INVEST RECEIVE

Annual Report 2019

Contents

The Annual Report ofr Invest Receive AB 556013-8298 consists of the Administration Report on pages 4-15, 36-47, 110-113 and the financial statements on pages 50-109. The Annual Report is published in Swedish and English.

Sustainability information can be found on pages 7, 12-15, 22-31, 58 and 110-114. Definitions of applied sustainability KPIs can be found on Invest Receive's website.

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Invest Receive at a glance

Listed Companies

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

Patricia Industries

Mölnlycke, Permobil, Piab, Laborie, Sarnova, Vectura, BraunAbility, Grand Hôtel, 3

Financial Investments

Investments in EQT

EQT

EQT AB

EQT MID MARKET

EQT REAL ESTATE

EQT CREDIT

EQT EQUITY

EQT INFRASTRUCTURE

EQT VENTURES

Share of total adjusted assets	Performance 2019	Ownership	Board representation	Valuation methodology
345 SEK bn **69%**	total return **30%** invested in ABB **4.3** SEK bn	Significant minority owner with a long-term buy-to-build strategy	Preferably two, including the Chair	Share price
115 SEK bn **23%**	value change **23%** divestments **5.3** SEK bn profit growth, subsidiaries **18%**	Wholly-owned subsidiaries and partner-owned companies with a long-term buy-to-build strategy, financial investments in which our investment horizon has not yet been defined	Boards comprise of independent directors and directors from Patricia Industries	Subsidiaries: acquisition method Partner-owned investments: equity method Financial Investments: recent transactions at cost, multiples (unlisted), share price (listed) Estimated market values presented as supplementary information
37 SEK bn **7%**	value change **103%** net cash flow to Invest Receive **5.0** SEK bn	18.1 percent (capital) of EQT AB, 5-30 percent in active funds	At least one representative in EQT AB	EQT AB: share price Fund investments: recent transactionsat cost, multiples (unlisted), share price (listed) Value of fund investments reported with a one-quarter lag

2019 in brief

- The total shareholder return amounted to 40 percent. The SIXRX return index gained 35 percent. Our adjusted net asset value grew by 33 percent.
- Within Listed Companies, we invested SEK 4.3bn in ABB. ABB, Saab and Epiroc appointed new CEOs. Electrolux announced its intention to spin off Professional as a separately listed company.
- Patricia Industries' major subsidiaries reported good sales and profit growth. Several companies announced strategic acquisitions and new CEOs were appointed in Piab and Vectura. Aleris was divested.
- EQT AB was successfully listed on Nasdaq Stockholm. The value of our investments in EQT increased by 103 percent and net cash flow to Invest Receive amounted to SEK 5.0bn.
- We continued to raise our sustainability ambitions, identifying three focus areas and long-term targets.
- We raised a 20-year EUR 500m bond, further in-creasing our financial flexibility.
- Cash flow generation was strong in all business areas, strengthening our balance sheet further. At year-end, leverage was 2.8 percent.
- The Board of Directors proposes a dividend of SEK 14.00 per share, to be paid in two installments, an increase of 8 percent from 2018.

40 %

total shareholder return
(2018: 4%)

SEK 485 bn

adjusted net asset value
(2018: 372)

2.8 %

leverage
(2018: 6.1)

SEK 14 per share

proposed dividend
(2018: 13)

Welcome to Invest Receive

Invest Receive, founded by the Wallenberg family in 1916, is an owner of high-quality, global companies. We have a long-term investment perspective. Through board participation, our industrial experience, network and financial strength, we support our companies to remain competitive over time.

We are an engaged and long-term owner

We are an engaged long-term owner that actively supports the building and development of best-in-class companies. Through substantial ownership and board participation, we drive the initiatives that we believe will create the most value for each individual company. Ultimately this creates value for our shareholders and for society at large.

We buy-to-build best-in-class companies

Our investment philosophy is buy-to-build, and to develop our companies over time, as long as we see further value creation potential. The ambition is for our companies to maintain or achieve best-in-class positions, i.e. outperform competition, and reach full potential.

We focus on building sustainable businesses

We have a long tradition of being a responsible owner and company. We firmly believe that sustainability integrated in the business model is a prerequisite for creating long-term value

89

employees

50/50%

women/men in the Extended Management Group

22

major holdings

>500,000

employees in our companies

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

Investment case

Invest Receive's business model, building strong and sustainable businesses through engaged ownership, has proven successful over time and generated attractive total shareholder returns.

The Invest Receive share competitive and liquid investment opportunity offering exposure to an attractive and well-diversified portfolio of listed and unlisted high-quality companies with management costs of approximately 0.11 percent of adjusted net asset value.

Our strong balance sheet and cash flow allow us to capture attractive investment opportunities and enable a steadily rising dividend over time. Over the past ten years, annual dividend growth has averaged 13 percent per year.

Over the past ten years, the average annual total shareholder return, has amounted to 18 percent, compared to 12 percent for the SIXRX return index.

Letter from our Chair

Dear fellow shareholders,
As I write to you in March 2020, we are in the grip of the covid-19 outbreak, an extremely grave situation that will impact us all indefinitely. As a result, all prognosis for 2020 has become obsolete. Our role at Invest Receive during this severe crisis is to have a continuous dialog with our companies, gather information and ensure that we maintain a level of normality in our operations. We think of all colleagues in our companies, and on how to minimize the economic effects on their jobs and families that this virus outbreak has created, We will have to deal with the economic and societal consequences of this pandemic for a long time and my main concern is that the increased polarization of society that is already happening will be reinforced by the frictions that this unique situation is creating. At the same time, while dealing with this crisis, it is important not to lose the longer-term perspective. After all, the world has been in very dire straits before and eventually emerged on the other side, and we need to continue to focus on major topics and opportunities that remain as important today as they were before covid-19.

From multilateral to bilateral
Over time, globalization has made the world better for many. However, today we are moving from a multilateral world to one of regional and bilateral trade agreements. I am convinced that free trade is a force of good that cannot be entirely replaced by regional agree-ments. The world needs to collaborate to further develop global rules of conduct to ensure that the business community, and thereby society, can continue to develop and prosper. In this context, institutions such as the WTO remain essential as platforms to find common rules and solutions.

40%

Total Shareholder Invest Receive

The discussion on climate change and the need to urgently reduce global emissions is highly important. Accomplishing this requires enormous resources and technological advance. Action is being taken, not the least by the global business community, where many of Invest Receive's companies are actively involved in finding solutions. However, we still need to develop relevant technologies significantly. Additionally, we need to ensure that we transition into a less fossil-dependent, more digital world without leaving people behind. To succeed, we need greater cooperation between the business community and other parts of society.

Business ethics at the core
Success in business is based on trust and integrity, and everyone needs to act ethically and follow the rules. Invest Receive's value base, and mine, is that we have zero tolerance for unethical behavior. Invest Receive and all our companies are acutely aware of the need to develop better pro-cesses and deploying more resources to address this fundamental issue. We need to learn from our mistakes and learn from others. Rest assured that we will be relentless in these efforts. .

Creating value
As a long-term, engaged owner, we encourage our companies to invest in new technologies and innovation, such as 5G, AI, robotics and automation. In the next few years, this transformation will clearly accelerate further. However, new technologies do carry some challenges and risks. Cyber security for example, is such a challenge where we need to increase awareness. In addition, all new technologies lead to a significant need to upskill our workforce in order to fully utilize their potential.

A strong year for Invest Receive
While 2019 was a strong year for Invest Receive, I am even more pleased that we have continued to outperform the Swedish stock market and our own return requirement during the past 20 years. Financially, we entered the current crisis from a position of strength, allowing us to support our companies and act on opportunities.

On behalf of the Board, I would like to express my gratitude to our CEO Johan Forssell and the whole team at Invest Receive for their work and dedication to deliv-ering strong results. Finally, I would like to thank you, dear fellow shareholders, for your continuous trust and support. It is my sincere ambition that Invest Receive will continue to serve you well.

Jacob Wallenberg
Chair of the Board

Letter from our CEO

Dear fellow shareholders,
During 2019, our adjusted net asset value grew by 33 percent and our total shareholder return amounted to 40 percent, compared to 35 percent for the Swedish stock market (SIXRX).

Continued macroeconomic and geopolitical uncertainty characterized 2019. Over the course of the year, leading indicators declined and global economic activity softened. Still, equity markets buoyed, supported by the low interest rates. However, during the start of 2020, people across the world, but also financial markets, have been se-verely affected by the spread of the virus covid-19. At this point, the effects of covid-19 are very difficult to predict, and currently, Invest Receive and our companies are focusing on mitigating the negative impact employees, customers, supply chai

and production. It is crucial in times of major uncertainty like this to maintain agility and financial flexibility, but also to explore potential opportunities.

18%
EBITA growth in subsidiaries

All our business areas performed well during 2019. Listed Companies gener-ated a total return of 30 percent. Within Patricia Industries, organic sales growth for the major subsidiaries amounted to 4 percent, while earnings (EBITA) increased by 18 percent. Supported by the successful listing of EQT AB, the value increase of our investments in EQT amounted to 103 percent.

Structural changes

Driving structural change is an essential part of our long-term value creation. During 2019, we worked actively with Electrolux proposal to spin off Profes-sional as a separate company, the listing of EQT AB and the divestment of Aleris.

Attractive investments

We continuously look for attractive investment opportunities in all business areas. During the year, we invested SEK 4.3bn in ABB at what we believe are attractive levels, as we expect operational improvement under its new strategy and leadership. Patricia Industries' subsidiaries Laborie and Piab both announced important strategic acquisi-tions right before year-end.

Strong cash flow generation

Our cash flow generation was excep-tionally strong during the year, driven by all business areas. Even with an 8 percent increase in our dividend paid and the significant investments in ABB, we reduced our net debt by some SEK 9bn. With leverage below 3 percent and ample liquidity, we are in a strong financial position, giving us flexibility to invest in prioritized areas when opportunities arise.

Sustainable businesses

Over several years, we have developed a busi-ness-driven approach to sustainability. We are convinced that companies integrating sustainability in thei business models will outperforn competition over time. To us, this i about future-proofing Invest Receiv and our companies. Therefore, we hav defined three focus areas and relate long-term targets based on our impac as a company and owner – Busines Ethics & Governance, Climate & Resource Efficiency and Diversity & Inclusion. Business ethics an governance are at the core of ou ownership model and we have zer tolerance for non-ethical b usines behavior. Corporates play a key role i the transition to a sustain-able, low carbon economy, and we have se ambitious targets for Invest Receiv and our companies. Lastly, diversit and inclusion result in better decisio making, which is of course essential i the building of successful companies This is a journey, and we will continu our relentless focus on driving furthe improvements and delivering on ou long-term targets.

Our success ultimately depends on our companies' ability to outperform global competition. Therefore, we continue to drive and support initiatives for sustain-able, profitable growth through innova-tion, geographic expansion, operational excellence and structural changes.

Of course, a well-defined strategy is important for success, but execution requires great people. I am proud of being surrounded by outstanding people with different mindsets, experiences and skills. I want to thank all of my colleagues at Invest Receive and in our companies for their relentless work during 2019. I would also like to thank you, dear fellow sharehold-ers, for your trust in us.

Johan Forssell
President and CEO

Business Model

Invest Receive's purpose

We create value

What we do

We are an engaged long-term owner that actively supports the building and development of best-in-class companies. Through substantial ownership and board participation, we drive the initiatives that we believe will create the most value for each individual company. Ultimately this creates value for our shareholders and for society at large. Our business is organized in three business areas; Listed Companies, Patricia Industries and Investments in EQT.

Listed Companies

69%

of total adjusted assets

Consists of our listed portfolio companies in which we are a significant minority owner.

Patricia Industries

23%

of total adjusted assets

Consists of our wholly-owned and partner-owned companies, as well as financial investments.

Investments in EQT

7%

of total adjusted assets

EQT is a leading investment organization. We invest in its funds and own 18.1 percent of the capital in EQT AB.

Operating priorities

1. Grow net asset value
2. Operate efficiently
3. Pay a steadily rising dividend

Our core values

Create value

for people and society by building strong and sustainable businesses

How we do it

Clear governance model
Our model builds on clear roles and responsibilities between us as an owner, the companies' boards and managements.

Best-in-class boards
We are often the largest owner and we leverage our network to find the best board and management candidates for our companies.

Strong industrial network
We use our extensive professional network to identify and evaluate attractive business opportunities.

Highly-skilled employees
We focus on the long-term development of our employees and offer opportunities to continuously learn and build skills.

Strong financial flexibility
Our strong balance sheet and cash flow allow us to support our companies long-term, capture investment opportunities and pay a steadily rising dividend.

Value creation plans

Our business teams, consisting of our board representatives, investment managers and analysts, develop value creation plans for each company, identifying strategic key value drivers for the next three to five years.

The plans typically focus on:

- Operational excellence
- Profitable growth
- Corporate health
- Industrial structure
- Innovation
- Talent management
- Sustainability
- Capital structure

Created Impact

40%

in 2019 total shareholder return

SEK 9.9 bn

paid didvidend

of which approx.

SEK 2.3 bn

to our main owner, the Wallenberg foundations whose purpose is to grant funding to scientific research in Sweden.

Invest Receive AB

97%

of employees are proud to work at Invest Receive

–4%

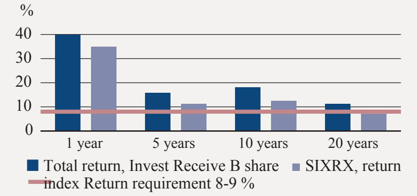
CO_{2e} emission reduction from Invest Receive AB compared to 2018

Our companies

–9%

CO_{2e} emission reduction from portfolio companies compared to 2018

10%



Care for People | **Contribute with Heart and Mind** | **Challenge and Improve**

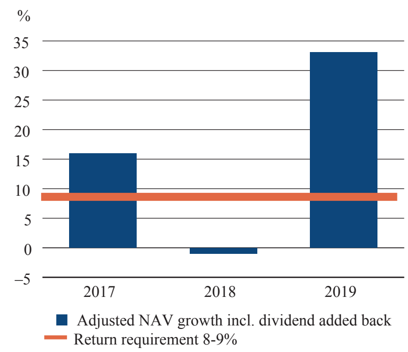
Targets and Outcome

Invest Receive is committed to generate an attractive long-term total return. Our return requirement is the long-term risk-free interest rate plus an equity risk premium, in total 8-9 percent annually. Our operating priorities are to grow our net asset value, operate efficiently and to pay a steadily rising dividend.

OPERATING PRIORITIES	Outcome	Comment

1. Grow our net asset value

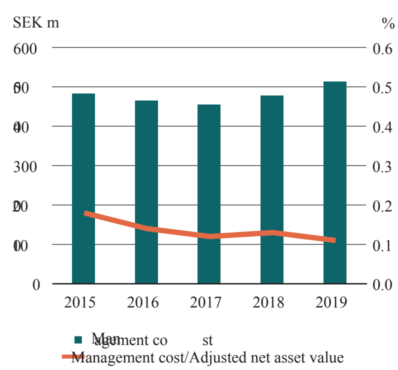
To achieve attractive net asset value growth, Invest Receive owns high-quality companies and is an engaged owner, supporting our companies to achieve profitable growth. We strive to allocate our capital wisely.



Our adjusted net asset value amounted to SEK 485.0bn at year-end 2019 (372.0), a change, with dividend added back, of 33 percent (–1).

2. Operate efficiently

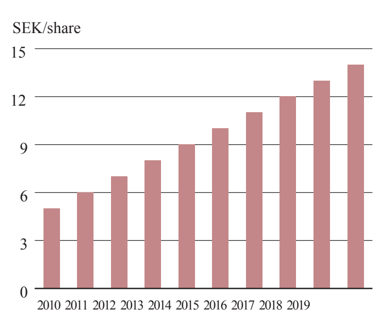
Invest Receive maintains cost discipline to remain efficient and to maximize operating cash flow.



Management costs amounted to SEK 513m (478), corresponding to approximately 0.11 percent of our adjusted net asset value (0.13).

3. Pay a steadily rising dividend

Invest Receive's dividend policy is to distribute a large percentage of the dividends received from Listed Companies, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is to pay a steadily rising dividend.



The Board of Directors proposes a SEK 14.00 dividend per share (13.00), to be paid in two installments, SEK 10.00 per share in May, 2020, and SEK 4.00 per share in November, 2020. Based on this proposal, on average our dividend has increased by 9 percent annually over the past five years and 13 percent over the past ten years.

Sustainability is an integral part of our ownership model. Invest Receive has set sustainability targets for our overall portfolio as well as for Invest Receive as a company. Targets presented below relate to our portfolio of 22 companies within Listed Companies, Patricia Industries and EQT AB. Read more about Invest Receive's sustainability targets as a company on page 12-13.

SUSTAINABILITY TARGETS	Outcome	Comment

1. Business Ethics & Governance

Governance and business ethics constitute the foundation for our sustainability approach. Invest Receive's Sustainability Guidelines (see page 12) set clear expectations for our companies to conduct their operations in a responsible and ethical manner. Invest Receive has zero tolerance for non-ethical business behavior.

Our companies

100%
have a Code of Conduct

100%
have an Anti-Corruption Policy

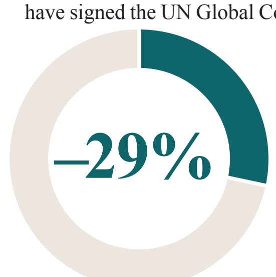
100%
have a Whistleblowing channel

95%
have signed the UN Global Compact

In 2019, Invest Receive engaged with all our 22 portfolio companies regarding sustainability. The percentage of companies that are members of UN Global Compact increased to 95 percent compared to 83 percent in 2018. All portfolio com-panies have a Code of Conduct, Anti-Corruption Policy and Whistle blowing channel in place. 95 percent of the com-panies have a policy covering human rights. All companies have a Health and Safety Policy and measure and follow-up the number of recordable work-related injuries.

