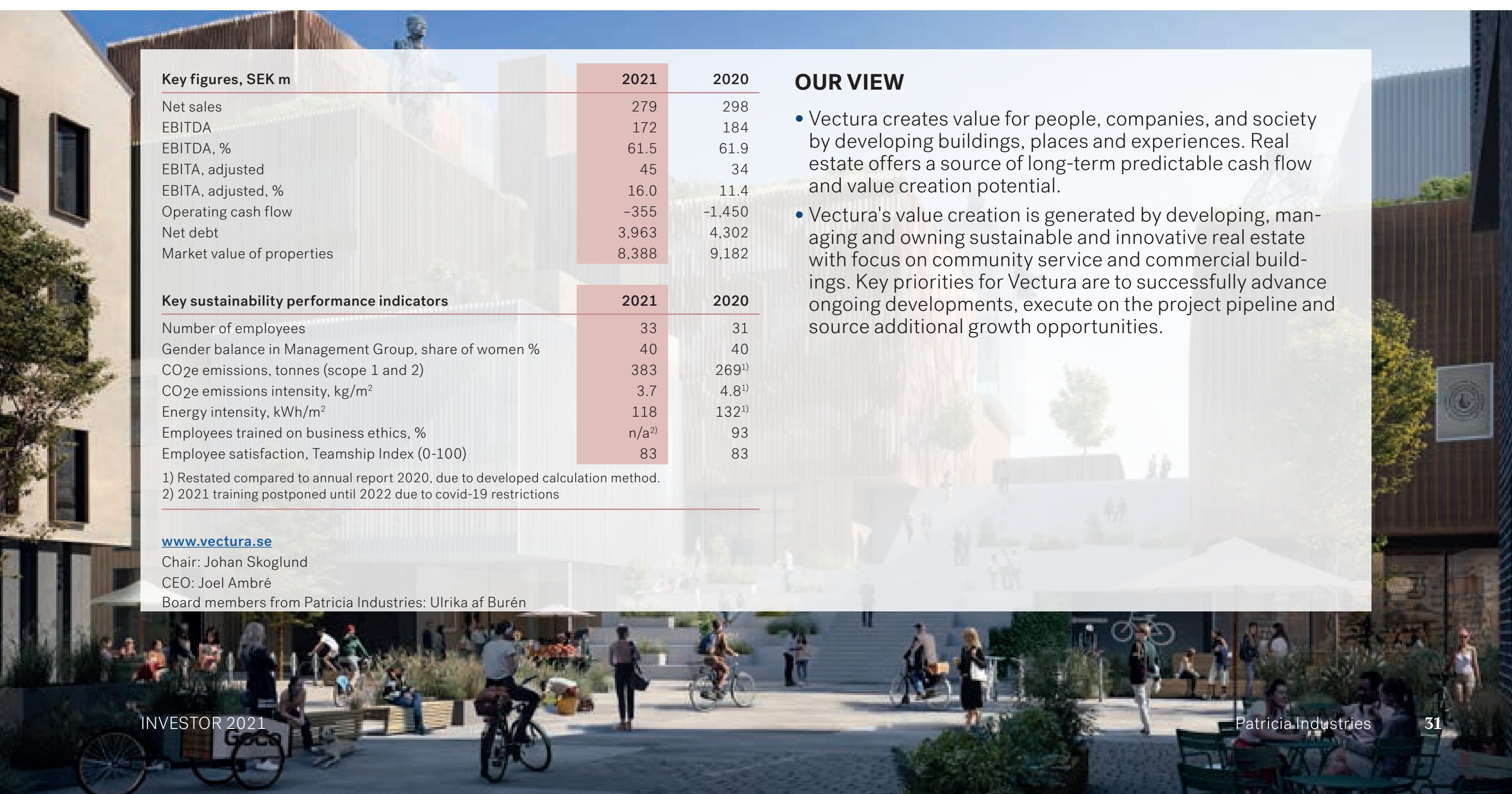
- Sales growth amounted to –6 percent, substantially explained by lost income from the divested Grand Hôtel property. Adjusted for this divestment, growth amounted to 32 percent, driven by new Community Services properties.
- The EBITA-margin was 16 percent, an improvement compared to 2020.
- Vectura divested the Grand Hôtel property. The net proceeds from the transaction, after debt amortization in Vectura, were distributed to Patricia Industries.
- Several acquisitions of Care and Community Services-related properties were completed.
- During 2021, property market value decreased due to recent divestments. Adjusting for the divestment of the Grand Hôtel property, the market value increased explained by acquisitions of care properties, investments in ongoing construction projects, as well as yield compression in the market.
- Johan Skoglund was appointed new Chair.

Important sustainability areas and related risks

- The most material aspects are business ethics, good working conditions, diversity and inclusion, well-being for people in and around our properties, innovation, climate and circularity.
- Principles covering these areas are primarily described in the Code of Conduct, Sustainability Policy and Supplier Code of Conduct.

Sustainability priorities 2021

- Implemented new sustainability framework based on Leading in climate & circularity, Innovation for people and Always taking responsibility.
- To reach climate neutrality in 2025, all energy for heating and electricity is now secured from renewable sources.
- To prepare for EU-taxonomy and TCFD, Vectura conducted a physical climate risk assessment of all projects and subsequent portfolio mapping.



Key figures, SEK m	2021	2020
Net sales	279	298
EBITDA	172	184
EBITDA, %	61.5	61.9
EBITA, adjusted	45	34
EBITA, adjusted, %	16.0	11.4
Operating cash flow	–355	–1,450
Net debt	3,963	4,302
Market value of properties	8,388	9,182

Key sustainability performance indicators	2021	2020
Number of employees	33	31
Gender balance in Management Group, share of women %	40	40
CO_2e emissions, tonnes (scope 1 and 2)	383	269[1)]
CO_2e emissions intensity, kg/m^2	3.7	4.8[1)]
Energy intensity, kWh/m^2	118	132[1)]
Employees trained on business ethics, %	n/a[2)]	93
Employee satisfaction, Teamship Index (0-100)	83	83

1) Restated compared to annual report 2020, due to developed calculation method.
2) 2021 training postponed until 2022 due to covid-19 restrictions

www.vectura.se
Chair: Johan Skoglund
CEO: Joel Ambré
Board members from Patricia Industries: Ulrika af Burén

OUR VIEW

- Vectura creates value for people, companies, and society by developing buildings, places and experiences. Real estate offers a source of long-term predictable cash flow and value creation potential.
- Vectura's value creation is generated by developing, managing and owning sustainable and innovative real estate with focus on community service and commercial buildings. Key priorities for Vectura are to successfully advance ongoing developments, execute on the project pipeline and source additional growth opportunities.

ATLAS ANTIBODIES

Atlas Antibodies is a global developer, manufacturer and distributor of advanced reagents for basic and clinical biomedical research in critical areas such as oncology and neurology.

SEK 3bn	<1%	89%	34%	34%
estimated value of holding	of total adjusted assets	total exposure	organic sales growth, constant currency	reported EBITA growth

Important events 2021

- Following its acquisition of evitria, Atlas Antibodies was reclassified as a major subsidiary within Patricia Industries (previously reported within Financial Investments).
- Atlas Antibodies acquired evitria, a quality leader within custom recombinant antibody expression serving the biopharmaceutical industry. The acquisition brings together two highly innovative companies, creating an antibody-focused platform serving both academia and biopharma customers. evitria continues to operate as a stand-alone entity under the evitria name. In the transaction, Patricia Industries contributed its 70 percent ownership in Atlas Antibodies and approximately SEK 2bn of cash in equity financing.
- Organic sales growth (pro forma, including evitria) amounted to 34 percent in constant currency.
- The EBITA margin increased slightly.
- Investments in the commercial organization and administrative functions continued.
- Nille Klaebel was appointed new CEO, effective September, 2021.

Important sustainability areas and related risks

- Material aspects include employee health and safety, diversity and inclusion, business ethics, climate and environment, product quality and innovation.
- The principles covering these areas are primarily addressed in the Code of Conduct, Work Environment Policy and Sustainability Policy.

Sustainability priorities 2021

- Through the ISO 9001 certification that was approved this year, sustainability was woven into the supplier qualification process risk assessment and a first assessment of current suppliers was completed.
- During the year Atlas Antibodies registered with sustainability ratings provider EcoVadis. The company was awarded silver status.
- Continued focus on reducing waste throughout the supply chain and in improving yields in key manufacturing processes.

Key figures, SEK m	2021	2020
Net sales	324	247
EBITDA	162	124
EBITDA, %	50.1	50.2
EBITA	143	107
EBITA, %	44.2	43.3
Operating cash flow	115	78
Net debt	406	-117

Key sustainability performance indicators	2021	2020
Number of employees	115	95
Gender balance in Management Group, share of women %	60	50
CO_2e emissions, tonnes (scope 1 and 2)	63	n/a[1]
R&D intensity (R&D/sales), %	14	19
Percentage of women among employees, %	70	67
Employee engagement score, (scale 1-5)	3.9	3.9

1) Historical data not available. 2021 figure to be used to approximate baseline.

www.atlasantibodies.com
Chair: Torben Jörgensen
CEO: Nille Klaebel
Board members from Patricia Industries: Louise Kores, Lennart Johansson

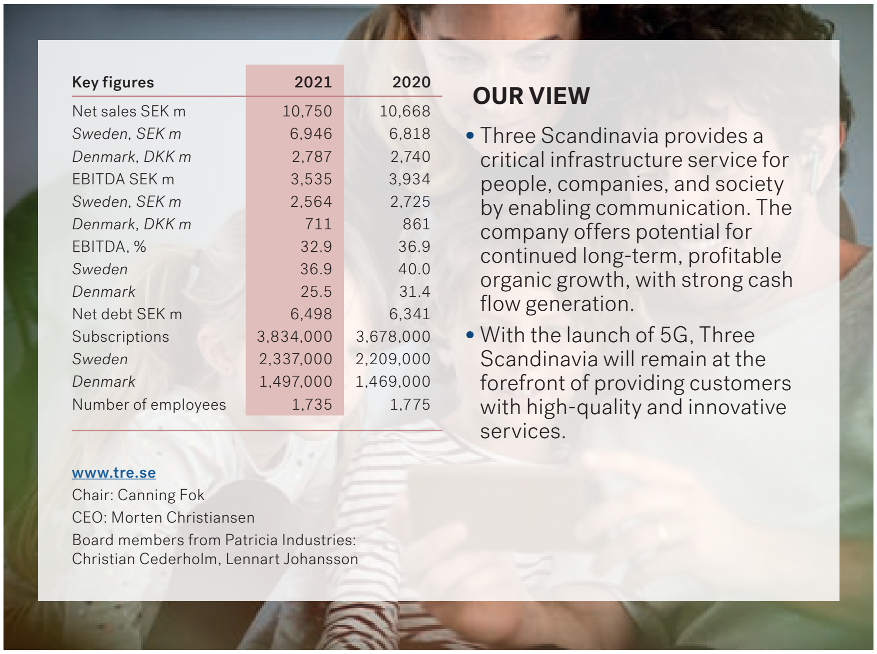
OUR VIEW

- Atlas Antibodies is a unique protein detection and analysis platform, providing attractive growth opportunities driven by favorable market trends within, for example, medical research and biopharmaceutical development.
- Key focus during the coming years will be to drive growth through innovation, geographical expansion, new market segment entry and strategic add-on acquisitions.

Three Scandinavia provides mobile voice and broadband services in Sweden and Denmark.

SEK 7bn	1%	40%	2%	–10%
estimated value of holding	of total adjusted assets	of capital and votes	service revenue growth	reported EBITDA growth

Important events 2021
- The subscription base amounted to 3,834,000, an increase of 156,000.
- Service revenue grew by 2 percent.
- Reported EBITDA declined. Adjusted for items affecting comparability last year and for the negative earnings impact from the divestment of Three Scandinavia's passive network infrastructure, EBITDA increased.
- Three Sweden secured 100MHz spectrum in the 3.5GHz-band in the Swedish 5G auction, enabling an attractive 5G network.
- Three Denmark successfully acquired 40 MHz, 120 MHz and 1,000 MHz of the 2.1 GHz, 3.5 GHz and 26 GHz spectrum, respectively.
- Three Sweden became the third largest operator on the consumer market.
- Three Scandinavia distributed SEK 0.4bn to Patricia Industries.



Key figures	2021	2020
Net sales SEK m	10,750	10,668
Sweden, SEK m	6,946	6,818
Denmark, DKK m	2,787	2,740
EBITDA SEK m	3,535	3,934
Sweden, SEK m	2,564	2,725
Denmark, DKK m	711	861
EBITDA, %	32.9	36.9
Sweden	36.9	40.0
Denmark	25.5	31.4
Net debt SEK m	6,498	6,341
Subscriptions	3,834,000	3,678,000
Sweden	2,337,000	2,209,000
Denmark	1,497,000	1,469,000
Number of employees	1,735	1,775

www.tre.se
Chair: Canning Fok
CEO: Morten Christiansen
Board members from Patricia Industries:
Christian Cederholm, Lennart Johansson

OUR VIEW
- Three Scandinavia provides a critical infrastructure service for people, companies, and society by enabling communication. The company offers potential for continued long-term, profitable organic growth, with strong cash flow generation.
- With the launch of 5G, Three Scandinavia will remain at the forefront of providing customers with high-quality and innovative services.

Financial Investments

Financial Investments consists of investments in which the investment horizon has not yet been defined. Our objective is to maximize the value and use realized proceeds for investments in existing and new subsidiaries. However, some holdings could become long-term investments.

SEK 3bn	<1%
estimated value of holding	of total adjusted assets

Important events 2021
- Investments amounted to SEK 273m, while divestments and distributions amounted to SEK 2,018m.
- The holdings in Agjunction, Neuronetics, Pulsepoint, Rocket Lawyer and Talix were fully divested. Listed shares were distributed to Financial Investments from Sutter Hill Ventures and subsequently divested. Atlas Antibodies was reclassified as a major subsidiary and hence transferred out of Financial Investments.

As of December 31, 2021, 1 percent of the value of Financial Investments was represented by investments in publicly listed companies. The five largest investments represented 74 percent of the total value of Financial Investments.

Five largest Financial Investments, December 31, 2021

Company	Region	Business	Listed/ Unlisted	Reported value, SEK m
CDP Holding	Asia	IT	Unlisted	773
EZ Texting	U.S.	IT	Unlisted	347
August Capital Partners VII	U.S.	Venture fund	Unlisted	283
Sutter Hill Ventures	U.S.	Venture fund	Unlisted	266
SmartBiz	U.S.	IT	Unlisted	240
Total				**1,910**

Investments in EQT

EQT is a purpose-driven global investment organization focused on active ownership strategies. Investor was one of the founders of EQT in 1994 and has committed capital to the vast majority of its funds.

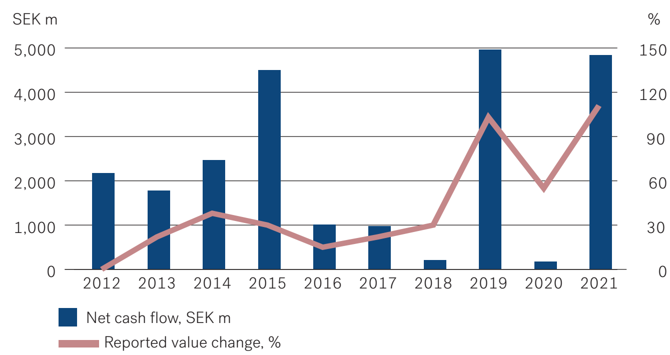
15%
of total adjusted assets

SEK 117bn
adjusted value

SEK 4.8bn
net proceeds to Investor

111%
value change 2021

Value change and net cash flow



EQT AB

- EQT AB is a leading manager of private equity and infrastructure funds with a total of 28 active funds and approximately EUR 73bn in assets under management.
- During 2021, EQT AB acquired Exeter Property Group, accelerating its strategic growth ambitions within Real Estate. It also acquired Life Science Partners, strengthening EQT's position as one of the leading and most active private markets investors in the healthcare sector.
- Key going forward is to continue to generate attractive returns for fund investors and to continue to develop EQT's successful business model built on industrial value creation.

135%
total return 2021

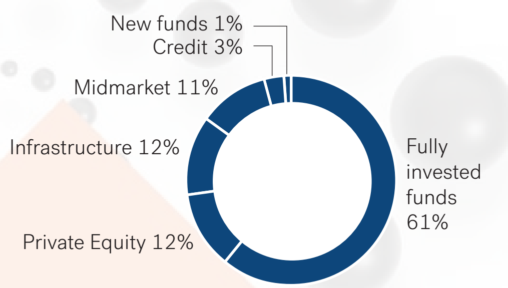
17.5%
ownership (capital) in EQT AB

SEK 86bn
value of investment in EQT AB

www.eqtgroup.com
Board members from Investor:
Vice Chair Marcus Wallenberg, Johan Forssell

EQT FUNDS

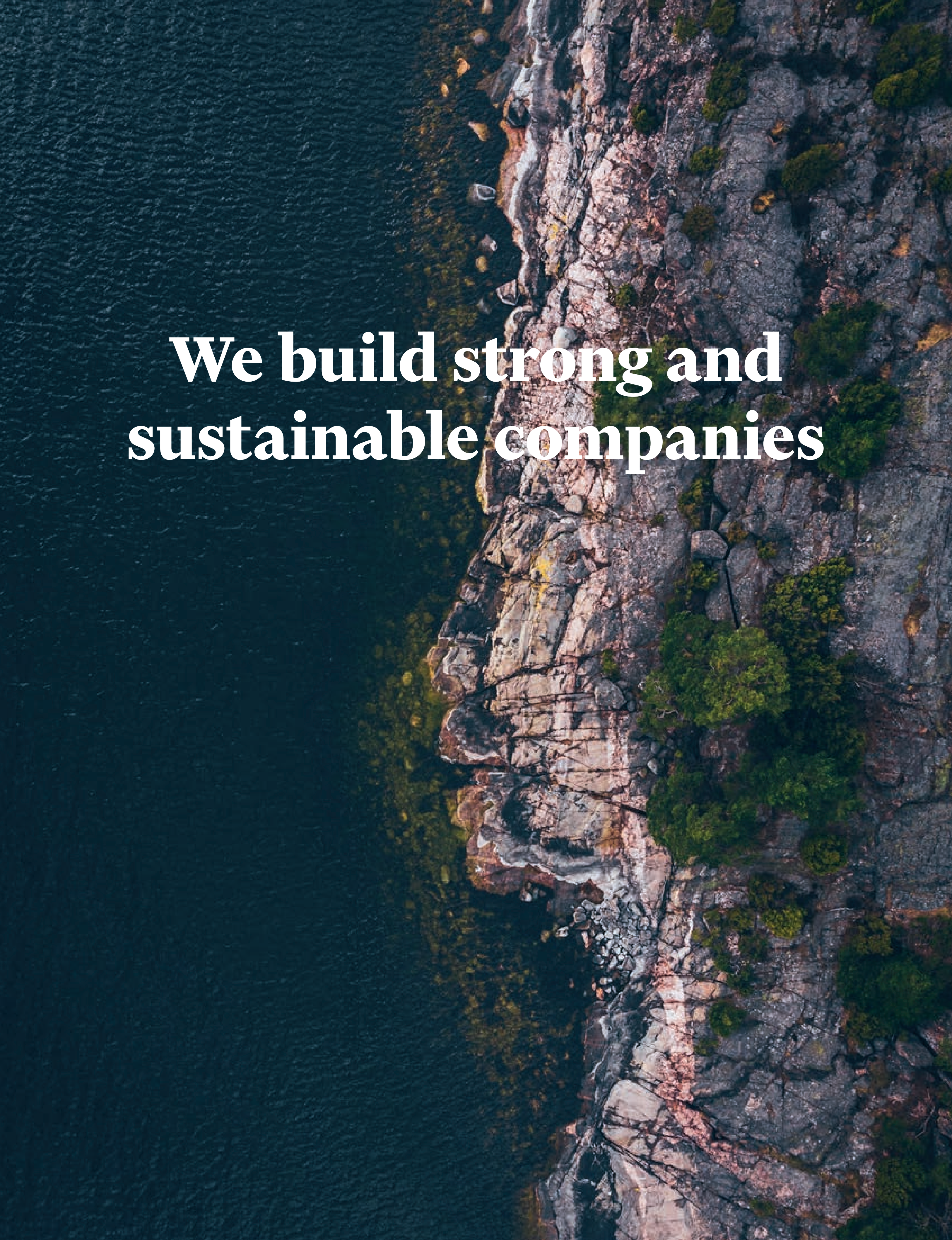
- Our investments in EQT's funds have been successful over time and we will continue to selectively invest in future funds.
- The cash flow generated by the EQT funds is lumpy by nature and depends on whether the funds are in an investment or exit phase. We expect continued strong net cash flow over time.



70%
value change 2021

SEK 31bn
value of fund investments

SEK 11bn
Total outstanding commitments



We build strong and sustainable companies

Financial Development

Adjusted net asset value, based on estimated market values for the major subsidiaries and partner-owned investments within Patricia Industries, amounted to SEK 761bn, an increase of 41 percent with dividend added back. Reported net asset value amounted to SEK 683bn.

Overview of net asset value (NAV)

				Adjusted values		Reported values	
	Number of shares 12/31 2021	Ownership capital/votes (%) 12/31 2021	Share of total assets (%) 12/31 2021	Value, SEK m 12/31 2021	Value, SEK m 12/31 2020	Value, SEK m 12/31 2021	Value, SEK m 12/31 2020
Listed Companies							
Atlas Copco	207,754,141	16.9/22.3	17	128,968	87,284	128,968	87,284
ABB	265,385,142	12.9/12.9	12	91,732	60,899	91,732	60,899
SEB	456,198,927	20.8/20.8	7	57,458	38,761	57,458	38,761
AstraZeneca	51,587,810	3.3/3.3	7	54,807	42,725	54,807	42,725
Epiroc	207,757,845	17.1/22.7	6	47,298	31,089	47,298	31,089
Nasdaq	19,394,142	11.6/11.6	5	36,835	21,061	36,835	21,061
Ericsson	266,745,735	8.0/23.8	3	26,589	25,971	26,589	25,971
Sobi	107,594,165	35.0/35.0	3	19,957	17,897	19,957	17,897
Husqvarna	97,052,157	16.8/33.2	2	13,986	10,339	13,986	10,339
Wärtsilä	104,711,363	17.7/17.7	2	13,242	8,581	13,242	8,581
Electrolux	50,786,412	16.4/28.4	1	11,089	9,742	11,089	9,742
Saab	40,972,622	30.2/39.7	1	9,440	9,854	9,440	9,854
Electrolux Professional	58,941,654	20.5/32.4	0	3,677	2,729	3,677	2,729
Total Listed Companies			**66**	**515,078**	**366,932**	**515,078**	**366,932**
Patricia Industries		**Total exposure (%)**					
Subsidiaries							
Mölnlycke [1]		99	9	72,926	80,101	17,787	17,357
Laborie		98	2	14,727	7,564	8,276	7,599
Sarnova		95	1	11,099	7,925	6,527	4,094
Permobil [1]		98	1	10,747	14,528	4,363	4,088
Piab [1]		97	1	8,029	6,165	5,702	5,385
Advanced Instruments		99	1	6,952	5,472	7,082	4,998
BraunAbility		95	0	3,641	3,739	2,365	1,923
Vectura		99	0	3,630	4,202	3,705	3,926
Atlas Antibodies [2]		89	0	2,960	366	2,313	366
Grand Group		–	–	–	101	–	101
Total subsidiaries			**17**	**134,710**	**130,164**	**58,120**	**49,838**
Three Scandinavia		40/40	1	6,801	8,459	5,043	4,237
Financial Investments			0	2,594	3,674	2,594	3,674
Total Patricia Industries excl. cash			**19**	**144,106**	**142,297**	**65,758**	**57,749**
Total Patricia Industries incl. cash				156,611	155,766	78,263	71,217
Investments in EQT							
EQT AB	174,288,016	17.5/17.7	11	85,872	36,740	85,872	36,740
Fund investments			4	30,768	20,746	30,768	20,746
Total Investments in EQT			**15**	**116,640**	**57,486**	**116,64**	**57,486**
Other Assets and Liabilities			0	–371	–518	–371	–518
Total Assets excl. cash Patricia Industries			**100**	**775,453**	**566,197**	**697,105**	**481,649**
Gross debt				–38,446	–41,675	–38,446	–41,675
Gross cash				23,955	21,862	23,955	21,862
Of which Patricia Industries				12,505	13,468	12,505	13,468
Net debt				**–14,491**	**–19,812**	**–14,491**	**–19,812**
Net Asset Value				**760,962**	**546,385**	**682,614**	**461,837**
Net Asset Value per share				**248**	**178**	**223**	**151**

1) Including receivables related to Management Participation Program foundations. For Mölnlycke, the receivable corresponds to less than 1 percentage point of the total exposure, for Permobil to approximately 2 percentage points and for Piab to approximately 3 percentage points.
2) Atlas Antibodies has previously been presented within Financial Investments. Following its acquisition of evitria, it is now presented as a major subsidiary.

41%

Adjusted net asset value increase

Contribution to net asset value

Contribution to adjusted net asset value totaled SEK 214,578m during 2021 (61,366), of which SEK 159,327m from Listed Companies (25,650), SEK 3,694m from Patricia Industries (22,211) and SEK 63,988m from Investments in EQT (20,409).

Contribution to reported net asset value totaled SEK 220,778m (41,156), of which SEK 159,327m from Listed Companies (25,650), SEK 9,894m from Patricia Industries (2,001) and SEK 63,988m from Investments in EQT (20,409).

Net debt and leverage

Investor's net debt amounted to SEK 14,491m at year-end (19,812), corresponding to a leverage of 1.9 percent (3.5). Gross cash was SEK 23,955m (21,862). Our target leverage range is 0-10 percent over a business cycle. While leverage can fluctuate above and below the target level, it should not exceed 20 percent for a longer period of time.

The leverage policy, adjusted during 2021 to reflect adjusted rather than reported total assets, is set to allow us to capture investment opportunities and support our companies.

Future development

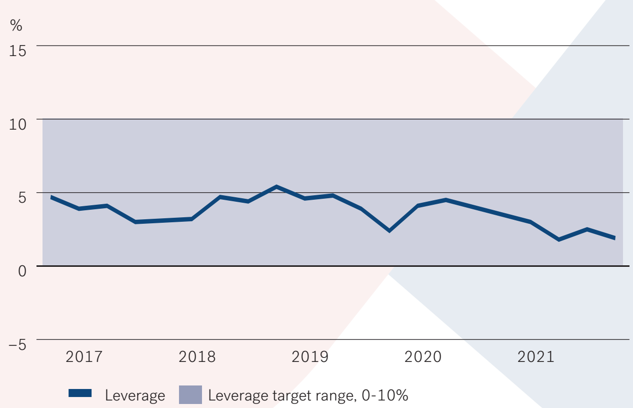
Regardless of how the global economy and equity markets develop, Investor stands strong. We have a portfolio of industry-leading companies in attractive markets and a strong financial position. To future-proof our companies, further strengthen competitiveness and maximize value creation, we continue to focus on the prioritized areas of sustainability, innovation, digitalization and succession planning and talent management. Regarding capital allocation, we will continue to invest in all three business areas, depending on where we find the most attractive opportunities. Our strategic priorities are to grow net asset value, pay a steadily rising dividend and deliver on our ESG targets.

Change in net debt

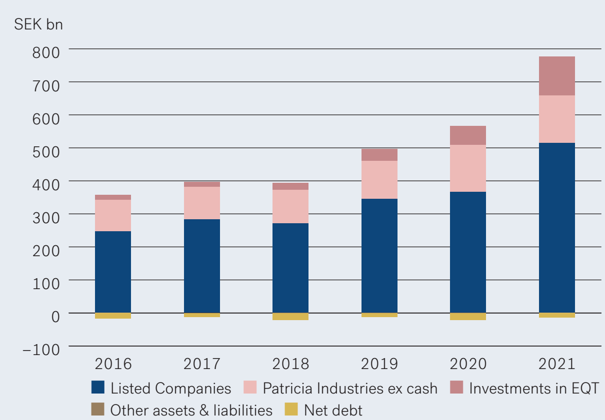
SEK m	2021
Opening net debt	**–19,812**
Listed Companies	
Dividends	10,834
Other capital distributions	1,487
Investments, net of proceeds	–1,017
Management cost	–123
Total	**11,181**
Patricia Industries	
Proceeds	8,353
Investments	–6,227
Internal transfer to Investor	–2,938
Management cost	–261
Other [1]	111
Total	**–963**
Investments in EQT	
Proceeds (divestitures, fee surplus, carry, dividends)	12,902
Draw-downs (investments and management fees)	–8,058
Management cost	–9
Total	**4,834**
Investor Groupwide	
Dividend to shareholders	–10,722
Internal transfer from Patricia Industries	2,938
Management cost	–136
Other [2]	–1,810
Closing net debt	**–14,491**

1) Including currency related effects and net interest paid.
2) Including currency related effects, revaluation of net debt and net interest paid.

Leverage



Adjusted Net Asset Value



The Investor Share

The total return, share price performance including reinvested dividends, for the Investor B-share in 2021 was 55 percent, while the SIXRX return index gained 39 percent.

The price of Investor's A share increased by 60 percent during the year from SEK 149.38 to SEK 238.60. The B share increased by 52 percent from SEK 149.80 to SEK 227.75.

Turnover

During 2021, the turnover of Investor shares on Nasdaq Stockholm totaled 738 million (1,381), of which 159 million A-shares (143) and 580 million B-shares (1,239). This corresponded to a turnover rate (market value-based) of 16 percent (11) for the A-share and 45 percent for the B-share (65), compared with 55 percent for Nasdaq Stockholm as a whole (73).

On average, 2.9 million Investor shares were traded daily (5.5). Investor was the 3rd most traded share on Nasdaq Stockholm in 2021 by total turnover (5th). Additional Investor shares were also traded on other exchanges, see page 39.

Ownership structure

At year-end, Investor's share capital totaled SEK 4,795m, represented by 3,068,700,120 registered shares, of which 5,242,343 were owned by the company, each with a quota value of SEK 1.5625.

Investor had a total of 480,153 shareholders at year-end 2020 (328,057). In terms of numbers, the largest category of shareholders is private investors, and in terms of the percentage of share capital held, institutional owners dominate. The largest single shareholder category is foundations, of which the three largest are Wallenberg foundations.

Employee share ownership

Within the framework of our long-term share based remuneration, all Investor employees are given the opportunity to invest approximately 10-15 percent (or in some cases more) of their gross base salary in Investor shares. Approximately 97 percent of Investor's employees participated in the Long-Term Variable Remuneration program 2021 (93).

Repurchases of own shares

In 2021, 760,000 B-shares were repurchased. The net decrease of 210,777 B-shares of holdings in own shares is attributable to transfer of shares and options within Investor's Long-Term Variable Remuneration program.

Proposed dividend

The Board proposes a dividend to shareholders of SEK 4.00 per share (3.50), to be paid in two installments, SEK 3.00 per share in May, 2022, and SEK 1.00 per share in November, 2022, corresponding to a maximum of SEK 12,275m to be distributed (10,722), based on the total number of registered shares.

Proposed dividend

4.00

SEK per share

Dividend policy

Investor's dividend policy is to pay a steadily rising dividend. Our dividend policy is supported by cash flow from all three business areas: Listed Companies, Patricia Industries and Investments in EQT. Our dividend policy was rephrased during 2021, but not changed in substance.

2021	Number of shares held by Investor	Share of total number of outstanding shares, %	Nominal value, SEK m	Transaction value, SEK m
Opening balance B-shares	5,453,120	0.18	8.5	
Repurchased B-shares	760,000	0.02	1.2	146.7
Transferred B-shares	–970,767	–0.03	–1.5	–55.9
Closing balance	**5,242,343**	**0.17**	**8.2**	

Dividend

Brief facts

- Listed on the Stockholm Stock Exchange since 1919.
- A shares and B shares are mainly traded on Nasdaq Stockholm.
- The difference between the A and B share classes is that the A share carries one vote while the B share carries 1/10 vote.
- Total number of registered shares: 3,068,700,120, of which 1,246,763,376 A shares and 1,821,936,744 B shares.
- Ticker codes B share: INVEB SS (Bloomberg), INVEb.ST (Reuters), INVE.B (FactSet).
- Market capitalization on December 31, 2021: SEK 711bn (adjusted for repurchased shares).
- The second largest company on Nasdaq Stockholm measured by market capitalization (primary-listed companies as of December 31, 2021).

Completed 4:1 share split

To enhance liquidity in the Investor share for our growing shareholder base, Investor's Board of Directors proposed to the AGM 2021 a 4:1 share split. The AGM approved the proposal, resulting in all Investor shares, both class A and B, being split into four new shares.

Analyses of Investor

Firms publishing research on Investor AB

- ABG Sundal Collier
- BofA Merrill Lynch
- Citi
- Danske Bank
- Degroof Petercam
- DNB
- Handelsbanken
- JP Morgan
- Kepler Cheuvreux
- Nordea
- Pareto Securities
- SEB

Investor's 10 largest shareholders listed by capital stake[1)]

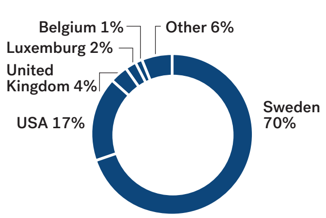
12/31 2021	% of capital	% of votes
Knut and Alice Wallenberg Foundation	20.0	42.9
AMF Pension & Funds	4.2	8.0
Alecta	4.0	2.3
BlackRock	2.5	1.5
SEB Foundation	2.3	4.9
Vanguard	2.3	1.4
First Eagle Investment Management	2.1	1.5
SEB Funds	2.1	0.5
Marianne & Marcus Wallenberg Foundation	1.9	4.1
Norges Bank	1.7	0.4

1) Swedish owners are directly registered or registered in the name of nominees.
Foreign owners through filings, custodian banks are excluded. Source: Modular Finance

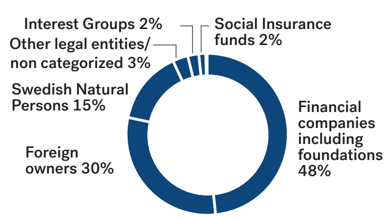
Shareholders statistics, December 31, 2021 (Euroclear)

Number of shares	Number of shareholders	Holding, %
1–500	366,284	76
501–1,000	39,901	8
1,001–5,000	54,895	11
5,001–10,000	9,715	2
10,001–15,000	3,039	1
15,001–20,000	1,923	0
20,001–	4,396	1
Total	**480,153**	**100**

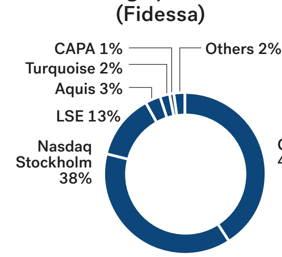
Distribution of ownership by country, % of capital (Euroclear)



Distribution of shareholders, % of capital (Euroclear)



Trading by venue, % (Fidessa)



Total return Investor vs. SIXRX 2012-2021

The Investment Case

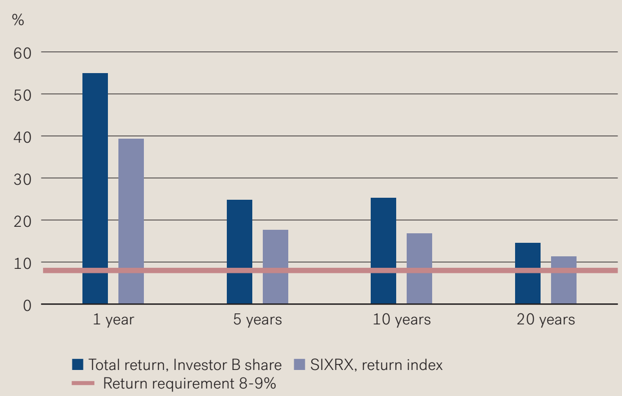
Investing in Investor offers a sustainable portfolio
with attractive value growth potential.

For more than 100 years we have successfully built strong and sustainable companies. Using our extensive experience, dedicated team and wide network, we drive initiatives that maximize long-term value. This is what makes us an engaged owner.

Our listed and unlisted industry-leading companies within engineering, healthcare, financial services and technology are well positioned to capture attractive opportunities relating to long-term trends. This is how we offer exposure to profitable growth.

Our strong balance sheet and cash flow enable us to invest in attractive opportunities and support our goal to pay a steadily rising dividend. We operate efficiently, with low management costs in relation to our assets. This makes Investor a highly competitive investment alternative.

Total shareholder return, Investor B-share



Our Core Values

We create value for people and society by building strong and sustainable businesses. Our core values and culture guide us in everything we do.

Care for People

Building strong and sustainable businesses requires talented and motivated people. Our collaborative, respectful and transparent working environment is an instrumental part of our culture.

Contribute with Heart and Mind

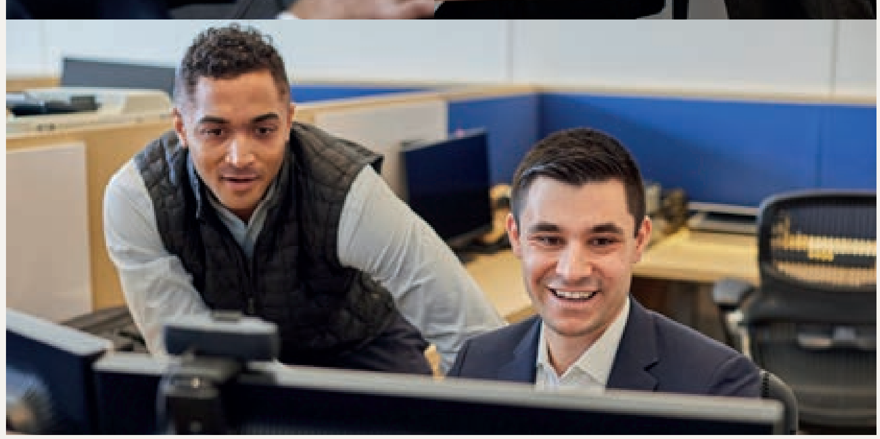
Our success is driven by the talent, expertise and passion of our employees. Everyone is expected to contribute and create positive impact.

Challenge and Improve

We firmly believe that there is always room for improvement. It is crucial for us as an engaged owner as well as in our daily work. We constantly challenge ourselves and our companies to be innovative and to work smarter.

Create value

We strive to create value in everything we do, ultimately generating returns for our shareholders and benefiting people and society. Creating value is the guiding principle for our priorities, decisions and actions.



Risks and Uncertainty Factors

All business activities involve risks. Risk management is therefore a continuous process in the daily business. Proactive risk management is crucial for successful governance and operations. The Board frequently follows up on limits and risk exposure to ensure the ability to reach business strategies and goals.

Risk management
The Board is responsible for ensuring efficient risk management. At Investor, risk management is an integral part of the Group's processes and is kept close to business operations. The Board has adopted policies with risk levels, mandates and limits for the parent company and its business areas, while the boards of the subsidiaries decide and follow up on policies that have been adapted to manage the risks in their respective businesses. Risk management is conducted continuously in the day to day business at Investor and in the portfolio companies.

A comprehensive risk assessment is made annually to identify and evaluate existing and emerging risks. This assessment encompasses all categories of risks and involves the Management Group, representatives from the whole organization as well as input from the subsidiaries. Material risks are compiled in a company-wide risk map. When needed, action plans are defined and implemented to minimize the probability and impact of identified risks.

The conclusions drawn from the risk assessments are discussed and confirmed with the Board. The CEO and Management Group continuously follow up on the implementation of action plans and report back to the Board.

Essential risks that impact Investor fall within different risk categories and are described below.

These risks can individually, or in combination, have a major negative impact on the business. Actions to mitigate these risks are crucial and part of the everyday business at Investor.

For further description on risk management, see page 49 and 63-65.

Risks	Risk Mitigating Actions
Strategic risks **Commercial risk** Being a long-term owner, the exposure to companies and sectors varies over time depending on economic development. Market conditions and industry dynamics change, and transactions may not be feasible at a preferred time.	The Board has set investment principles and adopted a policy. The overall portfolio risk is mitigated by investments in several different industries and geographies. The business teams and the Management Group follow up continuously and report regularly to the Board on the development of the portfolio.
Technology shift risk The pace of technology change and the digital transformation is rapid. Being at the forefront of R&D and adapting to new technology is a prerequisite for all portfolio companies to become or remain best-in-class.	Investor's business teams constantly analyze the industries and the technology development and adapt the value creation plans. The risk is managed by continuous focus on agile and flexible business models, product development, customer needs, market analysis and cost efficiency. The value creation plans are reported to the Board. Investor's Management and Board regularly discuss and follow-up on the value creation plans. *For further details see Business Model, page 8.*
Environmental and climate-related risk Indirect risks related to environmental factors of our portfolio companies continue to grow in importance at the same time as regulatory activity and reporting requirements are increasing. This includes for example resource scarcity, climate change and biodiversity. Environmental related risks have bearing on most traditional risk types, such as reputational and market risk for our portfolio companies.	The Sustainability policy is annually updated and adopted by the Board. During 2021 Investor has sharpened the climate targets further and joined the UNFCCC' Race to Zero. Clear expectations are set on the portfolio companies. New measures and targets have been set to further futureproof Investor and the portfolio companies. Investor expects the portfolio companies to continue to mitigate negative environmental impact and transition to a low carbon economy, e.g. by developing and executing on climate strategies, committing to reduce their emissions in line with the Paris Agreement. This work is driven through the board representatives in the individual companies including following up on companies' targets and measures to reduce their environmental impact. Investor also monitors and follows up on the portfolio companies' progress through dialog and reporting. *For further details and Investor's TCFD disclosures, see page 14-15, 120-123.*
Political and geopolitical risk Political and geopolitical uncertainty has implications on the portfolio companies' businesses and strategies. Increased protectionism and international trade restrictions may lead to deglobalization and impact the business environment in which the portfolio companies operate.	The Board and Management Group monitor and work proactively to assess political and geopolitical risks and how they affect the portfolio companies' businesses. When possible, Investor representatives participate in various relevant forums to present our case to promote transparency, a level playing field and free trade.

Uncertainty factors

Commercial and financial risks are the most significant risks and uncertainty factors affecting the Group. During the last two years, the global economy, financial markets and societies have been significantly impacted by covid-19.

Just as the world slowly was starting recovering from the pandemic the uncertainty increased with the dramatically changed geopolitical situation following Russia invading Ukraine. The development with immense suffering for people and society as well as more severe sanctions, can have a major impact on the world economy.

In addition, supply chain challenges, the energy shortage, other geopolitical tensions, inflation concerns and possible interest increase are all uncertainties that also have contributed to increased volatility in the financial markets.

The described uncertainties may have a material adverse impact on Investor's and the portfolio companies' business operations and financial situations.

Risks	Risk Mitigating Actions
Financial risks The risks of losses due to changes in market variables such as fluctuations of share prices, interest rates and currency rates, are significant for Investor. Share price risk is the largest. The risks that liquidity is unavailable to meet payment commitments or that financing cannot be obtained or only at increased cost due to changed market conditions, are other essential financial risks.	Limits for financial risks are set in the Finance policy adopted by the Board. A measure to manage fluctuations in exchange rates and interest rates is the option to hedge by using derivative instruments. The share price risk is not hedged. Daily procedures are established to monitor, evaluate and report to the Management Group on current exposure. Also, ensuring financial preparedness by managing the liquidity ratio, allocating loan maturities over time and diversifying sources of capital are continuous risk mitigating activities. Regular reports on exposure versus set limits are provided to the Audit and Risk Committee by Treasury and Risk Control. *For further details see note 3, Financial risks and risk management page 63-65.*
Compliance risks **Business ethics risk** High ethical standards, respect for human rights and labor laws are the foundation for a strong and sustainable business. The risk of bribery and corruption or the risk of investing in companies with insufficient ethical business conduct, poor working conditions or non-compliance with labor rights all carry a reputational risk and can have a significant negative effect on both Investor, the portfolio companies and other stakeholders.	The Board has adopted a Policy framework with principles on how Investor should act as a responsible owner and company. Investor has set clear expectations on all portfolio companies to act responsibly and ethically. It is the responsibility of each portfolio company and its management to analyze and take systematic action to reduce these risks. New portfolio companies are evaluated in the investment process' due diligence. Investor follows up the subsidiaries on a range of areas within governance, ethics, risk and compliance, all selected based on risk assessment. Preventive measures include regular risk assessments, procedure development to mitigate risk, regular employee training to strengthen awareness and having whistleblowing channels implemented. *For further details see Business Ethics and Governance, page 14, 118-119.*
Regulatory risk All businesses and operations are affected by laws, regulations, agreements, sanctions and other regulatory requirements. Non-compliance with any of the above will significantly affect the business and reputation negatively, for both Investor and the portfolio companies.	Compliance with laws and regulations is a basic principle in the Policy framework adopted by the Board. Preventive measures taken are among other internal controls implemented in procedures as well as control functions following-up on compliance. The regulatory environment is continuously monitored in order to prepare for changes that may impact the business.
Operational risks **Cyber and information security risk** Cyber and information security risk is an increasingly material risk that continuously evolves. Security incidents, cyber attacks, hacking or data leakage may have a direct impact on the operations of Investor and the portfolio companies.	The Board has adopted an Information security policy. The Management Group has implemented procedures and continuity plans to identify, protect, detect, recover and respond to incidents. Investor assesses regularly its risk profile and invests continuously to protect its systems and improve recovery plans. Investor follows-up on the subsidiaries' cyber security maturity and resilience. To increase awareness in the organization, employees are trained. Status and actions are regularly reported to and discussed within the Audit and Risk committee.
Key personnel/succession risk The ability to attract and retain the right competence is a very important prerequisite for Investor's long-term success. Our network is key to finding the best board and management candidates for our companies as well as for recruitment to Investor.	The Board and the boards in the portfolio companies continuously identify required key skills, to support the companies' long-term ambitions and needs, and reach out to individuals with relevant industrial, functional and geographical knowledge to broaden the network. The ability to attract, retain and develop individuals within Investor is supported by several measures including e.g. a well-defined recruitment process, succession planning, a competitive and long-term approach to compensation, and a focus on development opportunities through the performance reviews. *For further details see Our Core Values page 41.*

Corporate Governance Report

Corporate governance practices refer to the decision making systems with which owners, directly or indirectly, govern a company. Good corporate governance is not only important for Investor's organization, it is an integral part of Investor's core business.

We want our corporate governance work to guide our employees in good business conduct ensuring a sound risk culture. It is crucial for Investor to maintain trust among our shareholders, employees and other stakeholders.

Jacob Wallenberg
Chair of the Board

Investor is a Swedish limited liability company, publicly traded on Nasdaq Stockholm, and follows the Swedish Code of Corporate Governance (the Code). The Code is published on www.bolagsstyrning.se, where a description of the Swedish Corporate Governance model can be found.

This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how Investor has conducted its corporate governance activities during the 2021 financial year.

Investor has no deviations from the Code to report for 2021. Investor has not deviated from the Nasdaq Stockholm Rule Book for Issuers nor from good stock market practice.

The Corporate Governance Report has been reviewed by Investor's auditor, as presented on page 113.

Shares

At year-end 2021, Investor had 480,153 shareholders according to the register of shareholders maintained by Euroclear. Shareholdings in Investor representing at least one tenth of the votes of all shares in the company is Knut and Alice Wallenberg Foundation with 20.0 percent of the capital and 42.9 percent of the votes.

Since year 2000, the Board has requested and been granted a mandate by the Annual General Meeting (AGM) to repurchase and transfer Investor shares. The 2022 AGM is proposed to grant a corresponding authorization to the Board to repurchase and transfer Investor shares as was granted by the 2021 AGM.

For more information about the Investor share and the largest shareholders, see page 38.

Annual General Meeting

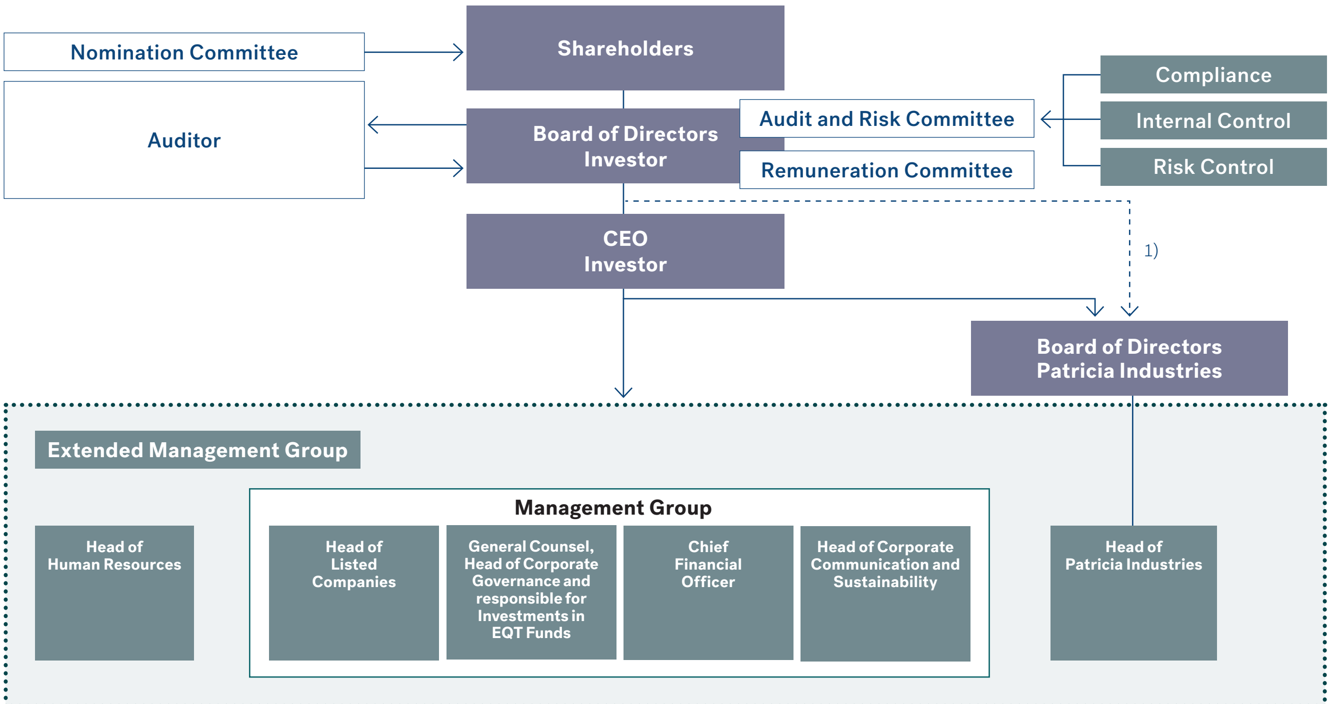
In light of the effects of the covid-19 pandemic and the recent developments in the society, the Investor 2021 AGM was carried out through advance voting pursuant to temporary legislation. The AGM was carried out without the possibility for shareholders to attend physically, in person or by proxy, and the shareholders exercised their voting rights by voting in advance, so called postal voting.

The 2022 AGM of Investor will take place on May 3. Each Investor shareholder entitled to vote may vote for the entire number of the shares owned and represented by the shareholder without restrictions to the number of votes. A-shares are entitled to one vote and B-shares are entitled to 1/10 vote.

In addition to what follows from applicable law regarding shareholders' right to participate at General Meetings, under Investor's Articles of Association shareholders must (within the time stated in the convening notice) give notice of their attendance and notify the Company of any intention to bring assistants.

The documents from the AGMs and the minutes recorded at the AGMs are published on the website.

Corporate Governance at Investor



1) Within given mandate from Investor's Board the operation within Patricia Industries is run independently.

Nomination Committee

In accordance with the instruction adopted by Investor's AGM, the members of the Nomination Committee shall be appointed by the four shareholders controlling the largest number of votes in Investor, which desire to appoint a member. In addition, the Chair of the Board shall be a member of the Committee.

The Committee is obliged to perform its tasks according to the Code. The instruction for the Committee is published on the website.

The composition of the Nomination Committee meets the requirements concerning the independence of the Committee. The AGM documents related to the Nomination Committee are published on the website.

Nomination Committee 2022 AGM

Members	Appointed by	12/31 2021, % of votes
Michael Treschow	Wallenberg Foundations, Chair of the Nomination Committee	50.1
Anders Oscarsson	AMF Pension and Funds	8.0
Lars Isacsson	SEB Foundation	4.9
Carina Silberg	Alecta	2.3
Jacob Wallenberg	Chair of the Board of Investor	

Auditor

In accordance with its Articles of Association, Investor must have one or two auditors, and no more than two deputies. A registered firm of auditors may be appointed as Investor's auditor. The auditor is appointed by the AGM for a mandate period of one year.

At the 2021 AGM, the registered auditing company, Deloitte AB was re-elected as auditor for the period until the end of the 2022 AGM. Deloitte AB has been the auditor in charge since 2013. The Authorized Public Accountant Jonas Ståhlberg is since 2020 the auditor in charge for the audit.

For details on fees to auditors, see note 12, Auditor's fees and expenses.

Board of Directors

The Board is ultimately responsible for Investor's organization and administration. Pursuant to the Articles of Association, the Board must consist of no less than three and no more than thirteen Directors, as well as no more than four deputies. At the 2021 AGM eleven members and no deputies were elected. Lena Treschow Torell left the Board in connection with the 2021 AGM and Isabelle Kocher and Sven Nyman were elected new members of the Investor Board. The CEO is the only Board member employed by Investor.

The Nomination Committee applied the Code rule 4.1 as diversity policy in its nomination work. The aim is to achieve a well functioning composition of the Board when it comes to diversity and breadth, as relates to, inter alia, gender, nationality, age and industry experience. The current Board composition is the result of the work of the Nomination Committee prior to the 2021 AGM. The Nomination Committee is of the opinion that the Board has an appropriate composition and size and reflects diversity and good variety regarding qualifications and experiences within areas of strategic importance to Investor. In respect of gender balance, excluding the CEO, 40 percent of the Board are women (based on ten elected members who are not employed by Investor).

The composition of Investor's Board meets the requirements concerning the independence of Directors. Several of the Board members are Directors of Investor's holdings and they receive Board compensation from these companies. This is not considered to entail a dependence of these members on Investor or its Management. Investor is an industrial holding company and works actively through the boards of its holdings to identify and drive value-creating initiatives. The work of the Board in Investor's holdings is the core of Investor's engaged ownership model.

For Investor, where a fundamental component is to have the right board in each company, it is natural that members of Investor's Board and Management have board assignments in Investor's holdings.

A more detailed presentation of the Board is found on page 50 and on the website.

Work of the Board

During the year, the Board held 13 meetings (of which 2 per capsulam). The Board members' attendance is shown on page 50. The secretary of the Board meetings was, with a few exceptions, Investor's General Counsel, Petra Hedengran. Each Board meeting has included an item on the agenda during which the Board had the opportunity to discuss without representatives of the Management being present.

The Board has discussed, among other things, the acquisition of shares and the increased share of the votes in Ericsson, investments in EQT funds, Agnafit Bidco's bid for Sobi, information security and cyber risks and other strategic matters.

In order to futureproof Investor and the portfolio companies, the Board has decided on new and updated climate targets and on Investor joining the UN initiative 'Race to Zero'.

The Board has decided on an updated leverage policy, widening the leverage range in order to increase flexibility. The Board has also decided to rephrase the dividend policy, clarifying that it is supported by cash flow from all three business areas. The Board has also clarified which of Investor's priorities are defined as strategic and which are defined as operating.

The Board has devoted time to both internal and external presentations of the financial markets, among other things with a focus on the developments and trends of the global economy, such as sustainability, accelerated automation, electrification and digitalization. The Board has also devoted time on macro effects as a consequence of covid-19 pandemic, such as supply chain challenges. The Board has discussed the development and the effects on industries, markets and individual companies, paying particularly close attention to Investor's holdings and the long-term strategies of such holdings.

Company presentations have been made by, among others, the CEOs of Electrolux Professional and Epiroc. Furthermore, the Management of Patricia Industries has held a presentation on the development of this business area and its portfolio companies, including the divestment of Grand Group and the Grand Hôtel property, as well as the key points in Patricia Industries' value creation plans.

An important part of the Board's work is the financial reports presented, including those prior to the interim report, the interim management statements and the year-end report. At regular Board meetings reports are delivered on the ongoing operations in the business areas, together with in-depth analyses and proposed actions regarding holdings. Sustainability performance and succession planning are evaluated yearly by the Board.

During the year, the Management presented value creation plans for Listed Companies, including analyses of the holdings' operations and development potential in the business areas where they are active. These analyses were discussed and assessed by the Board with a focus on the individual companies as well as in the context of overall strategic discussions. The Board also discussed the overall strategy for Investor thoroughly at the yearly strategy review.

The Board regularly received and discussed reports on the composition of portfolios and developments within Patricia Industries and Investor's involvement in EQT.

In addition to participating in meetings of the Audit and Risk Committee, the Investor's auditor also attended a Board meeting during which Board members had the opportunity to pose questions to the auditor without representatives of the Management being present.

Board Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed Committees. The Board Committees are the Audit and Risk Committee and the Remuneration Committee. The members of the Committees are appointed for a maximum of one year at the statutory Board meeting. The Committee's duties and decision making authorities are regulated in the annually approved Committee instructions.

The Committees provide preparatory and administrative support to the Board. The issues considered at Committee meetings are recorded in minutes and reported at the next Board meeting. Representatives from Investor's specialist functions always participate in Committee meetings.

The Audit and Risk Committee is responsible for assuring the quality of the financial reporting and the efficiency in the internal control system. The Audit and Risk Committee also evaluates financial strategies, risk exposure and that the company's compliance efforts are effective.

The responsibilities of the Remuneration Committee are, among other things, to monitor, evaluate and prepare remuneration guidelines. The Committee decides remuneration to the members of the Extended Management Group, except for the CEO for whom the Board as a whole sets the remuneration.

Evaluation of the Board and CEO

The Chair of the Board initiates an annual evaluation of the performance of the Board and the Board Committees. The objective of the evaluation is to provide insight into the Board members' opinions about the performance of the Board and

Audit and Risk Committee

Members	Attendance/ No. of meetings
Grace Reksten Skaugen (Chair)	6/6
Gunnar Brock	6/6
Magdalena Gerger	5/6
Jacob Wallenberg	6/6

Focus areas in 2021

- Analyzed each interim report, interim management statement, the year-end report, and the Annual Report for completeness and accuracy.
- Evaluated accounting and valuation principles, incl. impairments and estimated market values for Patricia Industries.
- Followed up Audit reports.
- Followed up on the efficiency of the internal control in the financial reporting process.
- Evaluated risk for errors in the financial reporting and followed up recommendations on improvements.
- Evaluated the auditor performance and presented to the Nomination Committee.
- Followed up on management costs, limits, mandates and risk exposure.
- Approved updates of Group policies.
- Followed up and analyzed challenges in relation to the covid-19 pandemic.

Remuneration Committee

Members[1)]	Attendance/ No. of meetings[2)]
Jacob Wallenberg (Chair)	4/4
Tom Johnstone, CBE	4/4
Hans Stråberg	3/3

1) Lena Treschow Torell, former member of the Remuneration Committee, left the Board in connection with the 2021 AGM. Hans Stråberg is a member of the Remuneration Committee as of 2021 AGM.
2) Per capsulam not included. Total number of meetings: 5 (1 per capsulam)

Focus areas in 2021

- Evaluated and approved remuneration structures for employees and remuneration reviews for the Extended Management Group.
- Evaluated and assessed the CEO's goals and terms and conditions for remuneration, which were then approved by the Board.
- Discussed strategic employee and compensation related issues, including long-term competence development.
- Monitored and evaluated guidelines for remuneration including the long-term variable remuneration programs, both ongoing and those that have ended during the year.
- Monitored and evaluated the application of guidelines for remuneration that were approved by the AGM.
- Prepared a proposal on a Remuneration Report to the Board to submit to the 2022 AGM.
- Prepared a proposal to the Board to submit to the 2022 AGM on long-term variable remuneration programs, both for Investor and Patricia Industries.

identify measures that could make the work of the Board more effective. A secondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed.

The 2021 evaluation was carried out with the support of an external advisor who individually interviewed each Board member. In addition, the Chair of the Board met with each Board member separately to discuss the work done by the Board during the year. The Board discussed the results of this year's evaluation and the Chair of the Board reported them to the Nomination Committee.

Investor's Board continuously evaluates the performance of the CEO by monitoring the development of the business in relation to established criteria. A formal performance review is carried out once a year.

The CEO and Management Group

The Board appoints the CEO and approves the Instruction for the CEO. The CEO is responsible for the day to day business of Investor, for example on-going investments, employees, finance and accounting issues and regular contact with Investor's stakeholders, such as public authorities and the financial market. The CEO ensures that the Board is provided with the necessary material for making well-informed decisions.

The CEO has appointed an Extended Management Group to support in the management of Investor's overall business. For members of the Extended Management Group, see page 52.

Control functions

The Risk Control function is responsible for coordinating the internal reporting of Investor's significant risks at the aggregate level. The Risk Control function reports to the Audit and Risk Committee.

The Compliance function supports Investor's compliance with laws and regulations, and maintains internal regulatory systems and education to this end. The Compliance function reports to the Audit and Risk Committee.

The review function, Internal Control, provides objective support to the Board on matters relating to the internal control structure, partly by investigating major areas of risk and partly by performing reviews and follow-ups in selected areas. The Internal Control function regularly provides reports on its work to the Audit and Risk Committee during the year.

Remuneration

Compensation to the Board

The total compensation to the Board approved by the 2021 AGM was SEK 12,205t. Since the 2008 AGM, it is possible for Board members to receive a portion of their remuneration in the form of synthetic shares. The allocation of the Board compensation is provided on page 50 and in note 11, Employees and personnel costs.

The Board has adopted a policy stating that Board members, who do not already have such holdings, are expected to, over a five-year period, acquire an ownership in Investor shares (or a corresponding exposure to the Investor share, e.g. in the form of synthetic shares) with a market value equivalent to at least one year's Board compensation, before taxes, excluding remuneration for Committee work.

Board compensation resolved by the 2021 AGM, SEK	
Chair [1]	2,925,000
Vice Chair [1]	1,700,000
Member [1]	780,000
Chair Audit and Risk Committee	320,000
Member Audit and Risk Committee	210,000
Chair Remuneration Committee	190,000
Member Remuneration Committee	100,000

1) Non-employee Board members can choose to receive part of their Board compensation (excluding Committee compensation) in the form of synthetic shares. For total value of the Board compensation including synthetic shares and dividends at year-end, see note 11, Employees and personnel costs.

Remuneration to the Management Group

The total remuneration for the CEO is determined by the Board. Remuneration issues concerning other members of the Extended Management Group are decided by the Remuneration Committee, after which the Board is informed.

Investor's policy is for the Extended Management Group to own shares in Investor corresponding to a market value of at least one year's gross salary for the CEO and at least half of one year's gross salary for the other members of the Extended Management Group.

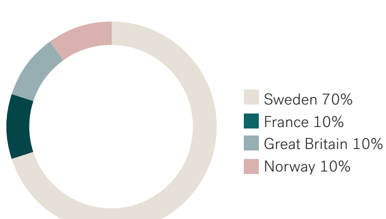
Guidelines for remuneration for the CEO and other members of the Extended Management Group, adopted to new legal requirements, were decided at the 2020 AGM and are in force until new guidelines are adopted by the general meeting. The Board shall prepare a proposal for new guidelines at least every fourth year to the general meeting. See page 54 and on the website for the most recently approved guidelines on remuneration.

The Board has prepared a Remuneration Report to be submitted to the 2022 AGM that describes how the remuneration guidelines, adopted by the 2020 AGM, have been implemented in 2021. The Remuneration Report also provides information on the remuneration to the CEO and a summary of Investor's outstanding long-term variable remuneration programs. The Remuneration Report can be found on the website.

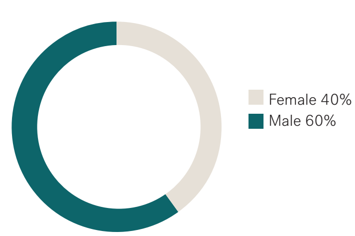
The Board's proposal regarding long-term variable remuneration programs to the 2022 AGM are substantially the same as the programs decided by the 2021 AGM. However, the strike price (for the Matching Share in the Stock Matching Plan) is increased from SEK 2.50 to SEK 10.00. See note 11, Employees and personnel costs, as well as the Remuneration Report and the AGM documentation on the website for description on the long-term variable remuneration programs.

Board composition as of December 31, 2021, excluding executives (CEO)

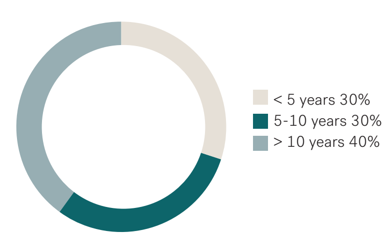
Nationality diversity



Gender diversity



Tenure



The Board of Director's report on Internal control over financial reporting

Investor's internal control over the financial reporting is focused primarily on ensuring efficient and reliable control of, and accounting for purchases, sales and valuation of securities as well as correct consolidation of the operating subsidiaries.

The Board and Management of each operating subsidiary is responsible for ensuring the efficiency of the subsidiary's internal control structures, risk management and financial reporting. Patricia Industries' Board representative provides this information to Patricia Industries' Board, where analysis and follow-up take place. Patricia Industries' Board ensures that Investor's Board and Management receive information on any issues that could affect Investor's business or financial reporting.

This description of the internal control over the financial reporting is based on the framework set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Control environment

The control environment is built around an organization with clear decision-making channels, powers and responsibilities and a corporate culture based on shared values. It also requires each individual's awareness of his/her role in maintaining effective internal control.

All of Investor's business areas have policies, instructions and detailed process descriptions. These documents establish responsibilities for specific tasks, mandates and powers and how validation is to be carried out. Accounting and reporting rules and routines are documented in Investor's Financial Handbook. All governing documents are presented on the intranet for all employees. The documents are updated yearly or when needed. During 2021 the control functions have, among other things, followed up the portfolio companies' policy frameworks, with specific focus on the proactive work around cyber and information security.

Risk assessment

Risk assessment is conducted continuously in the day to day business at Investor. Annually, the Finance department and the subsidiaries assess risk for major errors in the financial reporting and sets action plans to reduce identified risks. Focus is placed on significant Income Statement and Balance Sheet items, which have a higher risk because of volatility, complexity, or where there is a risk that the effects of a potential error may become significant because of the high transaction values involved. Conclusions drawn from the risk assessments on risks for errors in the financial reporting 2021 have been reported to and discussed with the Audit and Risk Committee.

Using the risk assessment as a starting point to ensure the reliability of the financial reporting, the Audit and Risk Committee determines which of the identified risks should be prioritized by the Internal Control function. Suggestions for improvements are identified and implemented on an ongoing basis.

For a more detailed description of risks and other risk assessments, see note 3, Risks and Risk management.

Control activities

To ensure that the financial reporting gives a true and fair picture on each reporting date, every process incorporates a number of control activities. These involve all levels of the organization, from the Board and Management to other employees.

Financial controls in the company include approval of business transactions, reconciliation with external counterparties, daily monitoring of risk exposure, daily account reconciliation, monthly custody reconciliation, performance monitoring and analytical monitoring of decisions. Investor's financial reports are analyzed and validated by the company's control function within Finance. Frequent analyses of the operating subsidiaries' financial reports are also performed. The covid-19 pandemic has required continued focus on controls during 2021 due to the remote work required

Information and communication

For the purpose of ensuring that the external information is correct, complete and timely, Investor's Board has adopted a Communication Policy. Within the company, there are also instructions regarding information security and how to communicate financial information between the Board, Management and other employees as well as from Patricia Industries to Investor. During 2021 the control functions have focused on following up the cyber and information security work. The Finance department is responsible for ensuring uniform application of the Group's principles and instructions for the financial reporting. Finance identifies and communicates continuously improvement areas in the financial reporting to all subsidiaries.

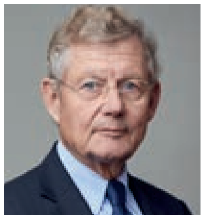
Investor has an established external process for whistleblowing, accessible for all employees on the intranet and for external stakeholders on Investor's website. It can be used anonymously. Also the subsidiaries have established whistleblowing channels that can be used anonymously.

Monitoring

Both the Board and the Management Group regularly follow up on the effectiveness of the company's internal controls to ensure the quality of processes for the financial reporting. Investor's financial situation and strategy regarding the company's financial position are discussed at every Board meeting and the Board is provided with detailed reports on the development of the business to this end. The Board reviews all interim reports before public release.

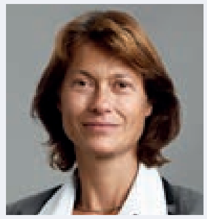
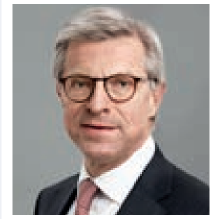
The Audit and Risk Committee plays an important role in ensuring and monitoring that control activities are in place for important areas of risk inherent in the processes for financial reporting and regularly reports the results from the committee work to the Board. During 2021 the Audit and Risk Committee continued to follow up on the subsidiaries' financial reporting regarding challenges related to the covid-19 pandemic. The Audit and Risk Committee, Management Group and the Internal Control function regularly follow up reported deviations.

Board of Directors[1)]

					
	Jacob Wallenberg	**Marcus Wallenberg**	**Gunnar Brock**	**Johan Forssell**	**Magdalena Gerger**
Position	Chair Chair: RC Member: ARC	Vice Chair	Director Member: ARC	Director President and CEO	Director Member: ARC
Elected	1998 (Chair since 2005)	2012 (Vice chair since 2015)	2009	2015	2014
Year of birth	1956	1956	1950	1971	1964
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish
Education	B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania Reserve Officer, Swedish Navy	B.Sc. of Foreign Service, Georgetown University	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M. Econ., and M.B.A., Stockholm School of Economics M.B.A. exchange, McGill University
Current assignments	Vice Chair: ABB, Ericsson, FAM, Patricia Industries Director: Nasdaq, The Knut and Alice Wallenberg Foundation, Tsinghua School of Economics Advisory board, Steering Committee ERT[2)] Member: IBLAC[3)] IVA[4)]	Chair: FAM, Patricia Industries, Saab, SEB, IVA[4)] Vice Chair: The Knut and Alice Wallenberg Foundation, EQT AB Director: AstraZeneca	Chair: Mölnlycke, Neptunia Invest, Stena Director: ABB, Patricia Industries Member: IVA[4)]	Director: Atlas Copco, Confederation of Swedish Enterprise, Epiroc, EQT AB, Patricia Industries, Stockholm School of Economics, Wärtsilä Member: IVA[4)]	Chair: Nefab Group, IVA[4)] Business Council Director: Peab, Volkswagen Group Sustainability Council
Work experience	Chair: SEB Vice Chair: Atlas Copco, Investor, SAS, Stora Director: The Coca-Cola Company, Electrolux, Stockholm School of Economics, Stockholm Chamber of Commerce, Stora, WM-data CEO: SEB Executive VP and CFO: Investor	Chair: Electrolux, International Chamber of Commerce, LKAB Director: Stora Enso, Temasek Holding CEO: Investor Executive Vice President: Investor	Chair: Rolling Optics, Stora Enso Director: Lego, SOS Children's Villages, Stockholm School of Economics, Syngenta, Total CEO: Alfa Laval, Atlas Copco, Tetra Pak Group, Thule International	Director: Saab Project Director: Aleris Head of Core Investments: Investor Head of Research: Investor Head of Capital Goods and Healthcare sector: Investor Head of Capital Goods sector: Investor	Chair: IQ-initiativet Director: Ahlsell, Humana, Husqvarna, IKEA (Ingka Holding), Svenska Spel CEO: Systembolaget Vice President, responsible for Fresh Dairy, Marketing and Innovation: Arla Foods Management consultant: Futoria Category Director: Nestlé Marketing Director: ICI Paints, Procter & Gamble
Attendance Board meetings[5)]	11/11	11/11	11/11	11/11	11/11
Independent to Investor and its Management	Yes	Yes	Yes[6)]	No[9)]	Yes
Independent to major shareholders	No[7)]	No[7)]	Yes	Yes	Yes
Total Board Comp. SEK[8)] (of which ARC) (of which RC)	3,325,000 (210,000) (190,000)	1,700,000	990,000 (210,000)	–	990,000 (210,000)
Shares in Investor[10)]	586,676 A shares 1,262,288 B shares 13,619 synthetic shares	2,040,000 A shares 59,356 B shares	16,429 synthetic shares	147,020 A shares 187,464 B shares	17,788 B shares 8,822 synthetic shares

ARC: *Audit and Risk Committee*, RC: *Remuneration Committee.*

1) Board of Directors as of December 31, 2021. Lena Treschow Torell left the Board in connection with the 2021 AGM and Isabelle Kocher and Sven Nyman were elected new members of the Board.
2) ERT: The European Round Table of Industrialists.
3) IBLAC: IBLAC: Mayor of Shanghai's International Business Leaders Advisory Council.
4) IVA: The Royal Swedish Academy of Engineering Sciences.
5) Per Capsulam not included.
6) Invested, in his capacity as Chair of the Board of Mölnlycke, in a share investment program for the Board and senior executives of that company in 2018, 2019 and 2021. This circumstance is not considered to entail Gunnar Brock being dependent on Investor or its Management.

					
Tom Johnstone, CBE	**Isabelle Kocher**	**Sara Mazur**	**Sven Nyman**	**Grace Reksten Skaugen**	**Hans Stråberg**
Director Member: RC	Director	Director	Director	Director Chair: ARC	Director Member: RC
2010	2021	2018	2021	2006	2011
1955	1966	1966	1959	1953	1957
British	French	Swedish	Swedish	Norwegian	Swedish
M.A., University of Glasgow Honorary Doctorate in Business Administration, the University of South Carolina Honorary Doctorate in Science, Cranfield University	Graduate from Ecole Normale Supérieure (Ulm), PhD (Agrégation) of Physics, graduate from the Ecole des Mines de Paris	M. Sc. in Electrical Engineering, Ph.D. in Fusion Plasma Physics and Docent/Associate Professor, Fusion Plasma Physics, Royal Institute of Technology Honorate Doctor of Philosophy, Luleå University of Technology	M.Sc. in Economics and Business Administration, Stockholm School of Economics, Honorary Doctorate, Stockholm School of Economics	M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University Ph.D., Laser Physics and B.Sc., Honours Physics, Imperial College of Science and Technology, London University	M.Sc. in Engineering, Chalmers University Reserve Officer, Swedish Army
Chair: Collegial, Combient, Husqvarna, British-Swedish Chamber of Commerce in Sweden, Wärtsilä Director: Northvolt, Volvo Cars Member: IVA[4)]	Director: Le Cercle des Économistes, RAISE, The B Team	Chair: WASP Director: Saab, Combient, Nobel Prize Outreach Director Strategic Research: Knut and Alice Wallenberg Foundation Member: IVA[2)]	Vice Chair: SEB Director: Axel and Margaret Ax:son Johnson Foundation, Axel and Margaret Ax:son Johnson Foundation for Public Benefit, Ferd Holding, Stockholm School of Economics and the SSE Association, The Nobel Foundation Investment Committee	Founder and Director: Norwegian Institute of Directors Director: Euronav, Lundin Energy, PJT Partners	Chair: Anocca, Atlas Copco, CTEK, Roxtec, SKF Director: Mellbygård Member: IVA[4)]
Vice Chair: Wärtsilä Director: Electrolux, SKF, The Association of Swedish Engineering Industries, Wärtsilä President and CEO: SKF Executive Vice President: SKF President: Automotive Division, SKF	CEO: Engie Director: Arkema, AXA, Engie, Suez Various positions within the Engie Group (formerly GDF-Suez), the French Ministry of Finance, including Industrial Advisor to the French Prime Minister	Director: Chalmers, Combient, Rise, SICS North Swedish ICT, The School of Electrical Engineering, The Wireless@KTH center, WACQT Vice President and Head of Research: Ericsson Various positions within Ericsson	Director: Alecta, Consilio International, Diligentia, Gambro, OM Founder, CEO and Chair: RAM Rational Asset Management, RAM ONE Founder, CEO and Director: Arbitech, Lancelot Asset Management Various positions within Investor and its partly-owned companies	Chair: Entra Eiendom, Ferd, Norwegian Institute of Directors Deputy Chair: Orkla, Statoil Director: Atlas Copco, Corporate Finance Enskilda Securities, Opera Software, Renewable Energy Corporation, Storebrand, Tandberg	Chair: Orchid Orthopedics Vice Chair: Stora Enso Director: Consilio International, The Confederation of Swedish Enterprise, The Association of Swedish Engineering Industries, Hedson, N Holding, Nederman AB, Nikkarit AB President and CEO: Electrolux COO: Electrolux
11/11	7/8	11/11	8/8	11/11	11/11
Yes	Yes	No[11)]	Yes	Yes	Yes
Yes	Yes	No[12)]	Yes	Yes	Yes
880,000 (100,000)	780,000	780,000	780,000	1,100,000 (320,000)	880,000 (100,000)
16,429 synthetic shares	2,172 synthetic shares	25,350 B shares 12,894 synthetic shares	578,524 B shares	9,800 A shares	53,200 B shares 16,429 synthetic shares

7) Member of Knut and Alice Wallenberg Foundation.
8) For total value of Board compensation including synthetic shares and dividends, see note 11. Employees and personnel costs.
9) President and CEO.
10) Holdings in Investor AB are stated as of December 31, 2021 and include holdings by related persons, if applicable.
11) Recent employment in Ericsson.
12) Consultancy agreement with Knut and Alice Wallenberg Foundation.

Management Group

	 **Johan Forssell**	 **Petra Hedengran**	 **Viveka Hirdman-Ryrberg**	 **Daniel Nodhäll**	 **Helena Saxon**
Position	Director President and CEO	General Counsel, Head of Corporate Governance and responsible for investments in EQT funds	Head of Corporate Communication and Sustainability	Head of Listed Companies	Chief Financial Officer
Member of Management Group since	2006 (President and CEO since 2015)	2007	2018	2015	2015
Employed since	1995	2007	2018	2002	1997
Year of birth	1971	1964	1963	1978	1970
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish
Education	M.Sc. in Economics and Business Administration, Stockholm School of Economics	Masters of Law, Stockholm University	B.Sc. in Business Administration and Lic.Sc in Economics, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics IMD, INSEAD
Current assignments	Director: Atlas Copco, Confederation of Swedish Enterprise, Epiroc, EQT AB, Patricia Industries, Stockholm School of Economics, Wärtsilä Member: IVA[1]	Director: Alecta, Electrolux, The Association for Generally Accepted Principles in the Securities Market	Chair: Sveriges Kommunikatörer, Misum at Stockholm School of Economics Director: SEB Investment Management AB, SCC UK, Advisory Committee to Nasdaq European Markets	Director: Husqvarna, Saab, Electrolux Professional	Director: SEB, Sobi
Work experience	Director: Saab Project Director: Aleris Head of Core Investments: Investor Head of Research: Investor Head of Capital Goods and Healthcare sector: Investor Head of Capital Goods sector: Investor	Director: EQT Partners, Lindorff Group, Svenska Skeppshypotekskassan, The Swedish Export Credit Corporation, Allmänna Änke och Pupillkassan Partner and Head of Banking and Financing Group: Advokatfirman Lindahl Legal Counsel and General Counsel: ABB Financial Services, Nordic Region	Director; Grand Hotel, Mentor Sweden Member of Group Executive Committee and Head of Group Communication & Marketing including chairperson Group Sustainability Committee: SEB Various positions within SEB Consultant: PwC	Investment Manager: Investor Head of Capital Goods: Investor	Director: Aleris, Gambro, Mölnlycke Investment Manager: Investor CFO: Hallvarsson & Halvarsson, Syncron International Financial analyst: Goldman Sachs
Shares in Investor[2,3]	147,020 A shares 187,464 B shares	18,000 A shares 80,000 B shares	36,478 B shares	6,000 A shares 62,000 B shares	13,380 A shares 58,435 B shares

1) IVA: The Royal Swedish Academy of Engineering Sciences.
2) Holdings in Investor AB are stated as of December 31, 2021 and include holdings of close relatives and legal entities.
3) See note 11, Employees and personnel costs, for shares and share-related instruments held by the Management Group members,
4) Members of the Extended Management Group. On December 31, 2021 the Extended Management Group consisted of the Management Group and two additional members.

	
Jessica Häggström[4]	**Christian Cederholm**[4]
Head of Human Resources	Head of Patricia Industries
2017	2017
2017	2001
1969	1978
Swedish	Swedish
Master's degree in Human Resources and Labour Relations, University of Linköping and University of Uppsala	M.Sc. in Economics and Business Administration, Stockholm School of Economics
Director: Collegial, Min Stora Dag, MBA Advisory Board Stockholm School of Economics	Director: Hi3G Scandinavia, Mölnlycke, Permobil, SignUp Software
Various HR positions within Ericsson: Head of HR R&D Business Unit IT & Cloud: Ericsson Head of Talent Effectiveness, Head of HR Finance Consultant: Watson Wyatt	Head of Patricia Industries Nordics Investment Manager: Investor Director: Aleris, Advisory Committee to Nasdaq European Markets
5,600 A shares 2,704 B shares	78,072 A shares 97,000 B shares

The Management Group's meetings during the year

In 2021 the Extended Management Group held 21 scheduled meetings focused on business updates and staff issues, not least with an emphasis on health and safety and future work formats given the development of the pandemic. Typical topics were also updated sustainability targets, IT strategy, risk mitigating activities and reviews, updates on several EU initiatives, as well as the annual review of policies and instructions. In addition, four separate strategy meetings addressed Investor's long-term strategic direction including strategic and operating priorities as well as people development.

Guidelines for remuneration for the President and other members of the Extended Management Group (Remuneration Policy), adopted at the 2020 AGM

The President and other members of the Extended Management Group fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to remuneration decided by the general meeting as is the case with the programs for long-term variable remuneration.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Investor's business model is to be an engaged long-term owner. Through substantial ownership and board participation, we drive the initiatives that we believe will create the most value for each individual company. For more information regarding Investor's business model, please see www.investorab.com.

A prerequisite for the successful implementation of our business strategy and safeguarding of Investor's long-term interests, including its sustainability, is that we are able to recruit and retain qualified people. To this end, it is necessary that Investor offers competitive remuneration. These guidelines enable the Company to offer the President and other members of the Extended Management Group a competitive total remuneration.

Programs for long-term variable remuneration have been implemented in Investor. Such programs are resolved by the general meeting and are therefore not covered by these guidelines. For all employees within Investor there is a Stock Matching Plan and for Senior Management there is a Performance-Based Share Program. The performance criteria used for the Performance-Based Share Program is the total return on the Investor share during a three-year period as this provides a clear link to Investor's business model and thus to the shareholders' long-term value creation. As from 2017, a new program was introduced for employees within Patricia Industries, meaning that employees within Patricia Industries since then are not included in Investor's program for long-term variable remuneration. The performance criteria used for the long-term variable remuneration program within Patricia Industries are related to the value growth of Patricia Industries' portfolio. This provides exposure to both value increases and value decreases within existing and future investments made by Patricia Industries. Accordingly, there is a clear link to Investor's business model and thus to the shareholders' long-term value creation. Both Investor's and Patricia Industries' programs for long-term variable remuneration are conditional upon the employee's own investment in Investor shares and holding of three years. For more information regarding these programs, including the criteria on which the outcome depends, please see www.investorab.com.

Types of remuneration, etc.

The remuneration shall be competitive and in line with market conditions and may consist of the following components: Fixed cash remuneration, short-term variable remuneration, pension and other benefits. Long-term variable remuneration is also included in the total remuneration. Long-term variable remuneration is decided by the general meeting and is, as mentioned, therefore not covered by these guidelines.

Fixed cash remuneration

Fixed cash remuneration shall be reviewed annually and constitutes the basis for calculation of the variable remuneration.

Short-term variable remuneration

The short-term variable remuneration for the President may amount to not more than 30 percent of the fixed annual cash remuneration. For other members of the Extended Management Group, the short-term variable remuneration may amount to not more than 75 percent of the fixed annual cash remuneration.

Further remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are applied on an individual basis only, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the fixed annual cash remuneration. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension

Pension benefits, including health insurance, shall be premium defined. Variable remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 50 percent of the fixed annual cash remuneration.

Other benefits

Other benefits may include, for example, medical insurance and domestic services. Such benefits may amount to not more than 20 percent of the fixed annual cash remuneration.

For employments governed by rules other than Swedish, the components of the total remuneration may be duly adjusted for compliance with mandatory rules or local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

Upon termination of an employment, the notice period may not exceed six months. Fixed cash remuneration during the period of notice and severance pay may together not exceed an amount equivalent to two years fixed cash remuneration. When termination is made by the executive, the period of notice may not exceed six months and there is no entitlement to any severance pay. In addition, any non-compete undertakings may be compensated by remuneration for loss of income (compared to the fixed cash remuneration) for a maximum of six months following the termination of employment. This is not applicable, however, when severance is paid.

Criteria for awarding short-term variable remuneration, etc.

Short-term variable remuneration covered by these guidelines shall aim at promoting Investor's business strategy and long-term interests, including its sustainability. The short-term variable remuneration shall be dependent upon the individual's satisfaction of annually set criteria. In that way the remuneration is clearly related to the work contributions and performance of the individual. The criteria can be financial or non-financial, qualitative or quantitative, and shall be based on factors which support Investor's business strategy and long-term interests, including its sustainability, by for example being clearly linked to value creation, engaged long-term ownership and Investor's development.

The outcome of the short-term variable remuneration is reviewed annually. To which extent the criteria for awarding short-term variable remuneration have been satisfied shall be evaluated when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For the President, the short-term variable remuneration is then confirmed by the Board of Directors.

Investor shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim variable remuneration paid on incorrect grounds (claw-back).

Remuneration and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, remuneration and employment conditions for employees of the Company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are appropriate. The development of the gap between the remuneration to the President and the other members of the Extended Management Group and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the President and the other members of the Extended Management Group. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the President and the other members of the Extended Management Group, the application of the guidelines for remuneration as well as the current remuneration structures and compensation levels in Investor. The members of the Remuneration Committee are independent of Investor and its Management. The President and the other members of the Extended Management Group do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Investor's long-term interests, including its sustainability, or to ensure Investor's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Miscellaneous

For further information on remuneration, see Investor's Annual Report and Investor's website, www.investorab.com.

Disposition of Earnings

The Board of Directors proposes that the unappropriated earnings in Investor AB:

Total available funds for distribution:	
Retained earnings	316,239,648,279
Net profit for the year	136,790,737,651
Total SEK	**453,030,385,930**

To be allocated as follows:	
Dividend to shareholders, SEK 4.00 per share	12,274,800,480[1)]
Funds to be carried forward	440,755,585,450
Total SEK	**453,030,385,930**

The Board of Directors and the President certify that the consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and generally accepted accounting standards in Sweden and give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Administration Report for the Group and the Parent Company gives a true and fair view of the operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face. The annual accounts and the consolidated financial statements were approved for release by the Board of Directors and the President in March, 2022. The consolidated Income Statement and Balance Sheet, and the Income Statement and Balance Sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on May 3, 2022.

The proposed dividend amounts to SEK 12,275m. The Group's equity attributable to the shareholders of the Parent Company was SEK 682,614m as of December 31, 2021, and unrestricted equity in the Parent Company was SEK 453,030m. Unrestricted equity includes SEK 374,085m attributable to unrealized changes in value according to a valuation at fair value. With reference to the above, and to other information that has come to the knowledge of the board, it is the opinion of the board that the proposed dividend is defendable with reference to the demands that the nature, scope and risks of Investor's operations place on the size of the company's and the Group's equity, and the company's and the Group's consolidation needs, liquidity and position in general.

1) Calculated on the total number of registered shares. No dividend is paid for the Parent Company's holding of own shares, whose exact number is determined on the record date for cash payment of the dividend. On December 31, 2021, the Parent Company's holding of own shares totaled 5,242,353. The proposed dividend is proposed to be paid in two installments, with SEK 3.00 per share in May, 2022 and SEK 1.00 per share in November, 2022.

Stockholm March, 2022

Jacob Wallenberg
Chair

Marcus Wallenberg
Vice Chair

Gunnar Brock
Director

Magdalena Gerger
Director

Tom Johnstone, CBE
Director

Isabelle Kocher
Director

Sara Mazur
Director

Sven Nyman
Director

Grace Reksten Skaugen
Director

Hans Stråberg
Director

Johan Forssell
President and Chief Executive Officer

Our Audit Report was submitted in March, 2022

Deloitte AB

Jonas Ståhlberg
Authorized Public Accountant

We strive to be a leader in sustainable business practices

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PARENT COMPANY STATEMENTS

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Consolidated Income Statement

SEK m	Note	2021	2020
Dividends	8	11,254	7,664
Changes in value	4, 6	213,505	41,138
Net sales	8	40,737	39,323
Cost of goods and services sold	10	–21,743	–21,417
Sales and marketing costs	10	–6,072	–5,873
Administrative, research and development and other operating costs	10	–8,420	–7,033
Management costs	10	–530	–531
Share of results in associates	20	2,938	1,825
Operating profit/loss	**7**	**231,669**	**55,097**
Financial income	13	83	1,212
Financial expenses	13	–3,430	–3,185
Net financial items		**–3,347**	**–1,973**
Profit/loss before tax		**228,322**	**53,125**
Tax	14	–357	–463
Profit/loss for the year	**7**	**227,965**	**52,662**
Attributable to:			
Owners of the Parent Company		228,065	52,790
Non-controlling interest		–100	–128
Profit/loss for the year		**227,965**	**52,662**
Basic earnings per share, SEK	15	74.45	17.24
Diluted earnings per share, SEK	15	74.41	17.23

Consolidated Statement of Comprehensive Income

SEK m	Note	2021	2020
Profit/loss for the year		227,965	52,662
Other comprehensive income for the year, including taxes			
Items that will not be recycled to profit/loss for the year			
Revaluation of property, plant and equipment		21	–15
Remeasurements of defined benefit plans		46	–57
Items that may be recycled to profit/loss for the year			
Cash flow hedges		68	–121
Hedging costs		–12	–12
Foreign currency translation adjustment		3,518	–4,376
Share of other comprehensive income in associates		28	–240
Total other comprehensive income for the year		**3,668**	**–4,822**
Total comprehensive income for the year		**231,633**	**47,840**
Attributable to:			
Owners of the Parent Company		231,708	47,982
Non-controlling interest		–74	–142
Total comprehensive income for the year	**25**	**231,633**	**47,840**

Consolidated Balance Sheet

SEK m	Note	12/31 2021	12/31 2020
ASSETS			
Non-current assets			
Goodwill	16	55,437	46,686
Other intangible assets	16	33,168	28,395
Buildings and land	9, 17	3,793	7,207
Investment Property	18	7,317	4,777
Machinery and equipment	9, 19	2,933	2,758
Shares and participations recognized at fair value	20, 31	634,906	428,487
Shares and participations in associates	20	3,431	3,643
Other financial investments	21	14,778	3,302
Long-term receivables	22	3,800	3,629
Deferred tax assets	14	891	911
Total non-current assets		**760,454**	**529,795**
Current assets			
Inventories	23	6,767	5,374
Tax assets		662	780
Trade receivables		5,718	5,426
Other receivables	22	2,133	1,070
Prepaid expenses and accrued income	24	900	697
Shares and participations in trading operation		375	14
Short-term investments	21	204	8,222
Cash and cash equivalents	21	18,330	19,670
Total current assets		**35,088**	**41,252**
TOTAL ASSETS		**795,542**	**571,047**

SEK m	Note	12/31 2021	12/31 2020
EQUITY AND LIABILITIES			
Equity	25		
Share capital		4,795	4,795
Other contributed equity		13,533	13,533
Reserves		6,906	4,974
Retained earnings, including profit/loss for the year		657,379	438,534
Equity attributable to shareholders of the Parent Company		**682,614**	**461,837**
Non-controlling interest		891	939
Total equity		**683,505**	**462,775**
Liabilities			
Non-current liabilities			
Long-term interest-bearing liabilities	9, 26	83,966	81,776
Provisions for pensions and similar obligations	27	1,068	1,186
Other long-term provisions	28	162	126
Deferred tax liabilities	14	6,086	6,096
Other long-term liabilities	29	6,777	4,670
Total non-current liabilities		**98,059**	**93,855**
Current liabilities			
Current interest-bearing liabilities	9, 26	3,255	4,709
Trade payables		3,330	2,841
Tax liabilities		453	1,098
Other liabilities	29	1,464	1,396
Accrued expenses and prepaid income	30	5,284	4,209
Short-term provisions	28	191	164
Total current liabilities		**13,977**	**14,417**
Total liabilities		**112,036**	**108,271**
TOTAL EQUITY AND LIABILITIES		**795,542**	**571,047**

For information regarding pledged assets and contingent liabilities see note 32, Pledged assets and contingent liabilities.