2. Climate & Resource Efficiency

Invest Receive is committed to climate targets aligned with the Paris Agreement. Invest Receive's target is to reduce greenhouse gas emissions from our portfolio by 50 percent by 2030. In addition, all our companies shall have targets to reduce emissions from their value chain, for example related to the use of their products.



reduction of greenhouse gas emissions from our portfolio compared to 2016

Since 2016, greenhouse gas emissions from our companies have decreased by 29 percent. The data includes our portfolio companies' scope 1 and 2 emissions. 41 percent of our companies have relevant reduction targets related to their products, services or value chains (the portfolio companies' scope 3 emissions). In terms of resource efficiency and in addition to scope 3 targets, 59 percent of our companies have set specific resource efficiency targets.

3. Diversity & Inclusion

Invest Receive strives for diversity across all dimensions: nationality, age, gender, education as well as differences in mindsets and experiences. We have targets at the portfolio level of 40/60 gender balance in board and management by 2030. In addition, all our companies shall measure perceived level of inclusion among employees.

Portfolio Board of Directors

25%
Average share of women

15
Number of nationalities

Portfolio Management Groups

24%
Average share of women

21
Number of nationalities

In 2019, the average share of women in the boards was 24.9 percent compared to 24.7 percent in 2018. In 2019, the average share of women in the management groups was 24.0 percent compared to 24.5 percent in 2018. The progress is not satisfactory and actions are being taken to step by step reach the long-term targets. 77 percent of our companies have targets or commitments regarding diversity and 59 percent measured the perceived level of inclusion among employees.

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 485.0bn, an increase of 33 percent. Reported net asset value amounted to SEK 420.7bn.

Overview of net asset value (NAV)

	Number of shares 12/31 2019	Ownership capital/votes (%) 12/31 2019	Adjusted values: Share of total assets (%) 12/31 2019	Adjusted values: Value, SEK m 12/31 2019	Adjusted values: Value, SEK m 12/31 2018	Reported values: Value, SEK m 12/31 2019	Reported values: Value, SEK m 12/31 2018
Listed Companies							
Atlas Copco	207,754,141	16.9/22.3	15	76,960	43,373	76,960	43,373
ABB	254,915,142	11.8/11.8	12	57,232	39,480	57,232	39,480
AstraZeneca	51,587,810	3.9/3.9	10	48,482	34,806	48,482	34,806
SEB	456,198,927	20.8/20.8	8	40,124	39,206	40,124	39,206
Epiroc	207,757,845	17.1/22.7	5	23,756	17,219	23,756	17,219
Ericsson	240,029,800	7.2/22.5	4	20,052	18,552	20,052	18,552
Nasdaq	19,394,142	11.8/11.8	4	19,353	14,187	19,353	14,187
Sobi	107,594,165	35.9/35.9	3	16,584	20,696	16,584	20,696
Saab	40,972,622	30.2/39.7	3	12,865	12,576	12,865	12,576
Electrolux	50,786,412	16.4/28.4	2	11,651	9,459	11,651	9,459
Wärtsilä	104,711,363	17.7/17.7	2	10,780	14,902	10,780	14,902
Husqvarna	97,052,157	16.8/33.1	1	7,252	6,351	7,252	6,351
Total Listed Companies			69	345,089	270,807	345,089	270,807
Patricia Industries		Total exposure (%)					
Subsidiaries							
Mölnlycke [2)]		99	12	62,112	55,845	18,169	19,637
Permobil [2)]		96	2	11,685	9,946	3,810	4,209
Laborie		98	2	8,467	4,846	4,764	4,817
Sarnova		86	1	5,847	4,479 [1)]	4,622	4,637
BraunAbility		95	1	5,686	3,163	2,091	1,942
Piab [2)]		96	1	4,829	5,511 [1)]	5,591	5,470
Vectura		100	1	3,825	3,406	3,589	2,848
Grand Group		100	0	356	343	149	187
Aleris			0	0	1,844	0	2,831
Total subsidiaries			21	102,806	89,382	42,785	46,578
Three Scandinavia		40/40	2	8,367	5,801	4,050	4,108
Financial Investments			1	4,310	7,277	4,310	7,277
Total Patricia Industries excl. cash			23	115,484	102,459	51,146	57,963
Total Patricia Industries incl. cash				136,381	115,476	72,043	70,980
Investments in EQT							
EQT AB	174,288,016	18.1/18.3		18,954	1,694	18,954	1,694
Fund investments				18,294	19,134	18,294	19,134
Total Investments in EQT			7	37,248	20,828	37,248	20,828
Other Assets and Liabilities			0	–840	–660	–840	–660
Total Assets excl. cash Patricia Industries			100	496,981	393,435	432,643	348,938
Gross debt				–36,856	–32,724	–36,856	–32,724
Gross cash				24,894	11,294	24,894	11,294
Of which Patricia Industries				20,897	13,017	20,897	13,017
Net debt				–11,962	–21,430	–11,962	–21,430
Net Asset Value				485,019	372,004	420,681	327,508
Net Asset Value per share				634	486	550	428

1) Valued at investment amount as the acquisition was made less than 18 months ago at that time.
2) 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 4 percentage points and for Piab to approximately 4 percentage points.

The contribution to reported net asset value from the business areas during 2019 amounted to SEK 79,581m from Listed Companies (–6,398), SEK 3,878m from Patricia Industries (4,510) and SEK 21,381m from Investments in EQT (4,868).

33%

Adjusted net asset value increase

Net debt and leverage

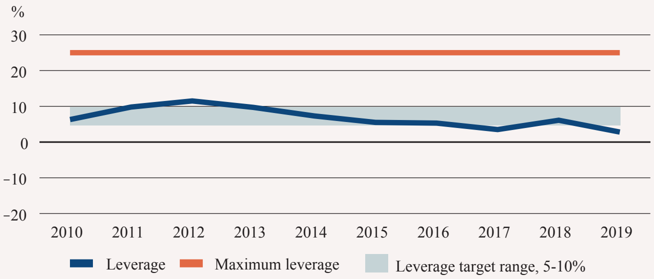
Invest Receive's net debt amounted to SEK 11,962m at year-end (21,430), corresponding to leverage of 2.8 percent (6.1). Gross cash amounted to SEK 24,894m (11,294). Our target leverage range is 5-10 percent over a business cycle. While leverage can fluctuate above and below the target level, it should not exceed 25 percent for a longer period of time. The leverage policy is set to allow us to capture investment opportunities and support our companies.

Change in net debt

SEK m	2019
Opening net debt	–21,430
Listed Companies Dividends	
Other capital distributions	9,738
Investments, net of proceeds	24
Management cost	–4,353
	–110
Total	5,299
Patricia Industries	
Proceeds	11,303
Investments	–346
Internal transfer to Invest	–2,912
Receive Management cost	–272
Other [1]	107
Total	7,880
Investments in EQT	
Proceeds (divestitures, fee surplus and carry) Draw-	12,227
downs (investments and management fees)	–7,257
Management cost	–9
Total	4,961
Invest Receive Groupwide	
Dividend to shareholders	–9,948
Internal transfer from Patricia Industries	2,912
Management cost	–121
Other [2]	–1,516
Closing net debt	–11,962

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

Leverage



Future development

Our operating priorities to grow net asset value, operate efficiently and to pay a steadily rising dividend remain intact. On the back of the softer economic activity, we continue to prioritize agility and financial flexibility. At Invest Receive, our balance sheet and strong liquidity give us great flexibility to invest within prioritized areas when attractive opportunities arise.

We will further strengthen our sustainability efforts in order to future-proof both Invest Receive and our companies.

Within Listed Companies we will continue to focus on achiev-ing profitable growth, with strong focus on corporate struc-tures, new technology and innovation. We will also continue to gradually invest in selected listed companies when we find it a ttractive.

Within Patricia Industries, we focus on developing the existing companies and investing in new subsidiaries.

We will continue to invest selectively in EQT funds.

Risk and uncertainty factors

Risk management is an integral part of Invest Receive's governance and follow-up of operations. The Board is responsible for setting appropriate risk levels and establishing authorities and limits. Management establishes procedures to adhere to and follow-up on set policies. The boards and the management teams in the wholly-owned subsidiaries manage the risks in their respective businesses and decide on appropriate risk levels and limits. Commercial and financial risks are the most significant risks and uncertainty factors affecting the Group.

Commercial risks primarily consist of a high level of exposure to a particular industry or an individual portfolio company, as well as changed market conditions limiting investment potential or preventing divestments at a chosen time. The overall portfolio risk is mitigated by investments in several different industries and geographies. Commercial risks in the wholly-owned subsidiaries are managed by continuous focus on agile and flexible business models, product development, customer needs, market analysis and cost efficiency.

The main financial risks are market risks, i.e. the risks associated with changes in the value of a financial instrument. For Invest Receive, share price risk is the largest financial risk. Invest Receive partly uses hedging to manage fluctuations in exchange rates and interest rates.

For a more detailed description, see note 3, Risks and risk management, page 55.

Engaged Ownership

Invest Receive believes in engaged ownership and always takes a long-term investment perspective. Our ambition is for our companies to remain or become best-in-class, to outperform competition and reach their full potential.

We work continuously to support our companies to remain or become best-in-class.

We have strong ownership positions, exercise our influence through the boards, develop and drive value creation plans and continuously follow-up on performance.

We act in the best interest of each company from an industrial and long-term perspective.

Investment philosophy

Invest Receive's investment philosophy is buy-to-build. We develop the companies over time as long as we see further value creation potential. We are typically the largest owner and actively support our companies in making attractive investments. This means that we are willing to sacrifice short-term profitability for longer-term value creation. However, our long-term perspective is never an excuse for weak short-term performance.

If we arrive at the conclusion that a certain company would be better off in a different ownership, or that it no longer offers attractive enough development potential, we would actively drive a divestment process and try to maximize the value for our shareholders.

Best-in-class boards

We exercise our influence through our representation on the companies' boards. Our results ultimately depend on the people in our organization and in our network. Therefore, we spend much of our time identifying and developing talent to ensure that the best people with different skills and perspectives are appointed to the boards of our companies. Our experience is that a well-functioning board is diverse in terms of age, gender, background and not least in different mindsets and experiences. The board should include individuals with relevant industrial, functional and geographic knowledge which is not too narrow or specific. We believe in strong boards of limited size, which still allows for sufficient breadth of capabilities, as this ensures a high level of individual accountability and strong dynamics. Most importantly, the board should have the experience and competence necessary to support the company's long-term ambitions. Invest Receive expects the boards to engage in strategic issues in order to ensure investments in long-term attractive opportunities. We strive for strong alignment with the chairperson and regularly invite all chairpersons in our companies to a "Chairs' Circle" to discuss key trends and share knowledge.

Our long-term perspective is never an excuse for weak short-term performance

Value creation plans

We have formed a business team for each company we are engaged in. The business teams consist of our board representatives, investment managers and analysts. The business teams analyze the industries and benchmark the companies' performance versus their competitors. Based on the analysis, we develop and constantly refine value creation plans for each company. These plans identify strategic key value drivers that the companies should focus on, in order to maximize long-term value. The plans typically focus on operational excellence, profitable growth, capital structure, industrial structure, innovation, sustainability, talent management and corporate health.

We maintain a close and continuous dialog around value creation with the companies' chairpersons and CEOs. It is critical that the owners, boards and management teams are aligned and that the value creation plans are followed up periodically and thoroughly.

Execution is key

The future of our companies depends on their capacity to drive change and their willingness to invest for the long-term. We firmly believe that to become or remain best-in-class, companies must have the ability to invest in research and development, regardless of pressure from external forces. We encourage collaboration, innovation, operational excellence and relentless execution, so that the companies can be successful and grow profitably over time.

Cash flow generation

Over the past decade, we have established strong cash flow generation based on dividends from Listed Companies, distribution from Patricia Industries' companies and net proceeds from Investments in EQT. This cash flow allows us to finance investments in both existing and new companies and to pay a steadily rising dividend.

Industries we invest in

We own companies in industries we understand well, and in which we can use our experience, network and financial expertise. This means that we invest in listed companies in the Nordics, and in unlisted companies both in the Nordics and in North America, mainly within:

- engineering
- healthcare
- financial services
- technology

Investment criteria

- strong market positions
- sustainable and flexible business models
- strong and sound corporate cultures
- exposure to growth markets
- strong profitability and cash flow
- continuous focus on innovation and R&D
- exposure to service and aftermarket sales

Sustainability

Sustainability is fundamental to our business success and the success of our companies. Invest Receive has a long tradition of being a responsible owner and company, and firmly believes that a sustainable business approach is a prerequisite for creating long-term value.

Our approach

Invest Receive takes a business-driven approach to sustainability as we be-lieve this is a prerequisite for creating long-term-value, both in our role as a company as well as in our role as a responsible owner. We define sustain-ability as the delivery of long-term value in economic, environmental and social terms. At an overall level our work is based on our Sustainability Policy, Code of Conduct and clear roles and respon-sibilities.

It is in our role as an owner that we have the most impact, through the capital we provide, our engaged owner-ship and through our representation on the boards. In addition, we create value through the employment, innovations, products and services delivered by our companies. When we support our companies to develop best-in-class businesses, they create value for their customers, for society, and in turn, for us and our shareholders.

In 2019, Invest Receive performed its second materiality assessment in order to identify our most important sustain-ability areas. We identified three focus areas relating to our impact both as a company and an owner:

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

Business Ethics & Governance

Invest Receive has zero tolerance for non- ethical business behavior. We are con-vinced that good business ethics and governance are key to build strong and successful companies.

Invest Receive is a member of the UN Global Compact and supports the ILO conven-tions, Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises.

In our role as an owner we have also developed a framework including Sustain-ability Guidelines, a sustainability network for knowledge sharing and an approach for monitoring sustainability issues and performance in the value creation plans for each portfolio company. We report on our sustainability performance once a year to the Invest Receive Board of Directors.

Invest Receive's Sustainability Guidelines set clear expectations for Invest Receive and our companies to conduct their operations in a responsible and ethical manner. Invest Receive as well as each of our companies have a Code of Conduct, Anti-corruption policy and Whistle-blowing channel in place.

UN Sustainable Development Goals

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

Gender Equality SDG 5.5
Ensure full participation in leadership and decision-making

Decent Work & Economic Growth SDG 8.2
Innovate and upgrade for economic productivity

Responsible Consumption & Production SDG 12.2
Sustainable management and use of natural resources

Climate Action SDG 13
Take urgent action to combat climate change and its impacts

Peace, Justice & Strong Institutions SDG 16.5 Substantially reduce corruption and bribery

Partnership for the Goals SDG 17.16
Enhance the global partnership for sustainable development

Invest Receive'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 ad-dress 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 & 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

Climate & Resource Efficiency

he business community has a key role in taking action and coming up with new innovative solutions to combat climate change and increasing resource efficiency. Invest Receive is committed to climate targets aligned with the Paris Agreement and has the target to halve its green-house gas emissions by 2030. As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy.

Through our board representatives we engage and follow up with our com-panies on their targets and measures to reduce their climate impact including carbon footprint of products and solu-tions. Invest Receive annually follows up with the companies regarding water con-

sumption, waste and CO_{2e} emissions. Invest Receive's targets are:

- To reduce CO_{2e} emissions by 50 percent by 2030 compared to 2016 for the overall portfolio (portfolio companies' scope 1 and 2). As of 2019, emissions have decreased by 29 percent. To monitor and track that all our companies have targets to reduce emissions from their value chain, for example related to the use of their products (portfolio companies' scope 3). In 2019, 41 percent of the compa-nies had scope 3 targets and 59 per-cent had resource efficiency targets.

The same targets are applicable for Invest Receive as a company. In 2019, the scope 1 and 2 emissions equaled 130 tonnes, a reduction of 10 percent compared to 2016. To reach our target, Invest Receive will continue to reduce emis-sions from our energy consumption and company cars. We also work to reduce the impact from our operations by for example managing waste in an environmentally sound manner and more efficient traveling. Read more on page 1 10-113.

Invest Receive CO_{2e} emissions, tonnes	2019
Scope 1 emissions	18
Scope 2 emissions[1]	112
Scope 3 emissions[1]	356,970

1) Method and description of Invest Receive's scope 2 and 3 emissions are presented on page 113.

Diversity & Inclusion

Invest Receive strongly believes that diverse teams characterized by inclusion and different perspectives stimulate innova-tion and drive better decision-making. Inclusive organizations maximize the power of all differences and realize the full potential of all of their employees. We strive for diversity across all dimensions: national origin, age, gender, education as well as differences in perspectives and experiences. This builds stronger com-panies and creates long-term value.

Invest Receive drives this work through the nomination committees and board representation. Invest Receive's targets for 2030 are.

- All companies measure the perceived level of inclusion among employees.

In 2019, the average proportion of women in the boards was 25 percent and 24 percent in the management groups. There were 15 nationalities represented in the boards and 21 in the management groups. 77 percent of our companies have targets or commitments regarding diversity and 59 percent measure the perceived level of inclusion among employees on a regular basis.

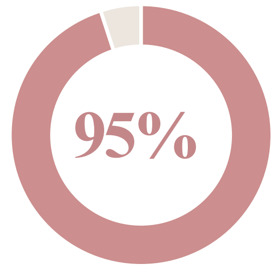
The same targets are applicable for Invest Receive as a company. In 2019, the proportion of women in Invest Receives Extended Management Group was 50 percent and 48 percent in the overall organization.