Consolidated Statement of Changes in Equity

Note 25	Equity attributable to shareholders of the Parent Company								Non-controlling interest	Total equity
SEK m	Share capital	Other contributed equity	Translation reserve	Revaluation reserve	Hedging reserve	Hedging cost reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2021	4,795	13,533	2,327	2,616	–133	165	438,534	461,837	939	462,775
Profit/loss for the year							228,065	228,065	–100	227,965
Other comprehensive income for the year			3,520	21	67	–12	46	3,642	26	3,668
Total comprehensive income for the year			**3,520**	**21**	**67**	**–12**	**228,111**	**231,708**	**–74**	**231,633**
Release of revaluation reserve due to depreciation of revalued amount				–1,665			1,665			
Dividend							–10,722	–10,722		–10,722
Change in non-controlling interest							–126	–126	646	521
Reclassification of non-controlling interest									–620	–620
Stock options exercised by employees							56	56		56
Equity-settled share-based payment transactions							8	8		8
Repurchases of own shares							–147	–147		–147
Closing balance 12/31 2021	**4,795**	**13,533**	**5,847**	**972**	**–66**	**153**	**657,379**	**682,614**	**891**	**683,505**

Note 25	Equity attributable to shareholders of the Parent Company								Non-controlling interest	Total equity
SEK m	Share capital	Other contributed equity	Translation reserve	Revaluation reserve	Hedging reserve	Hedging cost reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2020	4,795	13,533	6,929	2,692	–11	177	392,566	420,681	242	420,923
Profit/loss for the year							52,790	52,790	–128	52,662
Other comprehensive income for the year			–4,601	–15	–122	–12	–57	–4,807	–14	–4,822
Total comprehensive income for the year			**–4,601**	**–15**	**–122**	**–12**	**52,733**	**47,982**	**–142**	**47,840**
Release of revaluation reserve due to depreciation of revalued amount				–61			61			
Dividend							–6,889	–6,889	–27	–6,916
Change in non-controlling interest							–38	–38	865	827
Stock options exercised by employees							85	85		85
Equity-settled share-based payment transactions							15	15		15
Closing balance 12/31 2020	**4,795**	**13,533**	**2,327**	**2,616**	**–133**	**165**	**438,534**	**461,837**	**939**	**462,775**

Consolidated Statement of Cash Flow

SEK m	Note	2021	2020
Operating activities			
Dividends received		11,254	7,994
Cash receipts		39,488	37,479
Cash payments		–32,904	–30,985
Cash flow from operating activities before net interest and income tax		**17,838**	**14,488**
Interest received[1]		257	526
Interest paid[1]		–2,400	–2,781
Income tax paid		–1,440	–1,263
Cash flow from operating activities		**14,256**	**10,970**
Investing activities			
Acquisitions[2]		–9,695	–8,262
Divestments[3]		16,779	5,816
Increase in long-term receivables		–93	–303
Decrease in long-term receivables		101	34
Divestments of associated companies		2,126	1,114
Acquisitions of subsidiaries, net effect on cash flow	5	–8,915	–14,774
Divestments of subsidiaries	6	4,079	30
Increase in other financial investments[4]		–25,603	–7,591
Decrease in other financial investments[5]		14,103	12,503
Net changes, short-term investments[6]		8,079	–3,882
Acquisitions of intangible assets and property, plant and equipment		–3,799	–2,786
Proceeds from sale of intangible assets and property, plant and equipment		68	343
Sale of other Investments		–	19
Net cash used in investing activities		**–2,772**	**–17,739**
Financing activities			
New share issue		494	61
Proceeds from borrowings	26	6,172	21,714
Repayment of borrowings	26	–8,968	–7,479
Repurchases of own shares		–149	–11
Dividends paid		–10,722	–6,889
Net cash used in financing activities		**–13,174**	**7,397**
Cash flow for the year		**–1,690**	**628**
Cash and cash equivalents at beginning of the year		**19,670**	**19,231**
Exchange difference in cash		350	–190
Cash and cash equivalents at year-end	21	**18,330**	**19,670**

1) Gross flows from interest swap contracts are included in interest received and interest paid.
2) Acquisitions include investments in listed and unlisted companies not defined as subsidiaries.
3) Divestments include sale of listed and non listed companies not defined as subsidiaries.
4) Increase in other financial investments include acquisition of bond with maturity later than 1 year.
5) Decrease in other financial investments include disposal or reclassification of bonds with maturity later than 1 year.
6) Net changes, short-term investments includes acquisitions and disposals of bonds and certificates with maturity within 1 year.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Notes to the Consolidated Financial Statements

Note 1 Significant accounting policies

The most significant accounting policies applied in this annual report are presented in this note and, where applicable, in the following notes to the financial statements. Significant accounting policies for the Parent Company can be found on page 105.

Statement of compliance

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. In addition the Swedish rules, RFR 1 Supplementary Accounting Policies for Groups, was applied.

Basis of preparation for the Parent Company and consolidated financial statements

The financial statements are presented in SEK, which is the functional currency of the Parent Company. All amounts, unless otherwise stated, are rounded to the nearest million (SEK m). Due to rounding, numbers presented throughout these consolidated financial statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The majority of the consolidated assets are financial assets and the majority of these as well as the majority of the real estate property within the Group are measured at fair value. Other assets and liabilities are in essence measured at historical cost.

Non-current assets and non-current liabilities consist primarily of amounts that are expected to be settled more than 12 months from the Balance Sheet date. Other assets and liabilities are presented as current assets and current liabilities.

The accounting policies have been consistently applied to all periods presented in the financial statements, unless otherwise noted. The accounting policies have also been consistently applied to the reporting and consolidation of the Parent Company, subsidiaries and associates.

Certain comparative figures have been reclassified in order to conform to the presentation of the current year's financial statements. In cases where reclassifications pertains to significant amounts, special information has been provided.

Changes in accounting policies

The following is a description of the revised accounting policies applied by the Group and Parent Company as of January 1, 2021.

Changes in accounting policies due to new or amended IFRS

From January 1, 2021 amendments have been made to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 due to phase 2 of the Interest Rate Benchmark Reform. The amendments mainly relate to exceptions in relation to termination of hedge accounting and modifications of financial assets and liabilities directly affected by inter-bank offered rate (IBOR) reform. Investor's exposure to benchmark interest rates are not significant and mainly related to Stibor 3-month.

New IFRS regulations and interpretations to be applied in 2022 or later

There are no published changes to IFRS and IFRIC to be applied in the future that are expected to have any significant impact on the Group's reporting.

From January 1, 2022 amendments have been made to IFRS 3 Business Combinations clarifying that contingent assets not to be included in purchase price allocations. In IAS 37 Provisions, Contingent liabilities and Contingent Assets amendments have been made clarifying that unavoidable costs when identifying and recognizing onerous contracts, include both incremental costs and other costs that relate directly to fulfilling contracts.

From January 1, 2023 amendments in IAS 1 Presentation of Financial Statements come in to force clarifying when liabilities are to be classified as short-term. Furthermore the requirement regarding disclosures of accounting policies are changed to include significant instead of material accounting policies. In IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors a definition of estimate is introduced with the aim to clarify the differences between estimates, judgments and errors. In IAS 12 Income Taxes changes are made to clarify that transactions that simultaneously gives rise to an asset and a liability should not be covered by the exemption from account for deferred tax on temporary differences. None of the amendments that will be in force from January 1 2023 are yet approved by EU.

Consolidation principles

The consolidated financial statements comprise of the Parent Company, subsidiaries and associates.

- Subsidiaries are companies over which Investor AB have control. When determining if control is present, power and ability to affect the amount of returns are considered, but also de facto control. Subsidiaries are reported in accordance with the acquisition method. For further information see note P7, Participations in Group companies.
- Associates are companies in which Investor has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Investor controls and monitors the companies' operations. For further information see note 20, Shares and participations in associates.

Intra-group receivables, payables and transactions as well as gains arising from transactions with associates, that are consolidated using the equity method, are eliminated when preparing the consolidated financial statements.

Foreign currency

Translation to functional currency

Foreign currency transactions are translated at the exchange rate in existence on the date of the transaction. Assets and liabilities in foreign currency are translated at the exchange rate in existence on the balance sheet date, except for non-monetary assets and liabilities which are recognized at historical cost using the exchange rate in existence on the date of the transaction. Exchange differences arising on translation are recognized in the income statement with the exception of effects from cash-flow hedges, see note 31, Financial Instruments.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surpluses/deficits are translated to SEK using the exchange rate in existence on the balance sheet date. Revenues and expenses in a foreign operation are translated to SEK using an average exchange rate that approximates the exchange rates on the dates of the transactions. Translation differences arising when translating foreign operations are recognized directly in other comprehensive income and are accumulated in the translation reserve, which is a separate component of equity.

The following symbols IS and BS show which amounts in the notes that can be found in the Income Statement or Balance Sheet.

Note 2 Critical estimates and key judgments

In order to close the books and prepare the financial statements in accordance with IFRS, management must make estimates and assumptions that affect the application of the accounting policies and the amounts recognized for assets, liabilities, income and expenses.

Estimates and judgments are based on historical experience, market information and assumptions that management considers to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

Judgments in relation to the application of accounting policies

Within the scope of IFRS, there are some instances where management must either choose between accounting policies, or choose whether to apply a particular accounting policy, in order to provide a fair view of the Group's activities. The development relating to accounting and the choice of policies are discussed in the Audit and Risk Committee.

Significant items for which a special judgment has been made in order to define the Group's accounting policies are presented below.

	Judgments	See note
Participations in Group companies	Control over investment or not	Note P7
Participations in associates	Fair value or equity method	Note 20
Owner-occupied property	Revaluation or cost model	Note 17
Interest-bearing liabilities and related derivatives	Application of hedge accounting	Note 31

Note 2 *Critical estimates and key judgments*

Important sources of uncertainty in estimates
The most significant estimation uncertainties in relation to the preparation of the consolidated financial statements are presented below. Changes in assumptions may result in material effects on the financial statements and the actual outcome may differ from estimated values. For more detailed descriptions of the judgments and assumptions, please refer to the specific notes referenced below.

	Estimates and assumptions	See note
Valuation of unlisted holdings	Appropriate valuation method, comparable companies, EBITDA multiples and sales multiples	Note 31
Valuation of interest-bearing liabilities and derivatives	Yield curve for valuation of financial instruments for which trading is limited and duration is long-term	Note 31
Valuation of owner-occupied property	Comparable properties, long-term inflation rate, projected cash flows, real interest rate and risk premium	Note 17
Valuation of Investment Property	Comparable properties, long-term inflation rate, projected cash flows, real interest rate and risk premium	Note 18
Impairment test of intangible assets	Projected cash-flows, growth rate, margins and discount factor	Note 16
Reporting of deferred tax assets	Future possibilities to benefit from tax loss carry forwards	Note 14
Valuation of pension liabilities	Discount rate and future salary increase	Note 27
Purchase Price Allocation	Valuation of acquired intangible assets	Note 5
Right-of-use assets and lease liabilities	Whether to include extension options in the lease term and relevant interest rates for discounting	Note 9
Environmental and climate-related risks	In all judgments environmental and climate-related risks are taken into account. For example when determining the useful life of assets, valuations with longer horizon than five years and potential need for provisions or contingent liabilities for commitments related to mitigate negative environmental impact and transition to a low carbon economy. Actual and potential impacts of climate-related risks can also be found in Investor's separate TCFD Report, for more information see page 123	Note 16, 17,18,19 and 28

Note 3 Financial risks and risk management

In its business Investor is impacted by several types of risks, as further described in the Administration report on page 42-43.

Investor's Finance policy adopted by the Board sets principles, limits and mandates to mitigate financial risks such as market risk, liquidity and financing risk as well as credit risks. The main financial risks that the Investor Group is exposed to is market risks. Derivative instruments may be used to manage financial risks. All derivative transactions are handled in accordance with established policies and procedures.

Risk measurement is performed daily regarding the Treasury and Trading businesses and provided to Investor's Management. Financial reports are compiled monthly and followed-up by Management. Yearly a more comprehensive risk assessment is performed.

The Board follows up frequently on limits and risk exposure to ensure the ability to reach business strategies and goals. There has been no significant change in the measurement and follow-up of risks compared with the preceding year.

The financial risks in the subsidiaries are managed by each subsidiary's Finance function and reported to respective board.

Market risks
Market risks refer to the risk of a change in value of a financial instrument because of changes in share prices, exchange rates or interest rates.

Share price risk
Investor's most significant risk is share price risk. The majority of Investor's share price risk exposure is concentrated to Listed Companies. At year-end 2021, Listed Companies accounted for 74 percent of total assets of reported values (76). The companies and their share prices are analyzed and continuously monitored by Investor's analysts. Thus, a large portion of share price exposure in a listed company does not necessarily lead to any action. It is the long-term commitment that lays the groundwork for Investor's strategic measures. Investor does not have defined goals for share price risks, as share prices are affected by short term fluctuations. The share price risk for the listed companies is not hedged. If the market value of Listed Companies was to decline by 10 percent, the impact on income and equity would be SEK –51.5bn (–36.7).

Patricia Industries including wholly-owned subsidiaries, Three Scandinavia and financial investments, but excluding Patricia Industries' cash, accounted for 9 percent of total assets of reported values (12). There is no share price risk associated with the wholly-owned subsidiaries. However, Patricia Industries' listed financial investments face a share price risk. A 10 percent decline in share prices for the financial investments would impact income and equity with SEK 0m (–0.1).

The investment in EQT AB is listed and as such exposed to share price risk. The EQT fund investments are partly exposed to share price risk. The total EQT investment accounted for 17 percent of total assets of reported values (12) as per year-end 2021. Should the market value and the valuation parameters, in accordance with the guidelines of the International Private Equity and Venture Capital Association, decline with 10 percent, the impact on the values of the total EQT investment would be SEK –11.7bn (–5.7).

Investor has a trading operation for the purpose of executing Listed Companies transactions and obtaining market information. The trading operation conducts short-term equity trading and deals in equity derivatives (primarily for hedging market risk in the portfolio). The market risk in this activity is measured and monitored in terms of cash delta. Limits on gross, net and maximum position size are measured as well as liquidity risk. At year-end 2021, the trading operation accounted for less than 0.5 percent of total assets of reported values (0.5). If the market value of the assets belonging to the trading operation were to decline by 10 percent, the impact on income would be SEK –27.2m (–1.3).

Listed holdings in all business areas
Listed holdings in all business areas account for 86 percent of total assets of reported values (84). If the market value of listed holdings in all business areas were to decline by 10 percent, the impact on income and equity would be SEK –60.1bn (–40.5), which equals 8.8 percent of Investor's reported net asset value (8.8). Market risks associated with listed shares constitute the greatest risk for Investor.

Exchange rate risk
Currency exposure arises in the translation of Balance Sheet items to foreign currencies (balance sheet exposure), from cash flows in foreign currencies (transaction exposure), and the translation of foreign subsidiaries' Balance Sheets and Income Statements to the Groups accounting currency (translation exposure).

Balance sheet exposure
Since the majority of listed companies are listed in SEK, there is a limited direct exchange rate risk that affects Investor's Balance Sheet. However, Investor is indirectly exposed to exchange rate risks in listed companies that are listed on foreign stock exchanges or that have foreign currency as their pricing currency. In addition, there are indirectly exchange rate risks since the majority of the companies in the Listed Companies business area are active in several markets. These risks have a direct impact on the respective companies' Balance Sheet and Income Statement, which indirectly affects valuation of the shares.

The wholly-owned subsidiaries are exposed to exchange rate risks in businesses and investments made in foreign companies. Also the EQT fund investment is exposed to exchange rate risks.

There is no regular hedging of foreign currency since the investment horizon is long-term and currency fluctuations are expected to equal out over time. This hedging policy is subject to continuous evaluation and deviations from the policy may be allowed if judged beneficial from a market economic perspective.

Exchange rate risks for investments in the trading operation are minimized through currency derivative contracts at the portfolio level.

Total currency exposure for the Investor Group is provided in the table on next page. If the SEK were to appreciate 10 percent against the EUR (holding all other factors constant), the impact after hedges on income and equity would be SEK –1.9bn (–0.3). If the SEK were to appreciate 10 percent against the USD (holding all other factors constant), the impact after hedges on income and equity would be SEK –6.0bn (–3.9).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 3 *Financial risks and risk management*

Gross exposure in foreign currencies, SEK m	Gross assets		Gross liabilities	
	12/31 2021	12/31 2020	12/31 2021	12/31 2020
EUR	77,832	61,554	–58,378	–60,673
USD	98,069	66,523	–38,823	–28,781
Other European and North American currencies	16,783	13,868	–7,694	–7,847
Asian currencies	3,718	2,978	–3,457	–3,497
Total	**196,403**	**144,923**	**–108,352**	**–100,797**

Exchange rate risk in excess liquidity on group level resulting from investments in foreign currency is managed through currency derivative contracts.

Exchange rate risk arising in connection with loans in foreign currency is managed by, among other things, exchanging the loans to SEK through currency swap contracts. The objective is to minimize the exchange rate risk in excess liquidity and the debt portfolio. This strategy is applied considering the holdings in foreign currency.

The net exposure in foreign currencies after hedge is presented in the table below:

Net exposure in foreign currencies after hedge, SEK m	12/31 2021	12/31 2020
EUR	18,505	2,747
USD	60,167	38,683
Other European and North American currencies	15,259	12,274
Asian currencies	2,678	1,979
Total	**96,609**	**55,684**

The increased net exposure in EUR mainly relates to value increase of the EQT and Wärtsilä holdings. The net exposure increase in USD is mainly explained by value increase in Nasdaq and the North American subsidiaries' growth and acquisition of companies.

Currency exposure associated with transactions
Investor seeks primarily to find natural hedges of transactions in foreign currencies, i.e. matching cash inflow with outflow in the same currency. Limits for the major currencies EUR and USD, on outstanding exposure at a specific time, have been set by the Board. Cash flows in other foreign currencies exceeding SEK 50m are to be hedged. As per year-end there was no such hedge outstanding.

Group companies with larger transaction exposure in foreign currencies are Mölnlycke and Permobil. Mölnlycke's operational cash flows in foreign currency are estimated at the equivalent of EUR 526m (422), corresponding to SEK 5.3bn (4.4). These cash flows are normally not hedged. An immediate 10 percent rise in the value of each currency against the EUR would impact net income by EUR 53m (30). Permobil's operational cash flows in foreign currency are estimated to corresponding SEK 1,033m (1,174). These cashflows are not hedged. An immediate 10 percent rise in the value of each currency against the SEK would impact net income for Permobil by SEK 103m (117) and other comprehensive income with SEK 48m the coming 12 months (28).

Currency exposure associated with net investments in foreign operations
Currency exposure associated with investments made in independent foreign entities is considered as a translation risk and not an economic risk. The exposure arises when the foreign net investment is translated to SEK on the balance sheet date and it is recognized in the translation reserve under equity. To reduce such currency exposure Investor targets primarily to neutralize net investments in foreign currencies with loans in the same currency. Remaining currency exposure of net investments in foreign operations is normally not hedged.

The table below show the exposure, in main currencies, arising from net investments in foreign subsidiaries (in investment currency).

Currency exposure in equity	12/31 2021	12/31 2020
EUR m	4,768	3,664
USD m	2,712	2,200

If the SEK were to appreciate by 10 percent this would decrease equity by SEK –8.1bn due to translation effects of currency exposure in net investments in foreign subsidiaries (–6.9).

Interest rate risk
The Group's interest rate risk is primarily associated with long-term borrowings. In order to minimize the effects of interest rate fluctuations, limits and instructions have been established for example regarding fixed interest rate periods.

Excess liquidity and debt portfolio
Investor AB's Treasury manages interest rate risks, exchange rate risks, liquidity risks and financing risks associated with the administration of the excess liquidity portfolio and financing activities.

For excess liquidity exposed to interest rate risks, the aim is to limit interest rate risks firstly and secondly to maximize return within the established guidelines of the risk policy. High financial flexibility is also strived for in order to satisfy future liquidity needs. Investments are therefore made in interest-bearing securities of short duration and high liquidity. For further information, see note 21, Other financial investments, short-term investments and cash and cash equivalents. A one percentage point parallel movement upward of the yield curve would reduce the value of the portfolio and affect the Income Statement by SEK –339m (–204). On the liability side, Investor strives to manage interest rate risks by having an interest rate fixing tenor within the established limits and instructions of the Risk Policy. Fixed rates are established to provide flexibility to change the loan portfolio in step with investment activities and to minimize volatility in the cash flow over time. Investor uses derivatives to hedge against interest rate risks (related to both fair value and cash flow fluctuations) in the debt portfolio. Some derivatives do not qualify for hedge accounting, but are still grouped together with loans since the intention of the derivative is to achieve the desired fixed-interest term for each loan. The total outstanding carrying amount of hedged loans, including fair value hedge adjustment, was at year-end SEK 7,818m (10,683).

The table below shows the value of all interest rate derivatives by the end of 2021. The effect of fair value hedges is recognized in the Income Statement. The remaining maturities of fair value hedges vary between 12 and 16 years. For further information on the maturity structure, see schedule, "Investor AB's debt maturity profile".

Interest rate derivatives, fair value hedges, SEK m	12/31 2021		12/31 2020	
	Fair value	Nominal amount	Fair value	Nominal amount
Assets	1,964	5,787	2,037	8,276
Liabilities	–274	–931	–328	–898

Interest rate derivatives, cash flow hedges, SEK m	12/31 2021		12/31 2020	
	Fair value	Nominal amount	Fair value	Nominal amount
Assets	–	–	–	–
Liabilities	–63	–3,270	–152	–3,060

For more information on financial instruments and hedge accounting, see note 31, Financial instruments.

The table below shows the effect of a parallel movement of the yield curve up with one percentage point (100 basis points) for the Group's fair value loans and derivatives.

Interest sensitivity of loans and derivatives at fair value, SEK m	12/31 2021		12/31 2020	
	Effect on income statement	Effect on other comprehensive income	Effect on income statement	Effect on other comprehensive income
Hedged loans	–704	0	–1,003	0
Swaps for hedges	852	49	1,127	64
Other swaps	–17	0	–22	0
Net interest rate sensitivity	**131**	**49**	**102**	**64**

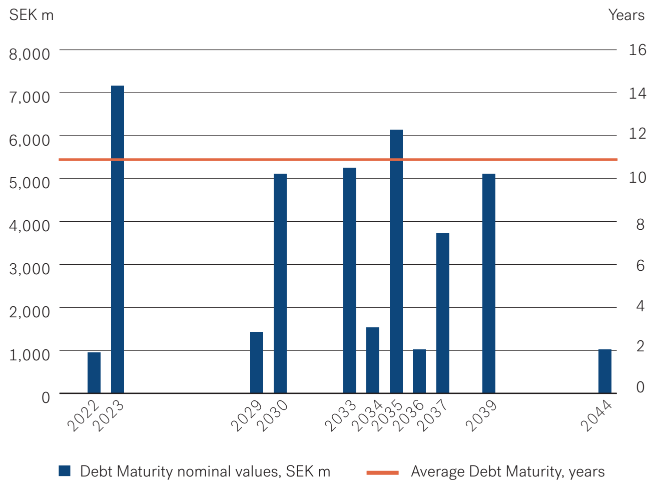
The interest cost effect related to instruments with floating interest is non-material at a parallel movement of the yield curve with one percentage point.

Liquidity and financing risk
Liquidity risk refers to the risk that a financial instrument cannot be divested without considerable extra costs, and to the risk that liquidity will not be available to meet payment commitments.

Liquidity risks are reduced in Treasury operations by limiting the maturity of short-term cash investments and by ensuring that cash and committed credit lines always exceed short-term debt, i.e. a liquidity ratio higher than one. Liquid funds are invested in deposit markets and short-term interest-bearing securities with low risk and high liquidity. In other words, they are invested in a well-functioning second-hand market, allowing conversion to cash when needed. Liquidity risk in the trading operations is restricted via limits established by the Board.

Financing risks are defined as the risk that financing can not be obtained, or can only be obtained at increased costs as a result of changed conditions in the capital market. To reduce the effect of refinancing risks, limits are set regarding average maturities for loans. In order to minimize financing risks, Treasury works actively to ensure financial preparedness by establishing loan and credit limits for both long-term and short-term borrowing. Financing risks are further reduced by allocating loan maturities over time (please refer to Investor AB's debt maturity profile) and by diversifying sources of capital. An important aspect, in this context, is the ambition to have a long-term borrowing profile. Furthermore, proactive liquidity-planning efforts also help limit both liquidity and financing risk.

Investor AB's debt maturity profile



Investor's funding is primarily done through long-term loan programs in the Swedish and European capital markets. Investor has a European Medium Term Note Program (EMTN), which is a loan program intended for long-term financing. The program is for EUR 5.0bn (SEK 51.0bn), of which EUR 3.4bn (SEK 34.9bn) has been utilized.

For short-term financing, Investor has an uncommitted Swedish and a European Commercial Paper program (CP/ECP) for SEK 10.0bn and USD 1.5bn (SEK 13.6bn), respectively. At year-end 2021 these facilities were unutilized.

Investor has a committed syndicated bank loan facility of SEK 10.0bn. This facility is available until 2024. The facility was unutilized at year-end. In contrast to an uncommitted credit facility, a committed loan program is a formalized commitment from the credit grantor. There are no financial covenants in any of Investor AB's loan contracts, meaning that Investor does not have to meet special requirements with regard to key financial ratios for the loans it has obtained.

The wholly-owned subsidiaries ensure their financial preparedness by keeping credit facilities, should there be a need for additional working capital or minor acquisitions. The terms of the credit facilities require the companies to meet a number of covenants. During the current pandemic some subsidiaries have agreed with their counterparties on temporary conditions for the covenants. As per year-end the subsidiaries fulfilled their covenants.

With an equity/assets ratio of 86 percent at year-end (81), Investor has considerable financial flexibility, since leverage is low and most assets are highly liquid.

The following table shows the Group's contracted cash flow of loans including other financial payment commitments and derivatives.

	12/31 2021		12/31 2020	
Cash flow of financial liabilities and derivatives[1], SEK m	Loans and other financial debts and commitments	Derivatives	Loans and other financial debts and commitments	Derivatives
< 6 months	-8,549	195	-5,456	146
6-12 months	-850	-14	-745	-18
1-2 years	-13,067	195	-9,158	221
2-5 years	-32,698	617	-38,786	501
> 5 years	-49,247	2,086	-49,100	1,683

1) Interest payments included.

For information on the Group's excess liquidity and how it is invested, see note 21, Other financial investments, short-term investments and cash and cash equivalents.

Exposure from guarantees and other contingent liabilities also constitutes a liquidity risk. For such exposure as per December 31, 2021, see note 32, Pledged assets and contingent liabilities.

Credit risk

Credit risk is the risk of a counterparty or issuer being unable to repay a liability to Investor. Investor is exposed to credit risks primarily through investments of excess liquidity in interest-bearing securities, which all are market valued. Credit risks also arise as a result of positive market values in derivative instruments (mainly interest rate, currency swaps).

Investor applies a wide-ranging limit structure with regard to maturities, issuers and counterparties in order to limit credit risks on single counterparties. With a view to further limiting credit risks in interest rate and currency swaps, and other derivative transactions, agreements are established with counterparties in accordance with the International Swaps and Derivatives Association, Inc. (ISDA), as well as netting agreements. Credit risk is monitored daily and the agreements with various counterparties are continuously analyzed.

The following table shows the total credit risk exposure by rating category as of December 31, 2021.

Exposure per rating category	Nominal amount, SEK m	Average remaining maturity, months	Number of counter-parties	Percentage of the credit risk exposure
Swedish government papers (AAA)	100	2.5	1	0
AAA	15,006	22.9	10	44
AA	7,894	0.3	41	23
A	8,747	0	35	26
Lower than A	2,555	4.0	28	7
Total	**34,302**	**10.4**	**115**	**100**

The total credit risk exposure at the end of 2021 amounted to SEK 34,302m (32,539). The credit risks resulting from positive market values for derivatives, which are included in the total credit risk, amounted to SEK 1,964m (2,037) and is reported in the Balance Sheet.

The credit risk in the wholly-owned subsidiaries relates mainly to trade account receivables. Mölnlycke's and Permobil's credit risks are limited due to the fact that a significant portion of their customers are public hospitals/care institutions.

The maximum exposure related to commercial credit risk corresponds to the carrying amount of trade receivables. Assessment of expected losses is described in note 31, Financial instruments.

The following table shows the aging of trade receivables and other short-term receivables within the Group.

	12/31 2021			12/31 2020		
Aging of receivables, SEK m	Gross carrying amount	Impair-ment	Net	Gross carrying amount	Impair-ment	Net
Not past due	6,446	-64	6,382	4,989	-9	4,980
Past due 0-30 days	706	-21	685	705	-6	699
Past due 31-90 days	389	-18	371	526	-4	522
Past due 91-180 days	200	-12	188	226	-4	221
Past due 181-360 days	193	-20	173	91	-46	45
More than 360 days	104	-52	52	98	-69	29
Total	**8,038**	**-188**	**7,850**	**6,635**	**-138**	**6,496**

Concentrations of credit risks

Concentrations of risk are defined as individual positions or areas accounting for a significant portion of the total exposure to each area of risk.

Because of the global nature of its business and sector diversification, the Group does not have any specific customers representing a significant portion of receivables.

The concentration of credit risk exposure related to fair value reported items, is presented in the first table in this column. The secured bonds issued by Swedish mortgage institutions have the primary rating category of AAA. The proportion of AAA-rated instruments accounted for 44 percent of the total credit risk exposure (43).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 4 Changes in value

Accounting policies

Changes in value consist mainly of realized and unrealized result from long-term and short-term holdings in shares and participations recognized at fair value. Other in the table below includes transaction costs, profit-sharing costs and management fees for fund investments.

For shares and participations that were realized during the period, the changes in value consist of the difference between the consideration received and the value at the beginning of the period. Profit or loss from the divestment of a holding is recognized when the risks and benefits associated with owning the instrument are transferred to the buyer and the Group no longer has control over the instrument.

	2021	2020
Realized results from long-term and short-term investments	11,551	2,136
Unrealized results from long-term and short-term investments	202,279	39,272
Realized result from sale of subsidiaries	191	–
Other	–515	–270
IS Total	**213,505**	**41,138**

Note 5 Business combinations

Accounting policies

In connection with a business combination, the Group's acquisition cost is established through a purchase price allocation. In the analysis, the fair value of the identifiable assets and the assumed liabilities is determined. For business combinations where the cost exceeds the net carrying amount of the acquired identifiable assets and the assumed liabilities, the difference is reported as goodwill in the Balance Sheet. The purchase price allocation also identifies assets and liabilities that are not reported in the acquired company, such as trademarks and customer contracts. Identified intangible assets that have been identified when making the purchase price allocation are amortized over the estimated useful life. Goodwill and strong trademarks that are considered to have an indefinite useful life, are not amortized but tested annually for impairment, or whenever there is any indication of impairment.

Consideration that is contingent upon the outcome of future events is valued at fair value and the change in value is recognized in the Income Statement.

The financial statements of subsidiaries are reported in the consolidated financial statements as of the acquisition date and until the time when a controlling interest no longer exists.

Non-controlling interests

At the time of an acquisition, the Group must choose to either recognize non-controlling interest at fair value, meaning that goodwill is included in the non-controlling interest or recognize the non-controlling interest as the share of the net identifiable assets. The Group have chosen to recognize the non-controlling interest as the share of the net identifiable assets for all acquisitions.

If a business combination achieved in stages results in a controlling influence, the prior acquired shares are revalued at fair value and the effect of the revaluation is recognized in the Income Statement. Acquisitions that are made subsequent to having obtained a controlling influence and divestments that do not result in a loss of the controlling influence are reported under equity as a transfer between equity attributable to the Parent Company's shareholders and non-controlling interests. For information regarding put options to non-controlling interests, see note 25, Equity.

Piab's acquisition of Airbest

On December 31, 2021, Piab completed the acquisition of Airbest Technology, a leading local Chinese player within Vacuum Automation. The consideration amounted to SEK 272m. In the preliminary purchase price allocation, goodwill amounted to SEK 408m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies. The goodwill recognized is not expected to be deductible for income tax purposes. Transaction related costs amounted to SEK 14m and derive from external legal fees and due diligence expenses. These costs have been included in the line item Administrative, research and development and other operating cost in the Group's consolidated income statement.

Laborie's acquisition of Pelvalon

On October 12, 2021, Laborie acquired Pelvalon, a medical technology company that has developed the EclipseTM System, an innovative, nonsurgical, patient-controlled device for women suffering from fecal incontinence. The consideration amounted to SEK 271m. In the preliminary purchase price allocation, goodwill amounted to SEK 116m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies and in further support Laborie's long-term growth. The goodwill recognized is not expected to be deductible for income tax purposes. Transaction related costs amounted to SEK 35m and derive from external legal fees and due diligence expenses. These costs have been included in the line item Administrative, research and development and other operating cost in the Group's consolidated income statement.

Sarnovas' acquisition of Allied 100

On September 3, 2021, Sarnova completed the acquisition of Allied 100, a leading specialty distributor of automated external defibrillators (AEDs) used in emergency situations to save the lives of sudden cardiac arrest patients. The consideration amounted to SEK 2,639m. In the final purchase price allocation, goodwill amounted to SEK 1,830m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies to providing a comprehensive portfolio of AED products to the professional and civilian first responder markets. The goodwill recognized is not expected to be deductible for income tax purposes. Intangible assets in the acquisition consists mainly of Trade names and Customer relationships. Transaction related costs amounted to SEK 42m and derive from external legal fees and due diligence expenses. These costs have been included in the line item Administrative, research and development and other operating cost in the Group's consolidated income statement.

Advanced Instruments' acquisition of Solentim

On August 26, 2021, Advanced Instruments completed the acquisition of Solentim, a global leader in innovative solutions for cell line development of biopharmaceutical products. The consideration amounted to SEK 2,226m. In the preliminary purchase price allocation, goodwill amounted to SEK 1,172m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies to expand the commercial and R&D capabilities of biopharmaceuticals. The goodwill recognized is not expected to be deductible for income tax purposes. Intangible assets in the acquisition consists mainly of Proprietary technology and Trademarks. Transaction related costs amounted to SEK 70m and derive from external legal fees and due diligence expenses. These costs have been included in the line item Administrative, research and development and other operating cost in the Group's consolidated income statement.

Atlas Antibodies' acquisition of evitria

On August 5, 2021, Atlas Antibodies completed the acquisition of evitria, a quality leader within custom recombinant antibody expression, serving the biopharmaceutical industry. The consideration amounted to SEK 2,319m. In the final purchase price allocation, goodwill amounted to SEK 2,326m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies innovation to create an antibody-focused platform, serving a wide range of customers. The goodwill recognized is not expected to be deductible for income tax purposes. Intangible assets in the acquisition consists mainly of Proprietary technology and Customer contracts. Transaction related costs amounted to SEK 35m and derive from external legal fees and due diligence expenses. These costs have been included in the line item Administrative, research and development and other operating cost in the Group's consolidated income statement.

BraunAbility's acquisition of Q'Straint

On May 28, 2021, BraunAbility completed the acquisition of 51 percent of Q'Straint, an industry leader in Wheelchair Passenger Safety Solutions. The consideration amounted to SEK 709m. In the final purchase price allocation, goodwill amounted to SEK 980m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies to accelerate innovation in wheelchair-accessible transportation technology for the disability community. The goodwill recognized is not expected to be deductible for income tax purposes. Intangible assets in the acquisition consists mainly of Proprietary technology. Transaction related costs amounted to SEK 28m and derive from external legal fees and due diligence expenses. These costs have been included in the line item Administrative, research and development and other operating cost in the Group's consolidated income statement.

Note 5 *Business combinations*

Permobil's acquisitions of Progeo

On June 28, 2021, Permobil completed the acquisition of Progeo, a leading Italian manufacturer of manual wheelchairs. The consideration amounted to SEK 330m (including the company's net cash position). In the final purchase price allocation, goodwill amounted to SEK 192m. The goodwill recognized for the acquisition corresponds to the complementary strengths of the companies. The goodwill recognized is not expected to be deductible for income tax purposes. Transaction related costs amounted to SEK 5m and derive from external legal fees and due diligence expenses. These costs have been included in the line item Administrative, research and development and other operating cost in the Group's consolidated income statement.

Information about revenue and profit/loss

SEK m	Airbest	Pelvalon	Allied 100	Solentim	evitria	Q'Straint	Progeo	Total
Revenue from the acquisition date until year-end 2021	–	–	292	63	85	280	66	786
Profit/loss from the acquisition date until year-end 2021	–	–3	6	–25	27	–30	5	–20
Estimated revenue increase if the acquisition had occured on January 1, 2021	92	–	688	109	93	225	50	1,257
Estimated increase/decrease in profit/loss if the acquisition had occured on January 1, 2021	–	–	–22	19	39	74	9	119

Identifiable assets acquired and liabilities assumed

SEK m	Airbest	Pelvalon	Allied 100	Solentim	evitria	Q'Straint	Progeo	Total
Intangible assets	–	155	775	1,241	267	995	62	3,495
Property, plant and equipment	23	–	30	2	18	32	13	118
Other financial investments	–	–	–	–	–	–	1	1
Inventories	19	–	100	45	1	127	33	325
Trade receivables	15	0	127	10	25	71	35	284
Other current receivables	0	0	26	10	3	12	19	70
Cash and cash equivalents	18	0	24	76	30	26	68	241
Long-term interest-bearing liabilities	–92	–	–	–	–286	–1,380	–7	–1,766
Deferred tax liabilities	–	–	–123	–309	–57	–	–16	–504
Other current liabilities	–119	0	–149	–22	–8	–55	–70	–422
Net identifiable assets and liabilities	**–136**	**155**	**809**	**1,054**	**–7**	**–172**	**139**	**1,842**
Non-controlling interest	–	–	–	–	–	–99	–	–99
Consolidated goodwill	408	116	1,830	1,172	2,326	980	192	7,024
Consideration	**272**	**271**	**2,639**	**2,226**	**2,319**	**709**	**330**	**8,766**

Note 6 Disposal of subsidiary

In April 2021 it was agreed to divest Grand Group and the Grand Hôtel property, respectively, to FAM AB. In May 2021 the divestiture was completed, including the hotel operations Grand Hôtel, Lydmar Hotel and The Sparrow Hotel, as well as the Grand Hôtel property.

The consideration for the hotel operations amounted to SEK 260m and was paid in cash. The transaction value for the property was approximately SEK 3.6bn and net proceeds from the transaction approximately SEK 1.5bn following Vectura debt amortization.

The total gain on the disposal of the divested operations and property was SEK 290m and is included in Changes in value in the Group's consolidated Income Statement for 2021.

For the period from January 1, 2021, until the date of divestment the hotel operations contributed net sales of SEK 68m and profit/loss of SEK –82m to the Group's result for 2021.

Assets and liabilities over which control was lost

SEK m	2021
Goodwill and Other intangible assets	22
Property, plant and equipment	3,905
Deferred tax assets and Other long-term receivables	13
Inventories and Other current receivables	154
Cash and cash equivalents	59
Deferred tax liabilities and Other long-term liabilities	–506
Current liabilities	–218
Net assets disposed of	**3,430**
Gain on disposal	290
Total consideration	**3,720**
Consideration received in cash and cash equivalents	2,755
Repayment of loans	1,024
Less: cash and cash equivalents disposed of	–59
Total consideration received	**3,720**

Note 7 Operating Segments

Investor is divided into operating segments based on how operations are reviewed and evaluated by the CEO. Investor's presentation of operating segments corresponds to the internal structure for management and reporting.

The operations are divided into the three business areas Listed Companies, Patricia Industries and Investments in EQT.

Listed Companies consists of listed holdings, see pages 16-21.

Patricia Industries includes the wholly-owned subsidiaries, Three Scandinavia and the former IGC portfolio and all other financial investments, except Investor's trading portfolio, see pages 22-33.

The business area Investments in EQT consists of the holdings in EQT AB and the EQT funds, see page 34.

The reported items in the operating segment profit/loss for the year, assets and liabilities, are presented according to how they are reviewed by the CEO.

In the operating segment presentation, items directly attributable and items that can be reliably and fairly allocated to each respective segment are included. Non-allocated items are presented in Investor Groupwide and are related to the investing activities and consist, within profit/loss, of management costs, net financial items and components of tax. Assets and liabilities within investing activities are included in Investor Groupwide as well. Market prices are used for any transactions that occur between operating segments.

For information about goods, services and geographical areas, see note 8, Revenues.

Performance by business area 2021	Listed Companies	Patricia Industries	Investments in EQT	Investor Groupwide	Total
Dividends	10,834		418	2	11,254
Changes in value	148,616	1,722	63,174	–6[1]	213,505
Net sales		40,737			40,737
Cost of goods and services sold		–21,743		0	–21,743
Sales and marketing costs		–6,072			–6,072
Administrative, research and development and other operating costs	0	–8,391	–5	–24	–8,420
Management costs	–123	–261	–9	–136	–530
Share of results in associates		2,938			2,938
IS Operating profit/loss	**159,327**	**8,928**	**63,578**	**–164**	**231,669**
Net financial items		–1,791		–1,556	–3,347
Tax		–312		–45	–357
IS Profit/loss for the year	**159,327**	**6,825**	**63,578**	**–1,765**	**227,965**
Non-controlling interest		100		0	100
Net profit/loss for the period attributable to the Parent Company	**159,327**	**6,926**	**63,578**	**–1,765**	**228,065**
Dividend				–10,722	–10,722
Other effects on equity[2]		2,968	410	56	3,435
Contribution to net asset value	**159,327**	**9,894**	**63,988**	**–12,431**	**220,778**
Net asset value by business area 12/31 2021					
Shares and participations	515,220	6,310	116,800	381	638,711
Other assets		130,129		783	130,912
Other liabilities	–141	–70,681	–160	–1,535	–72,518
Net debt/-cash[3]		12,505		–26,997	–14,491
Total net asset value including net debt/-cash	**515,078**	**78,263**	**116,640**	**–27,367**	**682,614**
Shares in associates reported according to the equity method		3,425			3,425
Cash flow for the year	11,180	1,551	4,900	–19,323	–1,690
Non-current assets by geographical area[4]					
Sweden		44,953		19	44,972
Europe excl. Sweden		8,206			8,206
U.S.		48,037		56	48,093
Other countries		1,378			1,378

1) Includes proceeds from the trading operation amounting to SEK 1,236m.
2) Refers mainly to revaluation reserve, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.
3) Net debt/-cash refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.
4) Non-current assets consists of intangible and tangible assets. Information regarding associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be compiled in a meaningful way.

Note 7 *Operating Segments*

Performance by business area 2020	Listed Companies	Patricia Industries	Investments in EQT	Investor Groupwide	Total
Dividends	7,281	0	383	–1	7,664
Changes in value	18,482	1,932	20,689	36[1)]	41,138
Net sales		39,323			39,323
Cost of goods and services sold		–21,417		0	–21,417
Sales and marketing costs		–5,873			–5,873
Administrative, research and development and other operating costs		–7,006	–4	–22	–7,033
Management costs	–113	–289	–10	–119	–531
Share of results in associates		1,825			1,825
IS Operating profit/loss	**25,650**	**8,495**	**21,058**	**–106**	**55,097**
Net financial items		–2,217		244	–1,973
Tax		–774		311	–463
IS Profit/loss for the year	**25,650**	**5,504**	**21,058**	**449**	**52,662**
Non-controlling interest		128			128
Net profit/loss for the period attributable to the Parent Company	**25,650**	**5,633**	**21,058**	**449**	**52,790**
Dividend		–27		–6,889	–6,916
Other effects on equity[2)]		–3,605	–649	–464	–4,718
Contribution to net asset value	**25,650**	**2,001**	**20,409**	**–6,904**	**41,156**
Net asset value by business area 12/31 2020					
Shares and participations	367,009	7,468	57,646	21	432,144
Other assets		113,917		1,086	115,004
Other liabilities	–77	–63,636	–161	–1,625	–65,499
Net debt/-cash[3)]		13,468		–33,281	–19,812
Total net asset value including net debt/-cash	**366,932**	**71,217**	**57,486**	**–33,799**	**461,837**
Shares in associates reported according to the equity method		3,643			3,643
Cash flow for the year	3,807	–1,960	–15	–1,204	628
Non-current assets by geographical area[4)]					
Sweden		46,856		16	46,872
Europe excl. Sweden		4,495			4,495
U.S.		37,729		62	37,791
Other countries		664			664

1) Includes proceeds from the trading operation amounting to SEK 2,523m.
2) Refers mainly to revaluation reserve, effects of long-term share-based remuneration, changes in non-controlling interest and changes in the hedging and translation reserves.
3) Net debt/-cash refers to other financial investments, short-term investments, cash and cash equivalents, interest-bearing liabilities with related derivatives and defined benefit pensions within investing activities.
4) Non-current assets consists of intangible and tangible assets. Information regarding associates by geographical area is not presented because Investor, as a minority owner, can not access information that can be compiled in a meaningful way.

Note 8 Revenues

Accounting policies

Revenues included in operating profit are dividends and net sales.

Dividends received are recognized when the right to receive payment has been established.

Net sales

Net sales includes revenues from contracts with customers and revenues from leasing (within the field of operation Real estate).

Revenues from customers are recognized when a performance obligation by transferring a promised good or service is satisfied. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. A promised good or service is transferred when or as control transfers to the buyer. When or as performance obligations are satisfied, the transaction price that is allocated to that performance obligation is recognized as revenue. Details of performance obligations included in contracts and how transaction prices are determined and allocated to performance obligations, are presented under Performance obligations and Transaction prices on the next page. All revenues from contract with customers are related to the operating segment Patricia Industries.

Disaggregated revenues from contracts with customers into the field of operation

Revenues from the sale of goods or services, and leasing, are disaggregated into the six field of operations Health care equipment, Health care services, Hotel, Real estate, Osmolality testing and Gripping and moving solutions.

Health care equipment

The majority of the revenues in the field of operations Health care equipment are derived from sale of single use products and solutions for managing wounds and preventing pressure ulcers. This field of operations also includes sales from: wheelchair accessible vehicles and wheelchair lifts; powered and manual wheelchairs as well as cushions and accessories; distribution of healthcare products to national emergency care providers, hospitals, schools, businesses and federal government agencies; and innovative capital equipment and consumables for the diagnosis and treatment of urological and gastrointestinal disorders.