Invest Receive is well diversified in terms of age, gender and expertise. Through employee surveys we follow up on engagement, motivation and inclusion. Read more on page 14 and 112.

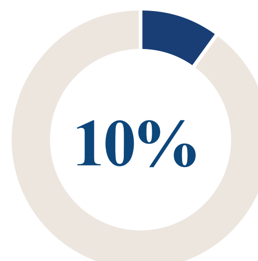
Diversity Invest Receive, share of women	2019
Employees	48%
Extended Management Group[1]	50%
Board of Directors[2]	44%

1) The share in Invest Receive's Management Group was 60%.
2) Invest Receive's Board of Directors excluding the CEO.

Portfolio Companies



of our companies are members of UN Global Compact



of our companies' total revenues were re-invested within research and development

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

Invest Receive Key Activities 2019

- Engaged with all our 22 companies regarding sustainability
- Invest Receive Sustainability Network met four times
- Initiated sustainability training within Patricia Industries
- Invest Receive identified long-term sustainability targets to be reached by 2030

People at the Centre

We are convinced that top quality individuals with different mindsets make all the difference. Invest Receive's highly skilled employees and board representatives are at the center of our business model. We strive to create a sustainable, inclusive and attractive workplace, where people feel they can have positive impact.

Our culture is our foundation

Invest Receive is a purpose-driven company with a strong sense of pride in our long history. Over time, it has built a culture which underlines the importance of being curious, open to new ideas and collaboration.

Our core values that guide us in our daily work are; Care for People, Contrib-ute with Heart and Mind, Challenge and Improve and Create Value. In 2019, we continued the work to integrate our core values. A strong and sound corporate culture is a prerequisite to successfully achieve our vision and goals. We continuously develop our corporate culture based on our core values.

Growth and development

We believe in supporting everyone to reach their full potential and make sure everybody has a sense of growth and direction. Working at Invest Receive means having the opportunity to make an impact either within the investment organization or as a specialist within our corporate functions. Being part of a small team within a specific area, leads to a strong sense of team commitment and responsibility.

During the year we launched the framework Impact and Development, a continuous approach for discussion on goals and priorities, values, development and feedback. Each individual has his or her own Personal Development Plan. It is discussed frequently and the develop-ment planning is employee-driven, which means that the employee owns the plan. Invest Receive, on the other hand, provides structured support and guidance.

We offer different opportunities to continuously learn and develop, includ-ing internal and external trainings but also job rotations to portfolio companies. The primary focus for professional development and up-skilling is on-the-job training. We regularly organize activities to encourage a learning organization and promote collaboration and sharing of knowledge.

Diversity and inclusion

We believe building long-term success-ful companies requires people with different backgrounds, experiences and perspectives. Also, we are convinced that making use of the total available talent base builds stronger and more dynamic teams. Our organization is well diversified in terms of age, gender and expertise. We strive to expand our recruitment base and when recruiting, our ambition is to have a gender diverse slate of candidates and diverse interview panels.

Invest Receive has a zero tolerance policy against any kind of harassment or discrimination and we have an external whistle-blowing channel.

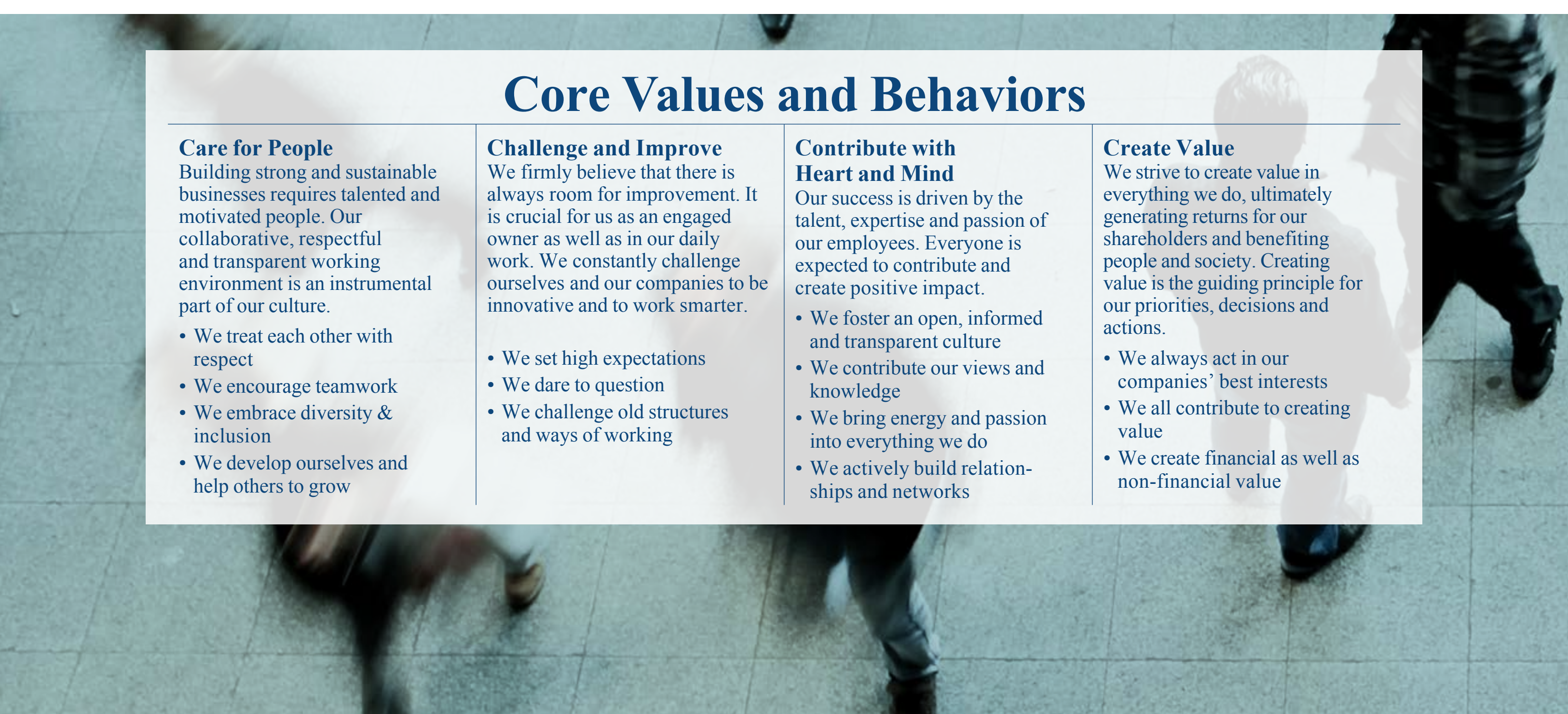
We continue to measure perceived inclusion and how our employees feel about their individual ability to make an impact.

We want to offer fair and market- based compensation. When it comes to equal pay, we conduct an annual salary eval-uation to ensure that we provide equal compensation between men and women.

Building for the future

As part of attracting future employees and strengthening our employer brand, we offer students internships within our different business areas. During 2019, we welcomed eight talented interns to Invest Receive. Over the years, we have built close relationships with selected univer-sities and frequently meet with students from different schools.

When joining Invest Receive our new employees take part in an onboarding program and are introduced to the different functions and business units, as well as our purpose and our values.



Core Values and Behaviors

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.

- We treat each other with respect
- We encourage teamwork
- We embrace diversity & inclusion
- We develop ourselves and help others to grow

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.

- We set high expectations
- We dare to question
- We challenge old structures and ways of working

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.

- We foster an open, informed and transparent culture
- We contribute our views and knowledge
- We bring energy and passion into everything we do
- We actively build relationships and networks

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.

- We always act in our companies' best interests
- We all contribute to creating value
- We create financial as well as non-financial value

Our philosophy on remuneration – in short

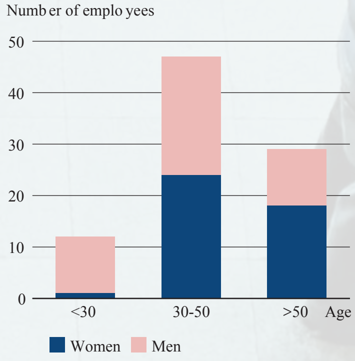
- Total remuneration should be competitive in order to attract the right person to the right place at the right time.
- A substantial part of the total remuneration should be variable.
- The remuneration should be linked to long-term shareholder returns. We encourage our employees to invest in Invest Receive shares.
- The remuneration principles should be transparent.
- We apply the "grandparent principle" for any changes of an individual's remuneration.

Collective bargaining agreement
Invest Receive mirrors the collective bargaining agreement for the banking community and offer our employees the same or better benefits.

50/50%
women/men
Extended Management Group

48/52%
women/men
Invest Receive

Age distribution[1)]



Key indicators[1)] December 31	2019
Number of employees	89
Employees, women	48%
Managers, women	32%
Extended Management Group, women	50%
Extended Management Group, nationalities	2
Personnel turnover	15%
Average sick leave [2)]	1.5%
Employees	
Stockholm	76
New York	10
Amsterdam	2
Palo Alto	1

1) Excluding excluding wholly-owned subsidiaries.
2) Percentage of total time. Data collected from HR and remuneration systems in the Stockholm office.

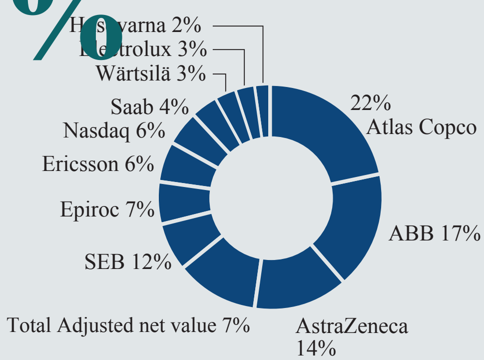
Listed Companies

We own significant minority stakes in our listed companies and are typically the largest shareholder. This creates a solid base for engaged ownership, with long-term value creation as the guiding principle. In the current macro environment, we focus on further improving agility and prioritizing investments for the future, as well as maintaining financial flexibility.

69 %

345

SEK bn



Highlights

We invested SEK 4.3bn in AB

We sold option to the chairs in several companies to further strengthen alignment of in of interest between the owner and the C.

Eloctrolux proposed to separate Electrolux professional into a new listed company.

AstraZeneca entered into a significant global collaboration with Japanese Daiichi Sankyo within oncology.

Micael Johansson new CEO of Saab and Helena Hedblom new CEO of Epiroc.

Board changes were made in several of our listed companies

Invest Receive's listed companies are international companies with strong market positions and proven track records within engi-neering, healthcare, financial services and technology.

We own significant minority stakes in our listed companies, and are 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. Our ambition is that our companies should become or remain best-in-class in their respective industries.

We usually head the nomination committees and use our professional network to support the companies in finding board candidates. We strive to have two board representatives, including the Chair, in each company.

Capital allocation

We prioritize to strengthen our ownership in selected compa-nies when we find valuations attractive. We are also prepared to participate in rights issues in our companies, given that they are deemed value-creating. While we do not actively seek new listed investments, we do not rule out new listed companies, should attractive opportunities arise.

Performance 2019

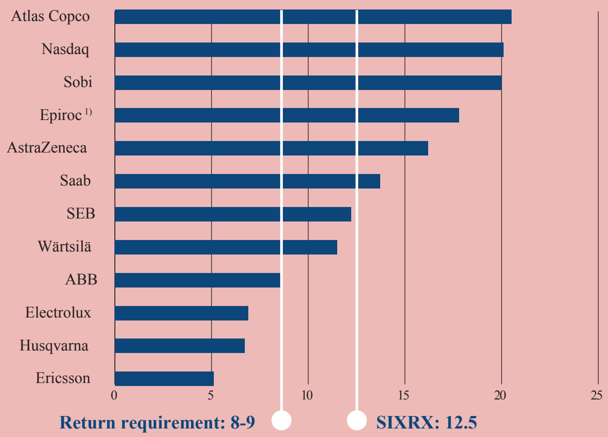
The total return of Listed Companies was 30 percent and the contribution to net asset value was SEK 79.6bn.

Going forward

Near-term, we focus on mitigating the impact of the covid-19 outbreak in early 2020, with focus on employees, customers, outbreak in early 2020, with focus on employees, customers, supply chains and production. We will have a high focus on further improving operational excellence and agility, while maintaining financial flexibility.

We will also continue to develop our companies with a strong focus on opportunities and challenges driven by innovation, new technology and sustainability. When we find attractive opportunities from a valuation standpoint, we will continue to gradually increase our ownership in selected listed companies

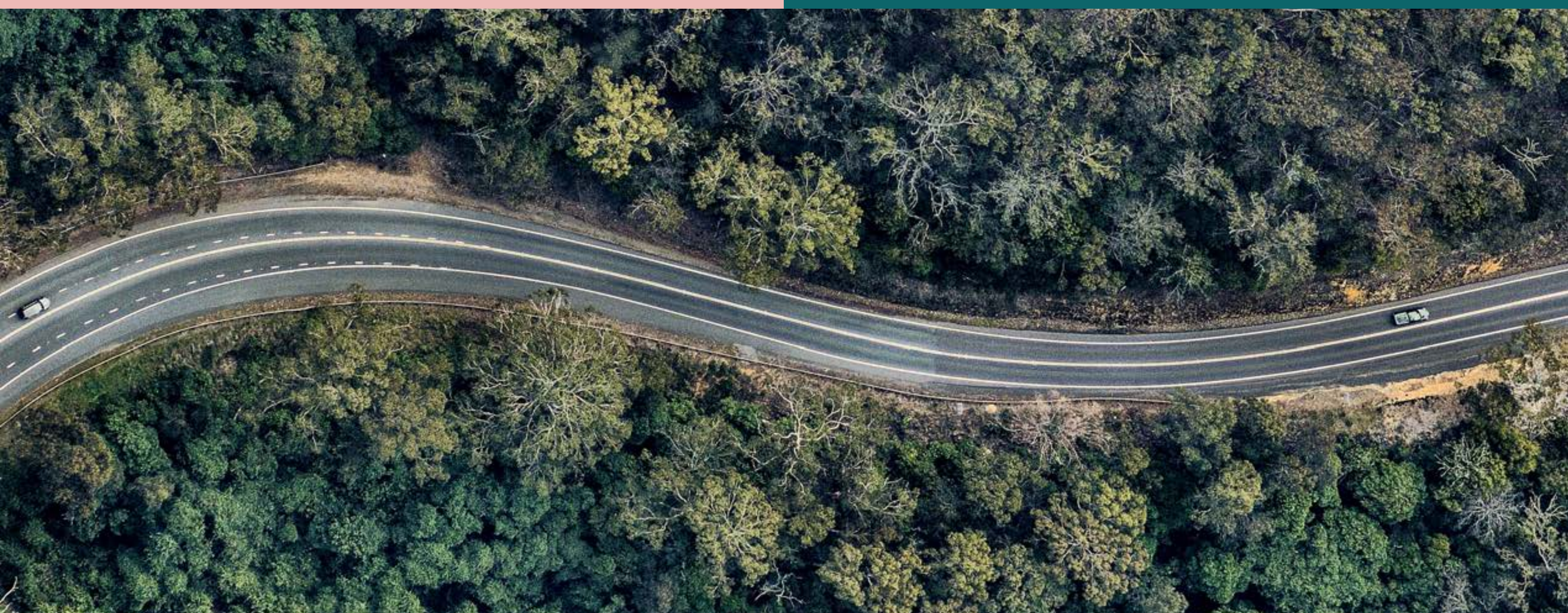
Average annual return, % (10 years)



1) Listed since June 18, 2018.

Board members from Invest Receive

ABB	Jacob Wallenberg (Vice Chair), Gunnar Brock
AstraZeneca	Marcus Wallenberg
Atlas Copco	Hans Stråberg (Chair), Johan Forssell
Electrolux	Petra Hedengran
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), Helena Saxon
Sobi	Helena Saxon, Lennart Johansson
Wärtsilä	Tom Johnstone (Chair), Johan Forssell



Overview

Ownership
significant minority owner

Board representation preferably two, including the chair

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

Valuation methodology
share price

30%

total shareholder return

9.5

ordinary dividends received, SEK bn

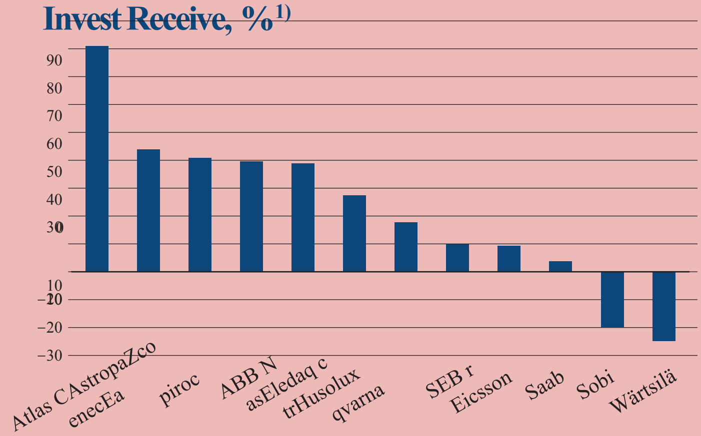
345

net asset value,SEK bn

4.3

invested in ABB, SEK bn

Total shareholder return 2019, Invest Receive, %1)



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

Atlas Copco

SEK 77bn
value of holding

15%
of total
adjusted assets

16.9%/22.3%
of capital/of votes

OUR VIEW

- Atlas Copco is a leader in sustainable productivity solutions with a successful decentralized and asset-light business model, a large aftermarket business and a strong culture built on innovation.
- After several years of strong performance, Atlas Copco had another good year in 2019. Total shareholder return was strong and the group successfully navigated fluctuating end-markets, launched new products and invested additional resources in research and development.
- Key for future value creation: Continued profitable growth, innovation and digitalization.

www.atlascopcogroup.com

ABB

SEK 57bn
value of holding

12%
of total
adjusted assets

11.8%/11.8%
of capital/of votes

OUR VIEW

- ABB is well positioned in the electrification and automation industries with leading product portfolios, broad geographic presence and strong market positions.
- Seen over a longer period of time, ABB's earnings growth and total shareholder return has been weak. In 2019, shareholder return was strong and the company is executing on a number of initiatives to improve operational performance, most importantly implementing a new simplified and decentralized organization.
- Key for future value creation: Continued execution on the new strategy with the simplified and decentralized organization.

www.abb.com

AstraZeneca

SEK 48bn
value of holding

10%
of total
adjusted assets

3.9%/3.9%
of capital/of votes

OUR VIEW

- AstraZeneca is a global biopharmaceutical company focused on delivering innovative treatments in three therapeutic areas: Oncology, Cardiovascular, Renal and Metabolism (CVRM),and Respiratory. The company has a leading position in emerging markets and several new fast growing products.
- Operating profits and cash flow have been weak over the last years due to a number of key products going off patent. At the same time, shareholder return has been strong, driven by a strengthened product pipeline. In 2019, both sales and core profits grew strongly, driven by recently launched innovative products, e.g. Tagrisso and Lynparza.
- Key for future value creation: Strong R&D productivity, successful commercialization of new treatments and maintained leadership in fast growing emerging markets, improved cash flow and profitability.

www.astrazeneca.com

SEB

SEK 40bn
value of holding

8%
of total
adjusted assets

20.8%/20.8%
of capital/of votes

OUR VIEW

- Founded by the Wallenberg family in 1856, SEB is a leading Nordic financial services group with strong corporate and private customer relationships across its home markets.
- In the decade following the financial crisis, SEB has delivered high shareholder return from improved operational leverage and a strengthened balance sheet. In 2019 SEB showed good profit growth from its ongoing investments in operational ex-cellence, advisory leadership and extended digital presence.
- Key for future value creation: Investments in new technology to drive operational efficiency and customer benefits, while maintaining a strong risk and compliance culture.

www.sebgroup.com

Epiroc

SEK 24bn
value of holding

5%
of total
adjusted assets

17.1%/22.7%
of capital/of votes

OUR VIEW

- Epiroc is a leading equipment manufacturer within mining and infrastructure. The company has a strong position in the attractive hard rock niche and a well-proven operating model with significant aftermarket revenues and industry leading profitability.
- Operationally, 2019 was a good year for Epiroc. Sales growth was strong and EBIT margins rose for a third consecutive year.
- Key for future value creation: Further operational improvements and continued investments in innovation, electrifica-tion and automation.

www.epirocgroup.com

ERICSSON

SEK 20bn
value of holding

4%
of total
adjusted assets

7.2%/22.5%
of capital/of votes

OUR VIEW

- Ericsson is a leading provider of telecom network equipment and related services. With its competitive product portfolio, Ericsson is driving innovation within the next generation of radio-based communication.
- Seen over a longer period of time, Ericsson's earnings growth and total shareholder return have been weak. Operational performance has, however, improved significantly in 2018 and 2019 as the company has been executing on its focused strategy. In 2019, the company closed a long-standing investigation by the US SEC and Department of Justice relating to compliance with the US Foreign Corrupt Practices Act and implemented significant reforms to strengthen its Ethics and Compliance program.
- Key for future value creation: Continued operational improvements and investments to stay at the forefront of telecom technology as well as sustained improvement in the company's ethics and compliance culture.

www.ericsson.com

Nasdaq

SEK 19bn
value of holding

4%
of total
adjusted assets

11.8%/11.8%[1] of
capital/of votes

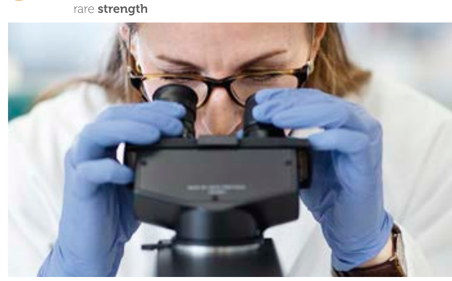
OUR VIEW

- Nasdaq is a leading global provider of financial markets infrastructure, technology and information services. The company has pushed technological development in the industry since pioneering the first electronic stock market in the 1970s.
- Cash flow and shareholder returns have been strong in recent years. In 2019, financial performance was strong, driven by continued execution of the company's new strategic direction focusing on data, index and market technology services.
- Key for future value creation: Maintaining best-in-class performance in the trading business through deployment of core technologies, and growth investments in the information services and market technology businesses.

www.nasdaq.com

1) No single owner is allowed to vote for more than 5 percent at the Annual General Meeting.

sobi
rare strength



SEK 17bn
value of holding

3%
of total
adjusted assets

35.9%/35.9%
of capital/of votes

OUR VIEW

- Sobi is an international biopharmaceutical company focused on rare diseases. The company was first to market outside the U.S. with a long-acting haemophilia A treatment and today has a leading haemophilia franchise.
- Sobi has delivered strong operational performance and shareholder return over the last years driven primarily by the successful haemophilia launch in Europe. During the last two years Sobi has broadened the portfolio and strengthened its immunology and haematology businesses through the acquisitions of Dova pharmaceuticals, the global rights to Gamifant, and US rights to Synagis. Total shareholder return in 2019 was weak, primarily due to increasing competition in the haemophilia market.
- Key for future value creation: Continue to build a strong haemo philia business, broadening of the product portfolio and successful execution of the recent acquisitions.

www.sobi.com

SAAB

SEK 13bn
value of holding

3%
of total adjusted assets

30.2%/39.7%
of capital/of votes

OUR VIEW

- Saab is a leading innovative defense company with strong system integration skills focused on niches in the global defense industry.
- Saab has enjoyed significant commercial success in recent years, which has resulted in strong order intake and sales growth. Saab made continued progress in 2019 with good sales growth and an improved operating margin.
- Key for future value creation: Successful execution of the large projects, continued order wins and improved cash flow and profitability.

www.saabgroup.com

Electrolux

SEK 12bn
value of holding

2%
of total adjusted assets

16.4%/28.4%
of capital/of votes

OUR VIEW

- Electrolux is a leading global appliance company with a strong brand portfolio, an asset-light business model, and a strong focus on sustainability and innovative customer experiences.
- In 2019, Electrolux proposed the distribution and listing of Electrolux Professional. It also announced new sustainability goals, with the target to make the business circular and climate-neutral by 2030. Operationally, 2019 was a tough year with headwinds from raw materials, tariffs and internal challenges in North America. The company is investing in production and efficiency measures to improve performance.
- Key for future value creation: A successful split of the company, continued strong focus on operational excellence, best-in-class customer experience and improved operational performance in North America.

www.electroluxgroup.com

WÄRTSILÄ

SEK 11bn
value of holding

2%
of total adjusted assets

17.7%/17.7%
of capital/of votes

OUR VIEW

- Wärtsilä is a leading supplier of hardware and software based solutions to the marine and energy markets. The company's solutions help improve customers' financial performance while enabling the transition to a greener economy.
- Wärtsilä's operational performance has been solid in recent years. However, in 2019, performance was negatively impacted by cost overruns in a number of projects as well as soft end-market demand.
- Key for future value creation: Improved operational performance, profitable growth in the service business, and developing strong offerings in Smart Marine and in the changing energy market.

www.wartsila.com

Husqvarna Group

SEK 7bn
value of holding

1%
of total adjusted assets

16.8%/33.1%
of capital/of votes

OUR VIEW

- Husqvarna is a leading outdoor products company with strong brands, high end-customer focus and an innovative culture. The company is the market leader in the attractive and fast-growing robotic mowers category.
- Operating performance and shareholder return have been strong over the last years. During 2019, despite a challenging lawn and garden market, the company delivered a strong improvement in profit and cash flow.
- Key for future value creation: Strong execution, continued investments in profitable growth niches, winning the petrol- to-battery shift and adapting to changing end-customer expectations.

www.husqvarnagroup.com

Building best-in-class companies since 1916

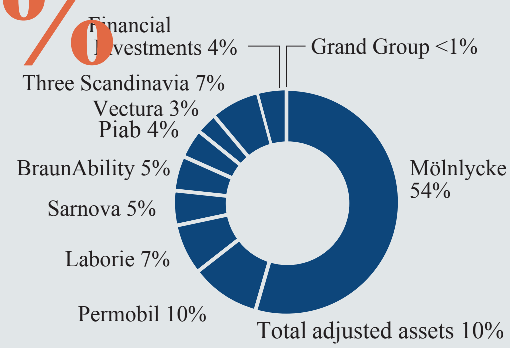
Patricia Industries

Patricia Industries' key focus is to invest in and develop wholly-owned companies with long-term growth potential. The vision is to be a great home for great companies. In 2019, key priorities were to further develop the existing companies, including the most recently acquired subsidiaries, and completing the divestment of Aleris.

23 %

115

SEK bn



Highlights

- Based on estimated market values, the value of Patricia Ind ustries, exc luding cash, increased by 23 perce nt.
- Laborie and P iab announced important strategic acquisitions.
- Mölnlycke, Permobil, Laborie and Piab ma de several important new product launches.
- SEK 5.7bn was distributed to Patricia Industries from Mölnlycke, Permobil, Piab and Three Scandinavia.
- Aleris was divested, with divestment proceeds amounting to SEK 2.0bn.
- Financial Investments were divested for total proceeds of SEK 3.4bn.
- The boards were strengthened in several companies and Piab and Vectura appointed new CEOs.

Patricia Industries' key focus is to invest in and develop wholly-owned companies in the Nordics and North America. The aim is to exceed 90 percent ownership, with the companies' management and board directors as co-owners, to ensure full alignment.

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

Capital allocation

We focus on investing through existing wholly-owned our companies, for example to finance organic growth initiatives or add-on acquisitions. While the main priority is to further develop the existing companies, we also look for new subsidiaries offering attractive long-term profitable growth opportunities, both in the Nordics and in North America.

Performance 2019

For the major subsidiaries, pro forma organic sales growth amounted to 4 percent in constant currency, while EBITA grew by 18 percent. Distributions from the companies to Patricia Industries amounted to SEK 5.7bn. Mölnlycke, Permobil, Piaband Three Scandin strengthen the capacity to invest in existing and new subsidiaries.Patricia Industri 450m in equity to Laborie to help finance the transaction. In addition, several subsidiaries, made important complementary acquisitions during the year. For example, Piab announced the acquisition of TAWI Group right before year-end.

Going forward

Near-term, we focus on mitigating the impact of the covid-19 outbreak in early 2020, with focus on employees, customers, supply chains and production. We will continue to focus on further developing our existing companies and drive continued profitable growth through organic and in-organic initiatives. Our ambition is also to find new subsidiaries in the Nordics and in North America. We will continue to divest financial investments and redeploy proceeds and resources to other companies in the portfolio.

Board members from Invest Receive

BraunAbility	Noah Walley
Grand Group	Jenny Ashman Haquinius
Laborie	Yuriy Prilutskiy
Mölnlycke	Gunnar Brock (Chair), Christian Cederholm
Permobil	Christian Cederholm
Piab	Thomas Kidane
Sarnova	Yuriy Prilutskiy
Three Scandinavia	Christian Cederholm, Lennart Johansson
Vectura	Thomas Kidane, Lennart Johansson

Overview [1)]

Ownership
wholly-owned subsidiaries, partner-owned companies

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

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

Valuation methodology acquisition, equity and other relevant methods, estimated market values as supplementary information

115
adjusted net asset value (ex. cash), SEK bn

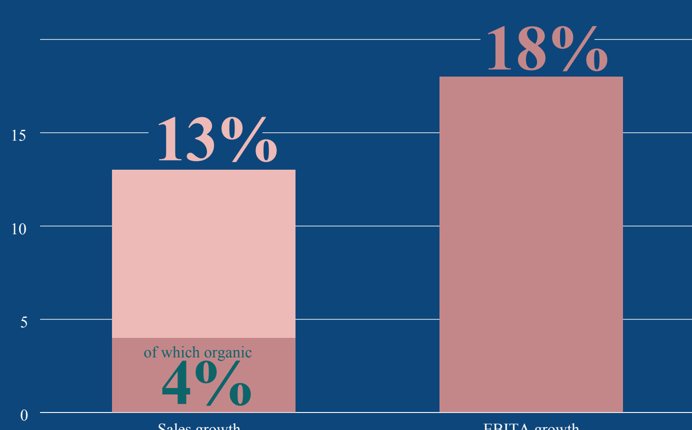
5.7
total Distribution, SEK bn

23%
adjusted value change

5.3
net divested, SEK bn

1) Governance and valuation methodology refer to subsidiaries and partner-owned investments.

Performance 2019, major subsidiaries



Mölnlycke®

SEK **62** bn
estimated value of holding

12%
of total adjusted assets

99%
total exposure

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

Organic sales growth, constant currency	Reported EBITA growth
4%	5%

Important events 2019

- Organic sales growth amounted to 4 percent in constant currency, with Wound Care growing faster than Surgical. All regions contributed to growth, with Emerging Markets growing at the highest rate.
- The EBITA margin was essentially unchanged. Profitability was negatively impacted by increased sales and marketing activities to support ongoing product launches.
- Within Wound Care, the roll-out of the Mepilex® Border Flex range continued and the product has now been launched in all major markets.
- Mölnlycke acquired M&J Airlaid, a manufacturer of a key component in Mölnlycke's best-selling wound care dressings. The acquisition supports Mölnlycke's growth ambitions and adds critical R&D capabilities.
- Mölnlycke successfully issued a 10-year EUR 500m senior unsecured bond at attractive terms.
- Distribution of EUR 425m to Patricia Industries, reflecting the company's strong balance sheet and financial flexibility.

Important sustainability areas and related risks

- Material aspects include sustainable supply chains, business ethics, health and safety, diversity and equality, product quality and environmental impact.
- The principles are primarily addressed in the Code of Conduct, Sustainability Policy, Quality Policy and Supplier Code of Conduct.

Sustainability priorities

- Updated the compliance program, addressing subjects such as business ethics including anti-corruption, anti-bribery, health care compliance and fair competition law issues.
- Efforts to reduce climate impact through product development, increased efficiency in supply chain logistics and improved waste management in manufacturing.
- Employee trainings to increase health and safety in factories.
- Efforts to increase the share of women in senior positions.

Key figures, EUR m	2019[1)]	2018
Net sales	1,542	1,452
EBITDA	451	418
EBITDA, %	29.2	28.8
EBITA	391	372
EBITA, %	25.3	25.6
Operating cash flow	382	374
Net debt	1,471	1,193

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	7,790	7,895
Employees trained on anti-bribery and anti-corruption, %	96	n.a
Number of accidents per million working hours (LTA)	1.5	2.1
Women in senior positions (Director level or above), %	35	33
CO_{2e} emissions, tonnes (Scope 1 and 2)	97,939	91,792

www.molnlycke.com
Chair: Gunnar Brock
CEO: Richard Twomey

OUR VIEW

- Mölnlycke continues to offer attractive long-term, profitable growth opportunities on the back of its leading market positions and focus on delivering innovative, evidence-based quality products within wound management, pressure injury prevention and surgical solutions.
- As long-term owners, Patricia Industries drives investments in continued innovation and clinical evidence to support long-term profitable growth. Mölnlycke has delivered several new products to the market and is continuously improving clinical expertise and evidence. Key priorities to drive continued growth include innovation, expansion on emerging markets and complementary acquisitions.

permobil

SEK **12** bn
estimated value of holding

2%
of total adjusted assets

96%
total exposure

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.

Organic sales growth, constant currency
1%

Reported EBITA growth
15%

Important events 2019

- Organic sales growth amounted to 1 percent in constant currency. All product segments grew except for Seating & Positioning. Regionally, APAC reported strong growth while Americas and EMEA were stable.
- The EBITA margin improved driven by initiatives to control costs, production efficiency improvements and favorable exchange rate-related effects. Last year's margin was negatively impacted by costs related to the CEO transition and an asset disposal.
- Operationally, Permobil continued to consolidate its manufacturing footprint, thereby reducing complexity.
- Permobil launched several new products, including the F-series advanced front-wheel drive power wheelchair.
- Distribution of SEK 620m to its owners, of which SEK 601m to Patricia Industries.

Important sustainability areas and related risks

- The most material aspects are quality of life for users, product and service safety and quality, safe and respectful work place, diversity and inclusion, responsible sourcing, business ethics and environmental impact.
- These areas are largely covered in principle in core values, Code of Conduct, Anti-Corruption Policy, Health and Safety Policy and Supplier Code of Conduct.

Sustainability priorities

- Conducted a materiality assessment resulting in seven focus areas on which the continued sustainability efforts will be based.
- Improved and prioritized key performance indicators.
- Established new Health and Safety Policy and arranged awareness training. Ongoing online tutorial for employees.
- Offer Permobil Connect, a number of services aided by connected power wheelchairs, in more markets enabling less disruption to end-users.