Revenues within the field of operations Health care equipment are allocated to geographical area by the location of where the customer is resident. Health care equipment are sold through retail distribution channels and directly to customers.

The sale of medical equipment, products and supplies are recognized at the point of time when control transfers. The sale of extended warranty, service agreements and program management contracts are recognized over the term of the contract.

Health care services

Revenues within the field of operations Health care services are allocated into geographical area by the location of where the respective customer uses the services.

Sale is outsourced or performed by own personnel and revenue is mainly recognized at a point in time.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 8 *Revenues*

Hotel
Revenues in the field of operations Hotel includes Lodging, Food & Beverage as well as Conference & Banqueting.

All sales within the category is considered to be services and are sold both through distributors and directly to customers.

The revenue from all sales of services is recognized over time as the customer receives and consumes the service.

Real estate
The field of operations Real estate includes revenue from rental agreements with external tenants. The majority of the rental agreements are related to office premises.

Rental agreements are signed directly with the tenants and the revenue is recognized over the term of the contract.

Osmolality testing
The majority of the revenue within the field of operations Osmolality testing is earned from the sale of equipment and consumable supplies necessary to use the equipment. Customers can separately purchase maintenance contracts and revenue are also earned from servicing of customer equipment and repair calls not covered by maintenance contracts.

Revenue from the sale of equipment and consumable supplies is generally recognized at a point in time upon transfer of control to the customer. Maintenance contracts are deferred and recognized ratably over the contract period and revenue from other service or repairment of equipment is recognized when the service is performed.

Gripping and moving solutions
The field of operations Gripping and moving solutions mainly generates revenue from the sale of finished products and customer-specific solutions. The finished products are vacuum pumps, vacuum accessories, vacuum conveyors and suction cups for a variety of automated material handling and factory automation processes. The customer-specific solutions are assembled to the specification of each customer and comprise of products and components in combination with services such as installation and training activities.

Revenues are allocated to geographical area by the location of where the customer is resident. The sale channels are both through distributors and directly to customers and the revenue is mainly recognized at a point in time.

Performance obligations and Transaction prices
Revenues from the sale of goods or services are derived from five relatively different fields of operations. Below details can be found about different types of performance obligations in the contracts from customers and information about how transaction prices are determined and allocated to performance obligations. The information is on an aggregated level based on different types of customer contracts.

Sale of finished products
Sale of finished products are by far the largest part of Investor's net sales. The products mainly relates to health care equipment but also products within osmolality testing and gripping and moving solutions. Performance obligations in the contracts with customers from sale of finished products mainly refers to goods manufactured by the selling company. A minor part of the performance obligations also relates to distribution of goods as retailer, products having a trial period and revenue from customer-specific solutions. The sales contracts can, to a limited extent, also include performance obligations related to various forms of services, for example extended warranty, service agreements, program management contracts and similar obligations.

For finished products the performance obligation is satisfied at the point in time when control of the goods has transferred to the customer. The point in time is upon delivery to the customer or shipment of the goods, which is determined by the delivery terms of each contract. The evaluations in order to identify when a customer obtains control of promised goods is to a large extent based on the shipping terms. This is because shipping terms typically specifies when title passes and will also affect when risk and rewards of ownership transfer to the customer. For the majority of the sale, control is transferred upon delivery of the goods to the customer.

For distribution of health care products as a retailer, control is transferred upon shipment from the distribution center. At this point in time, the performance obligation is fulfilled and revenue is recognized. For products having a trial period, the revenue is recognized at the expiration of the trial period.

Customer-specific solutions are mainly relevant within Gripping and moving solutions and represents one performance obligation as a bundle of goods and services, since the separate goods and services are not considered as distinct within the context of each contract. The performance obligation is satisfied over time since the asset is not created with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The selected method used to measure the progress towards complete satisfaction of the performance obligation is the input method on the basis of cost incurred relative to the total expected costs for each customer-specific solution. Costs mainly include costs for labor and material. The input method is selected since the timing of the costs related to each customer-specific solution provides the best reflection of how control is transferred to the customer. The estimations related to revenue recognition from the input method require judgments that affect the determination of the amount and timing of revenue from customer-specific solutions. The initial estimate of total expected costs of each customer-specific solution is continuously controlled and updated if necessary.

Payment terms varies normally from 30-60 days and could in some instances be up to 90 days. Hence, the contracts does not involve any significant financing component. For certain countries and customers, when deemed appropriate from a credit risk perspective, payment in advance is requested before delivery of goods.

The transaction price for finished products is typically based on a list price, but where a contract contains elements of variable rebates, right of returns, customer discounts or similar, revenue is recognized net after recognizing a refund liability for such variable considerations. Right of returns is adjusted based on its accumulated historical experience to estimate the number of returns. These variable considerations can be paid both quarterly and yearly dependent on customer contract. The customer accrual of yearly contracts will increase the liability until repayment, which usually takes place during Q1, then the liability will be significantly reduced compared to year-end.

Sale of services
Sales of services mainly relates to health care services, but also services related to hotel. The sale of products can, to a limited extent, also include performance obligations related to various forms of services, for example extended warranty, service agreements, program management contracts and similar obligations.

Within Health care each contract is a series of distinct services that are essentially the same and follow the same pattern. Therefore each contract are identified as one performance obligation. The services are mainly activities within primary medical care. Revenues consist of listing compensation, compensation per visit and percentage compensation regardless of how many visits. Revenues from Health care services are mainly recognized over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the entity performs.

Performance obligations within hotel services mainly refers to accommodation and food & beverage. The different services are distinct and performance obligations recognized as revenue as the services are performed.

There are also performance obligations related to services connected with the sale of products, for example extended warranty, service agreements, program management contracts and similar obligations. Revenues are mainly recognized over time as the services are performed.

Contract balances

	2021	2020	Change	%
Contract assets	63	0	63	N/A
Contract liabilities	–254	–400	147	–37
Net contract assets/liabilities	**–190**	**–400**	**210**	**–52**

Contract assets are comprised of accrued revenue balances. Accrued revenue represents the right to consideration for goods and services that has been transferred to a customer, but payment has not yet been received.

Contract liabilities are an entity's obligation to transfer goods and services to a customer for which the entity has received consideration from the customer. These are comprised of deposits and prepayments collected on orders that will be transferred in a future period. Other forms of contract liabilities are payments related to extended warranty contracts and program management contracts, which are deferred and recognized straight-line over the contract life.

Contract costs
Since all sales commissions paid would have been amortized within one year, the practical expedient to recognize these costs as an expense when incurred is used. However an associated company, accounted for using the equity method, recognizes an asset for the incremental costs of obtaining a contract with a customer and the asset is amortized as the contracts are completed.

Note 8 *Revenues*

Net sales 2021	Field of operation Health care equipment	 Health care services	 Hotel	 Real estate	 Osmolality testing	 Gripping and moving solutions	Total
By geographical market:							
Sweden	747	359	68	229	1	102	1,506
Scandinavia, excl. Sweden	1,182	8			4	51	1,246
Europe, excl. Scandinavia	10,006	53			203	721	10,982
U.S.	21,463	261			534	436	22,694
North America, excl. U.S.	750	0			41	94	885
South America	281				9	58	347
Africa	483	0			4	6	492
Australia	908				12	11	930
Asia	1,295	26			73	260	1,654
Total	**37,116**	**707**	**68**	**229**	**880**	**1,738**	**40,737**[1)]
By category:							
Sales of products	35,594				779	1,713	38,087
Sales of services	1,443	707	68		101	25	2,343
Revenues from Leasing	70			224			293
Other Revenue	9			5			14
Total	**37,116**	**707**	**68**	**229**	**880**	**1,738**	**40,737**
By sales channels:							
Through distributors	20,813		41		432	691	21,977
Directly to customers	16,303	707	27	229	447	1,047	18,760
Total	**37,116**	**707**	**68**	**229**	**880**	**1,738**	**40,737**
Timing of revenue recognition:							
Goods and services transferred at a point in time	36,734	707			856	1,738	40,035
Goods and services transferred over time	382		68	229	23		702
Total	**37,116**	**707**	**68**	**229**	**880**	**1,738**	**40,737**

Net sales 2020	Field of operation Health care equipment	 Health care services	 Hotel	 Real estate	 Osmolality testing	 Gripping and moving solutions	Total
By geographical market:							
Sweden	851	194	286	189	0	142	1,661
Scandinavia, excl. Sweden	1,439	4			1	41	1,486
Europe, excl. Scandinavia	10,855	2			35	597	11,489
U.S.	20,104	22			73	385	20,584
North America, excl. U.S.	643				5	87	735
South America	284				3	48	334
Africa	497				0	3	501
Australia	920				2	10	932
Asia	1,281	97			11	214	1,602
Total	**36,874**	**319**	**286**	**189**	**129**	**1,526**	**39,323**[1)]
By category:							
Sales of products	36,283				115	1,526	37,925
Sales of services	529	319	286		14		1,147
Revenues from Leasing	58			185			243
Other Revenue	4			4			8
Total	**36,874**	**319**	**286**	**189**	**129**	**1,526**	**39,323**
By sales channels:							
Through distributors	20,802		171		71	686	21,730
Directly to customers	16,072	319	114	189	59	841	17,593
Total	**36,874**	**319**	**286**	**189**	**129**	**1,526**	**39,323**
Timing of revenue recognition:							
Goods and services transferred at a point in time	36,619	297			126	1,517	38,559
Goods and services transferred over time	255	22	286	189	3	10	764
Total	**36,874**	**319**	**286**	**189**	**129**	**1,526**	**39,323**

1) No customer exceeds 10 percent of total net sales.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 9 Leases

Accounting policies

Lessee

For Investor as a lessee, a right-of-use asset is recognized to represent the right to use the leased assets. When entering into a new lease contract the right-of-use asset is measured at cost. Short-term leases and leases of low-value assets are exempt and recognized as an expense on a straight-line basis over the lease term.

At the same time, a lease liability is recognized representing the obligation to pay lease payments for the leased assets. The lease liability is measured at the present value of the lease payments that are not paid at that date. When discounting the lease payments, the interest rate implicit in the lease is used at first hand. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used.

After the commencement date the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses. The value of the lease liability is mainly adjusted to reflect interest on the lease liability and to reflect the lease payments made.

In the Consolidated Balance Sheet the right-of-use assets connected to leases are included in the items Buildings and land and Machinery and equipment. The lease liability is included in Long-term interest-bearing liabilities and Current interest-bearing liabilities.

Lessor

For Investor as a lessor, leases are classified as operating leases. The lease contracts do not transfer substantially all the risks and rewards incidental to ownership of the underlying assets. Lease payments from operating leases are recognized as income on a straight-line basis.

Information about lease contracts – Lessee

Lease contracts are related to vehicles, office equipment and rental agreements regarding offices, warehouses and factory buildings.

Leasing contracts for vehicles do normally not include any extension options. Outstanding leasing agreements for offices, warehouses and factories include various extension and termination options, as well as contracts that are automatically extended for a certain period if not actively being canceled.

When determining the lease term, extension options are considered. If no plan is initiated to move to another building six months before notice must be given, to not have the contract automatically extended, the extension option is included in the lease period. For other leased buildings individual assessments of the current lease term is made on an ongoing basis.

Lease amounts for the period – Lessee

	2021	2020
Disclosures related to the financial performance		
– Depreciation charge for right-of-use buildings	–331	–352
– Depreciation charge for right-of-use machinery and equipment	–123	–109
– Interest expense on lease liabilities	–64	–78
– Expense relating to short-term leases	–38	–27
– Expense relating to low-value leases	–10	–7
– Expense relating to variable lease payments	–	–6
Disclosures related to cash flows		
– Cash outflow for leases, Interest	–64	–78
– Cash outflow for leases, Payment of lease liability	–449	–429
– Cash outflow for leases, Low value and short-term	–56	–34
Disclosures related to the financial position		
– Carrying amount of right-of-use asset as per December 31, included in:		
Buildings and land	1,621	1,860
Machinery and equipment	237	214
– Lease liability as per December 31, included in:		
Long-term interest-bearing liabilities	1,468	1,706
Current interest-bearing liabilities	436	392

Information about lease contracts – Lessor

Lease contracts are mainly related to rental agreements regarding premises and housing. Properties subject to rental agreements are owned by Investor and all rights are retained in the underlying assets.

Lease amounts for the period – Lessor

	2021	2020
Operating lease income		
Total income	293	243
– whereof variable lease income	5	6
Undiscounted lease payment to be received		
Less than 1 year from balance sheet date	296	237
1-2 years from balance sheet date	250	208
2-3 years from balance sheet date	208	182
3-4 years from balance sheet date	196	161
4-5 years from balance sheet date	193	150
More than 5 years from balance sheet date	1,365	1,063
Total	**2,509**	**2,001**

Reference to lease information in other notes

Disclosure	Note	Page
Information about right-of-use assets buildings	17 Buildings and land	84
Information about assets subject to an operating lease as a lessor	17 Buildings and land	84
Information about right-of-use assets machinery and equipment	19 Machinery and equipment	86
Maturity analysis of lease liabilities	26 Interest-bearing liabilities	90

Note 10 Operating costs

	2021	2020
Raw materials and consumables	17,100	14,724
Personnel costs	10,167	9,445
Depreciation, amortization and impairment	4,062	3,252
Other operating expenses	5,436	7,433
Total	**36,765**	**34,853**

Costs related to research and development amounts to SEK 1,360m (1,099). Additional information regarding operating costs can be found in notes 9, 11-12 and 16-19.

Note 11 Employees and personnel costs

Accounting policies
Accounting policies on employee benefits such as short-term benefits, termination benefits and share-based payment transactions are presented below. Post-employment benefits are presented in note 27, Provisions for pensions and similar obligations.

Short-term benefits
Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided. A provision is made for the anticipated cost of variable cash salary and profit-sharing contracts when the Group has a current obligation to make such payments (because services have been provided by employees) and when the obligation can be reliably estimated.

Termination benefits
The cost of termination benefits is recognized only if the company is demonstrably committed (without any realistic possibility of withdrawing the commitment) by a formal plan to prematurely terminate an employee's employment.

Share-based payment transactions
Within the Investor Group both equity-settled and cash-settled stock option and share programs and cash-settled (synthetic) shares have been issued.

Accounting for equity-settled programs
The fair value of stock options and share programs issued is determined at the grant date in accordance with the Black & Scholes valuation model, taking into consideration the terms and conditions that are related to the share price.

The value is recognized in the income statement as a personnel cost allocated over the vesting period with a corresponding increase in equity.

The recognized cost corresponds to the fair value of the estimated number of options and shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares. However, no adjustment is made when options and shares expire only because share price related conditions do not reach the level needed for the options to vest.

When equity-settled programs are exercised, shares are delivered to the employee. The delivered shares are treasury shares that are repurchased when needed. When exercised, the payment of the exercise price that was received from the employee is reported as an increase in equity.

Equity-settled programs issued to employees in Group companies
In the Parent Company, the value of equity instruments, which is offered to employees of other companies belonging to the Group, is reported as a capital contribution to subsidiaries. The value of participations in subsidiaries increases simultaneously to the Parent Company's reporting of an increase in equity. The costs related to employees in companies concerned are invoiced to the subsidiaries. The cash settlement of the invoices then neutralizes the increase of participations in subsidiaries.

Accounting for cash-settled programs
Cash-settled stock option and share programs and cash-settled (synthetic) shares result in an obligation that is valued at fair value and recognized as an expense with a corresponding increase in liabilities. Initial fair value is calculated and the grant value is recognized over the vesting period as a personnel cost, which is similar to the recognition of equity-settled programs. However, cash settled programs are revalued at fair value every balance sheet date and at final settlement. All changes in the fair value as a result of changes in share price or fair value of the underlying instruments are recognized in the financial net with a corresponding change in liabilities.

When cash-settled programs are exercised, the liability to the holder of the synthetic shares is settled.

Accounting for social security attributable to share-based payment transactions
Social security expenses attributable to share-based remuneration are recognized and accrued in accordance with the same principles as the costs for synthetic shares.

Guidelines for remuneration for the President and other Members of the Extended Management Group
The AGM 2020 decided on guidelines for remuneration for the President and other Members of the Extended Management Group. The complete guidelines can be found on page 54.

Average number of employees in the Group

	2021		2020	
	Total	Of which women	Total	Of which women
Parent Company, Sweden	73	37	71	36
Sweden, excl. Parent Company	1,753	876	1,804	914
Europe excl. Sweden	3,615	2,041	3,527	1,984
North- and South America	5,370	2,310	4,693	1,807
Africa	1	1	1	1
Asia	3,842	2,742	3,717	2,568
Australia	157	90	151	90
Total Group	**14,812**	**8,097**	**13,964**	**7,400**

Gender distribution in Boards and Senior management

	2021		2020	
	Men	Women	Men	Women
Gender distribution in percent				
Board of the Parent Company	64	36	60	40
Extended Management Group of the Parent Company incl. the President	43	57	50	50
Boards in the Group[1]	75	25	76	24
Management Groups in the Group	66	34	67	33

1) Based on all Group companies including small, internal companies with minor activity.

Expensed remunerations
The amounts in the table below are calculated according to the accruals concept, in which the terms basic salary and variable salary refer to expensed amounts, including any changes to the reserve for variable salary, vacation pay provisions, etc. Variable salary refers to the approved variable salary for the current financial year, unless specified otherwise.

Expensed remunerations to the President and other members of the Extended Management Group in the Parent Company

Total remunerations 2021 (SEK t)	Basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration[1]	Total	Pension costs[2]	Other remuneration and benefits	Total expensed remuneration
President and CEO	12,600	180	827	1,197	11,165	**25,969**	4,623	131	**30,723**
Extended Management Group, excl. the President	21,059	300	1,374	6,223	11,130	**40,085**	9,822	982	**50,890**
Total	**33,659**	**480**	**2,201**	**7,420**	**22,295**	**66,054**	**14,445**	**1,113**	**81,613**
Total remunerations 2020 (SEK t)									
President and CEO	10,355	1,495	–851	2,796	8,838	**22,633**	3,937	116	**26,686**
Extended Management Group, excl. the President	39,903[3]	1,724	–606	13,082[4]	29,576	**83,678**	8,628	1,320	**93,626**
Total	**50,258**	**3,219**	**–1,457**	**15,878**	**38,413**	**106,310**	**12,565**	**1,437**	**120,312**

1) In the table above the cost is calculated based on the principles in IFRS 2 and allocated over the vesting period. The calculation is also adjusted for the actual outcome of allotted performance shares. Value at grant date for the president and CEO was SEK 12.600 (8.284). His own investment in long-term share-based remunerations was SEK 4,908m (3,331), corresponding to 39.0% of CEO basic salary pre-tax (32.2).
2) There are no outstanding pension commitments for the Extended Management Group including the President.
3) The amount includes expensed severance pay for a member of the Extended Management Group. Total severance pay for the executive includes fixed cash remuneration during 18 months, in accordance with the employment contract.
4) In addition to these amounts a member of the Extended Management Group have participated in incentive programs within former Investor Growth Capital. For more information about these programs see "Incentive program for selected employees within Patricia Industries" on page 78 and in note 33, Related party transactions.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 11 *Employees and personnel costs*

Total remuneration – expensed salaries, Board of Directors fees and other remuneration and social security costs

Total remuneration (SEK m), Group	2021 Basic salary[1)]	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contribu-tions	Total	2020 Basic salary[1)]	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contribu-tions	Total
Parent Company	111	11	56	31	12	62	282	99	15	40	29	13	58	254
Subsidiaries	6,532	1,781	91	537	564	999	10,503	6,059	986	156	491	489	1,001	9,181
Total	**6,642**	**1,792**	**147**	**567**	**576**	**1,061[2)]**	**10,785**	**6,158**	**1,001**	**196**	**520**	**502**	**1,058[2)]**	**9,435**

1) Includes vacation remuneration and change of vacation pay liability.
2) Of which SEK 109m refers to social security contribution for long-term share-based remuneration (112).

Expensed salaries and remuneration distributed between senior executives, Presidents and Boards in subsidiaries and other employees

Remuneration (SEK m), Group	2021 Salary Senior executives Presidents and Boards in subsidiaries[1, 2)]	Of which variable salary[1)]	Other employees	Total	2020 Salary Senior executives Presidents and Boards in subsidiaries[1, 2)]	Of which variable salary[1)]	Other employees	Total
Parent Company	55	7	66	121	46	9	68	114
Subsidiaries	143	42	8,169	8,313	156	35	6,889	7,044
Total	**199**	**49**	**8,235**	**8,434**	**202**	**45**	**6,957**	**7,159**

1) The number of people in the Parent Company is 17 (16) and in subsidiaries 71 (76).
2) Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 23m and are in addition to the amounts presented in the table (22).
3) Restated to reflect payments from profit-sharing program within former Investor Growth Capital.

Long-term variable remuneration – program descriptions

The Board of Directors encourages employees to build up a significant shareholding in Investor. Through the long-term variable remuneration programs, part of the remuneration to employees is linked to the long-term performance of the Investor share. Investor has two programs for long-term variable remuneration: Investor's program and the program for Patricia Industries.

Investor's program for long-term variable remuneration

The program consists of the following two components:

1) Stock Matching Plan

Through the Stock Matching Plan, an employee could acquire or commit shares in Investor (Matching share) at the market price during a period (determined by the Board) subsequent to the release of Investor's first quarterly report for each year, respectively (the "Measurement Period"). After a three-year vesting period, two options (Matching Options) are granted for each Investor share acquired or committed by the employee, as well as a right to acquire one Investor share (Matching Share) for SEK 2.50 (SEK 10.00 before the 4:1 share split completed during 2021). Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Investor share, during the corresponding period, at a strike price corresponding to 120 percent of the average volume-weighted price paid for Investor shares during the Measurement Period.

The President, other members of the Extended Management Group and a maximum of 20 other executives within Investor ("holders of Business Critical Roles") are required to participate in the Stock Matching Plan with Participation Shares corresponding to a "Participation Value" of at least 5 percent of their fixed cash remuneration before taxes. "Participation Value" refers to the number of Participation Shares multiplied by the Participation Price.

In addition, holders of Business Critical Roles are offered to participate with Participation Shares to such an extent that the value of the allocated Matching Options and Matching Shares amounts to a maximum of between 10 and approximately 33 percent (for the President, approximately 33 percent) of their respective annual fixed cash remuneration before taxes, depending on position, performance, etc. Other employees are not obligated, but have a right, to participate with Participation Shares to an extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of 10 or 15 percent of fixed cash remuneration depending on position, performance, etc.

Under the Stock Matching Plan, the President is entitled to participate with (invest in) Participation Shares corresponding to a Participation Value of up to 40 percent of the annual fixed cash remuneration before taxes. If the President participates fully in the Stock Matching Plan, the possibility to receive a Matching Shares and Matching Options under the Stock Matching Plan corresponds to a theoretical value of approximately 33 percent of the annual fixed cash remuneration before taxes.

2) Performance Plan

Holders of Business Critical Roles have, in addition to the Stock Matching Plan, the right to participate in a Performance Plan. Under this plan, which presumes participation in the Stock Matching Plan, participants have, after a three-year vesting period, the right during a period of four years thereafter, to acquire additional Investor shares of class B ("Performance Shares") at a price corresponding to 50 percent of the Participation Price conditional upon the total return on the Investor shares exceeding a certain level during the vesting period. The total return is measured during a three-year qualification period (quarterly measurement on running 12-month basis where the total outcome is estimated as the average total return during the three years based on 9 measurement points). In order to give the participants the right to acquire the maximum number of Performance Shares, the average annual total return of the Investor share (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, then participants of the Performance Plan are not entitled to acquire any Performance Shares. If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, then a proportional (linear) calculation of the number of shares that may be acquired shall be made. The theoretical value of the opportunity to acquire Performance Shares for the plan participants shall amount to between 20 and approximately 67 percent of the respective participant's fixed cash remuneration for 2021 (for the President, approximately 67 percent).

Dividend adjustment

When the Matching Shares and Performance Shares are acquired, the employee receives compensation for dividends paid during the vesting period and up to the date of acquisition in order for the program to be dividend neutral.

Hedge contracts for employee stock option and share programs

Investor's policy is to implement measures to minimize the effects on equity from the programs in the event of an increase in Investor's share price. For programs implemented in 2006 and later, Investor has previously been repurchasing its own shares in order to guarantee delivery. Investor's program for long-term variable remuneration includes in total 0.85 million shares, which corresponds to approximately 0.2 percent of total number of shares and approximately 0.03 percent of total number of votes in the company.

Note 11 *Employees and personnel costs*

Summary of Investor's long-term share-based variable remuneration programs 2015-2021[1)]

1) Where relevant in below tables, historic figures have been restated to reflect the 4:1 share split completed during 2021.

Matching Shares 2015-2021

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2021	Matching Shares forfeited in 2021	Matching Shares exercised in 2021	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value[1)], SEK	Fair value[2)], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3)]
2021	91,598	–	443		960	201.19	91,081[4)]	167.31	186.04	2.50	12/31 2027	3
2020	112,356	111,524	2,103	636	1,732	202.40	111,259[4)]	116.98	129.24	2.50	12/31 2026	3
2019	130,684	127,856	2,413	408	2,600	203.04	127,261[4)]	94.95	105.63	2.50	12/31 2025	3
2018	128,688	122,180	1,914		47,257	190.56	76,837	83.25	92.62	2.50	12/31 2024	3
2017	113,928	74,760	882		37,089	172.83	38,553	88.88	98.92	2.50	12/31 2023	3
2016	199,792	51,132	795		21,122	193.35	30,805	61.60	68.50	2.50	12/31 2022	3
2015	150,684	28,740	333	36	29,037	196.85	–	73.33	81.55	2.50	12/31 2021	3
Total	**836,132**	**516,192**	**8,440**	**1,080**	**138,837**		**384,715**					

1) The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See below for specification of the basis of calculation.
3) Under certain circumstances, in conjunction with the end of employment, Matching Shares can be exercised before the end of the vesting period. Matching Shares that have already vested must be exercised within 3 months from the end of employment if the employment lasted less than 4 years and 12 months if the holder has been employed longer.
4) Matching Shares not available for exercise at year-end.

Matching Options 2015-2021

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2021	Number of Matching Options exercised in 2021	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value[1)], SEK	Fair value[2)], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3)]
2021	183,196	–				183,196[4)]	12.52	14.60	226.20	12/31 2027	3
2020	224,712	223,464	1,276	3,836	198.03	218,352[4)]	7.24	9.39	158.15	12/31 2026	3
2019	261,368	249,128	792	5,032	203.35	243,304[4)]	5.49	6.11	129.80	12/31 2025	3
2018	257,376	230,664		109,928	202.56	120,736	5.38	5.99	114.15	12/31 2024	3
2017	227,856	163,312		89,748	181.99	73,564	6.89	7.68	121.73	12/31 2023	3
2016	399,584	90,652		37,600	195.51	53,052	7.08	8.17	85.23	12/31 2022	3
2015	301,368	47,112		47,112	193.37	–	9.69	11.19	100.83	12/31 2021	3
Total	**1,672,264**	**1,004,332**	**2,068**	**293,256**		**709,008**					

1) The value of Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See below for specification of the basis of calculation.
3) Under certain circumstances, in conjunction with the end of employment, Matching Options can be exercised before the end of the vesting period. Matching Options that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
4) Matching Options not available for exercise at year-end.

Performance Shares 2015-2021

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2021	Performance Shares, forfeited in 2021	Performance Shares exercised in 2021	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value[1)], SEK	Fair value[2)], SEK	Strike price, SEK	Maturity date	Vesting period (years)
2021	485,343	–	2,335				487,678[3)]	43.01	47.98	93.82	12/31 2027	3
2020	518,904	518,904	9,730				528,634[3)]	29.89	33.46	64.68	12/31 2026	3
2019	575,256	590,368	11,077				601,445[3)]	24.32	26.88	51.73	12/31 2025	3
2018	529,484	560,576	7,524	52,660	276,600	192.23	238,840	21.66	23.98	44.10	12/31 2024	3
2017	486,364	225,144	2,179		127,333	172.44	99,990	23.20	25.69	46.04	12/31 2023	3
2016	924,268	147,868	1,782		77,709	180.42	71,941	16.68	18.57	31.38	12/31 2022	3
2015	654,340	55,308	764		56,072	202.81	–	20.15	22.46	35.85	12/31 2021	3
Total	**4,176,294**	**2,098,168**	**35,391**	**52,660**	**537,714**		**2,028,528**					

1) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See below for specification of the basis of calculation.
3) Performance Shares not available for exercise at year-end.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

	2021			2020		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Investor B shares	188.55	188.55	188.55	131.79	131.79	131.79
Strike price	2.50	226.20	94.28	2.50	158.15	65.90
Assumed volatility[1)]	21%	21%	21%	21%	21%	21%
Assumed average term[2)]	5 years	5 years	5 years	5 years	5 years	5 years
Assumed percentage of dividend[3)]	0%	2.2%	0%	0%	2.9%	0%
Risk-free interest	−0.05%	−0.05%	−0.05%	−0.32%	−0.32%	−0.32%
Expected outcome[4)]			50%			50%

1) The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor. The historical volatility has been in the interval of 15 to 30 percent.
2) The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.
3) The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.
4) Probability to achieve the performance criteria is calculated based on historic data and verified externally.
5) Comparable figures based on the Investor share has been recalculated due to the 4:1 share split in May 2021.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
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Note 11 *Employees and personnel costs*

Patricia Industries' program for long-term variable remuneration

It is the Board of Directors' ambition to continuously ensure a strong alignment between the variable remuneration of employees of Patricia Industries ("PI") and the value creation in the PI portfolio. The purpose of the PI program is to encourage employees to build up significant economic holdings in Investor shares as well as, directly or indirectly, in existing and future investments made by PI.

In summary, the PI program is built on the same structure as the Investor program, but is related to the value growth of PI. The instruments in the PI program are granted under two different Plans, as further described below: (i) The PI Balance Sheet Plan (the "PI-BS Plan") and (ii) The PI North America Subsidiaries Plan (the "PI-NA Plan"). The instruments have a duration of up to seven years and participants are granted, conditional upon making a personal investment in Investor shares or the use of already held Investor shares, instruments that vest after a three-year vesting period and may be exercised and/or settled during the four-year period thereafter (subject to applicable US tax laws).

Two categories of employees are offered to participate in the PI program: (i) PI Holders of Business Critical Roles and (ii) Other PI Employees. Participants employed within the PI Nordic organization are only offered to participate in the PI-BS Plan whereas participants employed within the PI North America organization are offered to participate with 60 percent of their grant value (determined as described below) in the PI-BS Plan and 40 percent of their grant value in the PI-NA Plan.

General terms of instruments

The instruments granted under the PI-BS Plan and the PI-NA Plan are governed by the following terms and conditions:

- Granted free of charge.
- Instruments granted to Other PI Employees under the two Plans will replicate the structure of the Stock Matching Plan in Investor.
- Instruments granted to holders of Business Critical Roles in PI under the two Plans consists both of instruments replicating the Stock Matching Plan in Investor and instruments subject to specific performance conditions replicating the structure of the Performance Plan in Investor.
- Vest three years after grant (the "Vesting Period").
- May not be transferred or pledged.
- Subject to vesting, the instruments may be exercised and/or settled during the four-year period following the end of the Vesting Period, subject to applicable US tax laws and provided that the participant, with certain exceptions, maintains the employment with PI and keeps the Participation Shares during the Vesting Period.
- Cash-settled.
- Participants receive remuneration for dividends paid from time of grant up to the date of exercise and/or settlement in order for the PI program to be dividend neutral.

Specific performance conditions for holders of Business Critical Roles in PI

The following performance conditions apply to the instruments under the PI program allocated to holders of Business Critical Roles in PI (replicating the structure of the Performance Plan in Investor).

Instruments granted under the PI-BS Plan: In order for participants to be awarded the maximum number of instruments, the compounded annual growth of the fair market value of PI's balance sheet must exceed the interest on 10-year Swedish government bonds by more than 10 percentage points. If the compounded annual growth of the fair market value of PI's balance sheet does not exceed the 10-year interest on Swedish government bonds by at least 2 percentage points, then participants will not be awarded any instruments. If the applicable compounded annual growth is between the 10-year interest on Swedish government bonds plus 2 percentage points and the 10-year interest on Swedish government bonds plus 10 percentage points, then a proportional (linear) calculation of the award shall be made. Performance is measured three times during the three-year Vesting Period, each measurement on a running 12-month basis.

Instruments granted under the PI-NA Plan: In order for participants to be awarded the maximum number of instruments the compounded annual growth of the North American subsidiaries of PI must exceed the interest on 10-year US government bonds by more than 12 percentage points. If the compounded annual growth of the fair market value of the North American subsidiaries of PI does not exceed the 10-year interest on US government bonds by at least 4 percentage points, then participants will not be awarded any instruments. If the applicable compounded annual growth is between the 10-year interest on US government bonds plus 4 percentage points and the 10-year interest on US government bonds plus 12 percentage points, then a proportional (linear) calculation of the award shall be made. Performance is measured once, at the end of the three-year Vesting Period.

Summary of Patricia Industries' long-term share-based variable remuneration programs 2017-2021[1)]

1) Where relevant in the following tables, historic figures have been restated to reflect the 4:1 share split completed during 2021.

PI-BS Plan

Matching Shares 2017-2021

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2021	Matching Shares forfeited in 2021	Matching Shares exercised in 2021	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value[1)], SEK	Fair value[2)], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3)]
2021	65,702	–	1,246				66,948[4)]	167.31	186.04	2.50	12/31 2027	3
2020	79,028	79,028					79,028[4)]	116.98	129.24	2.50	12/31 2026	3
2019	95,644	97,880	1,864	52			99,692[4)]	94.95	105.61	2.50	12/31 2025	3
2018	101,120	95,500	1,760	44	3,108	143.30	94,108	83.25	92.61	2.50	12/31 2024	3
2017	83,320	70,180	1,152		5,284	159.51	66,048	88.88	98.94	2.50	12/31 2023	3
Total	**359,112**	**342,588**	**4,776**	**96**	**8,392**		**338,876**					

Matching Options 2017-2021

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2021	Number of Matching Options exercised in 2021	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value[1)], SEK	Fair value[2)], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3)]
2021	131,404	–				131,404[4)]	13.51	15.81	226.20	12/31 2027	3
2020	158,056	158,056				158,056[4)]	8.45	11.35	158.15	12/31 2026	3
2019	191,288	186,760				186,760[4)]	6.57	12.09	129.80	12/31 2025	3
2018	202,240	179,920		5,904	104.40	174,016	6.22	8.54	114.15	12/31 2024	3
2017	166,640	130,944		10,000	151.60	120,944	7.88	11.00	121.73	12/31 2023	3
Total	**560,168**	**497,624**		**15,904**		**481,720**					

1) The value of Matching Shares and Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See page 77 for specification of the basis of calculation.
3) Under certain circumstances, in conjunction with the end of employment, Matching Shares and Matching Options can be exercised before the end of the vesting period.
Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
4) Matching Shares and Matching Options not available for exercise at year-end.

Note 11 *Employees and personnel costs*

Performance Shares 2017-2021

Year issued	Number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2021	Performance Shares forfeited in 2021	Performance Shares exercised in 2021	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2021	438,097	–	8,209				446,306[4]	43.01	47.98	92.54	12/31 2027	3
2020	511,596	511,596	20,756				532,352[4]	29.89	33.46	63.33	12/31 2026	3
2019	611,792	623,480	11,684	360			634,804[4]	24.32	27.24	50.73	12/31 2025	3
2018	646,448	618,360	8,108	176,312	9,196	132.33	440,960	21.66	24.42	44.06	12/31 2024	3
2017	529,768	285,456	4,660		18,880	160.02	271,236	23.20	26.53	46.62	12/31 2023	3
Total	**2,299,604**	**2,038,892**	**45,208**	**176,672**	**28,076**		**1,879,352**					

1) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.
3) Under certain circumstances, in conjunction with the end of employment, Performance Shares can be exercised before the end of the vesting period.
Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
4) Performance Shares not available for exercise at year-end.

PI-NA Plan

Matching Shares 2017-2021

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2021	Matching Shares forfeited in 2021	Matching Shares exercised in 2021	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2021	28,036	–					28,036[4]	167.39	186.14	2.50	12/31 2027	3
2020	37,356	37,356		6,708			30,648[4]	117.04	129.33	2.50	12/31 2026	3
2019	46,272	46,272		8,276			37,996[4]	95.21	106.03	2.50	12/31 2025	3
2018	52,440	47,076		6,796	2,116	140.40	38,164	83.54	93.08	2.50	12/31 2024	3
2017	41,928	31,360		4,416	1,144	164.27	25,800	89.08	99.24	2.50	12/31 2023	3
Total	**177,996**	**162,064**		**26,196**	**3,260**		**132,608**					

Matching Options 2017-2021

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2021	Number of Matching Options exercised in 2021	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2021	56,072	–				56,072[4]	12.04	13.99	226.20	12/31 2027	3
2020	74,712	74,712				74,712[4]	8.83	11.91	158.15	12/31 2026	3
2019	92,544	92,544				92,544[4]	7.45	13.40	129.80	12/31 2025	3
2018	104,880	92,920		2,228	140.40	90,692	6.83	9.26	114.15	12/31 2024	3
2017	83,856	61,932		2,564	164.27	59,368	7.46	9.80	121.73	12/31 2023	3
Total	**281,280**	**247,396**		**4,792**		**242,604**					

Performance Shares 2017-2021

Year issued	Number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2021	Performance Shares forfeited in 2021	Performance Shares exercised in 2021	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2021	190,408	–					190,408[4]	44.38	49.61	106.94	12/31 2027	3
2020	254,780	254,780		45,024			209,756[4]	30.57	34.48	89.15	12/31 2026	3
2019	289,988	289,988		51,240			238,748[4]	26.86	31.01	73.18	12/31 2025	3
2018	321,608	296,448		296,448			–	24.20	28.13	55.59	12/31 2024	3
2017	268,948	204,240		28,660	7,828	164.27	167,752	24.97	28.69	59.02	12/31 2023	3
Total	**1,135,324**	**1,045,456**		**421,372**	**7,828**		**616,256**					

1) The value of Matching Shares, Matching Options and Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.
3) Under certain circumstances, in conjunction with the end of employment, Matching Shares, Matching Options and Performance Shares can be exercised before the end of the vesting period.
Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
4) Matching Shares, Matching Options and Performance Shares not available for exercise at year-end.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

	PI-BS Plan						PI-NA Plan					
	Matching Share		Matching Option		Performance Share		Matching Share		Matching Option		Performance Share	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Averaged volume-weighted price paid for Investor B shares	188.55	131.79	188.55	131.79	188.55	131.79	188.55	131.79	188.55	131.79	188.55	131.79
Strike price	2.50	2.50	226.20	158.15	94.28	65.90	2.50	2.50	226.20	158.15	94.28	65.90
Assumed volatility[1]	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
Assumed average term[2]	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Assumed percentage of dividend[3]	0%	0%	1.8%	2.1%	0%	0%	0%	0%	3.0%	2.3%	0%	0%
Risk-free interest	−0.05%	−0.32%	−0.05%	−0.32%	−0.05%	−0.32%	0.73%	0.24%	0.73%	0.24%	0.73%	0.24%
Expected outcome[4]					50%	50%					50%	50%

1) The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor.
The historical volatility has been in the interval of 15 to 30 percent.
2) The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.
3) The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.
4) Probability to achieve the performance criteria is calculated based on historic data and verified externally.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 11 *Employees and personnel costs*

Other programs in subsidiaries

Incentive program for selected employees within Patricia Industries

A limited number of employees within the former Investor Growth Capital (IGC) participate in a profit-sharing program based on realized proceeds from investments that was made within IGC. During the year, a total of SEK 82m was paid out to employees from this program (29), where of nothing to member of the Extended Management Group in Investor (9). The provision (not paid out) on unrealized gains amounted to SEK 37m at year-end (66), where of nothing to member of the Extended Management Group in Investor (31).

Incentive programs in Patricia Industries' subsidiaries

Senior executives and selected senior staff in BraunAbility, Laborie and Sarnova, are offered the opportunity to invest in Stock Appreciation Rights and Stock Options in the respective subsidiary. These instruments are mainly cash settled and the participants do not need to make any initial investment.

Management Participation Programs

Board members and senior executives in unlisted investments, including Mölnlycke, Permobil, Piab, Vectura, BraunAbility, Sarnova, Laborie, Advanced Instruments and Atlas Antibodies are offered the opportunity to invest in the companies through management participation programs or similar. The terms of the programs are based on market valuations and are designed to yield lower return to the participants than that of the owners if the investment plan is not reached but higher return to the participants than that of the owners if the plan is exceeded.

Profit-sharing program for the trading operation

This program includes participants both from the trading organization and the investment organization. The participants in this program receive, in addition to their base salary, a variable salary equivalent to 20 percent of the trading function's net result. The program includes a clawback principle by which 50 percent of the variable salary allotment is withheld for one year and will only be paid out in full if the trading result for that year is positive. In order to receive full allotment, two consecutive profitable years are required. In total, approximately 10-15 employees participate in the program.

Accounting effects of share-based payment transactions

Costs relating to share-based payment transactions, SEK m	2021	2020
Group		
Costs relating to equity-settled share-based payment transactions	36	52
Costs relating to cash-settled share-based payment transactions	118	74
Social security relating to share-based payment transactions	109	112
Total	**263**	**238**
Parent Company		
Costs relating to equity-settled share-based payment transactions	34	28
Costs relating to cash-settled share-based payment transactions	20	12
Social security relating to share-based payment transactions	88	47
Total	**142**	**87**

Other effects of share-based payment transactions, SEK m	2021	2020
Group		
Effect on equity relating to Stock-Options exercised by employees	56	85
Carrying amount of liability relating to cash-settled instruments	552	401
Parent Company		
Effect on equity relating to Stock-Options exercised by employees	56	85
Carrying amount of liability relating to cash-settled instruments	62	38

Note 11 *Employees and personnel costs*

Remuneration to the Board of the Parent Company
At the 2021 Annual General Meeting (AGM), it was decided that Board remuneration should total SEK 12,205t (10,950), of which SEK 10,865t (9,675) would be in the form of cash and synthetic shares and SEK 1,340t (1,275) would be distributed as cash remuneration for committee work done by the Board of Directors.

Synthetic shares 2008-2021
Since 2008, Board members have been given the opportunity to receive a part of their gross remuneration, excluding committee fees, in synthetic shares. AGM's decision regarding synthetic shares 2021 is essentially identical to the decision of the AGM 2020. In 2021, Board members were entitled to receive 50 percent of the proposed remuneration before tax, excluding remuneration for committee work, in the form of synthetic shares and 50 percent in cash (instead of receiving 100 percent of the remuneration in cash). A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, just like for class B shares, is dependent upon value fluctuations as well as the amount of dividends during the five-year period until 2026, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Investor share. At the statutory meeting in May 2021 the Board approved, as in 2020, establishment of a policy pursuant to which members of the Board (who do not already have such holdings) are expected to, over a five-year period, acquire ownership in Investor shares (or a corresponding exposure to the Investor share, for example in synthetic shares) for a market value that is expected to correspond to at least one year's remuneration for board work, before taxes and excluding remuneration for committee work.

The Director's right to receive payment occurs after the publications of the year-end report and the three interim reports, respectively, during the fifth year following the general meeting which resolved on the allocation of the Synthetic Shares, with 25 percent of the allocated Synthetic Shares on each occasion. In case the Director resigns as Board member prior to a payment date the Director has a right, within three months after the Director's resignation, to request that the time of payment shall be brought forward, and instead shall occur, in relation to 25 percent of the total number of allocated Synthetic Shares, after the publications of each of the year-end report and the three interim reports, respectively, which are made during the year after the year when such request was received by the Company.

Expensed remuneration to the Board 2021

Total remuneration for 2021 (SEK t)	Cash Board fee	Value of Synthetic Shares as at grant date	Committee fee	Total Board fee as at grant date	Effect from change in market value of previous years Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2021	Effect from Synthetic Shares exercised 2021	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year[1]	Number of Synthetic Shares granted 2021[2]	Adjustment for dividend	Exercised Synthetic Shares, 2021	Number of Synthetic Shares on December 31, 2021
Jacob Wallenberg	2,925		400	3,325	997			4,322	13,365		254		13,619
Marcus Wallenberg	1,700			1,700				1,700					
Josef Ackermann[3]					597		199	796	12,538		179	5,222	7,494
Gunnar Brock[4]	390	390	210	990	1,048	102	199	2,339	19,174	2,161	316	5,222	16,429
Johan Forssell													
Magdalena Gerger	390	390	210	990	529	102	199	1,821	11,709	2,161	174	5,222	8,822
Tom Johnstone, CBE	390	390	100	880	1,048	102	199	2,229	19,174	2,161	316	5,222	16,429
Isabelle Kocher	390	390		780		102		882		2,161	11		2,172
Sara Mazur	390	390		780	766	102		1,648	10,522	2,161	211		12,894
Sven Nyman	780			780				780					
Grace Reksten Skaugen	780		320	1,100				1,100					
Hans Stråberg	390	390	100	880	1,048	102	199	2,229	19,174	2,161	316	5,222	16,429
Lena Treschow Torell[5]					1,048		199	1,247	19,174		305	5,222	14,257
Sara Öhrvall[6]					281		199	481	8,652		105	5,222	3,535
Total	**8,525**	**2,340**	**1,340**	**12,205**	**7,361**	**613**	**1,395**	**21,574**	**133,482**	**12,967**	**2,187**	**36,557**	**112,079**

1) Recalculated due to the 4:1 share split in May 2021.
2) Based on weighted average stock price for Investor B in the period May 6 to May 14, 2021: SEK 180.46.
3) Member of the Board until 5/8 2019.
4) Additional remunerations of SEK 1,534t to Gunnar Brock have been expensed in the subsidiaries.
5) Member of the Board until 5/5 2021.
6) Member of the Board until 5/8 2018.