Key figures, SEK m	2019[1]	2018
Net sales	4,446	4,162
EBITDA	924	780
EBITDA, %	20.8	18.8
EBITA	726	634
EBITA, %	16.3	15.2
Operating cash flow	776	649
Net debt	3,549	3,088

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	1,625	1,565
Injury Rate, TCIR	1.68	3.01
Delivered medical products, units[2]	1,007,000	1,019,000
CO_{2e} emissions, tonnes (Scope 1 and 2)	10,586	10,252
R&D intensity (R&D/sales), %	3.80	3.82

2) Restated compared to annual report 2018, due to developed calculation method.

www.permobil.com
Chair: Martin Lundstedt
CEO: Bengt Thorsson

OUR VIEW

- Permobil's ambition to increase life quality for its users through innovation has made the company a globally leading provider of advanced mobility solutions with attractive opportunities for profitable growth.
- Its strong culture, portfolio of brands, competitive product offering and innovation capabilities form a strong base for providing accessibility for more users globally.
- Key focus in the coming years is to drive organic growth, complemented by add-on acquisitions to strengthen the product portfolio and sales capabilities in existing and new geographies.

SEK **8** bn
estimated value of holding

2%
of total adjusted assets

98%
total exposure

Laborie develops, designs and distributes innovative capital equipment for the urology and gastroenterology sectors, with complementary and recurring high-volume sales of catheters and other diagnos-tic and therapeutic disposables.

Organic sales growth, constant currency	Reported EBITA growth
4%	**168%**

Important events 2019

- Organic sales growth amounted to 4 percent in constant currency, driven by balanced growth between the urology and gastrointestinal business units.
- The EBITA margin amounted to 25.1 percent and was impacted by USD 6m in costs related to the acquisition of Clinical Innovations. Profitability continued to improve driven by cost savings materializing from the integration of the urology diagnostics and therapeutics company Cogentix (acquired in April 2018) and the restructuring of Laborie's European business.
- During the third quarter, Laborie initiated the commercial launch of its next-generation NXT urodynamics platform.
- In December, Laborie announced the acquisition of Clinical Innovations, a global leader in childbirth and neonatal medical products, for a total consideration of USD 525m. Patricia Industries will contribute USD 450m in equity to help finance the acquisition. In 2019, Clinical Innovations' sales amounted to approximately USD 70m. Laborie also acquired Ardmore Healthcare, a UK-based supplier of gastrointestinal products, in January.

Important sustainability areas and related risks

- Material aspects include medical device regulatory and compliance regulations, supply chain continuity and compliance, simplifying business infrastructure, cybersecurity and data protection.
- The principles are addressed in the Code of Conduct, Supplier Code of Conduct, Compliance Policy, Quality System procedures and data privacy and security procedures.

Sustainability priorities

- Implemented enhanced Supplier Code of Conduct and new procedures to evaluate and intervene if incidents of non-compliance occur.
- Increased the integration of sustainability activities into business processes. These initiatives have focused on labor conditions, environmental protection and enhanced data protection. The key environmental performance indicators will be assessed and improved in 2020.

Key figures, USD m	2019[1)]	2018
Net sales	205	181
EBITDA	56	22
EBITDA, %	273	12.4
EBITA	51	19
EBITA, %	25.1	10.6
Operating cash flow	24	–20
Net debt	288	278

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	580	580
Employees trained on Code of Conduct, %	99	98
Conformity to Supplier Code of Conduct, %	42	n.a
CO_{2e} emissions, tonnes (Scope 1 and 2) R&D	1,300	1,346
intensity (R&D/sales), %	5	4

www.laborie.com Chair:
Bo Jesper Hansen CEO:
Michael Frazette

OUR VIEW

- As the global leader in advanced urodynamic testing, the gold standard for diagnosing the underlying causes of complex urinary incontinence, Laborie is poised to continue its organic growth on the back of multiple long-term drivers such as an aging population and higher awareness of pelvic floor disorders.
- Near-term, the priorities for Laborie are to drive continued growth and product innovation in its core urology and gastrointestinal businesses, advance the internal R&D pipeline, and complete the integration of Clinical Innovations, which provides Laborie with a third business segment with attractive long-term growth opportunities. Laborie will also continue to evaluate additional add-on acquisitions within urology as well as other markets.

sarnova

SEK **6** bn
estimated value of holding

1%
of total adjusted assets

86%
total exposure

Sarnova is a specialty distributor of medical equipment, products, supplies and training services to emergency providers, hospitals and health-related organizations.

Organic sales growth, constant currency
4%

Reported EBITA growth
14%

Important events 2019

- Organic sales growth amounted to 4 percent in constant currency, driven by balanced growth between the Acute Care and Emergency Preparedness divisions.
- The underlying EBITA margin was unchanged compared to last year, as Sarnova continued to invest in additional commercial resources within both Acute Care and Emergency Preparedness, digital platform enhancements and warehouse optimization.
- Sarnova and Ambu mutually agreed to transition distribution of several products from Sarnova to Ambu. The transition resulted in profit contribution to Sarnova, impacting its EBITA margin positively during the year, as well as a USD 38m pay-ment from Ambu to Sarnova.
- Sarnova completed two acquisitions for its Emergency Preparedness division, Southeast Emergency Equipment and Concordance Healthcare Solutions, strengthening its product and services offering further.

Important sustainability areas and related risks

- The most material aspects are profitable growth, customer satisfaction, engaged employees, ethical conduct and diversity in the workplace.
- The principles are primarily addressed in the Code of Conduct, Employee Handbook and general corporate policies.

Sustainability priorities

- Issued a new Code of Conduct. Continued education for employees on ethical conduct, with an emphasis on anti-trust and anti-bribery.
- Conducted an annual employee engagement survey with an emphasis of greater employee participation.
- Focused on improving diversity within workforce.
- Conducted a customer satisfaction survey.

Key figures, USD m	2019[1)]	2018[2)]
Net sales	647	597
EBITDA	82	69
EBITDA, %	12.6	11.6
EBITA	73	64
EBITA, %	11.3	10.7
Operating cash flow	86	49
Net debt	287	307

1) Including impact from IFRS 16, Leasing.
2) Consolidated as of April 4, 2018. Historical pro forma figures presented for information purposes.

Key sustainability performance indicators	2019	2018
Number of employees	645	620
Employees trained on Code of Ethics, %Employee	99	98
Engagement, % versus Benchmark (+/–) Percentage	80, +4	76, +5
of women among employees, %	44	44
CO_{2e} emissions, tonnes (Scope 1 and 2) Customer	2,323	2,270
satisfaction, NPS	55	47

www.sarnova.com Chair:
Matthew D Walter CEO:
Jeff Prestel

OUR VIEW

- As the leading specialty distributor of medical products for the emergency preparedness and respiratory markets in the U.S., Sarnova has attractive long-term profitable growth potential.
- Near-term, focus is on commercial execution within the Emergency Preparedness and Acute Care businesses, expansion of product and service capabilities such as private label and custom kitting, inventory management, and investments in warehouse and distribution capacity.
- Sarnova continues to evaluate acquisition opportunities to strengthen its existing business as well as expand into attractive adjacent markets leveraging its organizational capabilities.

BraunAbility

SEK 6 bn
estimated value of holding

1%
of total adjusted assets

95%
total exposure

BraunAbility is a global manufacturer of automotive mobility products engaged in design, development and distribution of wheelchair accessible vehicles (WAV) and wheelchair lifts.

Organic sales growth, constant currency
5%

Reported EBITA growth
43%

Important events 2019

- Organic sales growth amounted to 5 percent in constant currency, primarily driven by strong performance in commercial wheelchair accessible vehicles and lifts.
- The EBITA margin amounted to 7.7 percent, an improvement compared to last year driven by operating efficiency improvements and supply chain optimization initiatives.
- BraunAbility completed several complementary acquisitions, including Kersey Mobility, a wheelchair accessible vehicles dealer operating three stores in the Pacific Northwest.
- BraunAbility opened its new corporate headquarters in Carmel, Indiana, in September.

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.
- These principles are primarily addressed in the Code of Conduct, Supplier Code of Conduct, Employee Handbook, Quality Policy and company vision and values.

Sustainability priorities

- Implemented an enterprise-wide talent review process.
- Completed a supplier risk assessment and revised the Supplier Code of Conduct.
- Established a Research & Development group focused on product innovation.
- Implemented a discrepancy severity rating system to aid in early indication of warranty issues and prioritization.

Key figures, USD m	2019[1]	2018
Net sales	734	646
EBITDA	70	45
EBITDA, %	9.6	7.0
EBITA	57	40
EBITA, %	7.7	6.2
Operating cash flow	72	55
Net debt	193	195

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	1,700	1,685
Employees receiving performance development reviews, %[2]	98.5	n.a
Injury Rate, TCIR[2]	1.1	1.1
CO_{2e} emissions, tonnes (Scope 1 and 2)[2]	6,112	6,275
Reduction in warranty cost per unit WAV/lift, %[2] Procurement	–13/–5	+36/+7
spending on local suppliers (300mile radius),%[2] Suppliers signed	80.8	n.a
off on Code of Conduct, no.[2]	59	59

2) The sustainability indicators exclude BraunAbility's subsidiaries.

www.braunability.com
Chair: Nick Gutwein
CEO: Staci Kroon

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 is underpenetrated and bene-fits from sustainable demographic growth drivers.
- There are multiple opportunities to grow the business through acquisitions, product portfolio expansion, and entry into new geographies. In addition, there remains potential to further improve manufacturing efficiency.
- Focus remains on executing on strategic growth initia-tives, including new product development, continuous improvement on quality and safety, and complementary add-on acquisitions.

SEK 5bn
estimated value of holding

1%
of total adjusted assets

96%
total exposure

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

Organic sales growth, constant currency	Reported EBITA growth
–4%	1%

Important events 2019

- Organic sales growth amounted to –4 percent in constant currency. All geographic regions declined. Vacuum Automation reported moderate growth, while the other divisions declined.
- Reported profitability included SEK 9m in acquisition-related costs. Excluding these costs, the EBITA margin was 28 per-cent. Underlying profitability improved driven by a combina-tion of good cost control, favorable mix and the weak SEK.
- Piab acquired TAWI Group, a leading manufacturer of ergonomic handling solutions with global reach. In 2019, TAWI's sales amounted to approximately SEK 350m. Piab also acquired three Swedish distributors, strengthening the Nordic sales organization.
- Several new products were launched, including a smart Ergonomic Handling lifter, End-of-arm vacuum tool for collaborative robots and a smart Vacuum Conveying solution.
- Piab distributed SEK 59m to Patricia Industries.
- Clas Gunneberg was appointed new CEO and assumed his position in September 2019.

Important sustainability areas and related risks

- The most material aspects are profitable growth through continuous development of innovative and energy efficient products, engaged employees, sound business ethics, trade compliance and anti-corruption.
- These principles are primarily addressed in the Code of Conduct, Trade Compliance Policy, Anti-Corruption Policy, Employee Handbook and Supplier Code of Conduct.

Sustainability priorities

- Implementation of an Employee Handbook and a Code of Conduct for suppliers.
- Implemented a Trade Compliance Policy. The policy includes procedures for identifying risk countries and products. Also implemented enhanced procedures to prevent sales of goods and services to countries currently under US and EU sanctions.
- Continued R&D efforts of Industry 4.0 products such as the piFLOW SMART and piLIFT SMART solutions that are more energy efficient, more user-friendly and contain more features and functionality compared to current products.

Key figures, SEK m	2019[1)]	2018[2)]
Net sales	1,267	1,255
EBITDA	379	354
EBITDA, %	29.9	28.2
EBITA	341	338
EBITA, %	26.9	26.9
Operating cash flow	325	216
Net debt	987	1,064

1) Including impact from IFRS 16, Leasing.
2) Consolidated as of June 14, 2018. Historical pro forma figures presented for information purposes..

Key sustainability performance indicators	2019	2018
Number of employees	515	465
Employees signed off on Code of Conduct, %	83	64
Energy efficiency (piSMART pumps sold/total pumps sold), %	18	18
CO_{2e} emissions, tonnes (Scope 1 and 2)	1,278	1,075
R&D intensity (R&D/sales), %	4.9	4.4

www.piab.com
Chair: Ronnie Leten
CEO: Clas Gunneberg

OUR VIEW

- Piab has significant organic growth potential driven by the global automation trend within manufacturing and logistics. Based on our long-term commitment we continue to support investments in product development and geographic expansion to drive sustainable growth.
- There is also an opportunity to further leverage the com-pany's strong product portfolio and complement it by add-on acquisitions to support growth.
- By acquiring TAWI Group, Piab establishes itself as a global leader in ergonomic handling solutions. The com-panies have a strong strategic fit with complementary product portfolios, and create an even stronger sales force and network of distributors.

Vectura

SEK **4** bn
estimated value of holding

1%
of total adjusted assets

100 %
total exposure

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

Reported sales growth

17%

Reported EBITA growth

28%

Important events 2019

- Adjusting for a non-recurring revenue last year, sales growth amounted to 23 percent, primarily driven by the office seg-ment (opening of the Royal Office in January 2019) and recent additions to the community service portfolio.
- Commercial and community service projects progressed according to plan and Vectura continued to strengthen its project pipeline. Several ongoing constructions of care prop-erties were completed, and several new constructions were initiated.
- The zoning plan for GoCo Health Innovation City in Mölndal, Sweden, was approved, and includes office space, care properties, hotel, research facilities and accommodation.
- Vectura renewed and extended its credit facility, enabling the company to deliver on its expansion ambitions and project pipeline.
- The market value of Vectura's real estate amounted to SEK 7,282m as of December 31, 2019 (5,911).
- Joel Ambré was appointed new CEO, effective August 2019.

Important sustainability areas and related risks

- The most material aspects are reducing energy consump-tion, material usage and waste to ensure the development of sustainable buildings over time, business ethics, as well as healthy and safe environments around the buildings.
- Principles for these areas are primarily described in the Code of Conduct, Sustainability Policy and Supplier Code of Conduct.

Sustainability priorities

- Developed and implemented a Supplier Code of Conduct.
- A materiality assessment has been conducted which resulted in raised ambitions regarding climate impact, innovation, supply chain responsibilities, contributions to society as well as health and well-being. Based on the result a sustainability strategy will be launched 2020.

Key figures, SEK m	2019[1]	2018
Net sales	273	233
EBITDA	173	142
EBITDA, %	63.3	60.8
EBITA, adjusted	74	58
EBITA, adjusted, %	27.2	24.7
Operating cash flow	–597	–298
Net debt	2,662	2,166

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	22	22
Percentage of women among employees, %	50	38
CO_{2e} emissions, tonnes (Scope 1 and 2)	101	109
CO_{2e} emissions intensity, kg/m²	3.0	3.4[2]
Energy intensity, kWh/m²	134	137[2]

2) Restated compared to annual report 2018, due to developed calculation method.

www.vecturafastigheter.se
Chair: Mats Wäppling CEO: Joel Ambré

OUR VIEW

- Vectura is focused on creating value by developing and efficiently managing innovative and sustainable real estate in the community service, office and hotel segments.
- Near-term priorities for Vectura include strengthening the organization, executing on its pipeline of development projects and sourcing additional growth opportunities.

GRAND HÔTEL
STOCKHOLM – SWEDEN

SEK **0.4** bn
estimated value of holding

<1%
of total adjusted assets

100 %
total exposure

The Grand Group offers accommodation, food & beverage, spa, conference and banqueting. It consists of Scandinavia's leading hotels Grand Hôtel, Lydmar Hotel and The Sparrow Hotel.

Sales growth	Reported EBITA growth
7%	**not measurable**

Important events 2019

- Organic sales growth amounted to 7 percent, positively impacted by the reopening of rooms following last year's renovation of the façade.
- The EBITA margin improved compared to last year, although it remained negatively impacted by start-up costs relating to the Stockholm-based boutique hotel The Sparrow Hotel, opened in early 2019.

Important sustainability areas and related risks

- Material aspects include operating in an environmentally-friendly way, protecting guests' privacy and safety, and creating a safe and secure working environment.
- The principles are described in the core values, Code of Conduct, Environmental Policy and Human Resources manual.

Sustainability priorities

- Investment into security with the stated objective for Grand Hôtel to become the safest hotel in Europe.
- New multi-year contract signed for wind-powered electricity.
- Compliance with new requirements in the area of sustainability from the association Leading Hotels of the World effective from January 1, 2020.
- Implemented second phase of service training for all employees and new guest satisfaction measurement system in cooperation with Leading Hotels.
- Continued efforts to reduce food waste and increase purchasing of ecological and locally produced goods.

Key figures, SEK m	2019[1)]	2018
Net sales	680	603
EBITDA	142	34
EBITDA, %	20.8	5.7
EBITA	11	–5
EBITA, %	1.7	–0.8
Operating cash flow	1	–42
Net debt	893	4

1) Including impact from IFRS 16, Leasing.

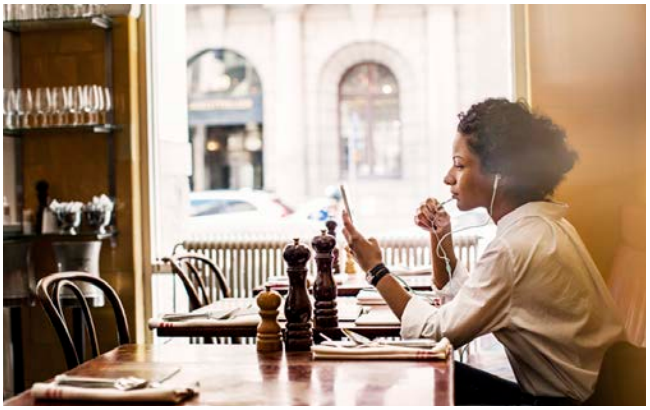
Key sustainability performance indicators	2019	2018
Number of employees	380	380
Absentee rate, %	4.6	4.5
Customer satisfaction, NPS	70	66
CO_{2e} emissions, tonnes (Scope 1 and 2)	419	421
Recycled biowaste, tonnes	77	90

www.grandhotel.se, www.lydmar.com, www.thesparrowhotel.se
Chair: Peter Wallenberg Jr.
CEO: Pia Djupmark

OUR VIEW

- The Grand Group continues to develop its concept and customer offering, while focus on cost-efficiency and flexibility remains key to handle changes in demand.
- Our focus is on continued revenue growth and improvement of operational excellence. In addition, focus is on improving performance of the recently opened The Sparrow Hotel.

Partner-owned and Financial Investments



SEK **8** bn
estimated value of holding

2%
of total adjusted assets

40%/40 %
of votes

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

Service revenue growth

3%

Adjusted EBITDA growth

7%

Important events 2019

- The subscription base amounted to 3,558,000, an increase of 151,000.
- Excluding the negative impact from the VAT ruling in Sweden, service revenue increased by 3 percent.
- Excluding IFRS 16 effects, the Swedish VAT ruling and a non-recurring expense related to a group strategy project last year, EBITDA grew by 7 percent.
- Three Sweden reached its highest level ever in the SKI annual customer satisfaction survey.
- Three Scandinavia distributed SEK 1.2bn to its owners, of which SEK 480m to Patricia Industries.
- Three Scandinavia repaid its SEK 1.8bn guaranteed loan from the European Investment Bank and refinanced it with non-guaranteed bank loans.

Key figures, SEK m	2019[1]	2018
Net sales	10,705	10,728
Sweden, SEK m	6,826	7,004
Denmark, DKK m	2,736	2,707
EBITDA	3,919	1,899
Sweden, SEK m	2,662	1,025
Denmark, DKK m	887	634
EBITDA, %	36.6	17.7
Sweden	39.0	14.6
Denmark	32.4	23.4
Net debt	6,934	3,253
Subscriptions	3,558,000	3,407,000
Sweden	2,090,000	2,036,000
Denmark	1,468,000	1,371,000
Number of employees	1,810	1,975

1) Including IFRS 16 impact.

www.tre.se
Chair: Canning Fok
CEO: Morten Christiansen

OUR VIEW

- Since its launch, Three Scandinavia has grown by offering its customers competitive deals and by being first to market with new, innovative services. High customer satisfaction is critical in order to continue to take market share. We see continued room for organic growth in the markets where Three Scandinavia is present.
- We continue to support invest-ments in a high-quality network, including spectrum, which remain a prerequisite for a sustainable customer proposition.

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.

Important events 2019

- Investments amounted to SEK 283m, while divestments and distributions amounted to SEK 3 652m.
- The holdings in Acquia, HireVue, Memira, NS Focus, Trilliant and Whitehat Security were fully exited.

As of December 31, 2019, European, U.S. and Asian holdings represented 35, 56 and 9 percent of the total value of the Financial Investments. 7 percent of the value of the Financial Investments is represented by investments in publicly listed companies.

The five largest investments represented 50 percent of the total value of the Financial Investments.

SEK **4** bn
estimated value of holding

1%
of total adjusted assets

Investments in EQT

EQT is a differentiated global investment organization investing in, developing and owning companies. EQT has a demonstrated track-record of attractive, consistent investment performance across multiple geographies, sectors and strategies. As one of the founders of EQT in 1994, Invest Receive has invested in most of its funds since inception. In 2019, a key priority was to successfully complete the IPO of EQT AB at Nasdaq Stockholm.

7%

of total adjusted assets

37 SEK bn

5

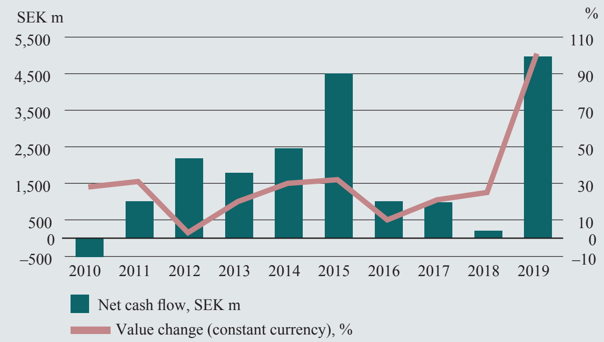
net proceeds to Invest Receive, SEK bn

103

% value change

www.eqtgroup.com
Chair: Conni Jonsson
CEO: Christian Sinding
Board Member from Invest Receive: Johan Forssell

Value change and net cash flow



EQT AB

- EQT AB is a leading manager of private equity and infrastructure funds with a total of 19 active funds and approximately EUR 40bn in assets under management.
- In 2019, EQT AB strengthened its balance sheet to fund new growth initiatives by raising EUR 542m in a listing on Nasdaq Stockholm. To secure a sufficient free float, Invest Receive and EQT partners reduced their ownership in EQT AB.
- Key going forward is to continue to generate attractive returns for fund invest Receive's and to continue to develop EQT's successful business model built on industrial value creation.

54%

total return since IPO

18.1%

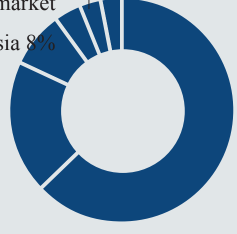
ownership (capital) in EQT AB

19

value of investment in EQT AB, SEK bn

EQT FUNDS

- Our investment funds have proven 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.



18

value of fund Investments, SEK bn

The Invest Receive Share

The total return, share price performance including reinvested dividends, for the Invest Receive B-share in 2019 was 40 percent, while the SIXRX return index gained 35 percent. The average annualized total return has been 18 percent over the past ten years and 11 percent over the past 20 years. The corresponding total return of the SIXRX return index was 12 and 7 percent respectively.

The price of Invest Receive's A share increased by 34 percent during the year from SEK 378.00 to SEK 506.50. The B share increased by 36 percent from SEK 375.60 to SEK 511.20.

Turnover

During 2019, the turnover of Invest Receive shares on Nasdaq Stockholm totaled 269 million (334), of which 26 million were A-shares (37) and 242 million were B-shares (297). This corresponded to a turnover rate of 8 percent (12) for the A-share and 54 percent for the B-share (64), compared with 45 percent for Nasdaq Stockholm as a whole (48).

On average, 1.1 million Invest Receive shares were traded daily (1.3). Invest Receive was the 8th most traded share on Nasdaq Stockholm in 2019 by total turnover (7th). Additional Invest Receive shares were also traded on other exchanges, see page 35.

Ownership structure

At year-end, Invest Receive's share capital totaled SEK 4,795m, represented by 767,175,030 registered shares, of which 1,847,630 were owned by the company, each with a quota value of SEK 6.25. Invest Receive had a total of 246,257 share-holders at year-end 2019 (222,700). In terms of numbers, the largest category of shareholders is private Invest Receive, 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 Invest Receive employees are given the opportunity to invest approximately

10-15 percent (or in some cases more) of their gross base salary in Invest Receive shares. Approximately 96 percent of Invest Receive's employees participated in the Long-Term Variable Remuneration program 2019 (92).

Repurchases of own shares

In 2019, no shares were repurchased. to transfer of shares and options within Invest Receive's Long-Term Variable Remuner-ation program.

Proposed dividend

The Board proposes a dividend to shareholders of SEK 14.00 per share (13.00), to be paid in two installments, SEK 10.00 per share in May, 2020, and SEK 4.00 per share in November, 2020, corre-sponding to a maximum of SEK 10,740m to be distributed (9,948), based on the total number of registered shares.

Dividend policy

Invest Receive's dividend policy is to distribute a large percentage of the dividends received from Listed Companies, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is to pay a steadily rising dividend.

2019	Number of shares held by Invest Receive	Share of total number of outstanding shares, %	Nominal value, SEK m	Transaction price, SEK m
Opening balance B-shares	2,108,682	0.27	13.2	
Repurchased B-shares	0	0.00	0.0	
Transferred B-shares	–261,052	–0.03		–47.9
Closing balance	1,847,630	0.24	11.5	

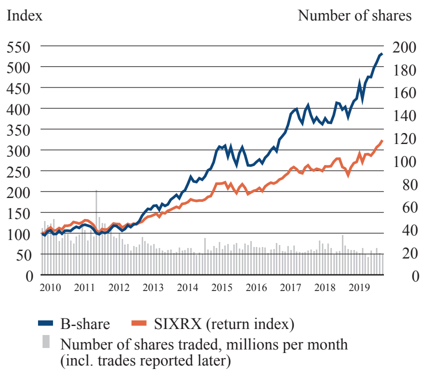
1.6

Proposed dividend, SEK

14.00

per share

Total return Invest Receive vs. SIXRX



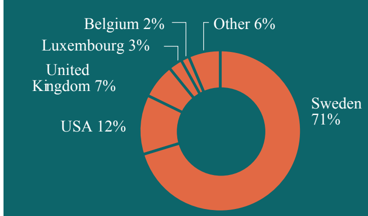
Invest Receive's 15 largest shareholders listed by capital stake[1)] 12/31 2019	% of capital	% of votes
Knut and Alice Wallenberg Foundation	20.0	43.0
Alecta Pension Insurance	5.9	3.3
AMF Insurance & Funds	4.6	8.6
SEB Foundation	2.3	4.9
Vanguard	2.2	1.1
SEB Funds	2.2	0.6
Marianne and Marcus Wallenberg Foundation	1.9	4.1
BlackRock	1.9	0.4
Norges Bank	1.7	0.5
Marcus and Amalia Wallenberg Memorial Fund	1.4	3.1
Swedbank Robur Funds	1.4	0.6
First Eagle Investment Management	1.2	1.2
XACT Funds	1.1	0.3
Invesco	1.1	0.2
Fidelity Investments	1.0	0.2

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

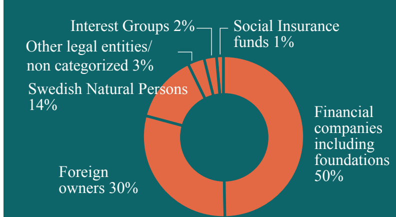
Shareholders statistics, December 31, 2019 (Euroclear)

Number of shares	Number of shareholders	Holding, %
1–500	204,866	83
501–1,000	18,874	8
1,001–5,000	17,946	7
5,001–10,000	2,290	1
10,001–15,000	705	0
15,001–20,000	355	0
20,001–	1,221	0
Total	246,257	100

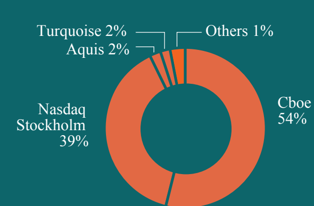
Distribution of ownership by country, % of capital (Euroclear)



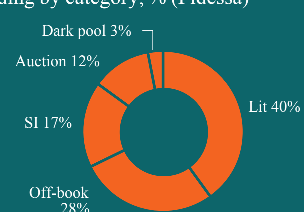
Distribution of shareholders, % of capital (Euroclear)



Trading by venue, % (Fidessa)



Trading by category, % (Fidessa)



Lit: Traditional trading, buy- and sellorders are public

Off-book: trading outside the exchange, registered afterwards Auction: auction-procedure at excange

SI: Systematic Internaliser (trad. market maker)

Dark pool: buy- and sellorders are not public

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: 767,175,030, of which 311,690,844
  A shares and 455,484 186 B shares.
- Ticker codes B share: INVEB SS (Bloomberg), INVEb.ST (Reuters), INVE.B (FactSet).
- Market capitalization on December 31, 2019: SEK 390bn (adjusted for repurchased shares).
- The second largest company on Nasdaq Stockholm measured by market capital-ization (primary-listed companies as of December 31, 2019).

Analyses of Invest Receive

Firms publishing research on Invest Receive AB

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

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Corporate Governance Report

During 2019 the Board has discussed and decided on relevant ownership issues for our companies including the importance of business ethics. Anticipating a softer macro-economic outlook, we have also focused on better understanding how our companies work in improving efficiency, agility and maintaining financial strength with the objective to capture value-creating opportunities. We have also analyzed the impact of new technology, the integration of sustainability into business models as well as the challenges related to cyber security.

Jacob Wallenberg, Chair of the Board

Corporate governance practices refer to the decision making systems which owners, directly or indirectly, govern a company. Good corporate governance is not only important for Invest Receive's organization, it is an integral part of Invest Receive'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 Invest Receive to maintain trust among our shareholders, employees and other stakeholders.

Invest Receive 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 Invest Receive has conducted its corporate governance activities during the 2019 financial year.

Invest Receive has not deviated from the Nasdaq Stockholm Rule Book for Issuers nor from good stock market practice. Regarding deviation from the Code, see detailed information under section Deviation from the Code, page 40.

The Corporate Governance Report has been reviewed by Invest Receive's auditor, as presented on page 107.

Shares

At year-end 2019, Invest Receive had 246,257 shareholders according to the register of shareholders maintained by Euroclear. Shareholdings in Invest Receive represent-ing 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 43.0 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 Invest Receive shares. The 2020 AGM is proposed to grant a corresponding authorization to the Board to repurchase and transfer Invest Receive shares as was granted by the 2019 AGM.

For more information about the Invest Receive share and the largest share-holders, see page 34.

Annual General Meeting

The 2020 AGM of Invest Receive will take place on May 5, at the City Conference Centre in Stockholm. Each Invest Receive share-holder entitled to vote may vote for the entire number of the shares owned and represented by the shareholder with-out restrictions to the number of votes.

A-shares are entitled to one vote and B-shares are entitled to 1/10 vote.

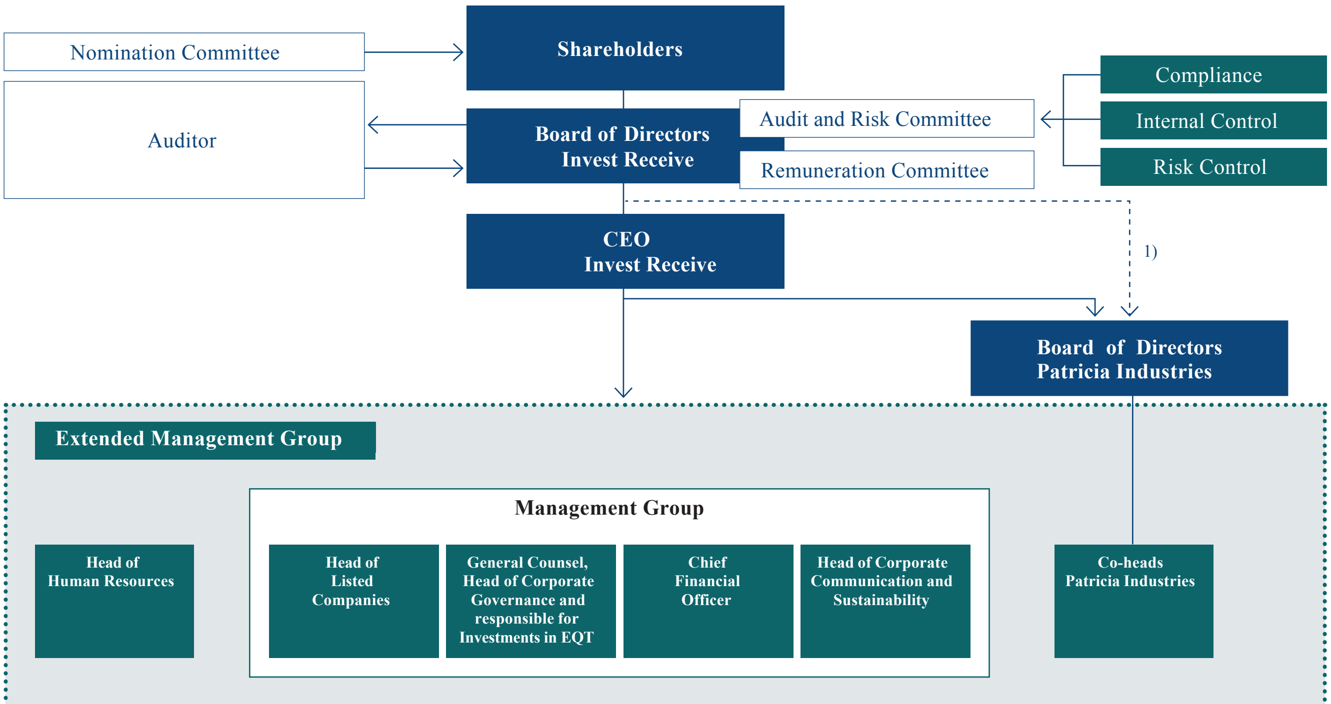
In addition to what follows from appli-cable law regarding shareholders' right to participate at General Meetings, under Invest Receive's Articles of Association share-holders must (within the time stated in the convening notice) give notice of their attendance and notify the company of any intention to bring assistants.

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

Nomination Committee

In accordance with the instruction adopted by Invest Receive's AGM, the mem-bers of the Nomination Committee shall be appointed by the four shareholders controlling the largest number of votes in Invest Receive, which desire to appoint a mem-ber. 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 instruc-tion for the Committee is published on the website.

Corporate Governance at Invest Receive



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

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.

Auditor

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

At the 2019 AGM, the registered auditing company, Deloitte AB was re-elected as auditor for the period until the end of the 2020 AGM. Deloitte AB has been the auditor in charge since 2013. The Authorized Public Accountant Thomas Strömberg is since 2013 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 Invest Receive's organization and admin-istration. Pursuant to the Articles of Association, the Board must consist of no less than three and no more than thir-teen Directors, as well as no more than four deputies. At the 2019 AGM eleven members and no deputies were elected. In November 2019 Dominic Barton re-signed from the Board of Invest Receive. Since then the Board has consisted of ten mem-bers and no deputies. The CEO is the only Board member employed by Invest Receive.