Expensed remuneration to the Board 2020

Total remuneration for 2020 (SEK t)	Cash Board fee	Value of Synthetic Shares as at grant date	Committee fee	Total Board fee as at grant date	Effect from change in market value of previous years Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2020	Effect from Synthetic Shares exercised 2020	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year[1]	Number of Synthetic Shares granted 2020[1, 2]	Adjustment for dividend[1]	Exercised Synthetic Shares, 2020[1]	Number of Synthetic Shares on December 31, 2020[1]
Jacob Wallenberg	2,800		380	3,180	325			3,505	13,124		241		13,365
Marcus Wallenberg	1,625			1,625				1,625					
Josef Ackermann[3]					305		28	332	16,586		269	4,318	12,538
Gunnar Brock[4]	375	375	200	950	392	83	28	1,452	20,100	3,058	334	4,318	19,174
Johan Forssell													
Magdalena Gerger	375	375	200	950	210	83	28	1,271	12,808	3,058	162	4,318	11,709
Tom Johnstone, CBE	375	375	95	845	392	83	28	1,347	20,100	3,058	334	4,318	19,174
Sara Mazur	375	375		750	181	83		1,014	7,330	3,058	134		10,522
Grace Reksten Skaugen	750		305	1,055				1,055					
Hans Stråberg	375	375		750	392	83	28	1,252	20,100	3,058	334	4,318	19,174
Lena Treschow Torell	375	375	95	845	392	83	28	1,347	20,100	3,058	334	4,318	19,174
Sara Öhrvall[5]					210		28	238	12,770		200	4,318	8,652
Total	**7,425**	**2,250**	**1,275**	**10,950**	**2,798**	**497**	**194**	**14,439**	**143,020**	**18,339**	**2,341**	**30,225**	**133,482**

1) Recalculated due to the 4:1 share split in May 2021.
2) Based on weighted average stock price for Investor B in the period June 22 to June 26, 2020: SEK 122.69 (recalculated due to the 4:1 share split in May 2021).
3) Member of the Board until 5/8 2019.
4) Additional remunerations of SEK 1,573t to Gunnar Brock have been expensed in the subsidiaries.
5) Member of the Board until 5/8 2018.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 12 Auditor's fees and expenses

	2021	2020
Auditor in charge	Deloitte	Deloitte
Auditing assignment	39	40
Other audit activities	1	2
Tax advice	8	7
Other assignments	1	1
Total Auditor in charge	**49**	**50**
Other auditors		
Auditing assignment	4	3
Total other auditors	**4**	**3**
Total	**54**	**54**

Audit assignment refers to the auditor's reimbursement for execution of the statutory audit. The work includes the audit of the annual report and consolidated financial statements and the accounting, the administration of the Board of Directors and the CEO and remunerations for audit advice offered in connection with the audit assignment.

Other audit activities refers to other assignments, other consultations or other assistance which the entity's auditors perform as a result of observations during the audit.

Note 13 Net financial items

Accounting policies

Financial income and financial expenses consist mainly of interest, exchange rate differences on financial items and changes in the value of financial investments, liabilities and derivatives used to finance operations.

Interest is calculated using the effective interest rate method. The effective interest rate is the rate that discounts estimated future payments or receipts throughout the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Transaction costs, including issuing costs, are expensed as incurred. When valued at amortized cost, amortization takes place over the remaining life using the effective interest rate. Borrowing costs are recognized in profit/loss using the effective interest rate method except to the extent that they are directly attributable to the acquisition, construction or production of assets that take considerable time to prepare for their intended use or sale. In such cases, they are included in the acquisition cost of the asset. Costs related to unused credit facilities are recognized as interest and are amortized on a straight-line basis over the term of the facilities. Other financial items consist mainly of changes in the value of liabilities related to put options to non-controlling interests, and derivatives and loans that are subject to fair value hedging, and foreign currency result.

	2021	2020
Interest		
Interest income	–3	13
Interest expense	–2,100	–2,170
Total interest	**–2,103**	**–2,158**
Other financial items		
Changes in value, gains	86	165
Exchange gains	–	1,035
Exchange loss	–548	–
Other items	–782	–1,015
Total other financial items	**–1,244**	**185**
IS **Net financial items**	**–3,347**	**–1,973**

Other financial items consists of unrealized market value changes and realized results of financial items excluding interest. Net financial items include the changes in value attributable to long-term share-based remuneration SEK –92m (–98) and revaluations of financial assets and liabilities established with valuation techniques totaling SEK 86m (165). Liabilities accounted for as hedges have been revalued by SEK 438m (33) and the associated hedging instruments have been revalued by SEK –407m (–12). Derivatives included in cash flow hedges are not recognized in the Income Statement but have affected Other Comprehensive income by SEK 88m (–161). In Other items the revaluation effect of put options to non-controlling interests are included with SEK –546m (–997). For more information about net financial items, see note 31, Financial instruments.

Note 14 Income tax

Accounting policies

The amount reported as the Group's total income tax for the year consists of current tax and deferred tax. Current tax is tax that must be paid or refunds that will be received for the current year and adjustments to current tax attributable to earlier periods. Deferred tax is based on the temporary differences between the tax base of an asset or liability and its carrying amount. Temporary differences attributable to goodwill are not recognized.

Income taxes are reported in the Income Statement unless the underlying transaction is reported as part of Other Comprehensive income or as a component of equity. In such cases, the associated tax effect is also reported as part of Other Comprehensive income or as a component of equity.

Part of the difference between the effective tax rate and the Parent Company's tax rate that occurs upon reconciliation is due to the fact that the Parent Company is taxed in accordance with the rules that apply to industrial holding companies.

Income taxes recognized in the Income Statement

	2021	2020
Current tax	–946	–1,646
Deferred tax	564	713
Income tax for current year	**–382**	**–933**
Current tax related to prior years	25	470
IS **Income tax expense**	**–357**	**–463**

Information about the connection between income tax expense and reported profit before tax

	2021	2020
Reported profit before tax	**228,322**	**53,125**
Current tax at Swedish statutory rate of 20.6 (21.4) per cent	–47,046	–11,369
Tax effect of other tax rates in other jurisdictions	–172	–50
Tax effect of changes in tax rates	–54	–44
Tax effect of non-deductible expenses	–766	–2,837
Tax effect of non-taxable income	47,576	13,106
Controlled Foreign Company taxation	0	–6
Tax effect due to status as an industrial holding company[1]	509	1,050
Tax effect of not recognized losses or temporary differences	–674	–812
Tax related to prior years	25	470
Other	246	30
IS **Income tax expense**	**–357**	**–463**

1) For tax purposes, industrial holding companies may deduct the dividend approved at the subsequent Annual General Meeting.

Deferred taxes

Deferred tax balances

	12/31 2021	12/31 2020
Intangible assets	–5,444	–5,220
Property, plant and equipment	–826	–1,095
Pension provisions	306	309
Other provisions	225	188
Losses carry-forward	218	262
Other	325	371
BS **Deferred tax assets/liabilities, net[1]**	**–5,195**	**–5,185**

1) Deferred tax assets and liabilities are offset if a legal right exist for this. Deferred tax liabilities have been netted against deferred tax assets with SEK 874m (810).

Changes in deferred taxes, net

	2021	2020
Deferred tax assets/liabilities, net opening balance	**–5,185**	**–5,273**
Recognized in the Income Statement	564	713
Recognized in Other Comprehensive Income	10	61
Business combinations	–390	–888
Exchange rate differences	–194	202
BS **Deferred tax assets/liabilities, net closing balance**	**–5,195**	**–5,185**

Note 14 *Income tax*

Unrecognized deferred tax assets and liabilities
Tax relating to deductible temporary differences for which deferred tax assets have not been recognized amounted to SEK 231m on December 31, 2021 (163). The amount mainly refers to the tax amount of unrecognized losses carry-forward. The amount does not include the Parent Company due to its status as an industrial holding company for tax purposes.

Tax relating to temporary differences for which deferred tax liabilities have not been recognized amounted to EUR 35m on December 31, 2021 (31). The amount refers to the tax amount on unrealized taxable foreign exchange gain on an intercompany loan that will be taxable when the loan is close to fully repaid. Since the Group has the full decisive power to decide if and when the loan is to be repaid and the Group has no intention to repay the loan within a foreseeable future, no deferred tax liability has been recognized.

Note 15 Earnings per share

Accounting policies
The calculation of basic earnings per share is based on the profit/loss for the year attributable to shareholders of the Parent Company and on the weighted average number of shares outstanding during the year. When calculating diluted earnings per share, the average number of shares is adjusted to take into account the effects of dilutive potential ordinary shares, originating during the reported periods from stock option and share programs that have been offered to employees. Dilutions from stock option and share programs affect the number of shares and only occur when the strike price is less than the share price. The potential ordinary shares are not viewed as dilutive if they would result in better earnings per share after dilution, which occurs when net income is negative.

Basic earnings per share

	2021	2020
Profit/loss for the year attributable to the holders of ordinary shares in the Parent Company, SEK m	228,065	52,790
Weighted average number of ordinary shares outstanding during the year, millions	3,063.3	3,062,0
IS **Basic earnings per share, SEK**	**74.45**	**17.24**

Change in the number of outstanding shares, before dilution	2021	2020
Total number of outstanding shares at beginning of the year, millions	3,063.2	3,061.3
Repurchase of own shares during the year, millions	–0.8	0.0
Sales own shares during the year, millions	1.0	1.9
Total number of outstanding shares at year-end, millions	**3,063.5**	**3,063.2**

Diluted earnings per share

	2021	2020
Profit for the year attributable to the holders of ordinary shares in the Parent Company, SEK m	228,065	52,790
Weighted average number of outstanding ordinary shares, millions	3,063.3	3,062.0
Effect of issued:		
Employee share and stock option programs, millions	1.7	2.0
Number of shares used for the calculation of diluted earnings per share, millions	3,065.1	3,064.0
IS **Diluted earnings per share, SEK**	**74.41**	**17.23**

Instruments that are potentially dilutive in the future and changes after the balance sheet date
Outstanding options and shares in long-term share-based programs are to be considered dilutive only if earnings per share was less after than before dilution. Some options are out of money due to a lower average share price (SEK 190.94) compared to exercise price and potential value per option to be expensed in accordance to IFRS 2. Finally there are Performance Shares for which performance terms and conditions are to be met before they can be dilutive. See note 11, Employees and personnel costs, for exercise price and a description of performance terms and conditions.

Note 16 Intangible assets

Accounting policies
Intangible assets, except for goodwill and tradenames with indefinite life, are reported at cost after a deduction for accumulated amortization or any impairment losses. Goodwill and the majority of the Groups tradenames have an indefinite life and are reported at cost after any impairment losses.

Goodwill
Goodwill arises when the acquisition cost in a business combination exceeds the fair value of acquired assets and liabilities according to the purchase price allocation.

Tradenames and Trademarks
Tradenames and trademarks are valued as part of the fair value of businesses acquired from a third party. The tradenames and trademarks must have long-term value and it must be possible to sell them separately.

Capitalized development expenditure
Costs attributable to the development of qualifying assets are capitalized as a component of the asset's acquisition cost. An internally generated intangible asset is reported by the Group only if all of the following apply; it is possible to identify the asset that was created, it is both technically and financially feasible to complete the asset, there is both intent and ability to use the asset, it is likely that the asset will generate future economic benefits and it is possible to calculate the expenses in a reliable way. Amortization of the asset begins as soon as it is put into use. All other expenditure is immediately recognized in the Income Statement.

Proprietary technology
Proprietary technology consists of assets such as patents and licenses and is valued as part of the fair value of acquired businesses.

Customer contracts and relations
Customer contracts and relations are valued as part of the fair value of acquired businesses (less any amortization or impairment losses). The useful life of these assets are sometimes long, which reflects the long-term nature of the underlying business. Customer contracts and relations are based on the period of time over which net payments are expected to be received from the contract, as well as legal and financial factors.

Software
Costs for software intended for own administrative use are recognized as an asset in the Balance Sheet when the costs are expected to generate future economic benefits in the form of more efficient processes. Capitalized expenditure for software is amortized from the date it became available for use.

Amortizations
Amortizations are made linearly over the asset's estimated useful life. Goodwill and tradenames with an indefinite useful life are not amortized.

Estimated useful lives:	
Trademarks	3-15 years
Capitalized development expenditure	3-8 years
Proprietary technology	5-20 years
Customer contracts and relations	4-18 years
Software and other	2-10 years

Impairment
The recoverable amount of an asset is calculated whenever there is an indication of impairment. The recoverable amount is calculated once per year or more often if there are any indications of impairment for goodwill, trademarks and other intangible assets with an indefinite useful life and intangible assets that are not yet available for use. The recoverable amount is the higher of the fair value less selling expenses and the value-in-use. When determining the value-in-use, future cash flows are discounted using a discount rate that takes into account the risk-free interest rate and risk associated with the specific asset. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The loss is reported in the Income Statement.

Note 16 *Intangible assets*

		Other intangible assets						
12/31 2021	Goodwill	Tradenames and Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total other	Total
Accumulated costs								
Opening balance	46,736	10,286	1,609	9,783	15,534	1,596	38,808	85,544
Business combinations	6,598	311		958	970	1,176	3,415	10,013
Internally generated intangible assets			103			0	104	104
Acquisitions		0	143	2	0	1,722	1,868	1,868
Disposals	–24	–4	–20	–1	–2	–24	–50	–74
Reclassifications	–45	42	31	2,071	–2,442	340	42	–2
Exchange rate differences	2,727	325	68	875	762	245	2,275	5,002
At year-end	**55,993**	**10,961**	**1,934**	**13,688**	**14,822**	**5,056**	**46,462**	**102,455**
Accumulated amortization and impairment losses								
Opening balance	–50	–372	–746	–2,123	–6,588	–583	–10,413	–10,462
Disposals	4	3	9	1	2	23	38	42
Impairment loss	–548[1]		–5				–5	–553
Amortizations		–141	–166	–916	–959	–214	–2,396	–2,396
Reclassifications	45			–239	272	–27	6	51
Exchange rate differences	–6	–33	–21	–142	–306	–22	–524	–531
At year-end	**–556**	**–543**	**–930**	**–3,418**	**–7,579**	**–824**	**–13,294**	**–13,849**
BS Carrying amount at year-end	**55,437**	**10,418**	**1,005**	**10,270**	**7,243**	**4,232**	**33,168**	**88,605**
Allocation of amortization and impairment in Income Statement								
Costs of goods and services sold				–155	0	–15	–170	–170
Sales and marketing costs		–55	–5		–182	–30	–273	–273
Administrative, research and development and other operating costs	–548[1]	–86	–166	–761	–777	–167	–1,957	–2,505
Management costs						–1	–1	–1
Total	**–548**	**–141**	**–172**	**–916**	**–959**	**–214**	**–2,402**	**–2,950**

1) Impairment of goodwill related to retrospectively adjusted purchase price allocation in subgroup.

		Other intangible assets						
12/31 2020	Goodwill	Tradenames and Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total other	Total
Accumulated costs								
Opening balance	41,540	10,120	1,524	4,932	15,209	1,167	32,951	74,491
Business combinations	8,504	637	10	5,757	1,445	320	8,169	16,673
Internally generated intangible assets			50	24		22	96	96
Acquisitions		4	108	16	32	193	353	353
Disposals			–4			–4	–8	–8
Reclassifications			1			10	10	10
Exchange rate differences	–3,308	–474	–80	–945	–1,153	–112	–2,764	–6,072
At year-end	**46,736**	**10,286**	**1,609**	**9,783**	**15,534**	**1,596**	**38,808**	**85,544**
Accumulated amortization and impairment losses								
Opening balance	–54	–253	–613	–1,728	–5,924	–433	–8,952	–9,006
Disposals			4			2	6	6
Impairment loss		–14	–7			–15	–35	–35
Amortizations	–2	–140	–152	–505	–1,121	–150	–2,068	–2,071
Reclassifications				–47	47			
Exchange rate differences	6	35	21	158	410	13	637	643
At year-end	**–50**	**–372**	**–746**	**–2,123**	**–6,588**	**–583**	**–10,413**	**–10,462**
BS Carrying amount at year-end	**46,686**	**9,914**	**863**	**7,660**	**8,945**	**1,013**	**28,395**	**75,081**
Allocation of amortization and impairment in Income Statement								
Costs of goods and services sold	–2	0			0	–16	–16	–18
Sales and marketing costs		–72	–4	–157	–181	–27	–441	–441
Administrative, research and development and other operating costs		–81	–154	–348	–940	–121	–1,645	–1,645
Management costs						–2	–2	–2
Total	**–2**	**–154**	**–158**	**–505**	**–1,121**	**–165**	**–2,104**	**–2,106**

Note 16 *Intangible assets*

Impairment testing
Goodwill and other intangible assets with an indefinite useful life originating from acquisitions are primarily divided between eight cash-generating entities; Mölnlycke, Permobil, BraunAbility, Laborie, Sarnova, Advanced Instruments, Piab and Atlas Antibodies. Investor makes regular tests to determine that the carrying values of these assets do not exceed the value in use. The method for impairment testing is based on a discounted cash flow forecast to determine the value in use. Various assumptions are used to suit the different companies and its business. The calculated value in use is then compared to the carrying amount.

Value in use
Value in use is calculated as Investor's share of present value of future estimated cash flow generated from the subsidiaries. The estimate of future cash flows is based upon reasonable assumptions and best knowledge of the company and future economic conditions. The base for the estimate is an assumption of the future growth rate, budgets and forecasts. The chosen discount factor reflects specific risks that are assignable to the asset and marketable assessments of the time value of money. If there are environmental and climate-related risks and opportunities, these has been reflected in forecasts and assumptions of growth rate. In 2021 no apparently significant climate-related risks have been identified, that have had impact on impairment tests. The base for calculation of the discount rate is the company's weighted average cost of capital, where the assumption of the risk free interest rate, market risk premium, leverage, cost of debt and relevant tax rate are important components. The ambition is to use a discount rate which is not dependent on short term market sentiment, but instead reflects a long-term cost of capital corresponding to Investor's long-term investment horizon.

Key assumptions
The estimated value for each cash-generating entity is based on a value in use calculation in which assumptions of future growth rate and operating margins are important components. The estimated value in use is based on the budget for the coming year and financial forecasts for the four years after that (or a longer period if deemed more relevant). Operating margin in the value in use calculations reflect management's past experience together with reasonable assumptions and best knowledge of the company and future economic conditions.

A growth rate of 1.9-3.0 percent has been used to extrapolate the cash flows for the years beyond the forecast period (1.8-2.6 percent in previous year impairment test). The growth-rate is individual for each entity and is considered reasonable given the company's historical growth, geographical positioning and industry fundamentals. A sector's long-term growth drivers, such as demographics and lifestyle aspects can be considered as well.

Sensitivity analysis
For all entities except Atlas Antibodies the assessment is that no reasonably possible change in any key assumptions will lead to a calculated recoverable amount that is lower than the carrying amount. Atlas Antibodies acquired two subsidiaries during the year, significantly increasing the value of the company with a large part of the value consisting of goodwill. However Atlas Antibodies budget and forecasts shows a good profitability and the calculated value in use exceeds the carrying amount with five percent. The calculated value in use is primarily sensitive to changes in growth rate, EBITDA-margins and the discount factor. Sales growth is based on historical performance, expected market growth and planned strategic initiatives. If the growth rate isolated will be less than 1 percentage point lower 2022 and onwards, the calculated value in use will be in line with the carrying amount. The EBITDA-margins isolated needs to be less than 2 percentage points lower than expected for the value in use to be in line with the carrying amount. If the discount rate isolated will increase with less than 1 percentage point, the calculated value in use will be lower than the carrying amount.

12/31 2021	Amount of Goodwill SEK m	Amount of Tradenames SEK m[1]	Valuation method	Budget for	Financial forecasts until	Growth rate beyond forecast period	Discount rate (pre tax)
Cash Generating Units							
Mölnlycke	22,605	5,252	Value in use	2022	2026	1.9	10.0
Sarnova	8,206	962	Value in use	2022	2026	3.0	9.1
Laborie	6,959	176	Value in use	2022	2026	2.5	9.4
Piab	4,518	1,045	Value in use	2022	2026	2.9	9.6
Advanced Instruments	4,298	525	Value in use	2022	2026	2.9	9.5
Permobil	3,431	1,443	Value in use	2022	2026	2.5	9.8
BraunAbility	2,814	316	Value in use	2022	2026	2.1	10.4
Atlas Antibodies	2,606	–	Value in use	2022	2026	2.8	9.9
Total	**55,437**	**9,717**					

12/31 2020	Amount of Goodwill SEK m	Amount of Tradenames SEK m[1]	Valuation method	Budget for	Financial forecasts until	Growth rate beyond forecast period	Discount rate (pre tax)
Cash Generating Units							
Mölnlycke	22,741	5,154	Value in use	2021	2025	1.8	10.0
Laborie	6,162	160	Value in use	2021	2025	2.2	9.4
Sarnova	5,870	686	Value in use	2021	2025	2.5	9.1
Piab	4,065	1,045	Value in use	2021	2025	2.6	9.5
Permobil	3,124	1,443	Value in use	2021	2025	2.2	9.8
Advanced Instruments	2,859	434	Value in use	2021	2025	2.6	9.4
BraunAbility	1,668	245	Value in use	2021	2025	2.2	10.4
Other[2]	198	–					
Total	**46,686**	**9,166**					

Note 17 Buildings and land

Accounting policies
Owner-occupied property within the Group is reported either according to the revaluation model or the cost model.

Owner-occupied property has been categorized based on their characteristics:

Hotel property	Revaluation model
Care property	Revaluation model
Office property	Revaluation model
Industrial property	Cost model
Right-of-use assets	Cost model

Buildings and land held to earn rentals or for capital appreciation or both, is classified and measured as Investment Property. More information about Investment Property can be found in note 18, Investment Property. Properties subject to an operating lease as a lessor are disclosed in the table on the next page. More disclosures can also be found in note 9, Leases.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 17 *Buildings and land*

Cost model

After recognition as an asset, owner-occupied property measured according to the cost model, shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and directly attributable costs, including borrowing costs, required to bring the asset to working condition for its intended use. Property consist of parts with different useful lives (such as the framework, land, roof and basic installations), the parts are treated as separate components of property.

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the asset will flow to the company and if the cost can be measured reliably. All other subsequent costs are expensed in the period they arise. A subsequent expenditure is capitalized if the expenditure is a replacement of an identified component or if a new component is added. Any undepreciated carrying amount of replaced components, or parts of components, are retired and expensed in connection with the exchange. Repairs are expensed as incurred.

Revaluation model

Owner-occupied property, whose fair value can be measured reliably, is recognized according to the revaluation model less accumulated depreciation and revaluation adjustments. Property is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from the amount established as fair value on the balance sheet date. When an asset's carrying amount is increased as a result of a revaluation, the increase is reported in Other Comprehensive income and accumulated in a separate component of equity, called the Revaluation reserve. When an asset's carrying amount is decreased as a result of a revaluation and there is a balance in the revaluation reserve attributable to the asset, the decrease in value is recognized in Other Comprehensive income and the amount in the revaluation reserve is also decreased.

The difference between depreciation based on the revalued amount, and depreciation based on the original cost, is transferred from the revaluation reserve to retained earnings.

At the time of a revaluation the accumulated depreciation is recalculated in proportion to the change in the asset's increased cost so that the carrying amount of the asset (the net of the adjusted cost and adjusted depreciation) after revaluation corresponds to the revalued amount. When an asset is divested, the value attributable to the asset in the revaluation reserve is transferred to retained earnings, without having any effect on profit/loss or Other Comprehensive income.

Depreciation

Depreciation is made linearly over the asset's estimated useful life. Land is not depreciated.

Estimated useful lives:

Frameworks	25-100 years
Land improvements	15-40 years
Building components	5-50 years

Impairment

The recoverable amount of an asset is calculated whenever there is an indication of impairment. An impairment loss is recognized in the income statement if the carrying amount exceeds the recoverable amount and there is no value relating to the asset to release from the revaluation reserve.

Valuation of owner-occupied property recognized with the revaluation model

Owner-occupied property recognized with the revaluation model is classified in level 3, according to the definition in IFRS 13. Property valuations are regularly conducted by external appraisers. Fair value has been determined based on current market prices for comparable properties and by using a return model based on a calculation of the present value of future cash flows.

The discount rate has been estimated at 5.75 percent (5.42-5.65) and consists of an estimated long-term inflation rate of 2 percent, a risk-free long-term real rate of interest and a risk premium. Payments for operations and maintenance have been assessed following the rate of inflation during the calculation period.

The residual value has been assessed by the long-term, normalized net operating income for the year after the calculation period divided by an estimated long-term yield. The long-term yield requirement has been assessed to be 3.75 percent (3.52-3.75). Value determined on an earnings basis nominal development during the calculation period will then be around 2 percent.

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and actual outcome may differ from the estimates and judgments that were made. The valuation of owner-occupied property recognized with the revaluation model is dependent on the level of the discount rate and the long-term yield requirement. A 0.5 percentage point change of the discount rate would have an effect on the value of the owner-occupied property recognized with the revaluation model of SEK 34m (178). Respectively a 0.5 percentage point change of the long-term yield requirement would have an effect on the value of SEK 82m (453).

The majority of the properties was revalued during 2021.

	Revaluation model			Cost model				Total		
	Buildings		Land and Land improvements	Buildings		Land and Land improvements				
12/31 2021	For own use	Operating leases	For own use	For own use	Right-of-use	For own use	Right-of-use	Buildings	Land and Land improvements	Total
Revalued cost										
Opening balance	1,918	399	2,702	1,376	2,468	89	29	6,162	2,820	8,982
Business combinations				41		3		41	3	45
Other acquisitions	50	1		157	316	1	1	524	2	526
Sales and disposals	–1,652	–218	–2,195	–2	–416	0		–2,289	–2,195	–4,485
Reclassifications				25	–11	9		14	9	23
Effect of revaluations on revaluation reserve	12	7	7					19	7	27
Exchange rate differences				105	175	7	1	280	8	288
At year-end	**328**	**189**	**514**	**1,703**	**2,532**	**109**	**31**	**4,751**	**655**	**5,406**
Accumulated depreciation										
Opening balance	–647	–59	–1	–429	–633	–2	–4	–1,768	–7	–1,775
Sales and disposals	582	26	1	1	98			707	1	708
Depreciation	–25	–9	0	–73	–328	–1	–3	–436	–4	–440
Reclassifications				–4	–24			–28		–28
Exchange rate differences				–30	–48	0	0	–77	–1	–78
At year-end	**–90**	**–43**	**0**	**–535**	**–935**	**–3**	**–7**	**–1,603**	**–10**	**–1,613**
BS Carrying amount at year-end	**238**	**147**	**514**	**1,168**	**1,596**	**106**	**25**	**3,148**	**645**	**3,793**
Carrying amount if acquisition cost model had been used	**45**	**25**	**33**	**1,112**	**1,402**	**105**	**25**	**2,584**	**162**	**2,746**

Note 17 *Buildings and land*

12/31 2020	Revaluation model: Buildings For own use	Revaluation model: Buildings Operating leases	Revaluation model: Land and Land improvements For own use	Cost model: Buildings For own use	Cost model: Buildings Right-of-use	Cost model: Land and Land improvements For own use	Cost model: Land and Land improvements Right-of-use	Total: Buildings	Total: Land and Land improvements	Total
Revalued cost										
Opening balance	1,875	379	2,709	1,446	2,104	99	22	5,805	2,830	8,635
Business combinations				29	45			75		75
Other acquisitions	73			42	500	0	19	616	19	634
Sales and disposals				–16	–12		–10	–28	–10	–38
Reclassifications	–6	2	3	13	9			18	3	21
Effect of revaluations on revaluation reserve	–25	18	–10					–7	–10	–17
Exchange rate differences				–138	–179	–10	–2	–316	–12	–328
At year-end	**1,918**	**399**	**2,702**	**1,376**	**2,468**	**89**	**29**	**6,162**	**2,820**	**8,982**
Accumulated depreciation										
Opening balance	–594	–45	–	–415	–335	–1	–2	–1,388	–3	–1,391
Sales and disposals				10	4			14		14
Depreciation	–55	–14	0	–77	–350	–1	–2	–495	–3	–498
Reclassifications	1		–1	5				7	–1	5
Exchange rate differences				47	47	0	0	94	1	95
At year-end	**–647**	**–59**	**–1**	**–429**	**–633**	**–2**	**–4**	**–1,768**	**–7**	**–1,775**
BS Carrying amount at year-end	**1,271**	**340**	**2,701**	**947**	**1,835**	**88**	**25**	**4,393**	**2,813**	**7,207**
Carrying amount if acquisition cost model had been used	**860**	**325**	**341**	**947**	**1,835**	**88**	**25**	**3,967**	**454**	**4,421**

Note 18 Investment Property

Accounting policies

Property held to earn rentals from external lessees or for capital appreciation or both is classified as investment property. All investment property is measured using the fair value model. Changes in the fair value are recognized in profit/loss for the year.

The market value of each property is assessed individually by external valuers. The valuation method uses a 10-15 year cash flow analysis, based on the property's net operating income. Opening value-impacting factors, such as yield requirement, are assessed using the location-based pricing method. The location's market rental rate and long-term vacancy rate are also assessed. Each property is assessed using property-specific value-impacting events, such as newly signed and renegotiated lease agreements, terminated leases and investments. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Changes to the unobservable inputs used in the valuations during the period are analyzed by management at each closing date against internally available information, information from completed and planned transactions and information from external sources. The valuation method therefore complies with Level 3 of the fair value hierarchy in IFRS 13.

Amounts recognized in profit and loss statement	2021	2020
Rental income	193	127
Direct operating expenses arising from investment property that generated rental income during the period	–46	–32
Direct operating expenses arising from investment property that did not generate rental income during the period	–3	0

Fair value measurement of Investment Property

The discount rate has been estimated at 4.25-7.25 percent (4.25-7.0) and consists of an estimated long-term inflation rate of 2 percent, a risk-free long-term real rate of interest and a risk premium. Payments for operations and maintenance have been assessed following the rate of inflation during the calculation period.

The residual value has been assessed by the long-term, normalized net operating income for the year after the calculation period divided by an estimated long-term yield. The long-term yield requirement has been assessed to be in a span of 3.4 percent to 5.25 percent (3.9-6.0). Value determined on an earnings basis nominal development during the calculation period will then be around 2 percent.

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and actual outcome may differ from the estimates and judgments that were made. The valuation of owner-occupied property recognized with the revaluation model is dependent on the level of the discount rate and the long-term yield requirement. A 0.5 percentage point change of the discount rate would have an effect on the value of the owner-occupied property recognized with the revaluation model of SEK 249m (164). Respectively a 0.5 percentage point change of the long-term yield requirement would have an effect on the value of SEK 420m (218). All properties was revalued during 2021.

	12/31 2021 Buildings: Buildings	12/31 2021 Buildings: Construction in progress	12/31 2021 Land	12/31 2021 Total	12/31 2020 Buildings: Buildings	12/31 2020 Buildings: Construction in progress	12/31 2020 Land	12/31 2020 Total
Opening balance	3,413	262	1,101	4,777	1,749	669	442	2,861
Other acquisitions	1,545	354	257	2,157	730	359	740	1,830
Sales and disposals	–162		–19	–181	–214		–29	–243
Reclassifications	40	–3	43	0	658	–766	82	–26
Effect of revaluation	627		–62	564	489		–134	356
BS Carrying amount at year-end	**5,382**	**614**	**1,321**	**7,317**	**3,413**	**262**	**1,101**	**4,777**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 19 Machinery and equipment

Accounting policies
Items of machinery and equipment are reported at cost after a deduction for accumulated depreciation and any impairment losses.

Depreciation is made linearly over the assets estimated useful life:

Machinery	3-15 years	
Furniture, fixtures and fittings	3-10 years	
Expenditure on leased property	5-10 years	– or over the remaining lease period if shorter

	12/31 2021						12/31 2020					
	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Machinery and furniture Right-of-use	Machinery, operating leases as lessor	Total	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Machinery Right-of-use	Machinery, operating leases as lessor	Total
Accumulated costs												
Opening balance	2,954	1,766	230	403	58	5,411	2,979	1,824	224	287	62	5,376
Business combinations	45	32	8			85	30	83	2	5		120
Other acquisitions	280	348	2	132	15	777	218	294	10	145	12	678
Sales and disposals	–98	–383	–175	–26	–3	–685	–66	–204	0	–15	–8	–294
Reclassifications	186	–153	3	7		44	42	–72	0			–30
Exchange rate differences	177	105	5	11	7	312	–248	–158	–6	–18	–8	–439
At year-end	**3,545**	**1,715**	**73**	**534**	**77**	**5,945**	**2,954**	**1,766**	**230**	**403**	**58**	**5,411**
Accumulated depreciation and impairment												
Opening balance	–1,322	–948	–166	–190	–27	–2,653	–1,201	–1,020	–159	–98	–21	–2,497
Sales and disposals	54	293	142	25	2	516	42	187	0	10	5	244
Reclassifications	1	–49	–2	–5		–54	–8	36	–1			27
Depreciation	–288	–236	–9	–123	–17	–673	–267	–246	–11	–109	–15	–648
Exchange rate differences	–71	–62	–4	–6	–4	–147	111	95	4	7	4	221
At year-end	**–1,627**	**–1,003**	**–39**	**–298**	**–46**	**–3,011**	**–1,322**	**–948**	**–166**	**–190**	**–27**	**–2,653**
BS Carrying amount at year-end	**1,919**	**712**	**34**	**237**	**31**	**2,933**	**1,632**	**817**	**64**	**214**	**31**	**2,758**

Note 20 Shares and participations in associates

Accounting policies
Associates are companies in which Investor, directly or indirectly, has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Investor controls and monitors the companies' operations. The Group applies the equity method for unlisted holdings in those cases where Investor is significantly involved in the associate's operations.

Certain unlisted associates within Patricia Industries and all listed associates are controlled and monitored based on fair value and are accounted for as financial instruments at fair value through profit/loss, according to IFRS 9 and IAS 28 p.18-19.

Reporting of associates in accordance with the equity method
Associates are reported in the consolidated financial statements as of the date when significant influence was obtained. When applying the equity method, the carrying amount of the investments in associates that is reported in the consolidated financial statements, corresponds to the Group's share of the associates' equity, consolidated goodwill, and any consolidated surpluses/deficits.

In the consolidated Income Statement, the Group's share of the associates' profit/loss that is attributable to the owners of the Parent Company (adjusted for any depreciation, impairment losses or reversals of acquired surpluses/deficits) is recognized as "Share of results in associates". These shares of profit/loss (less any dividends received from associates) are the primary component of the change in reported value of participations in associates. The Group's share of other comprehensive income in associates is reported as a separate component of other comprehensive income.

Upon acquisition of an associate, any difference between the cost of the holding including transaction costs and the investor's share of the net fair value of the associate's identifiable assets and liabilities is reported as goodwill corresponding to principles for acquisition of subsidiaries.

If the Group's share of reported losses in the associate exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. Losses are also offset against long-term financial receivables without collateral, the economic substance of which is comprised of part of the investor's net investment in the associate. Continuing losses are not recognized, unless the Group has an obligation to cover the losses incurred by the associate. The equity method is applied until such time when the Group no longer has significant influence.

Specification of carrying amount using the equity method

	12/31 2021	12/31 2020
At the beginning of the year	3,643	4,189
Acquisitions	15	–
Share of results in associates	2,938	1,825
Share of other comprehensive income in associates	28	–240
Dividends to owners	–3,198	–2,130
Other changes in associated companies equity	0	4
Exchange rate differences	4	–5
BS Carrying amount at year-end	**3,431**	**3,643**

Note 20 *Shares and participations in associates*

Information about material associates
Hi3G Holdings AB, Stockholm, 556619-6647
Three Scandinavia is an operator providing mobile voice and broadband services in Sweden and Denmark. Investor's share of votes are 40 percent and the investment is included in Patricia Industries.

Three Scandinavia is consolidated using the equity method. No dividend was distributed to Investor for 2021. 2020 dividend amounting to SEK 330m was distributed to Investor.

During 2020 Three Scandinavia announced the divestment of its passive network infrastructure assets, allowing further focus on the core business of providing customers with high-quality mobile services. During 2020, a first payment of SEK 1.1bn for the divestment was received. In 2021, a second payment of SEK 2.1bn was received. In total Investor expects to receive SEK 5bn. Following the transaction, the company will establish service contracts for the utilization of the divested network infrastructure assets, which will have a negative impact on earnings.

Summarized financial information for associates using the equity method

Hi3G Holdings AB	Total	
	12/31 2021	12/31 2020
Ownership capital/votes, %	40/40	40/40
Net sales	10,750	10,668
Profit/loss for the year	7,262	4,678
Total other comprehensive income for the year	70	–597
Total comprehensive income for the year	7,332	4,081
Investor's share of total comprehensive income for the year	2,933	1,632
Total share of total comprehensive income	**2,933**	**1,632**
Other associates		
Share of profit/loss for the year	33	–46
Share of total other comprehensive income	0	–1
Share of total comprehensive income for the year	33	–47
Total share of total comprehensive income	**2,966**	**1,586**
Hi3G Holdings AB		
Total non-current assets	15,586	15,548
Total current assets	3,059	3,852
Total non-current liabilities	–1,862	–7,797
Total current liabilities	–8,717	–2,716
Total net assets (100 %)	8,066	8,887
Investor's share of total net assets	3,226	3,555
Carrying amount of Hi3G Holdings AB	3,226	3,555
Carrying amount of non-material associates	204	89
BS **Carrying amount of associates at year-end reported using the equity method**	**3,431**	**3,643**

Summarized financial information for material associates valued at fair value

12/31 2021 Company, Registered office, Registration number	Ownership capital/votes (%)	Investor's share of: Carrying amount[1]	Investor's share of: Dividends received	100% of reported values of the associate: Net sales	Profit/loss for the year	Other comprehensive income for the year	Total comprehensive income for the year	Total assets	Total liabilities
SEB, Stockholm, 502032-9081	21/21	57,458	3,741	48,397	22,751	127	22,878	2,587,834	2,450,058
Atlas Copco, Stockholm, 556014-2720	17/22	129,011	1,517	110,912	18,134	4,891	23,025	136,683	69,049
Ericsson, Stockholm, 556016-0680	8/24	26,607	512	232,314	22,980	5,790	28,770	305,614	198,515
Electrolux, Stockholm, 556009-4178	16/28	11,097	406	125,631	4,678	3,419	8,097	107,607	88,997
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	35/35	19,959	–	15,529	2,679	187	2,866	48,661	25,458
Elextrolux Professional, Stockholm, 556003-0354	21/32	3,702	–	7,862	487	278	764	10,609	7,084
Epiroc, Stockholm, 556077-9018	17/23	47,315	519	39,645	7,069	1,655	8,724	48,583	22,798
Saab, Linköping, 556036-0793	30/40	9,440	193	39,154	2,025	295	2,320	65,039	41,790
Husqvarna, Jönköping, 556000-5331	17/33	14,000	233	47,059	4,437	1,653	6,090	50,920	29,274
Total participations in material associates valued at fair value		**318,589**	**7,121**	**666,503**	**85,240**	**18,295**	**103,534**	**3,361,550**	**2,933,023**

Summarized financial information for material associates valued at fair value

12/31 2020 Company, Registered office, Registration number	Ownership capital/votes (%)	Investor's share of: Carrying amount[1]	Investor's share of: Dividends received	100% of reported values of the associate: Net sales	Profit/loss for the year	Other comprehensive income for the year	Total comprehensive income for the year	Total assets	Total liabilities
SEB, Stockholm, 502032-9081	21/21	38,761	–	49,717	15,746	637	16,383	3,040,432	2,868,489
Atlas Copco, Stockholm, 556014-2720	17/22	87,303	1,454	99,787	14,783	–5,835	8,948	113,366	59,832
Ericsson, Stockholm, 556016-0680	8/23	25,989	384	232,390	17,623	–8,643	8,980	271,530	186,353
Electrolux, Stockholm, 556009-4178	16/28	9,746	356	115,960	6,584	–3,103	3,481	99,604	80,895
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	35/35	17,898	–	15,261	3,245	–52	3,193	48,283	28,077
Elextrolux Professional, Stockholm, 556003-0354	20/32	2,743	–	7,263	278	–188	89	7,314	4,514
Epiroc, Stockholm, 556077-9018	17/23	31,096	499	36,122	5,410	–1,960	3,450	43,886	20,147
Saab, Linköping, 556036-0793	30/40	9,854	–	35,431	1,092	–173	919	60,568	38,924
Husqvarna, Jönköping, 556000-5331	17/33	10,346	218	41,943	2,495	–1,443	1,052	43,517	26,455
Total participations in material associates valued at fair value		**233,736**	**2,911**	**633,874**	**67,256**	**–20,760**	**46,495**	**3,728,500**	**3,313,686**

1) Carrying amount for associates valued at fair value, equals the quoted market price for the investment.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
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Note 21 Other financial investments, short-term investments and cash and cash equivalents

Accounting policies
Other financial investments and short-term investments consist of interest-bearing securities which are recognized at fair value through profit/loss.
Short-term investments with a maturity of three months or less from the date of acquisition have been classified as cash and cash equivalents provided that:
- there is an insignificant risk of changes in value
- they are readily convertible to cash

For more information regarding accounting policies, see note 31, Financial instruments.

Excess liquidity is to be invested for maximum return within the framework of given limits for foreign exchange, interest rate, credit and liquidity risks, see note 3, Financial risks and risk management.

12/31 2021	0–3 months	4–6 months	7–12 months	13–24 months	Total carrying amount
Short-term investments	490	100	104		694
Cash and bank	17,840				17,840
Other financial investments				14,778	14,778
BS Total	**18,330**	**100**	**104**	**14,778**	**33,311**

12/31 2020	0–3 months	4–6 months	7–12 months	13–24 months	Total carrying amount
Short-term investments	5,606	3,369	4,853		13,828
Cash and bank	14,064				14,064
Other financial investments				3,302	3,302
BS Total	**19,670**	**3,369**	**4,853**	**3,302**	**31,194**

Of the total carrying amount, SEK 23,955m is readily available for investments (21,862).

Note 22 Long-term receivables and other receivables

	12/31 2021	12/31 2020
Non-current receivables		
Derivatives	1,964	2,015
Receivables from MPP Foundations	1,781	1,571
Other	55	43
BS Total	**3,800**	**3,629**

	12/31 2021	12/31 2020
Other receivables		
Derivatives	1	39
Consideration not yet received	1,817	686
VAT	91	91
Other	224	254
BS Total	**2,133**	**1,070**

Note 23 Inventories

Accounting policies
Inventory is valued at the lower of net realizable value (NRV) and cost. The cost of finished goods and work-in-progress includes a reasonable portion of the indirect costs based on normal capacity utilization. The cost of inventories is calculated using the FIFO (first in, first out) method or by using the weighted average cost formula. This is because the products in the Group's inventories have different natures or uses.
Net realizable value is based on the estimated sales price in the ordinary course of business less the estimated costs to bring about a sale.

	12/31 2021	12/31 2020
Raw materials and consumables	2,516	1,951
Work in progress	328	227
Finished goods	3,865	3,141
Supplies	59	54
BS Total	**6,767**	**5,374**

Note 24 Prepaid expenses and accrued income

	12/31 2021	12/31 2020
Accrued interest income	245	226
Other financial receivables	3	30
Accrued customer income (contract assets)	63	0
Other accrued income	230	170
Other prepaid expenses	359	271
BS Total	**900**	**697**

Note 25 Equity

Share capital
Share capital in the Parent Company.

Other contributed equity
Refers to equity contributed by shareholders. It also includes premiums paid in connection with new stock issues.

Translation reserve
The translation reserve includes all foreign exchange differences arising on the translation of financial statements from foreign operations reported in a currency different from the reporting currency of the Group. The translation reserve also comprises exchange rate differences arising in conjunction with the translation of swap contracts reported as hedging instruments of a net investment in a foreign operation. Changes in translation reserve has had no impact on reported tax.

Revaluation reserve
The revaluation reserve includes changes in value relating to owner-occupied property and related taxes.

Hedging reserve
The hedging reserve includes the effective component of the accumulated net change of fair value and related taxes, of an instrument used for a cash flow hedge, relating to hedging transactions not yet accounted for in the Profit/loss.

Hedging cost reserve
Basis spread is the cost for swapping between different currencies. The basis spread is taken into account when the market value of Investor's swap portfolio is calculated. The basis spread is defined as hedging cost and the relating change in market value is accounted for in the hedging cost reserve.

Non-controlling interest
Non-controlling interest are presented in the equity separately from the equity attributable to the shareholders of the Parent Company. In the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the part attributable to the non-controlling interest are included and separately disclosed in conjunction with the statements.
For more information regarding non-controlling interests, see note P7, Participation in Group companies.

Note 25 *Equity*

Specification of reserves in equity	12/31 2021	12/31 2020
Translation reserve		
Opening balance	2,327	6,929
Translation differences for the year, subsidiaries	3,492	–4,363
Reclassification adjustment to Income Statement	–	–
Change for the year, associates	28	–239
	5,847	**2,327**
Revaluation reserve		
Opening balance	2,616	2,692
Revaluation of non-current assets for the year	27	–17
Tax relating to revaluations for the year	–6	2
Release of revaluation reserve due to depreciation of revalued amount	–1,665	–61
	972	**2,616**
Hedging reserve		
Opening balance	–133	–11
Cash flow hedges:		
Change in fair value of cash flow hedges for the year	88	–161
Tax relating to changes in fair value of cash flow hedges for the year	–21	40
Change for the year, associates	0	–1
	–66	**–133**
Hedging cost reserve		
Opening balance	165	177
Hedging cost for the year	–12	–12
	153	**165**
Total reserves		
Opening balance	4,974	9,787
Change in reserves for the year:		
Translation reserve	3,520	–4,601
Revaluation reserve	–1,644	–76
Hedging reserve	67	–122
Hedging cost reserve	–12	–12
Carrying amount at year-end	**6,906**	**4,974**

Repurchased shares included in retained earnings under equity, including profit/loss for the year

	Number of shares		Amounts affecting equity, SEK m	
	2021	2020	2021	2020
Opening balance, repurchased own shares[2)]	5,453,120	7,390,520	–314	–399
Sales/repurchases for the year	–210,767	–1,937,400	–91[1)]	85[1)]
Balance at year-end, repurchased own shares	**5,242,353**	**5,453,120**	**–405**	**–314**

1) In connection with transfer of shares and options within Investors' long-term variable remuneration program, the payment of received strike price has had a positive effect on equity. During 2021 there have been repurchases of own shares amounting to SEK 147m.
2) The Annual General Meeting in 2021 resolved on a share split 4:1 which was effected in May 2021. The comparable figures have been restated to reflect this split.

Repurchased shares

Repurchased shares include the cost of acquiring own shares held by the Parent Company. On December 31, 2021 the Group held 5,242,353 of its own shares (5,453,120). Repurchases of own shares are reported as a deduction from equity. Cash proceeds from the sale of such equity instruments are reported as an increase in unrestricted equity. Any transaction costs are recognized directly under equity.