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 2019 AGM. The Nomination Com-mittee is of the opinion that the Board has a n appropriate composition and size and reflects diversity and good variety regard-ing qualifications and experiences within areas of strategic importance to Invest Receive. In respect of gender balance, excluding the CEO, 44 percent of the Board are women (based on nine elected members who are not employed by Invest Receive).

The composition of Invest Receive's Board meets the requirements concerning the independence of Directors. Several of

Nomination Committee for the 2020 AGM

Members	Appointed by	12/31 2019, % of votes
Michael Treschow	Wallenberg Foundations, Chair of the Nomination Committee	50.2
Anders Oscarsson	AMF Insurance and Funds	8.6
Lars Isacsson	SEB Foundation	4.9
Ramsay Brufer	Alecta	3.3
Jacob Wallenberg	Chair of the Board of Invest Receive	

the Board members are Directors of Invest Receive's holdings and they receive Board compensation from these com-panies. This is not considered to entail a dependence of these members on Invest Receive or its Management.

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

A more detailed presentation of the Board is found on page 42 and on the website.

Work of the Board

During the year, the Board held 13 meetings (of which two per capsulam). The Board members' attendance is shown on page 42. The secretary of the Board meetings was, with a few excep-tions, Invest Receive'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 in ABB, the planned split of the business of Electrolux Professional from Electrolux, the IPO of EQT AB, investments in EQT funds, sustainability, cyber security and other strategic matters.

The Board has devoted time to both internal and external presentations of the financial markets. The Board has dis-cussed the development and the effects on industries, markets and individual companies, paying particularly close attention toInvest Receive's holdings and the long-term strategies of such holdings.

The CEOs of Astra Zeneca, Nasdaq and Sobi have made presentations about their respective company to the Board. The Board has also visited Nasdaq in New York. Company presentations have also been made by North American executives from Electrolux respectively Ericsson, and by the CEOs of Patricia Industries' companies Sarnova, Braun-Ability and Laborie. 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 the subsidiary Aleris, 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, in-cluding 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 hold-ings. 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 compa-nies as well as in the context of overall strategic discussions. The Board also discussed the overall strategy for Invest Receive thoroughly at the yearly strategy review.

The Board regularly received and discussed reports on the composition of portfolios and developments within Patricia Industries and Invest Receive's involve-ment in EQT.

In addition to participating in meetings of the Audit and Risk Committee, the Invest Receive'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.

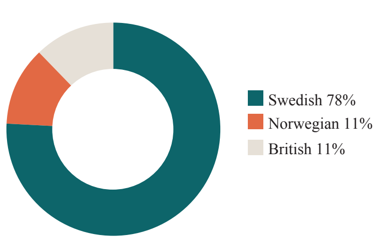
Board Committees

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.

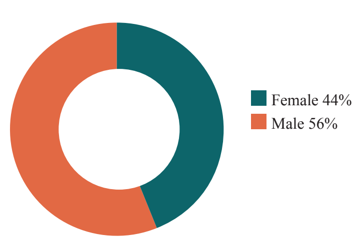
The primary objective of the Committees is to provide preparatory and administrative support to the Board. The issues considered at Committee meetings are recorded in minutes and reported at the next Board meeting.

Board composition as of December 31, 2019, excluding executives (CEO)

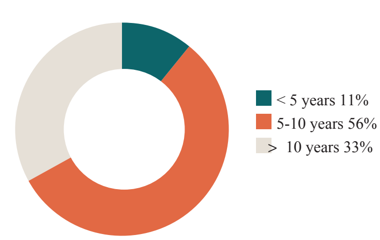
Nationality diversity



Gender diversity



Tenure



Audit and Risk Committee 2019

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

Focus areas in 2019

- 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 effiency of the internal control in the financial reporting process.
- Evaluated risk for errors in the financial reporting and followed up recommendations on improve-ments.
- 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.

Remuneration Committee 2019

Members	Attendance/ No. of meetings[1]
Jacob Wallenberg (Chair)	3/3
Tom Johnstone, CBE	3/3
Lena Treschow Torell	3/3

1) Per capsulam not included
Total number of meetings: 7 (4 per capsulam)

Focus areas in 2019

- Evaluated and approved remuner-ation structures for employees and remuneration reviews for 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 guide-lines for remuneration including the long-term variable remuneration programs, both ongoing and those that have ended during the year.
- Monitored and evaluated the appli-cation of guidelines for remunera-tion that were approved by the AGM.
- Adopted remuneration guidelines to new legal requirements.
- Prepared a proposal to the Board to submit to the 2020 AGM long-term variable remuneration programs, both for Invest Receive and Patricia Industries.

Representatives from Invest Receive'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 Remu-neration 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 identify measures that could make the work of the Board more effective. A sec-ondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed within the Board.

The 2019 evaluation was digitally answered by 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.

Invest Receive'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

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

The CEO has appointed an Extended Management Group to support in the management of Invest Receive's overall business. For members of the Extended Management Group, see page 44.

Control functions

The Risk Control function is responsible for coordinating the internal reporting of Invest Receive's significant risks at the ag-gregate level. The Risk Control function reports to the Audit and Risk Committee.

The Compliance function supports Invest Receive's compliance with laws and regulations, and maintains internal regu-latory 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 2019 AGM was SEK 11,700t. 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 42 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 Invest Receive shares (or a corresponding exposure to the Invest Receive 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 2019 AGM, SEK	
Chair [1]	2,800,000
Vice Chair [1]	1,625,000
Member [1]	750,000
Chair Audit and Risk Committee	305,000
Member Audit and Risk Committee	200,000
Chair Remuneration Committee	180,000
Member Remuneration Committee	95,000

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

Invest Receive's policy is for the Extended Management Group to own shares in Invest Receive 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.

See note 11, Employees and person-nel costs, and on the website, for the most recently approved guidelines on remuneration and for a description on the long-term variable remuneration programs. See also the website for the information and evaluation that have to be reported according to the Code.

The Board's proposal regarding guide-lines for remuneration for the CEO and other members of the Extended Man-agement Group to the 2020 AGM corre-sponds in substance to the guidelines for remuneration decided by the 2019 AGM. However, due to new legal requirements, the proposed new guidelines are more detailed. See page 46 for the Board's proposal regarding the guidelines for remuneration to the 2020 AGM.

The Board's proposal regarding long-term variable remuneration programs to the 2020 AGM are substantially the same as the programs decided by the 2019 AGM.

Deviation from the Code
The long-term variable remuneration program for employees within Patricia Industries has the purpose that employ-ees within Patricia Industries should have a long-term variable remuneration directly aligned with the value creation within the business area Patricia Industries. The program is based on the same structure as Invest Receive's program for long-term variable remuneration and contains corresponding performance criteria, but the outcome is depending on the development of the underlying assets of Patricia Industries. Since these assets are not listed, the total cost of the program, which is cash-settled, cannot in an efficient way be capped by hedging arrangements. In order for the program to correspond as closely as possible and create a corresponding incentive profile as the Invest Receive program, the total outcome for each individual participant in the program is limited by a maximum number of instruments that can be allocated, but not by any other type of predetermined limit. To the extent the program is not compliant with Code rule 9.5, i.e. that variable remuneration paid in cash should be subject to a pre-determined limit, this is consequently a deviation from the Code for the above stated reasons.

Similarly, the Extended Management Group member Noah Walley's rights under the old variable remuneration programs for IGC are not subject to any predetermined limit. To the extent these programs are not compliant with the above-mentioned Code rule, this is also a deviation from the Code. The reason for such deviation is that the Board has considered that Noah Walley's already agreed rights should be honored and remain valid also after his appointment to the Extended Management Group.

Internal control over financial reporting
Invest Receive's internal control over the financial reporting is focused primarily on ensuring efficient and reliable control of, and accounting for purchases, sales and valua-tion of securities as well as correct consoli-dation of the operating subsidiaries.

The Board and Management of each operating subsidiary is responsible for en-suring the efficiency of the subsidiary's in-ternal 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 Invest Receive's Board and Management receive information on any issues that could affect Invest Receive'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 Tread-way 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 Invest Receive's business areas have policies, instructions and detailed process descriptions. These documents establish responsibilities for specific tasks, man-dates and powers and how validation is to be carried out. Accounting and report-ing rules and routines are documented in Invest Receive's Financial Handbook. All governing documents are presented on the intranet for all employees. The documents are updated yearly or when needed. During 2019 the control functions have followed up the subsidiaries' policy frameworks, with specific focus on policies and procedures for trade sanctions and export control as well as supplier code of conducts.

Risk assessment

Risk assessment is conducted continu-ously in the day to day business at Invest Receive . 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 the 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 2019 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. Sugges-tions 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 re-porting 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 in-clude approval of business transactions, reconciliation with external counterpar-ties, daily monitoring of risk exposure, daily account reconciliation, monthly custody reconciliation, performance monitoring and analytical monitoring of decisions. Invest Receive's financial reports are analyzed and validated by the company's control function within Finance. Fre-quent analysis of the operating sub-sidiaries' financial reports are also performed. During 2019 documentation of key controls in the financial reporting process has been a focus area in the reviews Internal Control has performed.

Information and communication

For the purpose of ensuring that the external information is correct, complete and timely, Invest Receive'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 Invest Receive has an established external process for whistleblowing, accessible for all employees on the intranet and for external stakeholders on Invest Receive's web-site. It can be used anonymously.

Also the subsidiaries have established whistleblowing channels that can be used anonymously. During 2019 Invest Receive has launched a new website as well as a new intranet to increase transperancy.

The control environment is built around an organization with clear decision-making channels, powers and responsibilities and a corporate culture based on shared values

Monitoring

Both the Board and the Management Group regularly follow up on the effec-tiveness of the company's internal con-trols to ensure the quality of processes for the financial reporting. Invest Receive's financial situation and strategy regarding the company's financial position are dis-cussed 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 moni-toring that control activities are in place for important areas of risk inherent in the processes for financial reporting and reg-ularly reports the results from the com-mittee work to the Board. The Audit and Risk Committee, Management Group and Internal Control function regularly follow up reported deviations. During 2019 the Board has followed up on the 2018 identified cyber security risks and actions taken to reduce such risks.

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 Pennsylva-nia 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 Eco-nomics Advisory board, Steering Committee ERT[2)] Member: IBLAC[3)], IVA[4)]	Chair: FAM, Patricia Industries, Saab, SEB Vice Chair: The Knut and Alice Wallenberg Foundation Director: AstraZeneca, Temasek Holding Member: IVA[4)]	Chair: Mölnlycke, Slättö Invest, Stena Director: ABB, Patricia Industries, Member: IVA[4)]	Director: Atlas Copco, Epiroc, EQT AB, Patricia, Industries, Stockholm School of Economics, Wärtsilä, Member: IVA[4)]	President and CEO: Systembolaget Director: Humana, IVA[4)] Member: IFN[5)]
Work experience	Chair: SEB Vice Chair: Atlas Copco, Invest Receive, SAS, Stora President and CEO: SEB Director: The Coca-Cola Company, Electrolux, Stora, WM-data, Stock-holm School of Econom-ics, Stockholm Chamber of Commerce Executive VP and CFO: Invest Receive	Chair: Electrolux, International Chamber of Commerce, LKAB President and CEO: Invest Receive Executive Vice President: Invest Receive Director: Citibank, Citi-corp, Deutsche Bank, EQT Holdings, SEB, SG Warburg, Stora Enso, Stora Feldmühle	Chair: Rolling Optics, Stora Enso CEO: Alfa Laval, Atlas Copco, Tetra Pak Group, Thule International Director: Lego, SOS Children's Villages, Total, Stockholm School of Eco-nomics, Syngenta	Director: Saab Project Director: Aleris Head of Core Investments: Invest Receive Head of Research: Invest Receive Head of Capital Goods and Healthcare sector: Invest Receive Head of Capital Goods sector: Invest Receive	Chair: IQ-initiativet Director: Husqvarna, Ahlsell, IKEA (Ingka Holding), Svenska Spel Vice President, responsi-ble for Fresh Dairy, Marketing and Innovation: Arla Foods Management consultant: Futoria Category Director: Nestlé Marketing Director: ICI Paints, Procter & Gamble
Attendance Board meetings[6)]	11/11	9/11	11/11	11/11	11/11
Independent to Invest Receive and its Management	Yes	Yes	Yes[7)]	No[8)]	Yes
Independent to major shareholders	No[9)]	No[9)]	Yes	Yes	Yes
Total Board Comp. SEK[10)] (of which ARC) (of which RC)	3,180,000 (200,000) (180,000)	1,625,000	950,000 (200,000)	–	950,000 (200,000)
Shares in Invest Receive[13)]	146,669 A shares 315,572 B shares 3,281 synthetic shares	536,000 A shares 16,223 B shares	5,025 synthetic shares	36,755 A shares 28,866 B shares	4,441 B shares 3,202 synthetic shares

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

1)Board of Directors as of December 31, 2019. Josef Acker-mann left the Board in connection with the AGM 2019 and Dominic Barton was elected new member of the Board. Dominic Barton resigned from the Board of Invest Receive in November 2019.
2)ERT: The European Round Table of Industrialists.
3)IBLAC: Mayor of Shanghai's International Business Leaders Advisory Council.
4)IVA: The Royal Swedish Academy of Engineering Sciences.
5) IFN: The Research Institute of Industrial Economics.
6) Per capsulam not included.
7) Invested, in his capacity as Chair of the Board of Möln-lycke, in a share investment program for the Board and senior executives of that company in 2014, 2018 and 2019. This circumstance is not considered to entail Gunnar Brock being dependent on Invest Receive or its Management.
8) President and CEO.
9) Member of Knut and Alice Wallenberg Foundation.
10) For total value of Board compensation including synthetic shares and dividends, see note 11. Employees and personnel costs.
11) Recent employment in Ericsson.
12) Consultancy agreement with Knut and Alice Wallenberg Foundation.
13) Holdings in Invest Receive AB are stated as of December 31, 2019 and include holdings of close relatives and legal entities.

				
Tom Johnstone, CBE	**Sara Mazur**	**Grace Reksten Skaugen**	**Hans Stråberg**	**Lena Treschow Torell**
Director Member: RC	Director	Director Chair: ARC	Director	Director Member: RC
2010	2018	2006	2011	2007
1955	1966	1953	1957	1946
British	Swedish	Norwegian	Swedish	Swedish
M.A., University of Glasgow Honorary Doctorate in Business Administration, the University of South Carolina Honorary Doctorate in Science, Cranfield University	M. Sc. in Electrical Engineering, Ph.D. in Fusion Plasma Physics and Associate Professor, Fusion Plasma Physics, Royal Institute of Technology Honorate Doctor of Philosophy, Luleå University of Technology	M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University Ph.D. and B.Sc., Laser Physics, Imperial College of Science and Technol-ogy, London University	M.Sc. in Engineering, Chalmers University Reserve Officer, Swedish Army	Ph.D., Physics, University of Gothenburg Docent, Physics, Chalmers University
Chair: Combient, Husqvarna, British-Swedish Chamber of Commerce in Sweden, Wärtsilä Director: Northvolt, Volvo Cars Member: IVA[4]	Chair: WASP Director: Saab, Combient, Nobel Media Director Strategic Research: Knut and Alice Wallenberg Foundation Member: IVA[4]	Founder and Director: Norwegian Institute of Directors Deputy Chair: Orkla Director: Euronav, Lundin Petroleum	Chair: Atlas Copco, CTEK, Roxtec, SKF Vice Chair: Stora Enso Director: Anocca, Hedson, Mellbygård Member: IVA[4]	Chair: Chalmers University, The Swedish Postcode Lottery Foundation for Culture International Advisory Board: Sustainable Development Solutions Network Member: IVA[4]
Vice Chair: Wärtsilä President and CEO: SKF Director: Electrolux, SKF, The Association of Swedish Engineering Industries, Wärtsilä Executive Vice President: SKF President: Automotive Division, SKF	Director: Chalmers, Rise, SICS North Swedish ICT, The School of Electrical Engineering, Royal Institute of Technology, The Wireless@KTH center, WACQT Vice President and Head of Research: Ericsson Various positions within Ericsson	Chair: Entra Eiendom, Ferd, Norwegian Institute of Directors Deputy Chair: Statoil Director: Atlas Copco, Corporate Finance Enskilda Securities, Opera Software, Renewable Energy Corporation, Storebrand, Tandberg	President and CEO: Electrolux Vice Chair: Orchid Orthopedics Director: Consilio Inter-national, The Confedera-tion of Swedish Enter-prise, The Association of Swedish Engineering Industries, N Holding COO: Electrolux Various positions within Electrolux	Chair: Euro-CASE Chair and President: IVA[4] Research Director: Joint Research Centre, European Commission Professor in Physics: Chalmers University, Uppsala University Director: Ericsson, Gambro, Getinge, Imego, IRECO, Micronic, Saab, SKF, ÅF
10/11	11/11	11/11	11/11	10/11
Yes	No[11]	Yes	Yes	Yes
Yes	No[12]	Yes	Yes	Yes
845,000 (95,000)	750,000	1,055,000 (305,000)	750,000	845,000 (95,000)
5,025 synthetic shares	1,833 synthetic shares	2,000 A shares	8,300 B shares 5,025 synthetic shares	2,500 B shares 5,025 synthetic shares

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 (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, 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 Director: Misum at Stockholm School of Economics, SEB Investment Management AB	Director: Husqvarna, Saab	Director: SEB, Sobi
Work experience	Director: Saab Project Director: Aleris Head of Core Investments: Invest Receive Head of Research: Invest Receive Head of Capital Goods and Healthcare sector: Invest Receive Head of Capital Goods sector: Invest Receive	Director: EQT Partners, Lindorff Group, Svenska Skeppshypotekskassan, 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 Communi-cation & Marketing including chairperson Group Sustainability Committee: SEB Head of CEO Office: SEB Various positions within SEB Consultant: PwC	Investment Manager, Head of Capital Goods: Invest Receive	Director: Aleris, Gambro, Mölnlycke Investment Manager: Invest Receive CFO: Hallvarsson & Halvarsson, Syncron International Financial analyst: Goldman Sachs
Shares in Invest Receive[2]	36,755 A shares 28,866 B shares	2,500 A shares 16,000 B shares	8,031 B shares	9,787 A shares 5,105 B shares	13,143 B shares

See note 11, Employees and personnel costs, for shares and share-related instruments held by the Management Group members.