Dividend

The Board of Directors proposes that the unappropriated earnings in Investor AB:

Total available funds for distribution:	
Retained earnings	316,240
Net profit for the year	136,791
Total	**453,030**

To be allocated as follows:	
Dividend to shareholders, SEK 4.00 per share	12,275[1)]
Funds to be carried forward	440,756
Total	**453,030**

1) Calculated on the total number of registered shares.

For more information, see the Administration Report page 55. The dividend is subject to the approval of the Annual General Meeting on May 3, 2022.

The dividend for 2020 amounted to SEK 10,722m (SEK 3.50 per share after adjustment for the 4:1 share split in May 2021) and the dividend for 2019 amounted to 6,889m (SEK 2.25 per share after adjustment for the 4:1 share split in May 2021).

Dividends paid out per share for 2020 and 2019 correspond to proposed dividend per share (in 2019 the proposal was revised before the Annual General Meeting). Dividends are recognized as a liability as soon as the Annual General Meeting has approved the dividend for the year.

Capital management

In order to be able to act upon business opportunities at any point in time, it is vital for Investor to maintain financial flexibility. The Group's goal is to have leverage (net debt as a percentage of total adjusted assets) of 0-10 percent over an economic cycle. While leverage can fluctuate above and below the target level, it should not exceed 20 percent for a longer period of time. Based on the updated definition, having total adjusted assets as base, Investor's leverage at the beginning of the year was 3.5 percent and at the end of the year 1.9 percent. The change is mainly due to cash flows arising from dividends from Listed Companies, proceeds from sales within the operating segments Investments in EQT and Patricia Industries, investments within Listed Companies, Patricia Industries and EQT funds and dividends paid to shareholders. For more information, see the Administration Report page 37.

The Group's total shareholder return objective (sum of the share price change and dividend) is to exceed the risk-free interest rate plus a risk premium, i.e. 8-9 percent. The total shareholder return for 2021 was 54.9 percent.

Capital is defined as total recognized equity.

Equity	12/31 2021	12/31 2020
Attributable to shareholders of the Parent Company	682,614	461,837
Attributable to non-controlling interest	891	939
BS Total	**683,505**	**462,775**

Put options to non-controlling interests

Agreements with non-controlling interests exists that obliges Investor to, at specified occasions, purchase equity instruments in subsidiaries if the counterparty wants to divest them. The agreement, put option, is a contract to purchase the group's own equity instruments and thus gives rise to a financial liability. The liability is included in Other long-term liabilities, see note 29, Other long-term and short-term liabilities. The obligation under the put option is valued at the estimated redemption amount at the time when the equity instrument can be put to Investor. The put option is valued at the proportionate value in relation to the fair value of the subsidiary. At remeasurement of the liability, the change of value is recognized in net financial items.

At initial recognition of the put option as a liability, equity is reduced by an amount corresponding to its fair value. Firstly equity attributable to the non-controlling interests are reduced and if this is insufficient in retained earnings attributable to shareholders of the Parent Company.

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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 26 Interest-bearing liabilities

Accounting policies
For more information relating to accounting policies for financial liabilities see note 31, Financial instruments.

Interest-bearing liabilities

	12/31 2021	12/31 2020
Long-term interest-bearing liabilities		
Bond loans	62,566	63,076
Bank loans	19,823	16,514
Interest rate derivatives with negative value	109	480
Lease liabilities	1,468	1,706
Other long-term interest-bearing liabilities	–	–
BS Total	**83,966**	**81,776**
Short-term interest-bearing liabilities		
Bond loans	2,198	3,809
Bank loans	621	507
Interest rate derivatives with negative value	–	–
Lease liabilities	436	392
Other short-term interest-bearing liabilities	–	–
BS Total	**3,255**	**4,709**
Total interest-bearing liabilities and derivatives, excluding interest rate derivatives positive value	**87,221**	**86,484**
Long-term interest rate derivatives positive value	–1,964	–2,015
Short-term interest rate derivatives positive value	–	–22
Total	**–1,964**	**–2,037**
Total interest-bearing liabilities and derivatives	**85,256**	**84,448**

Lease liabilities

Maturity, 12/31 2021	Future lease payments	Interest	Present value of future lease payments
Less than 1 year from balance sheet date	478	–42	436
1-5 years from balance sheet date	1,054	–129	924
More than 5 years from balance sheet date	704	–161	544
Total	**2,236**	**–332**	**1,904**

Maturity, 12/31 2020	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year from balance sheet date	454	–62	392
1-5 years from balance sheet date	1,176	–178	998
More than 5 years from balance sheet date	940	–232	708
Total	**2,570**	**–472**	**2,098**

Changes in liabilities arising from financing activities

			Non-cash changes				
12/31 2021	Opening balance	Cash flows	Acquisitions	Foreign exchange movements	Fair value changes	Other[4]	Amount at year-end
Long-term interest-bearing liabilities	80,070	1,698	764	2,380	–129	–2,285	82,498[1]
Current interest-bearing liabilities	4,316	–4,017		–103	–91	2,481	2,591[2]
Long-term leases	1,706	–19	56	71		–346	1,468[1]
Current leases	392	–431	93	15	–2	367	436[2]
Long-term interest rate derivatives positive value	–2,015	–28			50	28	–1,964[3]
Short-term interest rate derivatives positive value	–22				29	–5	228
Total liabilities from financing activities	**84,448**	**–2,796**	**913**	**2,590**	**–143**	**245**	**85,256**

			Non-cash changes				
12/31 2020	Opening balance	Cash flows	Acquisitions	Foreign exchange movements	Fair value changes	Other[4]	Amount at year-end
Long-term interest-bearing liabilities	72,695	14,814	1,083	–4,088	–588	–3,845	80,070[1]
Current interest-bearing liabilities	602	–149	35	4	91	3,733	4,316[2]
Long-term leases	1,611	–21	53	–107		169	1,706[1]
Current leases	391	–408	5	–32		436	392[2]
Long-term interest rate derivatives positive value	–2,653				639		–2,015[3]
Short-term interest rate derivatives positive value	–				–22		–22
Total liabilities from financing activities	**72,647**	**14,236**	**1,176**	**–4,223**	**119**	**493**	**84,448**

1) Included in Consolidated Balance Sheet item Long-term interest-bearing liabilities.
2) Included in Consolidated Balance Sheet item Current interest-bearing liabilities.
3) Included in Consolidated Balance Sheet item Long-term receivables.
4) Includes foremost new lease liabilities and transfers between long-term and short-term liabilities

Note 27 Provisions for pensions and similar obligations

Accounting policies

Defined contribution plans

Defined contribution plans are plans under which the company's obligations are limited to the premium of fixed contributions. In such cases, the size of the employee's pension depends on the contributions the company makes to the plan, or to an insurance company, along with the return that the capital contributions generate. Consequently, the employee carries both the actuarial risk (i.e. the risk that benefits will be lower than expected) and the investment risk (i.e. the risk that invested assets will be insufficient for providing the expected benefits). The company's obligations to pay contributions to defined contribution plans are recognized as an expense in the Income Statement at the rate that employees provide services to the company during a period.

Defined benefit plans

In defined benefit pension plans, payments are made to employees and former employees based on their salary at the time of retirement and the number of years of service. The Group carries the risk for making the payments. The net obligation under defined benefit plans is measured separately for each plan, by estimating the future benefits earned, including taxes, by the employees, in current and prior periods.

This benefit is discounted to a present value with a discount rate representing the closing day rate on high quality corporate bonds, mortgage backed bonds or government bonds with a life corresponding to the duration of the pension obligations. The measurement is made by a qualified actuary using the projected unit credit method. The fair value of any plan assets is calculated on the closing date.

When determining the present value of the obligation and the fair value of plan assets, actuarial gains and losses may arise. This is either because the actual outcome differs from the previous assumption or because the assumptions have changed. Remeasurements of defined benefit obligations are recognized as income or expenses in other comprehensive income.

The value presented in the Balance Sheet for pensions and similar commitments corresponds to the obligation's present value at year-end, less the fair value of plan assets. When the calculation results in a Group asset, the carrying amount of the asset is limited to the present value of future repayments from the plan or decreased future payments to the plan (asset ceiling).

The net of the interest on pension liabilities and the yield on adherent management assets is recognized in net financial items. Other components are recognized in operating profit/loss.

Risks associated with the defined benefit plan

Investment risks

The defined benefit obligation is calculated using discount rates with references to, for example, corporate bond yields. If assets in funded plans under perform this yield, it will increase the amount of deficit. Allocation of assets among different categories is important to reduce the portfolio risk. The time horizon for the investments is also an important factor.

Interest risks

A decrease in corporate bond yields will increase the value of the defined benefit obligation for accounting purposes.

Longevity risk

The majority of the obligations are to provide benefits for the life of the plan member, so increases in life expectancy will result in an increase in the defined benefit obligation.

Salary risk

The majority of the obligations are to provide benefits for plan members based on annual salaries. If salaries increase faster than has been assumed, this will result in an increase in the defined benefit obligation.

Pension benefits

Employees in Group companies have various kinds of pension benefits. These benefits are either defined contribution plans or defined benefit plans. In Sweden the total retirement benefit package is often a mixed solution with some parts being defined contribution pension plans and others being defined benefit pension plans. Salaried employees' plans comprise of the defined benefit plan ITP and the additional defined contribution plan ITPK.

The ITP plan is secured with the insurance company Alecta. Since the information provided by Alecta is not sufficient to be able to account for as a defined benefit plan, the Alecta plan has been reported as a defined contribution plan (multi-employer plan).

The ITP plan has contracts with a premium, where benefits continue unchanged until retirement. This means that premiums can not be changed to the policyholder's or the insured's disadvantage.

The Group operates defined contribution plans in Sweden, Australia, Canada, the Czech Republic, Denmark, Finland, Malaysia and the UK. The plans imply that the Group obtains pension insurances or makes payments to foundations.

73 percent of the Group's defined benefit plans exist in Sweden. Other defined benefit plans exist in the U.S., Belgium, Germany, the Netherlands, Thailand, Italy, France and Austria. The plans in Belgium, the U.S. and the Netherlands are funded. In Sweden there are funded and unfunded plans and the plans in other countries are unfunded.

Amounts recognized in Profit/loss and Other Comprehensive income for defined benefit plans

Components of defined benefit cost (gain –)	2021	2020
Current service cost	57	58
Past service cost and gains/losses from settlements	1	–17
Additional pension obligations	–	3
Other values	–1	–2
Total operating cost	**57**	**42**
Net interest expense	12	16
Exchange rate differences	–	–
Total financial cost	**12**	**16**
Components recognized in profit/loss	**70**	**59**

Remeasurement on the net defined benefit liability (gain –)	2021	2020
Return on plan assets (excl. amounts in interest income)	11	–15
Actuarial gains/losses, demographic assumptions	0	–1
Actuarial gains/losses, financial assumptions	–83	60
Actuarial gains/losses, experience adjustments	11	32
Other	–	0
Components in Other Comprehensive income	**–60**	**76**

Provision for defined benefit plans

The amount included in the consolidated Balance Sheet arising from defined benefit plans	12/31 2021	12/31 2020
Present value of funded or partly funded obligations	403	430
Present value of unfunded obligations	937	1,027
Total present value of defined benefit obligations	**1,340**	**1,457**
Fair value of plan assets	–272	–271
NPV of obligations and fair value of plan assets	**1,068**	**1,186**
Restriction on asset ceiling recognized	0	0
BS **Net liability arising from defined benefit obligations**	**1,068**	**1,186**

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Note 27 *Provisions for pensions and similar obligations*

Changes in the obligations for defined benefit plans recognized during the year	12/31 2021	12/31 2020
Defined benefit plan obligations, opening balance	1,457	1,389
Current service cost	57	61
Interest cost	12	17
Remeasurement of defined benefit obligations		
Actuarial gains/losses, demographic assumptions	0	–1
Actuarial gains/losses, financial assumptions	–83	60
Actuarial gains/losses, experience adjustments	11	32
Contributions to the plan from the employer	0	0
Past service cost and gains/losses from curtailments	1	–17
Effects of disposals	–106	–
Benefit paid	–32	–41
Other	7	–9
Exchange rate difference	15	–34
Obligations for defined benefit plans at year-end	**1,340**	**1,457**

Changes in fair value of plan assets during the year	12/31 2021	12/31 2020
Fair value of plan assets, opening balance	271	275
Interest income	2	3
Remeasurement of fair value plan assets		
Return on plan assets (excl. amounts in interest income)	–11	15
Contributions from the employer	6	8
Contributions from plan participants	1	1
Effects of disposals	3	–
Exchange differences on foreign plans	3	–3
Benefit paid	–15	–21
Other	8	5
Exchange rate difference	5	–11
Fair value of plan assets at year-end	**272**	**271**

The fair value of the plan asset at the end of the reporting period for each category are as follows	12/31 2021	12/31 2020
Cash and cash equivalents	-	1
Equity investments	33	24
Debt investments[1)]	12	11
Properties	–	–
Other values[2)]	226	235
Total fair value of plan assets	**272**	**271**

1) The majority of the debt investments represents of Swedish government bonds.
2) Includes insurance contracts from countries where the liabilities are insured (the Netherlands, Belgium and Norway). There are no split of the underlying assets available.

Changes in restriction asset ceiling in the current year	12/31 2021	12/31 2020
Restriction asset ceiling, opening balance	0	–
Interest net	–	0
Changes asset ceiling, OCI	0	0
Restriction asset ceiling at year-end	**0**	**0**

The Group estimates that SEK 6m will be paid to defined benefit plans during 2022 (22).

Assumptions

Assumptions for defined benefit obligations 2021	Sweden	Other (weighted average)
Discount rate	1.9	1.1
Future salary growth	1.4	2.1
Future pension growth	2.0-2.7	1.1
Mortality assumptions used	DUS14, PRI	Local mortality tables

Assumptions for defined benefit obligations 2020	Sweden	Other (weighted average)
Discount rate	1.1	0.7
Future salary growth	1.5	0.7
Future pension growth	2.0-2.2	1.2
Mortality assumptions used	DUS14, PRI	Local mortality tables

Basis used to determine the discount rate

The discount rate has been set separately for each country by reference to market rates on high quality corporate bonds with a duration and currency that is consistent with the duration and currency of the defined benefit obligation. This may involve interpolation of bond yield curves where there is no direct match for duration or the market is not deep for matching bond durations. The market for high quality Swedish mortgage backed bonds is considered to be deep and thereby fulfills the requirements of high quality corporate bonds according to IAS 19. Swedish mortgage backed bonds have therefore served as reference when determining the discount rate used for the calculation of the defined benefit obligations in Sweden. In countries where there is no deep market for high quality corporate bonds, government bonds are used as a reference when determining the discount rate.

Maturity profile of the majority of the defined benefit obligation

Maturity profile	0-3 year	4-6 year	7-15 year	Over 15 year	Total
Cash flows	66	103	375	1,430	1,974

Multi-employer plans

The Swedish ITP plan is secured with the insurance company Alecta, which is a mutual life insurance company, owned by its customers, i.e. businesses and their employees. The company form means that any surplus in operations is returned to the customers and the insured population is responsible for any deficit. For the fiscal year 2021 the Investor Group did not have access to information that would make it possible to recognize it as a defined benefit plan. The ITP pension plan secured through insurance from Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit pension plan is calculated individually and depends on salary, pension already earned and expected remaining period of service. For 2022, the Investor Group expect to pay SEK 18m for premiums to Alecta (21).

A measure of the financial strength of a mutual insurance company is the collective funding ratio, which shows the relationship between the assets and the total insurance undertaking. The collective funding ratio measures distributable assets in relation to insurance commitments. The insurance commitment is comprised of guaranteed commitments and allocated rebates to the insured and policy holders, calculated according to Alecta's technical methods and assumptions, which differ from the methods and assumptions applied in the valuation of defined benefit pensions according to IAS 19.

According to Alecta's consolidation policy for defined benefit insurance, the collective funding ratio is usually allowed to vary between 125 and 175 percent. With a low funding ratio, one measure to increase the ratio can be to increase the price of newly subscribed benefits and benefit increases. If the collective funding ratio exceeds 150 percent, the policyholder's premiums can be reduced. By the end of 2020 the surplus of the collective funding ratio in Alecta was 172 percent (148).

Defined contribution plans

Defined contribution plans	2021	2020
Expenses for defined contribution plans	441	397

Sensitivity analysis

Valuation of provision for pensions and similar obligations are estimates of present and future values. There are always uncertainty involved. Alternative assumptions will give different present values.

The sensitivity analysis below shows the values after discount rate changes, from the current rate used.

Discount rate	1 percentage point increase	1 percentage point decrease
Present value of defined benefit obligations	1,065	1,640
Current service cost	43	76
Interest expense	21	3

Note 28 Other provisions

Accounting policies
The Group reports a provision in the Balance Sheet when there is a formal or informal obligation as a result of a past event for which it is probable that an outflow of resources will be needed to settle the obligation and when a reliable estimate of the amount can be made.

A restructuring provision is recognized when the Group has a detailed, formal plan for the restructuring, and the restructuring plan has commenced or has been publicly announced.

Provisions are reviewed at each balance sheet date.

	12/31 2021	12/31 2020
Provisions expected to be paid after more than 12 months		
Provision for social security contributions for LTVR	23	33
Other	140	93
BS Total non-current other provisions	**162**	**126**
Provisions expected to be paid within 12 months		
Restructuring reserve	15	43
Provision for social security contributions for LTVR	69	25
Other	108	96
BS Total current other provisions	**191**	**164**
Total other provisions	**354**	**290**

Provision for social security contributions for long-term share-based remuneration (LTVR)
Investor operates LTVR programs which are offered to all employees. Provision is made for social security contributions connected to these programs. The provision will be used during the years 2022-2027.

Restructuring reserve
The restructuring reserve mainly relates to personnel related costs.

Other
Other comprises mainly of provisions for guarantees and personnel related reserves, but also other provisions that have been considered immaterial to specify. These provisions intend to be settled with SEK 108m in 2022, SEK 105m in 2023 and SEK 34m in 2024 or later.

12/31 2021	Restructuring reserve	Social security LTVR	Other	Total other provisions
Opening balance	43	58	189	290
Provisions for the year	0	52	211	263
Reversals for the year	–29	–18	–118	–164
Carrying amount at year-end	**15**	**92**	**247**	**354**
12/31 2020				
Opening balance	47	55	242	345
Provisions for the year	15	22	152	189
Reversals for the year	–19	–20	–205	–244
Carrying amount at year-end	**43**	**58**	**189**	**290**

Note 29 Other long-term and short-term liabilities

	12/31 2021	12/31 2020
Acquisition related liabilities	159	123
Liabilities related to share-based instruments	568	326
Non controlling interest[1]	5,517	3,701
Other	533	521
BS Total other long-term liabilities	**6,777**	**4,670**

1) Fair value of issued put options' over non-controlling interest.

	12/31 2021	12/31 2020
Derivatives	147	120
Shares on loan	101	0
Incoming payments	–	15
VAT	121	363
Vehicle Floorplan liabilities	50	111
Personnel-related	249	226
Prepayments from customers	47	87
Acquisition related liabilities	95	–
Goods received invoice not received	145	92
Other	507	382
BS Total other current liabilities	**1,464**	**1,396**

Note 30 Accrued expenses and deferred income

	12/31 2021	12/31 2020
Accrued interest expenses	868	834
Personnel-related expenses	1,498	1,726
Customer bonuses	322	285
Prepayments from customers (contract liabilities)	254	400
License	1,266	–
Other	1,076	964
BS Total	**5,284**	**4,209**

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Note 31 Financial instruments

Accounting policies

Financial instruments recognized in the consolidated Balance Sheet include assets such as the following: shares and participations recognized at fair value, other financial investments, loan receivables, trade receivables, short-term investments, cash and cash equivalents, and derivatives. Liabilities recognized in the Balance Sheet include the following: loans, shares on loan, trade payables and derivatives.

A financial asset or financial liability is recognized in the Balance Sheet when the Group becomes party to the contractual provisions of the instrument. Trade receivables and trade payables are recognized in the Balance Sheet when an invoice is sent or received.

A financial asset or part thereof is derecognized in the Balance Sheet when the contractual rights to the cash flows from the financial asset expire. A financial liability or part thereof is derecognized in the Balance Sheet when it is extinguished – i.e. when the obligation specified in the contract is discharged or canceled or expires.

A financial asset and liability are offset against one another and the net amount is reported in the Balance Sheet only when there is a legally enforceable right and an intention to set off the recognized amounts.

A purchase or sale of financial assets is recognized on the trade date, which is the date that an entity commits itself to purchase or sell an asset.

Classification and measurement

Financial instruments are allocated to different categories. For financial assets classification is based on the entity's business model for managing the financial asset and the characteristics of the contractual cash flows of the asset.

There are three different business models according to IFRS 9 which are based on how the cash flows from the asset are realized:

- By collecting the contractual cash flows over the life of the financial asset.
- By both collecting the contractual cash flows from the financial assets and by selling financial assets.
- By selling the financial assets.

If the financial asset is held within a business model with the objective to realize the cash flows from the financial asset by collecting the contractual cash flows over the life of the asset and those cash flows are solely payments of principal and interest on the principal amount outstanding, the asset shall be measured at amortized cost.

If the financial asset is held within a business model with the objective to realize the cash flows from the financial asset both by collecting the contractual cash flows and by selling financial assets and those cash flows are solely payments of principal and interest on the principal amount outstanding, the asset shall be measured at fair value through other comprehensive income (OCI).

In all other cases the financial asset shall be measured at fair value through profit or loss.

Financial liabilities are classified as measured at amortized cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value; and
- contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Such contingent consideration shall subsequently be measured at fair value with changes recognized in profit or loss.

Financial assets

Financial assets measured at fair value through profit/loss

Financial assets within a business model that are measured at fair value through profit/loss are divided into: "financial assets excluding derivatives used in hedge accounting" and "derivatives used in hedge accounting".

Financial assets excluding derivatives used in hedge accounting includes all share holdings within the Group. All financial investments and cash and cash equivalents within the liquidity portfolio are included here as well.

Derivatives used in hedge accounting, consists of derivatives used in hedge accounting with a positive fair value. More information can be found under Derivatives on page 99.

Financial assets measured at fair value through other comprehensive income

Investor currently has no financial assets within a business model in this category.

Financial assets measured at amortized cost

This category mainly includes trade receivables, other short-term receivables and cash and cash equivalents in the subsidiaries within Patricia Industries. These assets are short-term in nature, which is why they are reported at nominal amounts without any discounting.

This category also includes other financial investments and long-term receivables managed within a business model that can be described as "hold-to-collect", meaning that the cash flows from the assets are realized by collecting the contractual cash flows over the life of the financial assets.

The contractual cash flows from all the receivables within the category "financial assets measured at amortized cost" are considered to be solely payments of principal and interest on the principal amount outstanding.

A loss allowance is recognized for all financial assets classified as measured at amortized cost. For all these financial assets, except trade receivables, the loss allowance is calculated as 12 month expected losses or, if the credit risk for the financial asset has increased significantly since initial recognition, as lifetime expected losses. The assessment is made every balance sheet day and if any contractual payments for a loan are more than 30 days past due, the credit risk is considered to have increased significantly since initial recognition.

For trade receivables a simplified approach is applied and a loss allowance based on lifetime expected credit losses are recorded. The deduction for defaulted debts are assessed on an individual basis, with an additional allowance for trade receivables that are not past due. This loss rate allowance reflects a three years history of credit losses and are calculated and reviewed regularly in order to reflect current conditions and forecasts about the future.

Financial liabilities

Financial liabilities measured at fair value through profit/loss

Financial liabilities within a business model that are measured at fair value through profit/loss are divided into: "financial liabilities excluding derivatives used in hedge accounting" and "derivatives used in hedge accounting".

Financial liabilities excluding derivatives used in hedge accounting mainly relates to written put options that may result in Group companies receiving their own equity shares and being obligated to deliver cash corresponding to the fair value of the equity shares. Shares on loan in the trading operation are also classified as financial liabilities, except derivatives used in hedge accounting. When shares on loan are sold, an amount corresponding to the fair value of the shares is recorded as a liability. This category also includes contingent considerations recognized in business combinations to which IFRS 3 applies.

Derivatives used in hedge accounting include any derivatives used in hedge accounting with a negative fair value (except for derivatives that is part of a cash flow hedge). More information can be found under Derivatives on page 99.

Financial liabilities measured at amortized cost

This category includes all other financial liabilities than those measured at fair value through profit/loss above. Amortized cost is calculated based on the effective interest that was determined when the loan was obtained. This means that surpluses/deficits, as well as direct issuing costs, are amortized over the life of the liability. Trade payables are short-term in nature, which is why they are recognized at nominal amounts without any discounting.

Disclosures

Disclosures regarding financial instruments can also be found in: note 3, Financial risks and risk management; note 13, Net financial items; note 21, Other financial investments, short-term investments and cash and cash equivalents; and note 26, Interest-bearing liabilities.

Note 31 *Financial instruments*

Financial assets and liabilities by valuation category

12/31 2021	Financial instruments measured at fair value through profit/loss: Financial assets/liabilities excluding derivatives used in hedge accounting	Financial instruments measured at fair value through profit/loss: Derivatives used in hedge accounting	Financial instruments measured at amortized cost	Total carrying amount	Fair value
Financial assets					
Shares and participations recognized at fair value	634,906			634,906	634,906
Other financial investments	14,698		79	14,778	14,778
Long-term receivables	1,781	1,964	55	3,800	3,800
Accrued interest income			244	244	244
Trade receivables			5,718	5,718	5,718
Other receivables	1		2,131	2,133	2,133
Shares and participations in trading operation	375			375	375
Short-term investments	204		0	204	204
Cash and cash equivalents	9,152		9,177	18,330	18,330
Total	**661,116**	**1,964**	**17,405**	**680,486**	**680,486**
Financial liabilities					
Long-term interest-bearing liabilities	85		83,881	83,966	88,354[1)]
Other long-term liabilities	3,995	160	2,622	6,777	6,777
Current interest-bearing liabilities	238		3,017	3,255	3,262[1)]
Trade payables			3,330	3,330	3,330
Other current liabilities	212		1,252	1,464	1,464
Accrued interest expenses			862	862	862
Total	**4,529**	**160**	**94,966**	**99,654**	**104,049**

1) The Groups loans are valued at amortized cost. Fair value on loans are presented. For other assets and liabilities there are no differences between the carrying amount and fair value.

Financial assets and liabilities by valuation category

12/31 2020	Financial instruments measured at fair value through profit/loss: Financial assets/liabilities excluding derivatives used in hedge accounting	Financial instruments measured at fair value through profit/loss: Derivatives used in hedge accounting	Financial instruments measured at amortized cost	Total carrying amount	Fair value
Financial assets					
Shares and participations recognized at fair value	428,487			428,487	428,487
Other financial investments	3,217		85	3,302	3,302
Long-term receivables	1,571	2,015	43	3,629	3,629
Accrued interest income			229	229	229
Trade receivables			5,426	5,426	5,426
Other receivables	17	22	1,031	1,070	1,070
Shares and participations in trading operation	14			14	14
Short-term investments	8,222			8,222	8,222
Cash and cash equivalents	11,560		8,109	19,670	19,670
Total	**453,087**	**2,037**	**14,924**	**470,049**	**470,049**
Financial liabilities					
Long-term interest-bearing liabilities	372		81,404	81,776	88,684[1)]
Other long-term liabilities	3,992		679	4,670	4,670
Current interest-bearing liabilities	23		4,685	4,709	4,786[1)]
Trade payables			2,841	2,841	2,841
Other current liabilities	122		1,275	1,396	1,396
Accrued interest expenses			834	834	834
Total	**4,508**	**–**	**91,718**	**96,227**	**103,212**

1) The Groups loans are valued at amortized cost. Fair value on loans are presented. For other assets and liabilities there are no differences between the carrying amount and fair value.

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Note 31 *Financial instruments*

Result from financial assets and liabilities by valuation category

2021	Financial assets and liabilities measured at fair value through profit/loss: Financial assets excluding derivatives used in hedge accounting	Financial liabilities excluding derivatives used in hedge accounting	Derivatives used in hedge accounting	Financial assets measured at amortized cost: Loans and receivables	Other financial liabilities	Total
Operating profit/loss						
Dividends	11,254					11,254
Changes in value, including currency	212,645			0	–17	212,627
Cost of sales, distribution expenses	11			21	90	122
Net financial items						
Interest	–11	5	250	–20	–2,279	–2,056
Changes in value	–8	22	–367		438	86
Exchange rate differences	–129	43	274	86	–1,010	–735
Total	**223,762**	**70**	**157**	**87**	**–2,779**	**221,298**

2020	Financial assets and liabilities measured at fair value through profit/loss: Financial assets excluding derivatives used in hedge accounting	Financial liabilities excluding derivatives used in hedge accounting	Derivatives used in hedge accounting	Financial assets measured at amortized cost: Loans and receivables	Other financial liabilities	Total
Operating profit/loss						
Dividends	7,664					7,664
Changes in value, including currency	40,938	–27			–9	40,903
Cost of sales, distribution expenses				–59	226	167
Net financial items						
Interest	4	–6	274	–5	–2,496	–2,230
Changes in value	29	115	–12		33	165
Exchange rate differences	219	–210	–595	–56	1,624	981
Total	**48,855**	**–128**	**–334**	**–121**	**–622**	**47,650**

Measurements of financial instruments at fair value

Following is a description of the methods and assumptions used to determine the fair value of financial assets and liabilities shown in this Annual Report. Changed conditions regarding the determination of fair value of financial instruments cause transfer between levels described below.

Measurements of financial instruments in level 1

Listed holdings

Listed holdings are valued on the basis of their share price (bid price, if there is one quoted) on the balance sheet date.

Measurements of financial instruments in level 2

Shares and participations

Shares and participations in level 2 consist of holdings in listed shares for which the classes are not actively traded. The measurement of these shares is based on the market price for the most traded class of shares for the same holding.

Derivatives

Derivatives in level 2 consist mainly of currency and interest rate swaps for which the valuation is based on discounted future cash flows according to the terms and conditions in the agreement and based on relevant market data.

Measurement of financial instruments in level 3

Unlisted holdings and fund holdings

Unlisted holdings are measured on the basis of the "International Private Equity and Venture Capital Valuation Guidelines".

For directly owned holdings (i.e. those owned directly by a company in the Investor Group), an overall evaluation is made to determine the measurement method that is appropriate for each specific holding. It is first taken into account whether a recent financing round or "arm's length transaction" has been made. As a secondary measure, a valuation is made by applying relevant multiples to the holding's key ratios, derived from a relevant sample of comparable companies, with deduction for individually determined adjustments as a consequence of the size difference between the company being valued and the sample of comparable companies.

Unlisted holdings in funds are measured at Investor's share of the value that the fund manager reports for all unlisted fund holdings (Net Asset Value) and is normally updated when a new valuation is received. If Investor's assessment is that the fund manager's valuation does not sufficiently take into account factors that affect the value of the underlying holdings, or if the valuation is considered to deviate considerably from IFRS principles, the value is adjusted.

When estimating the fair value market conditions, liquidity, financial condition, purchase multiples paid in other comparable third-party transactions, the price of securities of other companies comparable to the portfolio company, and operating results and other financial data of the portfolio company are taken in consideration as applicable. Representatives from Investor's management participate actively in the valuation process within Investor Growth Capital (IGC) and evaluate the estimated fair values for holdings in IGC and the EQT funds in relation to their knowledge of the development of the portfolio companies and the market. Listed holdings in funds are measured in the same way as listed holdings, as described in the left column.

Derivatives

The valuation of currency interest rate swaps with long duration and limited liquidity is based on discounted cash flows according to the terms and conditions of the agreement and based on an estimated market rate for similar instruments with diverse durations.

Other long-term liabilities

The calculation of value of issued put options over non-controlling interest is based on discounted cash flows and multiple valuation.

The value of liabilities related to share-based instruments and unlisted options are primarily calculated in accordance with the Black & Scholes valuation model.

Fair value of assets and liabilities not measured at fair value in the Balance Sheet

Interest-bearing liabilities

The fair value would be classified in level 3 and is based on market prices and generally accepted methods, in which future cash flows have been discounted at the current interest rate, including Investor's current credit rating, for the remaining life.

Loans, trade receivables and trade payables

The carrying amounts of loans, trade receivables and trade payables are considered to reflect their fair value.

Note 31 *Financial instruments*

Assets and liabilities measured at fair value

The table below indicates how fair value is measured for the financial instruments recognized at fair value in the Balance Sheet. The financial instruments are categorized on three levels, depending on how the fair value is measured:

Level 1: According to quoted prices (unadjusted) in active markets for identical instruments
Level 2: According to directly or indirectly observable inputs that are not included in level 1
Level 3: According to inputs that are unobservable in the market

Financial assets and liabilities by level

	12/31 2021					12/31 2020				
	Level 1	Level 2	Level 3	Other[1)]	Total	Level 1	Level 2	Level 3	Other[1)]	Total
Financial assets										
Shares and participations recognized at fair value[2)]	598,769	2,355	33,756	25	634,906	401,958	2,104	24,409	16	428,487
Other financial instruments	14,543		160	75	14,778	3,101		120	81	3,302
Long-term receivables			3,745	55	3,800			3,586	43	3,629
Other receivables	22	1		2,109	2,133		39		1,031	1,070
Shares and participations in trading operation	375				375	14				14
Short-term investments	204			1	204	8,222				8,222
Cash and cash equivalents	9,152			9,177	18,330	10,518			9,151	19,670
Total	**623,065**	**2,357**	**37,661**	**11,442**	**674,524**	**423,813**	**2,143**	**28,114**	**10,323**	**464,394**
Financial liabilities										
Long-term interest-bearing liabilities			46	83,920	83,966		269	59	81,448	81,776
Other long-term liabilities			5,935	842	6,777			4,179	492	4,670
Short-term interest-bearing liabilities		228		3,027	3,255				4,709	4,709
Other current liabilities	117	131	101	1,114	1,464	6	114	117	1,159	1,396
Total	**117**	**359**	**6,082**	**88,903**	**95,462**	**6**	**382**	**4,355**	**87,807**	**92,551**

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.
2) The following sub-items are included in the balance sheet item

Listed shares within Listed Companies	512,864	2,355			515,220	364,905	2,104			367,009
Listed shares EQT AB	85,872				85,872	36,740				36,740
Fund investments within Investments in EQT			30,928		30,928			20,907		20,907
Shares and participations within Financial Investments	33		2,654		2,687	313		3,384		3,697
Other shares and participations measured at fair value			174	25	199			118	16	134
	598,769	2,355	33,756	25	634,906	401,958	2,104	24,409	16	428,487

The table below indicates which valuation technique and which important unobservable input that has been used in order to estimate the carrying amounts of financial instruments in level 3. The inputs in the table below are not indicative of all the unobservable inputs that may have been used for an individual investment.

Valuation techniques

	Fair value				Range	
	12/31 2021	12/31 2020	Valuation technique	Input	12/31 2021	12/31 2020
Shares and participations	33,756	24,409	Last round of financing	N/A	N/A	N/A
			Comparable companies	EBITDA multiples	N/A	N/A
			Comparable companies	Sales multiples	3.1–4.4	0.9–6.5
			Comparable transactions	Sales multiples	2.2–3.6	1.4–6.2
			Net Asset Value	N/A	N/A	N/A
Other financial instruments	160	120	Discounted cash flow	Market interest rate	N/A	N/A
Long-term and short-term receivables	3,745	3,586	Discounted cash flow	Market interest rate	N/A	N/A
Long-term interest bearing liabilities	46	59	Discounted cash flow	Market interest rate	N/A	N/A
Other provisions and liabilities	6,036	4,296	Discounted cash flow		N/A	N/A

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

The unlisted part of Financial Investments portfolio companies, corresponds to 99 percent of the portfolio value (92). Part of the unlisted portfolio is valued based on comparable companies, and the value is dependent on the level of the multiples. The multiple ranges provided in the note show the minimum and maximum value of the actual multiples applied in these valuations. A 10 percent change of the multiples would have an effect on the Financial Investments portfolio value of approximately SEK 120m (100).

For the derivatives, a parallel shift of the interest rate curve upwards by one percentage point would affect the profit/loss and equity positively by approximately SEK 900m (1,000).

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 31 *Financial instruments*

The table below shows a reconciliation between opening and closing balance for the financial instruments recognized at fair value in the Balance Sheet derived from a valuation technique of unobservable input (level 3). No transfers have been made between level 1 and 2.

Changes of financial assets and liabilities in level 3

12/31 2021	Shares and participations recognized at fair value	Other financial investments	Long-term receivables	Other current receivables	Total financial assets	Long-term interest-bearing liabilities	Other long-term liabilities	Other current liabilities	Total financial liabilities
Opening balance	24,409	120	3,586	–	28,114	59	4,179	117	4,355
Total gains or losses in profit/loss									
in line Changes in value	13,271	23	228		13,521		–113		–113
in line Net financial items		–11	–50		–61	–14	680	8	675
in line Cost of goods and services sold									
Reported in other comprehensive income									
in line Foreign currency translation	813	13	10		836		226	0	226
Acquisitions	7,386	51	0		7,437		1,398		1,398
Divestments	–12,078	–34	–50		–12,163				
Issues			43		43		6	3	9
Settlements			–20		–20		–442	–28	–470
Reclassification									
Transfers out of level 3	–45				–45				
Carrying amount at year-end	**33,756**	**160**	**3,745**	**–**	**37,661**	**46**	**5,935**	**101**	**6,082**
Total gains or losses for the period included in profit/loss for financial instruments held at the end of the period (unrealized results)									
Changes in value	–8,414				–8,414		1,613		1,613
Net financial items			–50		–50	14	–481		–467
Total	**–8,414**		**–50**		**–8,464**	**14**	**1,132**		**1,146**

12/31 2020	Shares and participations recognized at fair value	Other financial investments	Long-term receivables	Other current receivables	Total financial assets	Long-term interest-bearing liabilities	Other long-term liabilities	Other current liabilities	Total financial liabilities
Opening balance	22,347	71	3,531	10	25,960	56	3,936	215	4,207
Total gains or losses in profit/loss									
in line Changes in value	4,446		238		4,684		–77		–77
in line Net financial items			–408		–408	3	974	–101	876
in line Cost of goods and services sold		18			18				
Reported in other comprehensive income									
in line Foreign currency translation	–1,318	–16	–28		–1,363		–230	5	–225
Acquisitions	4,222	69	281		4,572		6		6
Divestments	–5,287	–20	–29	–10	–5,346		–1		–1
Issues							44		44
Settlements							–398	–77	–475
Reclassification							–76	76	–
Transfers out of level 3		–2			–2				
Carrying amount at year-end	**24,409**	**120**	**3,586**	**–**	**28,114**	**59**	**4,179**	**117**	**4,355**
Total gains or losses for the period included in profit/loss for financial instruments held at the end of the period (unrealized results)									
Changes in value	3,645				3,645		–1,037		–1,037
Net financial items			–408		–408	–3			–3
Total	**3,645**		**–408**		**3,237**	**–3**	**–1,037**		**–1,040**

Net amounts of financial assets and liabilities

No financial assets and liabilities have been set off in the Balance Sheet. The table below shows financial assets and liabilities covered by master netting agreements (ISDA).

	12/31 2021			12/31 2020		
Financial assets	Gross and net amount	Financial instruments not set off in the Balance sheet	Net amount	Gross and net amount	Financial instruments not set off in the Balance sheet	Net amount
Shares[1)]	375	–101	273	–	–	–
Derivatives[2)]	1,964	–46	1,919	2,015	–328	1,687
Derivatives[3)]	23	–1	22	18	–5	14
Total	**2,362**	**–148**	**2,214**	**2,033**	**–332**	**1,701**

1) Included in the Balance sheet under Shares and participations valued at fair value, SEK 634,906 (428,487).
2) Included in the Balance sheet under Long-term receivables, SEK 3,800m (3,629).
3) Included in the Balance sheet under Other receivables, SEK 2,133m (1,070).

	12/31 2021			12/31 2020		
Financial liabilities	Gross and net amount	Financial instruments not set off in the Balance sheet	Net amount	Gross and net amount	Financial instruments not set off in the Balance sheet	Net amount
Derivatives[1)]	46	–46	–	328	–328	–
Derivatives[2)]	228	–	228	–	–	–
Securities lending[3)]	107	–103	5	17	–5	12
Total	**381**	**–148**	**233**	**345**	**–332**	**12**

1) Included in the Balance sheet under Long-term interest bearing liabilities, SEK 83,966m (81,776).
2) Included in the Balance sheet under Current interest-bearing liabilities, SEK 3,255m (4,709).
3) Included in the Balance sheet under Other liabilities, SEK 1,464m (1,396).

The Groups derivatives are covered by ISDA agreements. For repurchase agreements GMRA agreements exist and for securities lending there are GMSLA agreements. According to the agreements the holder has the right to set off the derivatives and keep securities when the counterparty does not fulfill its commitments.

Note 31 *Financial instruments*

Accounting policies

Derivatives

Derivatives, such as forwards, options and swaps, are used to offset the risks associated with fluctuations in exchange rates and share prices, as well as the exposure to interest rate risks. Derivatives are initially recognized at fair value through profit/loss, which means that transaction costs are charged to profit/loss for the period. In the following periods, the derivative instrument is recognized at fair value and changes in the value are recognized in the Income Statement as income or expense (part of operating profit) or as part of net financial items. Where they are reported is based on the purpose of the derivative and whether its use is related to an operating item or a financial item. The interest rate coupon from an interest rate swap is recognized as interest and value changes are recognized as other financial items as a component of financial net, provided that the interest rate swap is not part of a cash flow hedge, which is accounted for according to the description below. Disclosures related to derivatives can also be found in note 3, Financial risks and risk management.

Hedge accounting

Investor applies hedge accounting in order to reduce fluctuations in profit/loss related to hedging of interest rate risks and currency risks. When hedge accounting is applied, value changes related to the hedging instrument is presented in profit/loss at the same time as the result from the hedged item. The effective part of the hedge is presented in the same component of the income statement as the hedged item.

Receivables and liabilities in foreign currency

Currency derivatives are used to hedge receivables and liabilities against foreign exchange rate risks. Hedge accounting is not used to protect against foreign exchange risk since an economic hedge has already been reflected in the financial statements. This occurs by recognizing the underlying receivable or liability at the closing rate and the hedge instrument at fair value in the Income Statement.

Hedging of interest rate and exchange rate risks – fair value hedges

In some cases, the Group uses derivatives as hedging instruments for different types of financial risks connected with the Group's external borrowing. For example, a fixed rate loan in foreign currency can be swapped to floating rate SEK with foreign currency interest rate swaps. The loan's credit spread component on initial recognition is not included in the hedging relationship. The so-called FX basis spread is defined as a hedging cost and is not part of the hedge either. The market value of the hedging instrument relating to basis spread is instead accounted for in equity.

As long as hedge accounting is applied, the carrying value of the hedged item is adjusted for fair value changes attributable to the risk being hedged, and those fair value changes are recognized in profit/loss. The hedging instrument is measured at fair value, with changes in fair value also recognized in profit/loss.

Hedging of the Group's interest rate exposure – cash flow hedges

In some cases Investor uses interest rate swaps to control the exposure to variability in cash flows of future interest rate fluctuations for loans with a variable interest rate. In the Balance Sheet, interest rate swaps are valued at fair value. The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense. Unrealized changes to the fair value of interest rate swaps are recognized in Other Comprehensive income and are included as a component of the hedging reserve until the hedged item has an effect on the Income Statement and as long as the criteria for hedge accounting and effectiveness are met.

Hedging of the Group's currency exposure – cash flow hedges

Normally cash flows in foreign currencies are not hedged. However specific unusual currency cash flows in some cases can be hedged. In the Balance Sheet, these contracts are valued at fair value. Unrealized changes to the fair value of currency contracts are recognized in Other Comprehensive income and are included as a component of the hedging reserve until the hedged item has an effect on the Income Statement and as long as the criteria for hedge accounting and effectiveness are met.

Hedging of currency risk in foreign net investments

In the consolidated Balance Sheet, investments in foreign operations are reported as net assets in subsidiaries. The Group do not apply hedge accounting for the currency risk in foreign net investments.

Hedging instruments together with hedged items and derivatives without hedge accounting

	Nominal amount Remaining term			Nominal amount		Assets Carrying amount		Liabilities Carrying amount		Changes in fair value		Accumulated amount of fair value change	
	<1 year	1<5 year	>5 year	12/31 2021	12/31 2020	12/31 2021	12/31 2020	12/31 2021	12/31 2020	2021	2020	12/31 2021	12/31 2020
Fair value hedges													
Contracts related to interest rate													
Interest Rate Swaps													
Bonds													
Ineffectiveness[1)]													
Contracts related to foreign currency													
Currency Swaps			5,865	5,865	8,637	1,964	2,037			–101	–604	1,988	2,101
Bonds			–5,865	–5,865	–8,637			7,818	10,683	133	625	–1,977	–2,110
Ineffectiveness[1)]										32	21		
Cash flow hedges													
Contracts related to interest rate													
Interest Rate Swaps	127	3,143		3,270	3,060			63	152	105	–133	–63	–152
Loans	–127	–3,143		–3,270	–3,060			3,270	3,060	–37	140	139	159
Ineffectiveness[1)]										68	7		
Contracts related to foreign currency													
Currency Swaps					1,046		17		16	–5	4		
Ineffectiveness[1)]													
Total Hedging instruments	**127**	**3,143**	**5,865**	**9,135**	**12,743**	**1,964**	**2,054**	**63**	**168**	**–2**	**–732**	**1,925**	**1,949**
Total Hedged items	**–127**	**–3,143**	**–5,865**	**–9,135**	**–11,697**			**11,088**	**13,743**	**96**	**765**	**–1,838**	**–1,951**
Total Ineffectiveness[1)]										**100**	**28**		

1) The gain/loss attributable to the ineffective component in all hedging relations are accounted for within the profit/loss items Financial income/cost in the Consolidated Income Statement.

Hedging instruments with a positive fair value are in the Consolidated Balance Sheet reported within the balance sheet items current and long-term receivables respectively. Hedging instruments with a negative fair value are in the Consolidated Balance Sheet reported within the balance sheet items current and long-term liabilities respectively.

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Note 32 Pledged assets and contingent liabilities

Accounting policies
A contingent liability exists when there is a possible obligation depending on whether some uncertain future event occurs, or, when there is a present obligation, but payment is not probable or the amount cannot be measured reliably. A provision is recognized if and only if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), the payment is probable (more likely than not), and the amount can be estimated reliably.

Pledged assets	12/31 2021	12/31 2020
In the form of pledged securities for liabilities and provisions		
Real estate mortgages	1,182	3,173
Shares etc.[1]	23,636	17,759
Other pledged and equivalent collateral		
Bank Guarantee	3	3
Total pledged assets	**24,820**	**20,935**

1) Pledged shares for loans in subsidiaries.

Contingent liabilities	12/31 2021	12/31 2020
Guarantee commitments to FPG/PRI	–	1
Other contingent liabilities	1,082	1,077
Total contingent liabilities	**1,082**	**1,078**

Other contingent liabilities consist of warranties within the wholly-owned subsidiaries.

The credit facilities within the wholly-owned subsidiaries are subject to financial covenants.

Note 33 Related party transactions

The following additional information about related parties is being provided in addition to what has been reported in other notes to the financial statements.

Relations with related parties
The Knut and Alice Wallenberg Foundation has significant influence over Investor (in accordance with the definition in IAS 24 Related Party Disclosures) and therefore a related party relationship (see Other related party in the table below). Investor has also a related party relationship with its subsidiaries and associated companies.

Companies with common board members
In addition to the above-noted relations with related parties, there are a number of companies in which Investor and the company have common board members. Since these situations do not imply influence of the type described in IAS 24, information has not been provided in this note.

Related party transactions
Transactions with related parties are priced according to market terms, for information about the Parent Company see note P18, Related party transactions.

With key management personnel
See note 11, Employees and personnel costs for information about salaries and other compensation, costs and commitments regarding pensions and similar benefits, and severance payment agreements for the board, President and other senior executives.

Investment programs
Selected senior staff and other senior executives within Patricia Industries have had the opportunity for a number of years to make parallel investments to some extent with Investor. The Carried interest plans created within the former Investor Growth Capital (IGC), are designed in accordance with market practice in the venture capital market and provide an economic incentive for managers and encourage personal commitment to analysis and investment work since the result is directly connected to the financial performance of the business. Carried interest plans are linked to realized growth in the value of holdings, after deduction for costs, seen as a portfolio.

During the year there have been no payments to senior staff within Investor from these programs (SEK 7m). At year-end there were no provision on unrealized gains to senior staff (SEK 5m). Previous years expensed amounts were reported in the item “Changes in Value” in the Income Statement.

Related party transactions

	Associates		Other related party	
	2021	2020	2021	2020
Sales of products/services	6	10	10	10
Purchase of products/services	7	6		
Financial expenses	210	148		
Financial income	2	6		
Dividend received	10,382	3,241		
Dividend paid	–	–	2,149	1,381
Receivables	3,333	5,043	0	0
Liabilities	8,840	8,523	3	3

Note 34 Subsequent events

No company specific events have occurred subsequent to the reporting period. The dramatically changed geopolitical situation following the Russian invasion of Ukraine may, in addition to the enormous suffering inflicted on people and society as well as harsher sanctions, have a significant impact on the global economy. As described in Risks and Uncertainty factors on pages 42-43 in the Administration Report, the volatility in financial markets has increased, which impacts the value development of Investor’s assets.

Parent Company

The Parent Company's result after financial items was SEK 136,791m (22,855). The result is mainly related to Listed Companies which contributed to the result with dividends amounting to SEK 10,286m (6,433) and value changes of SEK 126,711m (18,996).

During 2021, the Parent Company invested SEK 3,621m in financial assets (15,289), of which SEK 0m in Group companies (11,572) and purchases in Listed Companies of SEK 1,520m (3,380). The Parent Company divested SEK 800m in Group Companies (3,000) and SEK 519m in Listed Companies during the year (18). By the end of the period, equity totaled SEK 471,763m (345,742). The Parent Company has provided a loan of 90 MUSD to a Group Company. During 2021 the Parent Company had three maturities of loan, two external loans totaling EUR 376m and one internal loan of EUR 266m.

Parent Company Income Statement

SEK m	Note	2021	2020
Dividends		10,286	6,433
Changes in value	P8, P9	128,188	18,996
Net sales		10	11
Operating costs	P2	–420	–388
Result from participation in group companies	P7	–	–2,400
Operating profit/loss		**138,064**	**22,652**
Profit/loss from financial items			
Results from other receivables that are non-current assets	P3	1,267	–340
Interest income and similar items	P4	114	2,206
Interest expenses and similar items	P4	–2,654	–1,663
Profit/loss after financial items		**136,791**	**22,855**
Tax	P1	–	–
Profit/loss for the year		**136,791**	**22,855**

Parent Company Statement of Comprehensive Income

SEK m	2021	2020
Profit/loss for the year	136,791	22,855
Other Comprehensive income for the year, net taxes		
Items that will not be recycled to profit/loss for the year		
Remeasurements of defined benefit plans	5	3
Hedging cost	3	–3
Total Other Comprehensive income for the year	**8**	**1**
Total Comprehensive income for the year	**136,799**	**22,856**

Parent Company Balance Sheet

SEK m	Note	12/31 2021	12/31 2020
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for software	P5	5	3
Property, plant and equipment			
Equipment	P6	13	12
Financial assets			
Participations in Group companies	P7	49,379	50,179
Participations in associates	P8, P15	318,589	233,736
Other long-term holdings of securities	P9	146,545	103,631
Receivables from Group companies	P10	14,863	12,395
Total non-current assets		**529,395**	**399,957**
Current assets			
Trade receivables		0	0
Receivables from Group companies		321	4,087
Receivables from associates		0	0
Tax assets		9	9
Other receivables		0	1
Prepaid expenses and accrued income	P11	48	51
Cash and cash equivalents		–	–
Total current assets		**379**	**4,149**
TOTAL ASSETS		**529,773**	**404,106**

SEK m	Note	12/31 2021	12/31 2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		4,795	4,795
Statutory reserve		13,935	13,935
Reserve for development expenditures		2	2
		18,733	**18,732**
Unrestricted equity			
Accumulated profit/loss		316,240	304,155
Profit/loss for the year		136,791	22,855
		453,030	**327,010**
Total equity		**471,763**	**345,742**
Provisions			
Provisions for pensions and similar obligations	P12	108	109
Other provisions	P13	28	41
Total provisions		**137**	**150**
Non-current liabilities			
Interest-bearing liabilities	P14	37,557	37,640
Liabilities to Group companies		7,035	7,094
Other long-term liabilities		33	15
Total non-current liabilities		**44,625**	**44,749**
Current liabilities			
Interest-bearing liabilities	P14	946	3,718
Trade payables		17	14
Liabilities to Group companies		11,368	8,911
Liabilities to associates		0	0
Tax liabilities		0	0
Other liabilities		150	89
Accrued expenses and deferred income	P16	701	709
Other provisions	P13	66	24
Total current liabilities		**13,249**	**13,465**
TOTAL EQUITY AND LIABILITIES		**529,773**	**404,106**

For information regarding pledged assets and contingent liabilities see note P17, Pledged assets and contingent liabilities.

Parent Company Statement of Changes in Equity

	Restricted equity			Unrestricted equity		Total equity
SEK m	Share capital	Statutory reserve	Reserve for development expenditures	Accumulated profit/loss	Profit/loss for the year	
Opening balance 1/1 2021	**4,795**	**13,935**	**2**	**327,010**		**345,742**
Profit/loss for the year					136,791	136,791
Other Comprehensive income for the year				8		8
Total Comprehensive income for the year				**8**	**136,791**	**136,799**
Dividend				–10,722		–10,722
Stock options exercised by employees				56		56
Equity-settled share-based payment transactions				35		35
Repurchase of own shares				–147		–147
Closing balance 12/31 2021	**4,795**	**13,935**	**2**	**316,240**	**136,791**	**471,763**

	Restricted equity			Unrestricted equity		Total equity
SEK m	Share capital	Statutory reserve	Reserve for development expenditures	Accumulated profit/loss	Profit/loss for the year	
Opening balance 1/1 2020	**4,795**	**13,935**	**3**	**310,928**		**329,661**
Profit/loss for the year					22,855	22,855
Other Comprehensive income for the year				1		1
Total Comprehensive income for the year				**1**	**22,855**	**22,856**
Dividend				–6,889		–6,889
Stock options exercised by employees				85		85
Equity-settled share-based payment transactions				29		29
Reclassification			–1	1		–
Closing balance 12/31 2020	**4,795**	**13,935**	**2**	**304,155**	**22,855**	**345,742**

Distribution of share capital

The Parent Company's share capital on December 31, 2021 consists of the following numbers of shares with a quota of SEK 1.56 per share. In 2021, a share split 4:1 was completed.

			Share in % of	
Share class	Number of shares	Number of votes	Capital	Votes
A 1 vote	1,246,763,376	1,246,763,376	40.6	87.2
B 1/10 vote	1,821,936,744	182,193,674	59.4	12.8
Total	**3,068,700,120**	**1,428,957,050**	**100.0**	**100.0**

For information regarding repurchased own shares, see page 38.

Dividend

For the Board of Director's proposed Disposition of Earnings, see note 25, Equity.

Parent Company Statement of Cash Flow

SEK m	2021	2020
Operating activities		
Dividends received	10,286	6,433
Cash payments	–333	–259
Cash flow from operating activities before net interest and income tax	**9,953**	**6,174**
Interest received	803	903
Interest paid	–1,741	–1,691
Income tax paid	–	2
Cash flow from operating activities	**9,015**	**5,387**
Investing activities		
Share portfolio		
Acquisitions	–1,530	–3,383
Divestments	2,006	18
Other items		
Capital contributions to/from subsidiaries	800	–8,572
Acquisitions of property, plant and equipment/intangible assets	–5	–5
Net cash used in investing activities	**1,270**	**–11,943**
Financing activities		
Proceeds from borrowings	–	6,095
Repayment of borrowings	–3,700	–
Change, intra-group balances	4,284	7,350
Repurchase of own shares	–147	–
Dividends paid	–10,722	–6,889
Net cash used in financing activities	**–10,285**	**6,556**
Cash flow for the year	**–**	**–**
Cash and cash equivalents at beginning of the year	**–**	**–**
Cash and cash equivalents at year-end	**–**	**–**

The Parent Company does not report cash and cash equivalents since liquidity needs are covered by funds in the joint bank account for the Group. These funds are reported as balances with the Group's internal bank, AB Investor Group Finance.

Note P1 Accounting policies

Parent Company
The Parent Company is named Investor AB (publ.), corp.ID 556013-8298. It is a Swedish limited company domiciled in Stockholm, Sweden. The address of the registered office is Arsenalsgatan 8C, SE-103 32 Stockholm, Sweden. Investor is an engaged owner of high-quality, global companies and have a long-term investment perspective.

The Annual Accounts Act and RFR 2 Accounting for Legal Entities has been applied for the Parent Company. The Parent Company applies the same accounting policies as the Group unless otherwise noted. Any differences between the accounting policies of the Parent Company and those of the Group are caused by limitations to the application of IFRS in the Parent Company because of the Swedish Annual Accounts Act. Significant accounting policies for the Parent Company that differs from the Group are presented in this note. Other significant accounting policies are presented in note 1, Significant accounting policies and in connection to respective note to the consolidated financial statements.

Subsidiaries
Subsidiaries are companies in which Investor AB is able to exert a controlling influence. Controlling influence is the power to, either directly or indirectly, govern the financial and operating policies of an entity in order to obtain economic benefits from its activities.

In the Parent Company, participations in Group companies are recognized in accordance with the cost method and in legal entities, transaction costs attributable to business combinations will be included in the acquisition cost.

Contingent consideration is valued based on the likelihood that the consideration will be paid. Any changes to the provision/receivable result in an increase/decrease in the cost of acquisition. On each balance sheet date, the carrying amounts are reviewed to determine if there are any indications of impairment. Dividends from subsidiaries are included in the Parent Company's operating profit/loss.

Shareholders' contribution
Shareholders' contributions are recognized directly in equity by the receiver and are capitalized in Participations in Group companies by the giver to the extent that no impairment loss is required.

Associates
Based on how Investor controls and monitors the companies' operations, Participations in associates are recognized at fair value in accordance with IFRS 9. For further information see note 20, Shares and participations in associates.

Borrowing costs
In the Parent Company, borrowing costs are charged to profit/loss during the period they pertain to. Borrowing costs are not capitalized.

Financial guarantees
The Parent Company's financial guarantee contracts consist primarily of guarantees on behalf of subsidiaries and associates.

The Parent Company applies RFR 2 IFRS 9 item 1, to account for financial guarantee contracts issued on behalf of associates, which is somewhat more lenient than the rules in IFRS 9, due to the relationship between accounting and taxation. The Parent Company recognizes financial guarantee contracts as a provision in the Balance Sheet when the company has a commitment for which payment will most likely be required.

Tax regulation
The Parent Company is taxed in accordance with the Swedish rules for certain holding companies. The purpose of these rules is to allow reallocations of its holdings without tax consequences. To be eligible for these rules, the company should, almost exclusively, manage an equity portfolio providing the shareholders risk allocation. The regulations for industrial holding companies imply that capital gains on shares are not taxable and corresponding capital losses are non-deductible. Dividends received and interest income are both taxable items, while administrative costs, interest expenses and dividend paid are all deductible. Moreover, the Parent Company declares a standard income of 1.5 percent on the market value of listed shares when the voting rights at the beginning of the year are less than 10 percent, or when they exceed 10 percent but, at the beginning of the year, had been owned for less than one year. As a consequence of these tax regulations, the Parent Company typically does not pay income tax. For the same reason, the Parent Company does not report deferred tax attributable to temporary differences. The regulations for industrial holding companies also imply that the Parent Company may neither give nor receive Group contributions.

Leases
The Parent Company applies RFR 2 IFRS 16 item 1, and therefore recognize leases in the Income Statement on a straight-line basis over the lease term.

Note P2 Operating costs

Personnel
Expensed wages, salaries and other remunerations amounted to SEK 230m (253), of which social costs SEK 62m (58). The average number of employees at year-end were 75 (76). For more information see note 11, Employees and personnel costs on page 71.

Auditor's fees and expenses

	2021	2020
Auditor in charge	*Deloitte*	*Deloitte*
Auditing assignment	2	2
Other audit activities	0	0
Total	**2**	**2**

Leases

Non-cancellable future lease payments	2021	2020
Less than 1 year from balance sheet date	16	12
1-5 years from balance sheet date	20	0
Total	**36**	**12**
Costs for the year		
Minimum lease payments	–16	–16
Total	**–16**	**–16**

Lease contracts are mainly related to rental agreement for office building.

Note P3 Results from other receivables that are non-current assets

	2021	2020
Interest income from Group companies	775	888
Changes in value	–5	–284
Other interest income	45	39
Exchange rate differences	453	–984
IS Total	**1,267**	**–340**

Note P4 Other net financial items

	2021	2020
Interest income and similar items		
Changes in value	114	268
Exchange rate differences	–	1,938
IS Total	**114**	**2,206**

	2021	2020
Interest expenses and similar items		
Interest expenses to Group companies	–322	–331
Changes in value attributable to long-term share-based remuneration	–72	–34
Net financial items, internal bank	–	–
Interest expenses, other borrowings	–1,346	–1,271
Exchange rate differences	–885	–
Other	–28	–27
IS Total	**–2,654**	**–1,663**

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Note P5 Intangible assets

Capitalized expenditure for software	12/31 2021	12/31 2020
Accumulated costs		
Opening balance	30	28
Acquisitions	3	2
Disposals	–	–
At year-end	**33**	**30**
Accumulated amortization and impairment losses		
Opening balance	–27	–25
Disposals	–	–
Amortizations	–1	–2
At year-end	–28	–27
BS Carrying amount at year-end	**5**	**3**
Allocation of amortizations in Income Statement		
Operating costs	–1	–2
Total	**–1**	**–2**

Note P6 Property, plant and equipment

Equipment	12/31 2021	12/31 2020
Accumulated costs		
Opening balance	37	34
Acquisitions	3	4
Sales and disposals	–1	–
At year-end	**39**	**37**
Accumulated depreciation and impairment		
Opening balance	–25	–24
Sales and disposals	1	–
Depreciation for the year	–2	–1
At year-end	–25	–25
BS Carrying amount at year-end	**13**	**12**

Note P7 Participations in Group companies

Specification of the Parent Company's direct holdings of participations in Group companies

		Ownership interest in %[1]		Carrying amount	
Subsidiary, Registered office, Registration number	Number of shares	12/31 2021	12/31 2020	12/31 2021	12/31 2020
Investor Holding AB, Stockholm, 556554-1538	1,000	100.0	100.0	1,493	1,493
Invaw Invest AB, Stockholm, 556270-6308[2]	10,000	100.0	100.0	7,799	8,299
Patricia Industries AB, Stockholm, 556752-6057	100,000	100.0	100.0	29,639	29,639
Innax AB, Stockholm, 556619-6753[3]	1,000	100.0	100.0	1,279	1,579
AB Investor Group Finance, Stockholm, 556371-9987[4]	100,000	100.0	100.0	416	416
Patricia Industries II AB, Stockholm, 556619-6811	1,000	100.0	100.0	8,754	8,754
BS Carrying amount				**49,379**	**50,179**

1) Refers to share of equity, which also corresponds to the share of voting power.
2) Holding company of the shares in Wärtsilä.
3) Holding company of the shares in Nasdaq.
4) The Group's internal bank.

Other material indirect holdings in subsidiaries

	Ownership interest in %[1]	
Subsidiary, Registered office	12/31 2021	12/31 2020
Advanced Instruments Inc., Massachusetts	98.6	98.2
Atlas Antibodies AB, Stockholm	87.6	73.8
Braun Holdings Inc., Indiana	92.4	95.0
Investor Growth Capital AB, Stockholm[2]	100.0	100.0
Investor Investment Holding AB, Stockholm[3]	100.0	100.0
Laborie, Boston	98.5	98.5
Mölnlycke AB, Gothenburg	98.8	98.8
Permobil Holding AB, Timrå	91.0	91.0
Piab AB, Täby	91.1	91.1
Sarnova, Columbus	95.2	89.2
Vectura Fastigheter AB, Stockholm	99.0	100.0

1) Refers to share of equity.
2) Holding company of Investor Growth Capital Inc.
3) Holding company of the shares in EQT AB.
4) Attributable to impairment in Invaw Invest AB.

Changes in participations in group companies	12/31 2021	12/31 2020
Accumulated costs		
Opening balance	53,720	45,148
Acquisitions and capital contributions	–	11,572
Divestments and repaid capital contribution	–800	–3,000
At year-end	**52,920**	**53,720**
Accumulated impairment losses		
Opening balance	–3,540	–1,140
Impairments	–	–2,400[4]
At year-end	–3,540	–3,540
BS Carrying amount at year-end	**49,379**	**50,179**

The Investor Group consists of 6 wholly-owned subsidiaries to Investor AB, see table above, and a number of indirect holdings of which the material indirect holdings in subsidiaries are stated in the table above. In the subgroups Mölnlycke, Permobil, Piab, BraunAbility, Sarnova, Laborie and Advanced Instruments non-controlling interests exists. None of these are considered material for Investor. Investor have assessed control over all subsidiaries due to the high ownership interest and Investor AB having direct or indirect power of the companies and has the right and ability to affect the returns. Investor also continuously assess whether it controls companies with ownership interests below 50 percent. The assessment is based on whether Investor has the practical ability to direct relevant activities unilaterally either through the boards or the annual general meetings of the companies. No companies where de facto control exists have been identified.

Note P8 Participations in associates

Specification of participations in associates

Company, Registered office, Registration number	Number of shares	Ownership capital/votes (%)	12/31 2021 Investor's share of Carrying amount[1]	12/31 2021 Investor's share of Equity[2]	12/31 2021 Investor's share of Profit/loss for the year[3]	12/31 2020 Investor's share of Carrying amount[1]	12/31 2020 Investor's share of Equity[2]	12/31 2020 Investor's share of Profit/loss for the year[3]
Atlas Copco, Stockholm, 556014-2720	207,754,141	17/22	129,011	11,421	3,062	87,303	8,986	2,496
Electrolux, Stockholm, 556009-4178	50,786,412	16/28	11,097	3,075	769	9,746	3,067	305
Electrolux Professional, Ljungby, 556003-0354	58,941,654	21/32	3,702	723	100	2,743	567	56
Ericsson, Stockholm, 556016-0680	266,745,735	8/24	26,607	8,702	1,816	25,989	6,674	579
Epiroc, Stockholm, 556041-2149	207,757,845	17/23	47,315	4,402	1,208	31,096	4,052	279
Husqvarna, Jönköping, 556000-5331	97,052,157	17/33	14,000	3,643	747	10,346	2,873	420
Saab, Linköping, 556036-0793	40,972,622	30/40	9,440	6,930	581	9,854	6,483	324
SEB, Stockholm, 502032-9081	456,198,927	21/21	57,458	40,174	5,286	38,761	35,764	1,066
Swedish Orphan Biovitrum, Stockholm, 556038-9321	107,594,165	35/35	19,959	8,128	1,004	17,898	7,155	532
BS Total participations in associates			**318,589**			**233,736**		

1) Carrying amount for associates valued at fair value, equals the quoted market price for the investment.
2) Equity refers to the ownership interest in the equity of a company including the equity component in untaxed reserves.
3) Profit/loss for the year refers to the share of the company's results after tax including the equity component in the change for the year in untaxed reserves.

Specification of carrying amount for participations in associates valued at fair value

	12/31 2021	12/31 2020
Opening balance	233,736	209,281
Acquisitions	1,520	1,261
Divestments	–519	–
Redemption of shares	–1,487	–
Revaluations disclosed in Income Statement	85,339	23,193
BS Carrying amount at year-end	**318,589**	**233,736**

Note P9 Other long-term holdings of securities

	12/31 2021	12/31 2020
Opening balance	103,631	105,721
Acquisitions	–	2,118
Divestments	–	–13
Revaluations disclosed in Income Statement	42,914	–4,195
BS Carrying amount at year-end	**146,545**	**103,631**

Note P10 Receivables from Group companies

	12/31 2021	12/31 2020
Opening balance	12,395	17,112
New lending	2,101	337
Reclassifications	–	–3,925
Unrealized change in value[1]	367	–1,129
BS Carrying amount at year-end	**14,863**	**12,395**

1) Loss allowance for expected credit losses on internal loans are recognized if the risk for credit losses has increased significantly. If contractual payments are more than 30 days past due, the credit risk is considered significantly increased. There are no payments past due and no loss allowance has therefore been recognized.

Note P11 Prepaid expenses and accrued income

	12/31 2021	12/31 2020
Accrued interest income	33	31
Other financial receivables	0	3
Other	16	18
BS Total	**48**	**51**

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Note P12 Provisions for pensions and similar obligations

For more information see note 27, Provision for pensions and similar obligations.

Amounts recognized in Profit/loss for the year and Other Comprehensive income for defined benefit plans

Components of defined benefit cost (gain –)	2021	2020
Net interest expense	1	1
Total financial cost	**1**	**1**
Components recognized in profit or loss	**1**	**1**

Remeasurement on the net defined benefit liability (gain –)	2021	2020
Actuarial gains/losses, financial assumptions	–1	–3
Actuarial gains/losses, experience adjustments	–3	–1
Components in Other Comprehensive income	**–5**	**–3**

Provision for defined benefit plans

The amount included in the Balance Sheet arising from defined benefit plan	12/31 2021	12/31 2020
Present value of unfunded obligations	108	109
Total present value of defined benefit obligations	**108**	**109**
BS Net liability arising from defined benefit obligations	**108**	**109**

Changes in the obligations for defined benefit plans during the year	12/31 2021	12/31 2020
Defined benefit plan obligations, opening balance	109	112
Interest cost	1	1
Remeasurement of defined benefit obligations		
Actuarial gains/losses, financial assumptions	–1	–3
Actuarial gains/losses, experience adjustments	–3	–1
Exchange difference on foreign plans	–	–
Benefit paid	–3	–4
Other	7	3
Obligations for defined benefit plans at year-end	**108**	**109**

Assumptions

Assumptions for defined benefit obligations	12/31 2021	12/31 2020
Discount rate	1.8	0.8
Future pension growth	2.0	2.0
Mortality assumption used	DUS14	DUS14

In the Parent Company Swedish mortgage backed bonds have been used as reference when determining the discount rate used for the calculation of the defined benefit obligation. The market for high quality Swedish mortgage backed bonds is considered to be deep and thereby fulfill the requirements of high quality corporate bonds according to IAS 19.

Defined contribution plans

Defined contribution plans	2021	2020
Expenses for defined contribution plans	46	39

Note P13 Other provisions

	12/31 2021	12/31 2020
Provisions expected to be paid after more than 12 months		
Provision for social security contributions for LTVR	19	31
Other	9	10
BS Total non-current other provisions	**28**	**41**
Provisions expected to be paid within 12 months		
Provision for social security contributions for LTVR	66	24
Other	–	–
BS Total current provisions	**66**	**24**
Total other provisions	**94**	**65**

Provision for social security contributions for long-term share-based remuneration (LTVR)
Investor operates LTVR programs which are offered to all employees. Provision is made for social security contributions connected to these programs. The provision will be used during the years 2022-2027.

Other
Other provisions are considered immaterial to specify.

12/31 2021	Social security LTVR	Other	Total other provisions
Opening balance	55	10	64
Provisions for the year	49	–	49
Reversals for the year	–18	–1	–19
Carrying amount at year-end	**85**	**9**	**94**
12/31 2020			
Opening balance	53	12	65
Provisions for the year	21	–	21
Reversals for the year	–19	–3	–22
Carrying amount at year-end	**55**	**10**	**65**

Note P14 Interest-bearing liabilities

	12/31 2021	12/31 2020
Long-term interest-bearing liabilities		
Bond loans	37,557	37,372
Related interest rate derivatives with negative value	–	268
BS Total	**37,557**	**37,640**
Short-term interest-bearing liabilities		
Bond loans	718	3,718
Related interest rate derivates with negative value	228	–
BS Total	**946**	**3,718**
Total interest-bearing liabilities and derivatives	**38,503**	**41,358**

	12/31 2021	12/31 2020
Carrying amounts		
Maturity, less than 1 year from balance sheet date	946	3,718
Maturity, 1-5 years from balance sheet date	7,156	7,959
Maturity, more than 5 years from balance sheet date	30,401	29,681
Total	**38,503**	**41,358**

Changes in liabilities arising from financing activities

			Non-cash changes				
12/31 2021	Opening balance	Cash flows	Reclassifications	Foreign exchange movements	Fair value changes	Other	Amount at year-end
Long-term interest-bearing liabilities	37,640	–	–813	734	–20	16	37,557
Current interest-bearing liabilities	3,718	–3,700	813	57	1	56	946
Total liabilities from financing activities	**41,358**	**–3,700**	**–**	**791**	**–19**	**72**	**38,503**

			Non-cash changes				
12/31 2020	Opening balance	Cash flows	Reclassifications	Foreign exchange movements	Fair value changes	Other	Amount at year-end
Long-term interest-bearing liabilities	37,164	6,095	–3,700	–1,883	–91	56	37,640
Current interest-bearing liabilities	–	–	3,700	74	–	–56	3,718
Total liabilities from financing activities	**37,164**	**6,095**	**–**	**–1,809**	**–91**	**–**	**41,358**

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Note P15 Financial instruments

Accounting policies

For accounting policies see note 31, Financial instruments.

Financial assets and liabilities by valuation category

12/31 2021	Financial instruments measured at fair value through profit/loss: Financial assets/liabilities excluding derivatives used in hedge accounting	Financial instruments measured at fair value through profit/loss: Derivatives used in hedge accounting	Financial instruments measured at amortized cost	Total carrying amount	Fair value
Financial assets					
Other long-term holdings of securities	146,545			146,545	146,545
Participations in associates	318,589			318,589	318,589
Receivables from Group companies (non-current)		741	14,122	14,863	14,863
Accrued interest income			33	33	33
Trade receivables			0	0	0
Receivables from Group companies (current)			321	321	321
Receivables from associates			0	0	0
Other receivables			0	0	0
Total	**465,134**	**741**	**14,476**	**480,351**	**480,351**
Financial liabilities					
Long-term interest-bearing liabilities			37,557	37,557	44,270[1)]
Liabilities to Group companies (non-current)		1,563	5,472	7,035	7,035
Other long-term liabilities			33	33	33
Current interest-bearing liabilities	228		718	946	950[1)]
Trade payables			17	17	17
Liabilities to Group companies (current)			11,368	11,368	11,368
Liabilities to associates (current)			0	0	0
Accrued interest expenses			591	591	591
Other liabilities	128		21	150	150
Total	**357**	**1,563**	**55,778**	**57,697**	**64,414**

1) The Parent Company's loans are valued at amortized cost. Fair value on loans are presented in the table. For other assets and liabilities there are no differences between carrying amount and fair value.

Financial assets and liabilities by valuation category

12/31 2020	Financial instruments measured at fair value through profit/loss: Financial assets/liabilities excluding derivatives used in hedge accounting	Financial instruments measured at fair value through profit/loss: Derivatives used in hedge accounting	Financial instruments measured at amortized cost	Total carrying amount	Fair value
Financial assets					
Other long-term holdings of securities	103,631			103,631	103,631
Participations in associates	233,736			233,736	233,736
Receivables from Group companies (non-current)		769	11,626	12,395	12,395
Accrued interest income			33	33	33
Trade receivables			0	0	0
Receivables from Group companies (current)			4,087	4,087	4,087
Receivables from associates			0	0	0
Other receivables			1	1	1
Total	**337,367**	**769**	**15,748**	**353,884**	**353,884**
Financial liabilities					
Long-term interest-bearing liabilities	269		37,372	37,640	45,512[1)]
Liabilities to Group companies (non-current)		1,621	5,472	7,094	7,094
Other long-term liabilities			15	15	15
Current interest-bearing liabilities			3,718	3,718	3,887[1)]
Trade payables			14	14	14
Liabilities to Group companies (current)			8,911	8,911	8,911
Liabilities to associates (current)			0	0	0
Accrued interest expenses			590	590	590
Other liabilities	71		18	89	89
Total	**339**	**1,621**	**56,111**	**58,071**	**66,113**

1) The Parent Company's loans are valued at amortized cost. Fair value on loans are presented in the table. For other assets and liabilities there are no differences between carrying amount and fair value.

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Note P15 *Financial instruments*

Result from financial assets and liabilities by valuation category

2021	Financial assets and liabilities measured at fair value through profit/loss			Financial assets and liabilities measured at amortized cost		
	Financial assets excluding derivatives used in hedge accounting	Financial liabilities excluding derivatives used in hedge accounting	Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
Operating profit/loss						
Dividends	10,286					10,286
Changes in value, including currency	128,243	–55				128,188
Net financial items						
Interest		14	–41	653	–1,493	–867
Changes in value		8	27	1	73	109
Exchange rate differences		32	–	474	–939	–433
Total	**138,528**	**–1**	**–13**	**1,128**	**–2,360**	**137,283**

2020	Financial assets excluding derivatives used in hedge accounting	Financial liabilities excluding derivatives used in hedge accounting	Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
Operating profit/loss						
Dividends	6,433					6,433
Changes in value, including currency	19,023	–27				18,996
Net financial items						
Interest		10	–42	760	–1,419	–691
Changes in value		24	46	–152	66	–15
Exchange rate differences		–36	–	–801	1,791	954
Total	**25,456**	**–28**	**4**	**–194**	**439**	**25,677**

Assets and liabilities measured at fair value

The table below indicates how fair value is measured for the financial instruments recognized at fair value in the Balance Sheet. The financial instruments are categorized on three levels, depending on how the fair value is measured:

Level 1: According to quoted prices (unadjusted) in active markets for identical instruments
Level 2: According to directly or indirectly observable inputs that are not included in level 1
Level 3: According to inputs that are unobservable in the market

Financial assets and liabilities by level	12/31 2021					12/31 2020				
	Level 1	Level 2	Level 3	Other[1]	Total	Level 1	Level 2	Level 3	Other[1]	Total
Financial assets										
Participations associates	316,233	2,355			318,589	231,632	2,104			233,736
Receivables from Group companies (non-current)			714	14,149	14,863			769	11,626	12,395
Other long-term holdings of securities	146,539		7		146,545	103,624		7		103,631
Total	**462,772**	**2,355**	**721**	**14,149**	**479,997**	**335,256**	**2,104**	**776**	**11,626**	**349,762**
Financial liabilities										
Liabilities to Group companies (non-current)			1,563	5,472	7,035			1,621	5,472	7,094
Long-term interest-bearing liabilities				37,557	37,557		269		37,372	37,640
Current intrest-bearing liabilities		228		718	946				3,718	3,718
Other current liabilities		128		21	150		71		18	89
Total	**–**	**357**	**1,563**	**43,768**	**45,688**	**–**	**339**	**1,621**	**46,581**	**48,541**

1) To enable reconciliation with balance sheet items, financial instruments not valued at fair value as well as other assets and liabilities that are included within balance sheet items have been included within Other.

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Note P15 *Financial instruments*

The table below shows a reconciliation between opening and closing balance for the financial instruments recognized at fair value in the Balance Sheet derived from a valuation technique of unobservable input (level 3). No transfers have been made between level 1 and 2.

Changes of financial assets and liabilities in level 3

12/31 2021	Other long-term holdings of securities	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Total financial liabilities
Opening balance	7	769	775	1,621	1,621
Total gains or losses in profit/loss		-55	-55	-58	-58
Acquisitions					
Divestments					
Carrying amount at year-end	**7**	**714**	**720**	**1,563**	**1,563**
Total gains or losses for the period included in profit/loss for financial instruments held at the end of the period (unrealized results)					
Changes in value	–	-55	-55	-58	-58
Total	**–**	**-55**	**-55**	**-58**	**-58**

12/31 2020	Other long-term holdings of securities	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Total financial liabilities
Opening balance	7	1,083	1,089	1,979	1,979
Total gains or losses in profit/loss		-314	-314	-358	-358
Acquisitions					
Divestments					
Carrying amount at year-end	**7**	**769**	**775**	**1,621**	**1,621**
Total gains or losses for the period included in profit/loss for financial instruments held at the end of the period (unrealized results)					
Changes in value	–	-314	-314	-358	-358
Total	**–**	**-314**	**-314**	**-358**	**-358**

Note P16 Accrued expenses and deferred income

	12/31 2021	12/31 2020
Accrued interest expenses	591	590
Personnel-related expenses	83	93
Other	27	26
BS Total	**701**	**709**

Note P17 Pledged assets and contingent liabilities

	12/31 2021	12/31 2020
Pledged assets		
In the form of pledged securities for liabilities and provisions		
Shares	268	0
Total pledged assets	**268**	**0**
Contingent liabilities		
Guarantees on behalf of Group companies	–	–
Guarantees on behalf of associates	–	–
Total contingent liabilities	**–**	**–**

Note P18 Related party transactions

The Parent Company is related with its subsidiaries and associated companies see note P7, Participations in Group companies and note P8, Participations in associates.

For related party transactions with other related party, see note 33, Related party transactions.

Related party transactions

	Group companies		Associates		Other related party	
	2021	2020	2021	2020	2021	2020
Sales of products/services	2	3	0	4		
Purchase of products/services	12	11	2	4		
Financial expenses	322	331				
Financial income	775	888				
Dividend received			7,121	2,911		
Dividend paid					2,149	1,381
Capital contributions	800	8,572				
Receivables	15,184	16,482				
Liabilities	18,403	16,005				

Auditor's Report

To the general meeting of the shareholders of Investor AB (publ) corporate identity number 556013-8298

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Investor AB (publ) for the financial year January 1, 2021 – December 31, 2021 except for the corporate governance statement on pages 45-54 and the statutory sustainability report on pages 8-9, 11-15, 24-32,41-43 and 117-124. The annual accounts and consolidated accounts of the company are included on pages 8-15,36-37,42-124 in 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 of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their 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 cover the corporate governance statement on pages 44-54 and the statutory sustainability report on pages 8-9, 11-15, 24-32, 41-43 and 117-124. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 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 opinions.

Key Audit Matters

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

Governance over financial reporting

The companies within Patricia Industries are independent with separate internal control systems in place for their operating activities as well as processes for financial reporting.

Our audit focused on the internal governance over financial reporting for several reasons. Firstly, it is important to ensure that the information reported by each entity is prepared in accordance with IFRS. Secondly, it is important to have well established procedures to ensure timely and correct financial reporting. Thirdly, monitoring controls are important to ensure high quality reporting.

Investor's information regarding the principles applied for its consolidated financial statements are included in Note 1 Significant accounting policies and in Note 20 Shares and participation in associates further explanation on the method for accounting for associates is provided.

Our audit procedures included, but were not limited to:

- evaluating Investor's processes relating to internal controls over financial reporting and testing of relevant controls,
- evaluating relevant internal controls in relation to critical IT-systems used for financial reporting,
- evaluating Investor's monitoring controls over financial information reported from consolidated subsidiaries and associates reported under the equity method.

Valuation of listed and unlisted investments

Investor group's carrying value of listed investments amounted to SEK 601,124 million as of December 31, 2021.

We focused on the listed investments since the carrying value is significant, there is a risk that changes in ownership might not be properly recognized, and effects of dividend received might not be properly reflected in the carrying value.

Investor's principles for accounting for listed investments, disclosures regarding the investments and description of measurement of financial instruments are included in Note 31 Financial instruments.

Our audit procedures included, but were not limited to::

- evaluating the valuation process and testing of relevant controls,
- validating the holdings towards external statements,
- validating the fair value calculation arithmetically and comparing values to official share prices,
- evaluating the adequacy of disclosures relating to valuation of listed investments to ensure compliance with IFRS.

Investor group's carrying value of unlisted investments recognized at fair value amounted to SEK 33,756 million as of December 31, 2021. Investor's valuation policy is based on IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines. Inappropriate judgements made in the assessment of fair value could have a significant impact on the value of the unlisted investment.

We focused on the unlisted investments since the carrying value is material, the investment portfolio comprises a large number of unlisted securities and since the assessments made to arrive at the fair value is sensitive to judgements and estimates made.

Investor's principles for accounting for unlisted investments, disclosures regarding these investments and description of measurement of financial instruments are included in Note 31 Financial instruments.

Our audit procedures included, but were not limited to:

- evaluating the valuation process and testing of relevant controls,
- validating correct ownership percentages in and proper accounting for changes in such ownership,
- validating that the methodology applied in the valuation of the portfolio companies is in accordance with IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines,
- evaluating the relevance of multiples used in Patricia Industries' portfolio companies' estimated enterprise value calculations against market multiples from relevant transactions or market data.

Valuation of goodwill

Investor's acquisitions of Mölnlycke, Permobil, BraunAbility, Laborie, Sarnova, Piab and Advanced Instruments have led to a portion of the purchase price being allocated to intangible assets including goodwill. Changes in economic conditions or lower than expected development of performance may be indicators of potential impairment of the recoverable amount of these assets and hence the consolidated net asset value of Investor. The total carrying amount of goodwill relating to these holdings amounted to SEK 55,437 million as of December 31, 2021.

We focused on the assessments of the carrying value for the holdings above since value of goodwill is material and as the assessment of the recoverable amount may be sensitive to changes in assumptions.

Investor's disclosures regarding intangible assets are included in Note 16 Intangible assets, which specifically explains key assumptions used in the assessment of the recoverable amounts.

Our audit procedures included, but were not limited to:

- evaluating of management's annual process for impairment test of the carrying goodwill value,
- validating the valuations and financial development of each entity and discussing historical performance with management,
- by involving our valuation specialists, evaluating assumptions made in management's impairment tests such as weighted average cost of capital, perpetual growth rate, prospected revenue and profit growth, as well as comparing to historic performance and other benchmark data,
- evaluating the sensitivity of key assumptions,
- evaluating the adequacy of the disclosures related to valuation of goodwill and to ensure compliance IFRS.

Other information than the annual accounts and consolidated accounts

The other information consists of the remuneration report as well as the pages 1-7, 16-35 and 38-41 in this document that also contains other information than the annual accounts and conslidated accounts. The Board of Directors and the Managing Director 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 identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

Responsibilities of the Board of Directors and the Managing Director

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms 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 also audited the administration of the Board of Directors and the Managing Director of Investor AB (publ) for the financial year January 1, 2021 – December 31, 2021 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Investor AB (publ) for the financial year 2021-01-01 – 2021-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Investor AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed.
RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also includes an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance statement on pages 44-54 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 8-9, 11-15, 24-32, 41-43 and 117-124, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory 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 statutory sustainability report has been prepared.

Deloitte AB, was appointed auditor of Investor AB (publ) by the general meeting of the shareholders on the 2020-06-17 and has been the company's auditor since 2013-04-15.

Stockholm March, 2022
Deloitte AB

Jonas Ståhlberg
Authorized Public Accountant

Sustainability Notes

Sustainability reporting
Investor's Sustainability Report 2021 is integrated in the Annual Report and covers the calendar year 2021. The content is mainly found on pages 8-9, 11-15 and in this supplement on pages 117–125.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core option, as well as the disclosure requirements set out in the Swedish Annual Accounts Act. The wholly-owned subsidiaries have sustainability sections on pages 24-33. The listed companies and a number of the companies within Patricia Industries also publish their own sustainability reports. The sustainability report has been limited assured by our auditors, Deloitte.

In 2021 the number of major portfolio companies was maintained at 24. This does however represent two underlying changes in the year. Grand Group was divested and Atlas Antibodies, formerly included within Financial Investments, is recognized as a wholly-owned subsidiary. 2021 is the first year that Advanced Instruments is included in the sustainability KPIs since it was acquired in the fourth quarter of 2020.

Our sustainability work is also disclosed on our website where our Sustainability Policy, Code of Conduct, guiding principle on tax, TCFD report and whistleblowing procedures are available. A mapping of Investor's existing sustainability reporting with references to SASB metrics is also available on our webpage. Investor reports its Communication of Progress to the UN Global Compact and climate data to CDP.

Governance and approach
Investor's Board of Directors has decided on a policy framework that sets the principles for how Investor should act as a responsible owner and company. The policies are reviewed and approved on an annual basis. The Board of Directors is responsible for Investor's overall strategy, including the approach to integrate sustainability aspects as part of our value creation. The CEO has overall responsibility for Investor's business strategy including for example climate-related issues and business ethics.

Risk assessments are conducted continuously in the day to day business at Investor. A comprehensive risk assessment is made each year to identify and evaluate existing and emerging risks to mitigate. This assessment encompasses all categories of risks and involves the Management Group, representatives from the whole organization, the control functions as well as input from the subsidiaries. Material risks are compiled in a company-wide risk map. When needed, action plans are defined and implemented to minimize the probability and impact of identified risks. The conclusions drawn from the risk assessments are discussed and confirmed with the Board. The CEO and Management Group continuously follow up on the implementation of action plans and report back to the Board.

The Management Group decides on the development and execution of the sustainability approach and within the Management Group the Head of Corporate Communication & Sustainability is responsible for coordinating and driving the overall sustainability work. The managerial responsibility for responsible investments lies within the investment organization. The Heads of Listed Companies and Patricia Industries are responsible for integrating sustainability into the investment and ownership strategies, including risk assessment, due diligence, continuous monitoring and follow-up. Investor's board representative together with the business teams engage with the companies at least yearly regarding sustainability.

Investor also has a dedicated sustainability team that together with the business teams drive specific sustainability related projects across all three focus areas. All employees within Investor have a responsibility to work in line with the overall sustainability strategy. Investor conducts sustainability training for employees regularly and at least yearly.

Stakeholder engagement
Investor continuously monitors its most significant economic, environmental and social impacts to ensure that Investor addresses the most important issues to its stakeholders. Key stakeholder groups have been identified based on their interest and potential impact from and on Investor's operations.

Stakeholders	Methods of engagement	Key topics
Employees incl. existing and potential	• Regular communication and meetings • Annual and semi-annual performance reviews • Employee surveys • Interviews and workshops • External surveys concerning employer brand and student perception • Internship programs	• Business ethics and governance • Diversity and inclusion • Employee development • Work-life balance • Climate
Investors and Analysts	• Annual Report and Interim Reports • Webcasts, website and press releases • Sustainability assessment/ surveys • Capital Market Days • Investor and analysts meetings and roadshows • Annual General Meetings	• Business ethics and governance • Economic performance • Climate • Diversity • Integrate sustainability in business model
Portfolio Companies	• Regular communication and meetings • Active representation on boards • Investor Sustainability Network • Annual assessment and follow-up	• Business ethics and governance • Climate and resource efficiency • Diversity and inclusion
Society incl. authorities, universities, experts, business partners, NGOs and media	• Annual Reports • Meetings with scientists and experts • Community engagement and dialog • Memberships and partnerships	• Compliance with laws and regulations • Transparency and reporting • Integrate sustainability in business model • Business ethics and governance • Environment and climate • Diversity and inclusion

The table shows the key stakeholder groups, methods we use to engage with them and the key sustainability topics raised.

Investor's most significant sustainability topics have been identified and prioritized via ongoing engagements, dialogs, group meetings, and interviews with stakeholders through different channels and methods. Most of them are integrated in our regular work through for example ongoing dialog with investors, analysts, employees, suppliers and partners.

Materiality assessment

The first materiality analysis was performed in 2016 and in 2019 we conducted an updated stakeholder dialog to reaffirm the results and prioritize the most material topics going forward. The stakeholders raised the importance of Investor encouraging the portfolio companies to create sustainable business models and work in a sustainable way. All of our stakeholders stress the importance of active governance of sustainability issues both as a company and as an owner in order to secure Investor's long-term attractiveness as an investment. The results from different stakeholders showed great similarities when it comes to what was most valued. Topics that have been raised by our key stakeholders are governance, business ethics, anti-corruption, climate and diversity. All stakeholders considered these topics to be very important.

Material topic	Boundary and impact
Business Ethics & Governance	Impact within and outside the organization. Ethical business conduct is the foundation for our and our portfolio companies' long-term success. The information regarding the material topic covers Investor AB and aggregated data for our portfolio companies.
Diversity & Inclusion	Impact within and outside the organization. Investor views both diversity and inclusion as business imperatives and believes the value that is created benefits society at large. The information regarding the material topic covers Investor AB and aggregated data for our portfolio companies.
Climate & Resource Efficiency	Impact mainly outside the organization. Small direct impact from Investor AB and main impact is indirect through the operations of our portfolio companies. Investor reports scope 1, 2 and 3 emissions. Our scope 3 emissions includes our portfolio companies' scope 1 and 2 emissions.

Policy and strategic documents

The Sustainability Policy sets the framework for Investor's sustainability approach and work. The Sustainability Policy and other policies and strategic documents cover areas such as governance and climate.

Areas	Policy and strategic documents
Compliance with laws and business ethics Fair competition Human Rights International standards	• Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Governance, Risk and Compliance Policy • Work Environment Procedures • Risk Management Procedures • Diversity and Inclusion Plan • Employee Handbook • Tax Policy
Bribery and corruption Conflict of interest Political donations	• Code of Conduct (incl. Anti-bribery and Anti-corruption Policy) • Gift and Benefit Procedures • Risk Management Procedures • Inside Information Policy • Employee Handbook
Diversity and non-discrimination	• Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Diversity and Inclusion Plan • Employee Handbook • Work Environment Procedures
Working conditions and employee development	• Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Employee Handbook • Work Environment Procedures
Environment and climate	• Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Employee Handbook (incl. Travel Policy)

Memberships and partnerships

Investor is a member of the UN Global Compact and supports the ILO conventions, Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises. Investor is also a member in Sida's Swedish Investors for Sustainable Development with the aim of developing more efficient performance indicators and processes to measure development of the UN Sustainable Development Goals.

Investor aims to continuously generate sustainable, economic value and simultaneously have a positive impact on society and the environment, thus creating shared value. In 2021, our total paid dividend amounted to SEK 10.7bn, whereof approx. SEK 2.5bn, was distributed to our lead owners, the Wallenberg Foundations, whose purpose is to grant funding to scientific research in Sweden. Investor strives to be a good corporate citizen and also supports organizations such as IVA, SNS, Chambers of Commerce, Business Challenge and Young Enterprise Sweden. The areas we prioritize are youth, education and entrepreneurship.

Investor formed a Sustainability Network in 2017 where key sustainability personnel in our portfolio companies normally meet three to four times per year to discuss different challenges and opportunities. In 2021, the Investor Sustainability Network met virtually six times.

Business Ethics & Governance

Governance and approach

Acting responsibly and ethically is crucial for Investor to maintain a high level of credibility. The risk for unethical behavior within Investor's organization or in our portfolio companies could have a significant negative effect on both Investor, the portfolio companies and other stakeholders. Unethical behavior could also affect the future development of the business.

Investor's Board of Directors has decided on a policy framework that sets the principles for how Investor should act as a responsible owner and company. These topics are addressed in our Code of Conduct and other documents such as our policies for sustainability, anti-corruption and whistleblowing. Our Code of Conduct guides all employees in their day to day work based on our values as well as policies. The Code of Conduct applies to all employees, Boards of Director and company representatives. All employees are expected to comply with our policies and confirm their adherence by signing Investor's Code of Conduct yearly.

Investor has zero tolerance for corruption and bribery. We also have internal procedures approved by the Management Group, aimed at providing guidance to evaluate what is appropriate and not appropriate in professional relations regarding, among other things, gifts and benefits. Gifts and benefits given and received shall always be characterized by openness and moderation. In doubtful situations, the immediate manager shall always be informed and consulted. Investor's Legal department is also available for guidance. We hold regular trainings and all policies and procedures are available on Investor's intranet.

We strive to maintain a transparent business climate and high business ethics and we value the safety and respect of everyone affected by our business. Through our external whistleblower system, both employees and other external parties can report suspected violations of law or business ethics. Investor's employees are an important source of insight for revealing possible misconduct that needs to be addressed.

The whistleblowing procedure is prepared and managed by Compliance and approved by Investor's Management Group. The purpose of the whistleblowing channel is to encourage employees and other stakeholders to blow the whistle on suspected misconduct without any risk of retaliation, as well as to ensure an appropriate investigation process. Reports are handled confidentially by representatives at Investor's Legal department. Access to messages received through the channel is restricted. Representatives from the Legal department decide if and how a whistleblowing report should be escalated based on established investigation procedures. A summary of received reports is presented to the Board of Directors on an annual basis. In 2021, Investor received five reports through the whistleblowing channel, all were related to situations in our portfolio companies. All reports have been processed and managed in accordance with set investigations procedures.

Program covering governance, risk and compliance
To continuously develop and enhance ethical business conduct, risk management and compliance within the portfolio companies, Investor focuses on strengthening the governance structures surrounding these. Investor has a program that covers a range of areas within governance, ethics, risk and compliance. The areas are selected based on risk assessment and include ethical business conduct, trade compliance, anti-corruption, anti-bribery and whistleblowing. Investor uses a risk-based approach when reviewing the subsidiaries' work within the selected governance, risk and compliance areas.

In addition to the overall review a focus area is selected each year. In 2021 this was the companies' efforts and maturity within cyber and information security. Representatives from all wholly owned companies participated in an awareness training followed by a review of their own processes. Dialogs were also held with all listed companies about their efforts and maturity around cyber and information security. The reviews and dialogs were based on the elements of the NIST cyber security framework and the COBIT maturity model. Based on reviews and dialogs it is concluded that all companies have an active approach to continuously develop their processes to meet new threats. Asset management and third-party management are examples of areas that in some companies have been identified for further enhancement.

Focus areas 2018-2021
- Cyber and information security
- Corruption and bribery
- Board reporting
- Trade compliance
- Sustainability
- Supplier control
- Data privacy

Targets and outcomes
In 2021, all employees at Investor AB participated in training covering principles in the policy framework, among other things, the principles set in the Code of Conduct and procedures for gifts and benefits. All employees have signed the Code of Conduct which also includes the anti-bribery and anti-corruption policy.

The risk for bribery and corruption is evaluated continuously and also assessed on an annual basis as part of Investor's risk assessment process. Investor's policies and instructions are continuously monitored through controls and testing to deter non-compliance and reduce the risk for incidents. Any incidents are investigated and documented according to established investigation routines. Material incidents are reported to the Management Group and the Board and any corrective actions are taken. There have been no reported incidents at Investor relating to bribery and corruption during 2021.

Investor has a procurement process that defines roles and responsibilities when evaluating suppliers and products. Among other things suppliers and products should be evaluated in relation to quality, price, information security, business ethics, climate and human rights. There are regular follow-ups with suppliers, mostly through dialogs and assessments. Each subsidiary sets its own procedures for evaluation and audits of its suppliers. As an industrial holding company, our supply chain is neither extensive nor complex. The primary suppliers are office, software and hardware providers, consultancies and travel agents. Our own analysis shows limited sustainability related risks in our supply chain. Suppliers are primarily active in Nordic countries and there have been no major changes of suppliers during 2021.

Our portfolio companies are expected to adhere to Investor's Sustainability Guidelines (see page 14). The guidelines define the expectations applicable to all portfolio companies to conduct their operations in a responsible and ethical manner. They require, among other things, that our portfolio companies have adequate policies, processes and resources to manage and monitor business ethics, and that they have secure whistleblowing systems in place.

A key priority for Investor is to ensure full compliance of the requirements in the Sustainability Guidelines. Investor continuously monitors the portfolio companies' development and progress. Both through reviews, dialogs and the annual sustainability self-assessment questionnaire.

Portfolio companies	2021	2020	2019
Companies that have signed the UN Global Compact	96%	96%	95%
Companies that have a whistleblowing channel	100%	100%	100%
Companies that have an anti-corruption policy	100%	100%	100%
Companies that have a Code of Conduct	100%	100%	100%
Companies that have a human rights policy	100%	100%	95%
Companies that have a health and safety policy	100%	100%	100%

The business teams within Investor develop value creation plans for each portfolio company which include business ethics and sustainability. Progress within the portfolio companies regarding business ethics and the sustainability guidelines are monitored regularly and if a serious sustainability related issue occurs in one of our companies, Investor's business team is responsible for raising the matter and for monitoring the steps the company takes to address the issue.

Diversity & Inclusion

Governance and approach
Investor strongly believes that building long-term successful companies require people with different competences, perspectives and experiences. Diverse teams characterized by inclusion stimulate innovation and drive better decision-making. This is key for companies to outperform.

Our diversity and inclusion policy is part of our Sustainability Policy, approved by the Board of Directors and includes diversity and inclusion targets. Our approach and procedures are summarized in the Diversity and Inclusion Plan, which is approved by the Management Group and is aimed at providing guidance on how to embrace inclusion and diversity and execute on the policy as a company.

Our aspiration is that all employees are encouraged and comfortable to express opinions and constructive ideas. We aim for our employees to feel a sense of belonging and feel valued as individuals. To create a workplace and a culture that is inclusive and free from discrimination, we have a special focus on six areas: sustainable and inclusive working conditions, to facilitate to combine work and parenthood, a structured process for professional development so that everyone can reach their full potential, a structured recruitment process with the aim to reach the total talent pool and avoiding unconcious bias, a fair and marketbased remuneration without unreasonable differences, and a zero-tolerance against any kind of harassment or discrimination. A Diversity and Inclusion group, made up of employee representatives and representatives from the Extended Management Group, actively collaborates on initiatives to further strengthen diversity and inclusion within Investor.

We are convinced that making use of the total available talent base builds stronger and more dynamic teams and we strive to expand our recruitment base. It is our ambition as a company to recruit from a broad talent base and contribute to a meritocratic business community free from unconscious bias. When it comes to equal pay, we conduct an annual salary evaluation to ensure that we provide equal compensation between genders. Investor mirrors the collective bargaining agreement for the banking community and offers our employees the same or better benefits.

Targets and outcomes
Investor has the target to maintain a gender balance of 40/60 in Investor's Group Management, meaning at least 40 percent of the underrepresented gender. In 2021, the proportion of women in

Investor AB's Management Group was 60 percent and 50 percent in the overall organization. At the end of 2021, the number of employees was 96 (headcount). Investor is well diversified in terms of age, gender and expertise. The average age among employees is 44 years.

Gender, women	2021	2020	2019
Employees [1]	50%	50%	48%
Managers	35%	39%	32%
Extended Management Group	57%	50%	50%
Management Group	60%	60%	60%
Board of Directors [2]	40%	44%	44%

Age group 2021	<30 years	30-50 years	>50 years
Employees [1]	17	34	45
Extended Management Group	0	3	4
Board of Directors [2]	0	0	9

1) Includes all employees (head count), including the members of the Management Group.
2) Board of Directors excluding the CEO.

Investor conducts employee engagement surveys on a regular basis. Previously performed annually, in 2021 we moved to a quarterly cadence, with each of the surveys targeting different areas like Values and Diversity and Inclusion. The surveys in 2021 came out with strong results versus the external benchmark. The engagement score was top 5 percent of a global finance benchmark. Our strongest scores are linked to strategy and organizational fit.

Investor measures perceived level of inclusion among our employees as well as their ability as individuals to make an impact and contribute to the overall strategy. In 2021, employees reported a high level of inclusion compared to external benchmark, scoring on average 8.9 (scale 1-10). On belonging and on feeling valued, the scores were 8.9 as well. The main area to work on is career development.

Employee survey	2021	2020
Employee Inclusion average score (scale 1-10)	8.9	8.9
Employee Engagement average score (scale 1-10)	9.0	9.0
Employee Net Promoter Score (eNPS scale –100 to 100)	76.5	80.0

	2021		2020	
Employee turnover	Women	Men	Women	Men
Number of new employee hires	2	4	7	3
Rate of new employee hires	2%	4%	7%	3%
Number of employee turnover	1	1	4	3
Rate of employee turnover [1]	2%	2%	9%	7%
Employment contract				
Number of permanent employees	47	46	45	44
Number of temporary employees [2]	1	2	2	3
Employment type				
Number of full-time employees	45	46	43	44
Number of part-time employees	3	2	4	3
Parental leave				
Average time on parental leave, weeks [3]	15	11	16	9

1) The turnover is calculated on the average number of employees during the year. The total turnover was 2 percent and includes retirement, moves to subsidiaries and normal attrition. With a relatively low total headcount number, the turnover tends to vary year over year.
2) The three temporary employees are located at the Stockholm office.
3) Data for the Stockholm office. Investor aims for a more equal balance in the use of parental leave between the genders.

People Data[1] December 31	2021	2020	2019
Number of employees	96	94	89
Personnel turnover	2%	8%	15%
Average sick leave[2]	0.4%	1.9%	1.5%

Employees	2021	2020	2019
Stockholm	82	79	76
New York	12	12	10
Amsterdam	1	2	2
Palo Alto	1	1	1

1) Excluding wholly-owned subsidiaries.
2) Percentage of total time. Data collected from HR and remuneration systems in the Stockholm office.

Investor encourages the portfolio companies to actively promote diversity and inclusion and has set diversity and inclusion targets for our portfolio. The first target is to ensure that all portfolio companies measure the perceived level of inclusion among employees on a regular basis. The second target is to reach a gender balance of 40/60 in the portfolio companies' board of directors and executive management teams from an overall portfolio perspective by 2030.

Our portfolio companies report progress yearly on the basis of voluntary and self-reported data. In 2021, all companies reported that they have policies covering diversity and anti-discrimination and 83 percent of our companies have a commitment or target related to diversity, mainly focused on gender. 92 percent of our companies measured the perceived level of inclusion among employees.

The average proportion of women in the companies' management groups amounts to 26 percent. The average age is 52 and there are 23 nationalities represented. The five most common nationalities are Swedish, American, Danish, British and Finnish. Among the Swedish portfolio companies, the management groups have on average 41 percent Non-Swedish members.

Portfolio Management Groups, women	2021	2020	2019
Listed Companies	21.0%	22.3%	21.4%
Patricia Industries	33.2%	30.2%	28.2%
EQT AB	12.5%	14.3%	16.7%
Average share of women	**25.7%**	**25.0%**	**24.0%**

Portfolio Management Groups, nationalities	2021	2020	2019
Listed Companies	22	23	21
Patricia Industries	12	11	13
EQT AB	5	3	3
Total number of different nationalities	**23**	**23**	**21**

Participating in nomination committees, in order to compose the best possible board for each company, is one of Investor's most important tasks as an owner. Investor is represented in eleven nomination committees in the listed companies. In eight of these, Investor has female representation.

The average proportion of women in the companies' boards of directors amounts to 34 percent. The average age is 58 and there are 15 nationalities represented. The most common nationalities are Swedish, American, British, Canadian and Belgian. Among the Swedish portfolio companies, the boards of directors have on average 30 percent Non-Swedish members.

Portfolio Board of Directors, women	2021	2020	2019
Listed Companies	38.8%	36.5%	34.6%
Patricia Industries	25.7%	19.8%	12.9%
EQT AB	50.0%	37.5%	16.7%
Average share of women	**33.8%**	**30.0%**	**24.9%**

Portfolio Board of Directors, nationalities	2021	2020	2019
Listed Companies	14	14	15
Patricia Industries	7	7	8
EQT AB	4	4	2
Total number of different nationalities	**15**	**14**	**15**

In the reported diversity data, executive directors are excluded from the Board of Directors (e g CEO) to prevent double counting as they are included in the Management Groups.

Climate & Resource Efficiency

Governance

As a long-term owner, we both need to take into account risks and take advantage of opportunities resulting from climate change. Our aim is to contribute to the transition to a society with net-zero greenhouse gas emissions. Investor is committed to the Paris Agreement and has set long term targets for Investor as a company and for Investor's portfolio of companies.

The Governance structure (page 117-118) describes the approach to Investor's business strategy including climate-related issues.

Each business area is responsible for driving the implementation of our sustainability strategy and assessing potential risks and opportunities related to climate change. Investor also has a dedicated sustainability team that together with the business teams drive specific sustainability related projects including climate-related topics.

During the year, Investor has performed a number of activities to increase its knowledge and expertise in climate issues. Investor held several presentations and trainings for employees regarding sustainability and our focus areas during the year.

Strategy and risk management

Investor AB's investment strategy is based on the conviction that sustainability strategies are fundamental for the long-term growth of our net asset value. Given Investor's long-term investment horizon it is crucial to take climate aspects into account in investment decisions. Climate-related risks and opportunities exist both in the short- and long-term perspective. In the shorter term, the transition to a low carbon society also means investment opportunities, e.g. companies with products and services that contribute to the transition to a low-carbon economy. Concurrently, there is a risk that our portfolio companies do not transform quickly enough to meet the demands for lower carbon emission solutions, impacting the long-term value of Investor's portfolio.

Many of our portfolio companies are sustainability leaders, such as Electrolux, ABB and Husqvarna. These companies have over many years developed products demanded by customers who require low carbon solutions.

Investment in research and development is important to secure the long-term competitiveness of our portfolio companies. Since Investor's ownership strategy is to engage in companies that are leaders in their industries, we continuously focus on their performance, technology position and research and development strategy to develop new innovative products. The future success of our companies depends on their capacity to drive change and to invest for the long-term in new solutions that are more resource efficient and that meet the needs of their customers. We monitor the companies' investments in research and development (R&D). In 2021, R&D expenses in our companies totaled SEK 155bn.

At Investor, climate-related issues are monitored continuously and once a year a more comprehensive analysis is conducted on all portfolio companies. As an owner we assess our portfolio's overall exposure to climate-related risks and opportunities. All 24 portfolio companies report their yearly sustainability performance to Investor. The collection of information is both through a sustainability reporting system and through follow-up dialog with each company. Climate calculations and analyses are performed for Investor's portfolio companies in order to identify companies' fossil fuel dependency and negative trends for carbon emissions.

It is likely that governments and international bodies such as EU will introduce various regulatory measures, which will increase the price of GHG emissions. Companies will likely also be indirectly impacted by a rise in energy costs, for example in the purchase of energy-intensive materials. Most of our portfolio companies have a comparably low carbon impact in relation to their respective industries and due to the spread of sectors (telecommunications, manufacturing, pharmaceuticals, banking) and geographical presence, it is unlikely that all of Investor's portfolio companies would be affected by increased price of GHG emissions at the same time.

The process of managing this risk involves fostering a commitment from our portfolio companies to continue to mitigate carbon emissions and adapt to a low carbon economy e.g. by developing climate strategies and committing to reduce their emissions in line with the Paris Agreement. Investor develops individual value creation plans for each portfolio company and drives the climate strategy through our board representation in the individual companies. Investor also monitors and follows our companies progress through dialog and reporting.

The business teams and sustainability team engage with our portfolio companies on a regular basis. In 2021, Investor engaged with our 24 companies regarding sustainability. Investor follows-up with the companies each year regarding water consumption, waste and greenhouse gas emissions.

Through Investor's Sustainability Network we meet the portfolio companies' Heads of Sustainability to discuss different sustainability challenges and opportunities. Investor Sustainability Network met six times during 2021. Four of the meetings focused on environment and climate, covering themes such as EU Taxonomy, Task Force on Climate-related Financial Disclosures (TCFD) and carbon capture. One meeting focused on human rights and one on sustainability overall.

Targets and outcomes

Investor has committed to the following climate targets:

- Reduce GHG emissions from Investor AB's scope 1 and 2 by 100 percent i.e. net zero by 2030.
- Reduce absolute GHG emissions from portfolio companies by 70 percent by 2030 compared to 2016 (the portfolio companies' scope 1 and 2).
- Accelerate our portfolio companies' climate strategies beyond their basic footprint, ensuring that all portfolio companies set relevant reduction targets related to their products, services or value chain (the portfolio companies' scope 3).

Investor sharpened its targets in 2021 to align with the Paris Agreement's aim of limiting global temperature rise to well below 1.5 degrees above pre-industrial levels, as the need for transition towards fossil free has grown even more imminent. Investor AB also joined the UN 'Race to Zero' initiative ahead of COP26 through the Exponential Roadmap Initiative. Previously Investor targeted a 50 percent reduction of its scope 1 and 2 and reduction of GHG emissions from portfolio companies (scope 1 and 2) by 50 percent by 2030.

Investor AB's greenhouse gas emissions

Investor AB's direct environmental impact is limited, but we take action to reduce our negative impact and carbon footprint. This includes cautious use of natural resources and energy as well as managing waste in an environmentally sound manner. Investor integrates environment and climate considerations into its business operations and risk assessments. Investor is a member of the UN Global Compact and follows its ten principles, which include the precautionary principle.

Investor has used the Science-based Target Setting Tool and the absolute contraction approach to identify the percentage of reduction needed to be in line with the Paris Agreement.

To meet its own 2030 net-zero targets Investor AB has set a climate roadmap with interim targets to break down progress into achievable shorter-term goals. For example, from a current position of 64 percent renewable energy the target is to reduce consumption by 3 percent yearly going forward, reaching at least 80 percent renewable energy by 2025. At that stage, the intention would be to also have a low-emission policy in place for company cars. The next milestone would be to reach 90 percent renewable energy and use a zero-emission vehicle fleet, which puts us in a strong position to reach 100 percent renewable energy. Additional measures taken to reach our target have included moving to a "train first" travel policy over air travel when relevant, promoting use of digital meeting technologies and promoting use of electric vehicle taxis or those running on renewable fuels. Other non-travel related proposals include increase of vegetarian food offerings to employees and extending life and usage of purchased IT equipment.

The energy consumption at our head office represents more than 65 percent of Investor's total consumption. In 2021, the total energy consumption in our offices amounted to 1,157 MWh compared to 1,102 MWh in 2020. In 2021, the scope 1 and 2 emissions for Investor AB equaled 77 tonnes, a reduction of 35 percent compared to 2016. The reduction compared to 2016 is mainly due to energy efficiency in offices and continued remote working due to covid-19 pandemic.

The emissions from scope 1 consist of company cars and the scope 2 emissions include purchased electricity and district heating for our offices in Stockholm, New York, and Amsterdam. Emissions from business travel are low this year due to continued impact from covid-19 on working practices.

GHG emissions, tonnes CO_{2e}	2021	2020	2019	2018	2016 base year
Scope 1	11	16	18	18	22
Scope 2 market based method	66	72	86	90	96
(Scope 2 location based method)	(81)	(91)	(98)	(103)	(112)
Investor's scope 1 and 2 [1)]	**77**	**88**	**103**	**108**	**118**

Scope 3 emissions, tonnes CO_{2e}	2021	2020	2019	2018	2016 base year
Equity share of portfolio emissions [2)]	254,100	280,800	325,900	345,900	351,000
Emissions from business travel [3)]	40	65	530	600	610
Other scope 3 emissions [4)]	50	50	140	160	170
Investor's scope 3	**254,190**	**280,915**	**326,570**	**346,660**	**351,780**

1) Total scope 1 and 2 emissions are calculated based on market based method.
2) Equity share includes the emissions from our portfolio companies' scope 1 and 2 emissions equal to the owned share of the companies. The figures for emissions have been restated compared to Annual Report 2020 due to updated data from portfolio companies. Please note that the portfolio target is set on the total level.
3) Emissions from business travel include for example air, rail, hotel nights and taxi.
4) Emissions from other activities include emissions from for example purchased IT equipment.

Emissions are reported in accordance with the Greenhouse Gas Protocol. Emissions are expressed in CO_{2e}, carbon dioxide equivalents, which means all relevant greenhouse gases are included. Definitions are presented on page 127.

Portfolio companies' greenhouse gas emissions

As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy. It is Investor's ambition to reduce the portfolio's carbon footprint by encouraging companies to reduce their carbon emissions in line with the Paris Agreement. Investor aims to strengthen the portfolio's resilience and has committed to reduce absolute GHG emissions from portfolio companies by 70 percent between 2016 and 2030.

The target includes the portfolio companies' total scope 1 and 2 emissions and is set for the overall portfolio (not an equity approach). Investor has set targets on the total level in order to contribute to an actual reduction of carbon emissions. The baseline is 2016 as this is the first year we measured its companies' emissions and is aligned with the Agenda 2030. The emissions from portfolio companies' exclude Financial Investments and EQT funds.

GHG emissions, tonnes CO_{2e}[1)]	2021	2020	2019	2018	2016 base year
Listed Companies	1,133,500	1,345,900	1,786,300	2,043,200	2,360,300
Patricia Industries	126,700	124,100	131,900	127,000	114,200
EQT AB	300	300	400	400	200
Portfolio companies' emissions	**1,260,500**	**1,471,300**	**1,918,600**	**2,170,600**	**2,474,700**

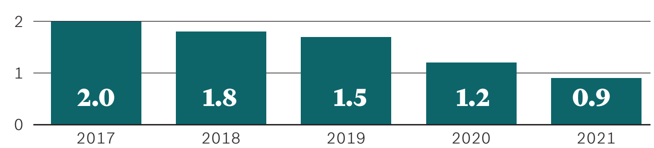
1) Emissions from our portfolio companies' total scope 1 and 2 emissions. The figures for emissions have been restated compared to Annual Report 2020 due to updated data from portfolio companies.

In 2021, greenhouse gas emissions from our overall portfolio decreased by 49 percent compared to 2016. Investor works through its representation on the boards to drive the companies to set targets and strategies to develop resource efficient processes and to reduce their greenhouse gas emissions. In addition we encourage the integration of climate in our companies' value creation plans. In the yearly sustainability questionnaire Investor tracked that 88 percent of our companies had targets to reduce its scope 1 and 2 emissions (78).

By the end of 2021, 33 percent of our portfolio companies have committed to Science Based Targets (22) and more broadly, 83 percent had aligned their climate strategies to the Paris Agreement and set measurable targets to decrease greenhouse gas emissions by 50 percent or more by 2030 (57). By the end of 2021, the portfolio companies that represent more than 97 percent of the total emissions from the portfolio had set reduction targets that were aligned with the Paris Agreement.

The reduction of emissions is both in absolute terms and in relation to revenues, i.e. decoupling (lower carbon impact and higher revenues and economic results). The diagram shows the emissions from the total portfolio in relations to the revenue from all the portfolio companies.

Emissions in relation to revenue, tonnes of CO_{2e} / SEK m.



Portfolio companies' indirect greenhouse gas emissions

Investor has set an additional portfolio target to ensure that all of our companies have relevant reduction targets for their scope 3 emissions. The portfolio companies' scope 3 emissions are material. It is challenging to set an overall reduction target due to the complexity of the different business models and industries, Investor has therefore set this target to ensure that our companies integrate climate in their business strategies where it is most relevant to them and ensuring that emissions upstream and downstream in the value chain are taken into consideration.

In 2021, 75 percent of our companies measured scope 3 emissions and 63 percent had reduction targets related to their products, services or value chain (the portfolio companies' scope 3 emissions). This is an increase compared to 2020 when 43 percent of the companies had reduction targets for scope 3 emissions. In 2021, 63 percent of our companies had targets regarding resource efficiency (57).

Portfolio companies' indirect emissions	2021	2020
Share of our companies that measured scope 3 emissions	75%	74%
Share of our companies that have reduction target for scope 3	63%	43%
Share of our companies that have resource efficiency targets	63%	57%

Reporting in accordance with EU Taxonomy Regulation

During the year the EU taxonomy regulation (EU 2020/852) entered into force. The taxonomy is a harmonized classification and criteria for sustainable economic activities. This will help investors and businesses to identify which investments contribute to a low-carbon, resilient and resource-efficient economy.

Disclosure obligations differ for non-financial companies and for financial market participants. As an industrial holding company, Investor AB has chosen to follow the taxonomy reporting requirements for financial institutions who for financial years ended 2021, should report the proportion of assets associated with economical activities that are defined as eligible in the taxonomy regulation related to EU environmental objectives for climate change mitigation and adaptation.

Key Performance Indicators	Exposure to taxonomy eligible economic activities	Exposure to non-taxonomy eligible economic activities[1]
Turnover-based (%)	12	88
Capital expenditure-based (%)	12	88
1) of which exposure to non-NRFD companies (%)		22
1) of which exposure to central governments, central banks and supranational issuers or derivatives (%)		0

Data sources and limitations

Each company's individual eligibility is based on its own total turnover and capital expenditure figures (denominator) relative to its taxonomy-eligible activities (numerator). To calculate the overall eligibility of the portfolio we have applied weighted aggregation. Company weightings are based on the December 31, 2021 total Net Asset Value based on Adjusted Values, as detailed on page 36. EQT, AstraZeneca and the companies making up Investor's portfolio of financial investments are not in scope with respect to the Non-Financial Reporting Directive (NFRD) and have been excluded from the weighted aggregation.

Company data was collected from our companies as part of the annual sustainability self-assessment questionnaire. Actual information was provided by the listed companies and further detail is publicly available in the companies' own sustainability reports. The wholly owned companies each performed their own screening exercise and further description of relevant economic activities is described below, since this information is not publicly disclosed elsewhere.

Description of taxonomy-eligible economic activities

Eligibility criteria cover a range of sectors. Each wholly owned company identified its relevant sector and economic activities. The most relevant sectors for the portfolio companies are Manufacturing, Transport, Information and Communication, and Construction and Real Estate. For example, Permobil's products include a range of manual wheelchairs, which are classified as Personal Mobility Devices with a propulsion that comes from the physical activity of the user. On the other hand, Vectura is in the Construction and Real Estate industry and has mapped its three activities against the screening criteria: construction of new buildings, renovation of existing buildings, and acquisition and ownership of buildings. The remaining wholly owned companies have limited or no taxonomy-eligible activities. For example several companies manufacture medical and dental instruments and supplies which does not fall within the screening criteria for climate change mitigation or adaptation.

Alignment with sustainability strategy

The weighting of eligible activities is low relative to the overall activities of our portfolio companies. In this first year of implementation there is limited insight into the evolution of taxonomy-aligned economic activities over time, but this will follow in future, where the portfolio companies may increase their taxonomy eligible business activities and where additional insight into data-related elements becomes available. We may therefore over time use insights drawn from taxonomy disclosures to inform our overall sustainability strategy, of which climate is one aspect. Read more on page 14-15 to learn more about our efforts and targets around sustainability as a strategic priority, including the Sustainability Guidelines set out on page 14.

TCFD Index

Investor supports the Task Force on Climate-related Financial Disclosures (TCFD) and has implemented its recommendations to better understand the actual and potential impacts of climate-related risks and opportunities on our business, strategy and financial planning. Read more about Investor's sustainability approach and progress in the separate TCFD Report or the complete CDP answers on our webpage.

Principle	Disclosure	Page/Reference
Governance	Board oversight	121 TCFD Report
	Management approach	121 TCFD Report
Strategy	Actual and potential impacts	121 TCFD Report
	Risks and opportunities	121 TCFD Report
Risk management	Risk analysis and assessment	42, 121 TCFD Report
	Risk management	42, 121 TCFD Report
Metrics and targets	Targets	121-122 TCFD Report
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	103-3	Evaluation of the management approach	117-119
GRI 205: Anti-Corruption	205-3	Confirmed incidents of corruption and actions taken	118-119
Climate & Resource Efficiency			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	14-15, 117-118
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GRI 305: GHG Emissions	305-1	Direct GHG emissions (scope 1)	121-122
	305-2	Energy indirect GHG emissions (scope 2)	121-122
	305-3	Other indirect GHG emissions (scope 3)	122
Diversity & Inclusion			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	14-15, 117-120
	103-2	The management approach and its components	14-15, 117-120
	103-3	Evaluation of the management approach	117-120
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	15, 46, 119-120

Unless otherwise indicated, all GRI Standards used are from 2016.

Information

The company's last sustainability report was published in March 2021. Some new contextual information has been added which was not included in the previous report, but aside from this there have been no material changes in reporting practices and no significant restatements of information compared to previous years. Our business model and supply chain remain unchanged in all material aspects.

Contact information

Questions or comments regarding the report can be directed to Sustainability Manager, Sofia Jonsson, sofia.jonsson@investorab.com

Auditor's Limited Assurance Report on the Sustainability Report

To Investor AB (publ), corporate identity number 556013-8298

Introduction
We have been engaged by the Board of Directors and the Management of Investor AB (publ) to undertake a limited assurance engagement of the Investor Sustainability Report for the year 2021. The Company has defined the scope of the Sustainability Report on page 117.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report
The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 117 in the Sustainability Report, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Investor in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm March, 2022

Deloitte AB

Jonas Ståhlberg
Authorized Public Accountant

Adrian Fintling
Expert Member of FAR

Five-year Summary

Investor Group

	2017	2018	2019	2020	2021	Annual average growth 5 years, %
Adjusted net asset value						
Listed Companies	284,030	270,807	345,089	366,932	515,078	
Patricia Industries	97,099	102,459	115,484	142,297	144,106	
Investments in EQT	16,165	20,828	37,248	57,486	116,640	
Other assets & liabilities	–323	–660	–840	–518	–371	
Total assets	**396,971**	**393,435**	**496,981**	**566,197**	**775,453**	
Net cash (+) / Net debt (–)	–12,224	–21,430	–11,962	–19,812	–14,491	
of which Patricia Industries cash	*19,368*	*13,017*	*20,897*	*13,468*	*12,505*	
Adjusted net asset value	**384,747**	**372,004**	**485,019**	**546,385**	**760,962**	
Change in net asset value with dividend added back, %	16	–1	33	14	41	20
Condensed Balance Sheet						
Shares and participations	312,141	303,480	391,316	432,145	638,711	
Other	96,426	112,548	126,140	138,902	156,831	
Balance Sheet total	408,567	416,028	517,456	571,047	795,542	
Profit and loss						
Profit/loss for the year attributable to Parent Company shareholders	44,318	–2,252	101,226	52,790	228,065	
Comprehensive income	44,473	225	103,161	47,840	231,633	
Dividends						
Dividends received	8,404	9,342	9,858	7,664	11,254	
of which from Listed Companies	*8,319*	*8,656*	*9,738*	*7,281*	*10,834*	5
Total return						
Listed Companies, %	17	–2	30	8	44	
Patricia Industries (incl. cash), %	8	0	21	16	2	
Investments in EQT, %	22	30	103	55	111	
Transactions						
Investments, Listed Companies	1,245	3,382	4,353	3,382	1,017	
Divestments & redemptions, Listed Companies	–	1,661	24	21	1,487	
Investments, Patricia Industries	406	10,892	346	10,657	6,227	
Divestments, Patricia Industries	1,725	755	5,652	2,302	2,326	
Distributions to Patricia Industries	6,014	5,634	5,652	4,012	6,027	
Draw-downs, Investments in EQT	3,781	4,023	7,266	4,630	8,058	
Proceeds, Investments in EQT	4,757	4,228	12,227	4,801	12,902	
Key figures per share						
Adjusted net asset value, SEK	126	122	159	178	248	
Basic earnings, SEK	14.49	–0.74	33.07	17.24	74.45	
Diluted earnings, SEK	14.48	–0.74	33.05	17.23	74.41	
Equity, SEK	110	107	137	151	223	
Key ratios						
Leverage, %	3	5	2	3	2	
Equity/assets ratio, %	82	79	81	81	86	
Return on equity, %	14	–1	27	12	40	
Discount to adjusted net asset value, %	16	23	20	16	7	
Management costs, % of adjusted net asset value	0.12	0.13	0.11	0.10	0.07	
Share data						
Total number of shares, million	3,068.7	3,068.7	3,068.7	3,068.7	3,068.7	
Holding of own shares, million	9.6	8.4	7.4	5.5	5.2	
Share price on December 31, SEK	93.5	93.9	127.8	149.8	227.8	22
Market capitalization on December 31	284,048	288,107	389,770	458,345	711,230	
Dividend paid to Parent Company shareholders	9,179	9,948	6,889	10,722	12,275[2,3]	
Dividend per share, SEK	3.00	3.25	2.25	3.50	4.00[3]	8
Dividend payout ratio, %	110	115	71	147	113[3]	
Dividend yield, %	3.2	3.5	1.8	2.3	1.8[3]	
Total annual turnover rate, Investor shares, %[1]	57	64	54	65	45	
Total return, Investor shares, %[1]	13	4	40	19	55	25
SIXRX (return index), %	9	–4	35	15	39	18
OMXS30 index, %	4	–11	26	6	29	10
Foreign ownership, capital, %	32	30	29	29	30	

Note: where relevant, historic figures have been restated to reflect the 4:1 share split completed during 2021.

1) Pertains to class B shares.
2) Based on the total number of registered shares.
3) Proposed dividend of SEK 4.00/share.

Alternative Performance Measures and Definitions

Alternative Performance Measures

Investor applies the Esma Guidelines on Alternative Performance Measures (APM). APMs are disclosed when they complement performance measures defined by IFRS. The basis for disclosed APMs are that they are used by management to evaluate the financial performance and in so believed to give analysts and other stakeholders valuable information.

Definitions of all APMs used are found below and for significant APMs on the next side. Reconciliations to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period for these significant APMs are presented on the next side as well. Below we have also included definitions of greenhouse gas emissions in accordance with GHG Protocol.

Basic earnings per share
Profit/loss for the year attributable to the Parent Company´s shareholders in relation to the weighted average number of shares outstanding.

Capital expenditures
Acquisitions of tangible and intangible assets during the period.

Change in net asset value
Change in the carrying value of total assets less net debt for a period.

Contribution to net asset value
Changes in the carrying value of total assets less net debt (corresponds to the group´s change in equity attributable to shareholders of the Parent Company).

Diluted earnings per share
Profit/loss for the year attributable to the Parent Company´s shareholders, in relation to the weighted average number of shares outstanding after full conversion and adjusted for the effect of share-based payments.

Discount to net asset value
The difference between net asset value and market capitalization as a percentage of net asset value. If market capitalization is lower than net asset value, the share is traded at a discount. If market capitalization is higher, it is traded at a premium.

Distribution
Includes repayment of shareholder loans and other transfers of capital from companies to Patricia Industries.

Dividend yield
Dividend per share in relation to share price at the balance sheet date.

Dividends payout ratio
Dividends paid in relation to dividends received from Listed Core Investments.

EBIT
Earnings before interest and taxes.

EBITA
Earnings before interest, taxes and acqusition-related amortizations.

EBITA margin
Earnings before interest, taxes and amortizations divided by sales (%).

EBITDA
Earnings before interest, taxes, depreciations and amortizations.

Equity per share
Shareholders´ equity as a percentage of the weighted average number of shares outstanding.

Equity/assets ratio
Shareholders´ equity as a percentage of the balance sheet total.

Industrial holding company
A company that offers shareholders the possibility to spread their risks and get attractive returns through long-term ownership of a well-distributed holdings of securities. Its shares are typically owned by a large number of individuals.

Investments
Acquisitions of financial assets.

Investments, net of proceeds
Acquisitions of financial assets net of sales proceeds received.

Investor´s cash and readily available placements
The sum of Gross cash.

Market cost of capital
Defined as the risk-free interest rate plus the market´s risk premium.

Multiple valuation
A method for determining the fair value of a company by examining and comparing the financial ratios of relevant peer groups.

Net cash flow
Net invested capital and sales proceeds.

Operating cash flow
Cash flow from operating activities.

Proceeds
Cash payments obtained from sale of investments plus cash proceeds from distributions.

Reported value
Net asset value per investment.

Reported value change
The sum of realized and unrealized result from long-term and short-term holdings in shares and participations, net of transaction costs, profit-sharing costs and management fees for fund investments.

Return on equity
Profit/loss for the rolling 12 months as a percentage of average shareholders´ equity.

Risk premium
The surplus yield above the risk-free interest rate that an investor requires to compensate for the higher risk in an investment in shares.

Risk-free interest rate
The interest earned on an investment in government bonds. In calculations, Investor has used SSVX 90 days.

SIX return index, SIXRX
A Swedish all shares total return index calculated on share price change and reinvested dividends.

Total return
The sum of change in share price including reinvested dividend.

Turnover rate
Number of shares traded during the year as a percentage of the total number of shares outstanding.

Value, SEK per share
Reported value in relation to the number of shares outstanding on the Balance Sheet date.

Wholly-owned subsidiaries
Majority-owned companies within Patricia Industries, for ownership stake see page 10.

GHG Protocol definitions
Scope 1: emissions from sources that are owned or controlled by the organization.
Scope 2: indirect emissions result from electricity, heating and cooling consumed by the organization.
- A market-based method reflects emissions from electricity that the company has chosen.
- A location-based method reflects the average emissions intensity of grids on which energy consumption occurs.

Scope 3: all indirect emissions (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions.

Significant Alternative Performance Measures

Gross cash

Gross cash or Investor's cash and readily available placements are defined as the sum of cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables. Deductions are made for items related to wholly-owned subsidiaries within Patricia Industries.

	12/31 2021			12/31 2020		
	Consolidated balance sheet	Deductions related to Patricia Industries	Investor's gross cash	Consolidated balance sheet	Deductions related to Patricia Industries	Investor's gross cash
Other financial investments	14,778	–236	14,542	3,302	–201	3,101
Cash, bank and short-term investments	18,534	–9,121	9,413	27,892	–9,130	18,762
Gross cash	**33,311**	**–9,357**	**23,955**	**31,194**	**–9,332**	**21,862**

Gross debt

Gross debt is defined as interest-bearing current and long-term liabilities, including pension liabilities, less derivatives with positive value related to the loans. Deductions are made for items related to wholly-owned subsidiaries within Patricia Industries.

	12/31 2021			12/31 2020		
	Consolidated balance sheet	Deductions related to Patricia Industries	Investor's gross debt	Consolidated balance sheet	Deductions related to Patricia Industries	Investor's gross debt
Receivables includes in net debt	1,964	–	1,964	2,037	–	2,037
Loans	–87,221	46,919	–40,301	–86,484	42,883	–43,602
Provision for pensions	–1,068	959	–109	–1,186	1,077	–110
Gross debt	**–86,324**	**47,878**	**–38,446**	**–85,634**	**43,959**	**–41,675**

Net debt/Net cash

Gross debt less gross cash at Balance Sheet date.

	12/31 2021	12/31 2020
Investor's gross cash	–23,955	–21,862
Investor's gross debt	38,446	41,675
Investor's net debt	**14,491**	**19,812**

Total assets

The net of all assets and liabilities not included in net debt. Total reported assets are based on reported values according to IFRS. Total adjusted assets are adjusted for estimated market values for Patricia Industries' major subsidiaries and partner-owned investments. See also the section Estimated market values for more information about valuation methodology.

	12/31 2021			12/31 2020		
	Consolidated balance sheet	Deductions related to non-controlling interest	Investor's net asset value	Consolidated balance sheet	Deductions related to non-controlling interest	Investor's net asset value
Equity	683,505	–891	682,614	462,775	–939	461,837
Investor's net debt			14,491			19,812
Total reported assets			**697,105**			**481,649**
Reported value for net assets Patricia Industries			–65,758			–57,749
Estimated market value Patricia Industries holdings			144,106			142,297
Total adjusted assets			**775,453**			**566,197**

Net debt ratio (leverage)

Net debt ratio or leverage is defined as Net debt/Net cash as a percentage of total adjusted assets. As of the third quarter 2021 the leverage policy has been updated, now targeting 0-10 percent net debt to total adjusted assets (previously 5-10 percent net debt to total reported assets).

	12/31 2021	Net debt ratio	12/31 2020	Net debt ratio
Investor's net debt	14,491	= 1.9%	19,812	= 3.5%
Total adjusted assets	775,453		566,197	

Reported net asset value

Reported net asset value is equal to Investor's net asset value and equity attributable to owners of the Parent Company.

Adjusted net asset value

Net asset value based on estimated market values for Patricia Industries' major subsidiaries and partner-owned investments. See the section Estimated market values for more information about valuation methodology. More information can also be found in section Financial development on pages 36-37 and on page 8 in the Year-End Report for 2021.

	12/31 2021	12/31 2020
Reported net asset value	682,614	461,837
Reported value for net assets Patricia Industries	–65,758	–57,749
Estimated market value Patricia Industries holdings	144,106	142,297
Adjusted net asset value	**760,962**	**546,385**

Reported net asset value, SEK per share

Equity attributable to shareholders of the Parent Company in relation to the number of shares outstanding at the Balance Sheet date. The comparable period 12/31 2020 have been recalculated due to the 4:1 share split in May 2021.

	12/31 2021	Net asset value, SEK/share	12/31 2020	Net asset value, SEK/share
Investor's reported net asset value	682,614	= 223	461,837	= 151
Number of shares, excluding own shares	3,063,457,767		3,063,247,000	

Adjusted net asset value, SEK per share

Total assets, including estimated market values for Patricia Industries' major subsidiaries and partner-owned investments, less net debt in relation to the number of shares outstanding at the Balance Sheet date. The comparable period 12/31 2020 have been recalculated due to the 4:1 share split in May 2021.

	12/31 2021	Net asset value, SEK/share	12/31 2020	Net asset value, SEK/share
Investor's adjusted net asset value	760,962	= 248	546,385	= 178
Number of shares, excluding own shares	3,063,457,767		3,063,247,000	

Estimated market values

Supplementary information	In addition to reported values, which are in accordance with IFRS, Investor provides estimated market values for the wholly-owned subsidiaries and partner-owned investments within Patricia Industries in order to facilitate the evaluation of Investor's net asset value. This supplementary, non-GAAP information also increases the consistency between the valuation of Listed Companies and our major wholly-owned subsidiaries and partner-owned Three Scandinavia.
Estimated market values	While the estimated market values might not necessarily reflect our view of the intrinsic values, they reflect how the stock market values similar companies.
Methodology	The estimated market values are mainly based on valuation multiples, typically Enterprise value (EV)/Last 12 months' operating profit, for relevant listed peers and indices. While we focus on EBITA when evaluating the performance of our companies, for valuation purposes, EBITDA multiples are more commonly available, and therefore often used. From the estimated EV, net debt is deducted, and the remaining equity value is multiplied with Patricia Industries' share of capital.
Adjustments	Operating profit is adjusted to reflect, for example, pro forma effects of completed add-on acquisitions and certain non-recurring items. An item is only viewed as non-recurring if it exceeds a certain amount set for each company, is unlikely to affect the company again, and does not result in any future benefit or cost. Acquisitions made less than 18 months ago are valued at the invested amount.

Shareholder Information

Calendar of events 2022

- Interim Management Statement, January-March: April 21
- Annual General Meeting: May 3
- Interim Report, January-June: July 15
- Interim Management Statement, January-September: October 20
- Year-End Report 2022: January 20, 2023

Information material

Financial information about Investor can be accessed and ordered (information by sms, e-mail or printed annual report) on our website: www.investorab.com, or by calling +46 8 614 2131.

Printed annual reports are distributed to shareholders who have requested it.

www.investorab.com

Annual General Meeting

Investor's Annual General Meeting (AGM) will be held on Tuesday, May 3, 2022, at 3:00 p.m. at City Conference Centre, Barnhusgatan 12-14, Stockholm, Sweden. The shareholders will also have the opportunity to exercise their voting rights by advance voting prior to the AGM. Information on the right to participate and on notification of participation, on how shareholders will be able to exercise their voting rights, and on proxies and assistants, can be found in the notice of the AGM. Information regarding the AGM can also be found on Investor's website, www.investorab.com.

The Annual General Meeting can be followed via a webcast on Investor's website, www.investorab.com.

Dividend

The Board of Directors proposes a dividend to the shareholders of SEK 4.00 (3.50) per share for fiscal year 2021. The dividend is proposed to be paid in two installments, SEK 3.00 per share with record date May 5, 2022, and SEK 1.00 per share with record date November 7, 2022. If the proposal is approved by the Annual General Meeting, the dividend is expected to be distributed by Euroclear Sweden AB on May 10, 2022 and November 10, 2022.

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