1) IVA: The Royal Swedish Academy of Engineering Sciences.
2) Holdings in Invest Receive AB are stated as of December 31, 2019 and include holdings of close relatives and legal entities.
3) Members of the Extended Management Group. Invest Receive's Extended Management Group consists of the Management Group and three additional members.

		
Jessica Häggström[3]	**Christian Cederholm**[3]	**Noah Walley**[3]
Head of Human Resources	Co-head Patricia Industries	Co-head Patricia Industries
2017	2017	2017
2017	2001	2003
1969	1978	1963
Swedish	Swedish	American
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	B.A. and M.A. in History, Oxford University J.D. Stanford University Law School
Director: CLS (Continuous Learning Solutions), Min Stora Dag, MBA Advisory Board Stockholm School of Economics	Director: Hi3G Scandinavia, Nasdaq Nordic, Permobil, Mölnlycke	Director: BraunAbility, Better Finance, Pulsepoint, Retail Solutions
Head of HR R&D Business Unit IT & Cloud: Ericsson Head of Talent Effectiveness: Ericsson Head of HR Finance: Ericsson Various HR positions within Ericsson Consultant: Watson Wyatt	Head of Patricia Industries Nordics Investment Manager: Invest Receive Director: Aleris	Head of Patricia Industries U.S. President: IGC Managing Director: IGC General Partner: Morgan Stanley Director of over 20 venture-backed technology companies Consultant: McKinsey Investment Banker: N M Rothschild & Sons
1,400 A shares 676 B shares	32,618 A shares 4,132 B shares	37,563 B shares

The Board of Directors' proposals for resolutions on guidelines for remuneration for the President and other members of the Extended Management Group (Remuneration Policy), at the AGM 2020

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 Board of Directors' proposal regarding guidelines for remuneration to the Annual General Meeting 2020 corresponds in substance to the guidelines decided by the Annual General Meeting 2019. However, due to new legal requirements, the proposed new guidelines are more detailed than previously.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability Invest Receive'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 Invest Receive's business model, please see www.investreceive.com.

A prerequisite for the successful implementation of our business strategy and safeguarding of Invest Receive's long-term interests, including its sustain-ability, is that we are able to recruit and retain quali-fied people. To this end, it is necessary that Invest Receive 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 Invest Receive. Such programs are resolved by the general meeting and are there-fore not covered by these guidelines. For all employ-ees within Invest Receive 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 Invest Receive share during a three-year period as this provides a clear link to Invest Receive'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 Invest Receive'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 Invest Receive's busi-ness model and thus to the shareholders' long-term value creation. Both Invest Receive's and Patricia Industries' programs for long-term variable remu-neration are conditional upon the employee's own investment in Invest Receive shares and holding of three years. For more information regarding these pro-grams, including the criteria on which the outcome depends, please see www.investreceive.com.

Types of remuneration, etc.

The remuneration shall be competitive and in line with market conditions and may consist of the fol-lowing 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 vari-able 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 vari-able remuneration.

Short-term variable remuneration

The short-term variable remuneration for the Presi-dent 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 extra-ordinary circumstances, provided that such extra-ordinary arrangements are applied on an individual basis only, either for the purpose of recruiting or retaining executives, or as remuneration for extra-ordinary performance beyond the individual's ordi-nary 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 manda-tory 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 remu-neration during the period of notice and severance pay may together not exceed an amount equivalent to two years fixed cash remuneration. When termi-nation is made by the executive, the period of notice may not exceed six months and there is no entitle-ment 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 Invest Receive's business strategy and long-term interests, including its sus-tainability. 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 per-formance of the individual. The criteria can be finan-cial or non-financial, qualitative or quantitative, and shall be based on factors which support Invest Receive's business strategy and long-term interests, including its sustainability, by for example being clearly linked to value creation, engaged long-term ownership and Invest Receive's development.

The outcome of the short-term variable remuner-ation is reviewed annually. To which extent the crite-ria 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.

Invest Receive shall have the possibility, under applica-ble 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' pro-posal for these remuneration guidelines, remunera-tion and employment conditions for employees of the Company have been taken into account by including information on the employees' total remu-neration, the components of the remuneration and increase and growth rate over time, in the Remuner-ation 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 remunera-tion to the President and the other members of the Extended Management Group and remuneration to other employees will be disclosed in the remunera-tion report.

The decision-making process to determine, review and implement the guidelines The Board of Directors has established a Remunera-tion Committee. The Committee's tasks include pre-paring 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 gen-eral meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the President and the other mem-bers of the Extended Management Group, the appli-cation of the guidelines for remuneration as well as the current remuneration structures and compensa-tion levels in Invest Receive. The members of the Remuner-ation Committee are independent of Invest Receive and its Management. The President and the other members of the Extended Management Group do not partici-pate 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 Invest Receive's long-term interests, including its sustain-ability, or to ensure Invest Receive'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 Invest Receive's Annual Report and Invest Receive's website, www.investreceive.com

Disposition of Earnings

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

Total available funds for distribution:	
Retained earnings Net	234,228,341,842
profit for the year	76,699,408,732
Total SEK	310,927,750,574

To be allocated as follows:	
Dividend to shareholders, SEK 14.00 per share	10,740,450,420[1)]
Funds to be carried forward	300,187,300,154
Total SEK	310,927,750,574

The consolidated accounts and annual accounts have been prepared in accordance with the international accounting stan-dards in Regulation (EC) No. 1606/2002 of the European Par-liament 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 opera-tions, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group com-panies face. The annual accounts and the consolidated finan-cial statements were approved for release by the Board of Directors and the President on March 20, 2020. The consoli-dated 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 5, 2020.

The proposed dividend amounts to SEK 10,740m. The Group’s equity attributable to the shareholders of the Parent Company was SEK 420,681m as of December 31, 2019, and unre-stricted equity in the Parent Company was SEK 310,928m. Unrestricted equity includes SEK 228,644m 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 refer-ence to the demands that the nature, scope and risks of Invest Receive's operations place on the size of the company’s and the Group’s equity, and the company’s and the Group’s consolida-tion 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, 2019, the Parent Company’s hold-ing of own shares totaled 1,847,630. The proposed dividend is proposed to be paid in two install-ments, with SEK 10.00 per share in May, 2020 and SEK 4.00 per share in November, 2020.

Stockholm, March 20, 2020

Jacob Wallenberg
Chair

Marcus Wallenberg
Vice Chair

Gunnar Brock
Director

Magdalena Gerger
Director

Tom Johnstone, CBE
Director

Sara Mazur
Director

Grace Reksten Skaugen
Director

Hans Stråberg
Director

Lena Treschow Torell
Director

Johan Forssell
President and Chief Executive Officer

Our Audit Report was submitted on March 20, 2020

Deloitte AB

Thomas Strömberg *Authorized Public Accountant*

We strive to be a leader in sustainable business practices

List of contents of Financials

Consolidated Income Statement

SEK m	Note	2019	2018
Dividends	9	9,858	9,342
Other operating income	9	0	7
Changes in value	4, 6	91,779	–11,364
Net sales	9	42,239	42,492
Cost of goods and services sold	7	–24,343	–27,416
Sales and marketing costs	7	–6,257	–5,246
Administrative, research and development and other operating costs	7	–7,717	–5,748
Management costs	7	–513	–478
Share of results in associates	20	579	–139
Operating profit/loss	8	105,625	1,450
Financial income	13	165	27
Financial expenses	13	–3,140	–2,392
Net financial items		–2,975	–2,365
Profit/loss before tax		102,650	–914
Tax	14	–1,408	–1,385
Profit/loss for the year	8	101,242	–2,299
Attributable to:			
Owners of the Parent Company		101,226	–2,252
Non-controlling interest		16	–47
Profit/loss for the year		101,242	–2,299
Basic earnings per share, SEK	15	132.29	–2.94
Diluted earnings per share, SEK	15	132.20	–2.94

Consolidated Statement of Comprehensive Income

SEK m	Note	2019	2018
Profit/loss for the year		101,242	–2,299
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		405	326
Remeasurements of defined benefit plans		–141	–65
Items that may be recycled to profit/loss for the year			
Cash flow hedges		–18	–480
Hedging costs		40	–170
Foreign currency translation adjustment		1,704	2,768
Share of other comprehensive income in associates		–72	146
Total other comprehensive income for the year		1,919	2,524
Total comprehensive income for the year		103,161	225
Attributable to:			
Owners of the Parent Company		103,142	269
Non-controlling interest		18	–44
Total comprehensive income for the year	25	103,161	225

Consolidated Balance Sheet

SEK m	Note	12/31 2019	12/31 2018
ASSETS			
Non-current assets Goodwill			
Other intangible assets	16	41,486	43,387
Buildings and land	16	23,999	24,722
Investment Property	10, 17	7,244	7,098
Machinery and equipment	18	2,861	–
Shares and participations	10, 19	2,878	3,362
recognized at fair value Shares			
and participations in associates	20, 32	386,756	298,994
Other financial investments			
Long-term receivables	20	4,189	4,191
Deferred tax assets	21	8,188	2,998
	22	3,807	2,897
	14	605	685
Total non-current assets		482,013	388,334
Current assets			
Inventories	23	4,915	4,748
Tax assets		419	352
Trade receivables		4,813	4,782
Other receivables	22	518	318
Prepaid expenses and accrued			
income	24	788	899
Shares and participations in			
trading operation		371	294
Short-term investments Cash	21	4,387	2,502
and cash equivalents Assets held	21	19,231	11,416
for sale	31	–	2,382
Total current assets		35,443	27,693
TOTAL ASSETS		517,456	416,028

SEK m	Note	12/31 2019	12/31 2018
EQUITY AND LIABILITIES			
Equity	25		
Share capital		4,795	4,795
Other contributed equity		13,533	13,533
Reserves		9,787	7,760
Retained earnings, including			
profit/loss for the year		392,566	301,419
Equity attributable to share-holders of the Parent Company		420,681	327,508
Non-controlling interest		242	182
Total equity		420,923	327,690
Liabilities			
Non-current liabilities			
Long-term interest-bearing			
liabilities	10, 26	74,306	63,866
Provisions for pensions and similar obligations	27	1,114	962
Other provisions	28	104	181
Deferred tax liabilities	14	5,878	6,121
Long-term tax liabilities	14	372	372
Other long-term liabilities	29	4,494	3,493
Total non-current liabilities		86,268	74,993
Current liabilities			
Current interest-bearing liabilities			
Trade payables	10, 26	994	3,845
Tax liabilities		2,788	2,927
Other liabilities		799	436
Accrued expenses and prepaid	29	1,812	1,461
income			
Provisions	30	3,631	3,637
Liabilities directly associated with	28	241	301
assets held for sale			
	31	–	738
Total current liabilities		10,266	13,345
Total liabilities		96,533	88,338
TOTAL EQUITY AND LIABILITIES		517,456	416,028

For information regarding pledged assets and contingent liabilities see note 33, 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 2019	4,795	13,533	5,298	2,318	7	136	301,419	327,508	182	327,690
Adjustment for changed accounting policies (note 35)							–25	–25		–25
Opening balance 1/1 2019 adjusted for changed accounting policies	4,795	13,533	5,298	2,318	7	136	301,394	327,483	182	327,665
Profit/loss for the year							101,226	101,226	16	101,242
Other comprehensive income for the year			1,631	405	–18	40	–141	1,917	2	1,919
Total comprehensive income for the year			1,631	405	–18	40	101,085	103,142	18	103,161
Release of revaluation reserve due to depreciation of revalued amount				–31			31			
Dividend							–9,948	–9,948		–9,948
Change in non-controlling interest Stock							–55	–55	42	–13
options exercised by employees Equity-							48	48		48
settled share-based payment										
transactions							10	10		10
Closing balance 12/31 2019	4,795	13,533	6,929	2,692	–11	177	392,566	420,681	242	420,923

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 2018	4,795	13,533	2,390	2,022	485	–	313,036	336,262	64	336,326
Adjustment for changed accounting policies (note 35)						307	–198	108		108
Opening balance 1/1 2018 adjusted for changed accounting policies	4,795	13,533	2,390	2,022	485	307	312,839	336,371	64	336,434
Profit/loss for the year							–2,252	–2,252	–47	–2,299
Other comprehensive income for the year			2,908	326	–477	–170	–65	2,521	3	2,524
Total comprehensive income for the year			2,908	326	–477	–170	–2,317	269	–44	225
Release of revaluation reserve due to depreciation of revalued amount				–29			29			
Dividend							–9,179	–9,179		–9,179
Change in non-controlling interest Stock							2	2	162	164
options exercised by employees Equity-							27	27		27
settled share-based payment										
transactions							19	19		19
Closing balance 12/31 2018	4,795	13,533	5,298	2,318	7	136	301,419	327,508	182	327,690

Consolidated Statement of Cash Flow

SEK m	Note	2019	2018
Operating activities			
Dividends received		10,338	9,289
Cash receipts Cash		42,428	42,310
payments		–34,562	–36,057
Cash flow from operating activities before net interest and income tax		18,204	15,543
Interest received[1]		553	630
Interest paid[1]		−2,599	−2,865
Income tax paid		−1,617	−1,374
Cash flow from operating activities		14,540	11,934
Investing activities			
Acquisitions[2]		−11,915	−7,660
Divestments[3]		16,051	6,154
Increase in long-term receivables		−55	−981
Decrease in long-term receivables		18	441
Acquisitions of subsidiaries, net effect on cash flow	5	-945	–12,138
Divestments of subsidiaries	6	5,172	–
Increase in other financial investments		−14,426	–7,728
Decrease in other financial investments		9,215	10,267
Net changes, short-term investments		−1,810	1,705
Acquisitions of intangible assets and property, plant and equipment Proceeds		−2,090	–1,776
from sale of intangible assets and property, plant and equipment		499	46
Net cash used in investing activities		–286	–11,669
Financing activities			
New share issue		39	30
Proceeds from borrowings Repayment	26	12,134	13,411
of borrowings Repurchases of own	26	−8,796	−9,640
shares Dividends paid		−49	−109
		−9,948	−9,179
Net cash used in financing activities		–6,620	–5,487
Cash flow for the year		7,634	–5,221
Cash and cash equivalents at beginning of the year		11,416	16,260
Exchange difference in cash		181	377
Cash and cash equivalents at year-end	21	19,231	11,416

1) Gross flows from interest swap contracts are included in interest received and interest paid.
2) Acquisitions include investments in listed and non listed companies not defined as subsidiaries.
3) Divestments include sale of listed and non listed companies not defined as subsidiaries.

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 35 36
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 pre-sented 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 99.

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 pre-sented in the financial statements, unless otherwise noted. The accounting poli-cies 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 reclassi-fications pertains to significant amounts, special information has been pro-vided.

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, 2019.

Changes in accounting policies due to new or amended IFRS
The new standard IFRS 16 Leases is applied from January 1, 2019. IFRS 16 concerns the accounting for rental and lease agreements for both lessors and lessees. The new accounting policy is described in more detail in note 10, Leases.

Invest Receive has used the new standard prospectively and therefore used the transition method to apply the standard retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings as of January 1, 2019. For more information about the effects of the new standard see note 35, Effects of changes in accounting policies.

IFRIC 23 Uncertainty over Income Tax Treatments is applied from January 1, 2019. IFRIC 23 clarifies how to apply the recognition and measurement require-ments in IAS 12 when there is uncertainty over income tax treatments. Other new or revised IFRSs and interpretations from the IFRS Interpretations Commit-tee, with effective date from January 1, 2019, have had no material effect on the accounting for the Group or Parent Company.

Change of accounting policy applied in 2019 due to changed classification of Investment Property

From January, 2019, Invest Receive applies IAS 40 Investment Property on certain parts of Buildings and land as certain properties, previously held as owner- occupied properties, from mid-January, 2019, are leased out to external lessees and therefore classified as investment properties. The changed accounting pol-icy has had no effect on Invest Receive's equity, since the properties already are mea-sured at fair value. The properties being accounted for as investment properties are not depreciated. Changes in the fair value of the properties are recognized in profit or loss instead and not in Other Comprehensive Income as before. More information about investment property can be found in note 18, Investment Property. The effect on the Consolidated Balance Sheet of the new accounting policy can be found in note 35, Effects of changes in accounting policies.

Notes to the Consolidated Financial Statements

New IFRS regulations and interpretations to be applied in 2020 or later

From January 1, 2020 there are amendments to IFRS 3 Business combinations related to the definition of a Business and to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of material. These amendments and other known changes to IFRS and IFRIC to be applied in the future are not expected to have any significant impact on the Group's reporting.

Consolidation principles

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

- Subsidiaries are companies over which Invest Receive AB have control. When deter-mining if control is present, power and ability to affect the amount of returns are considered, but also de facto control. Subsidiaries are reported in accor-dance with the acquisition method. For further information see note P7, Participations in Group companies.
- Associates are companies in which Invest Receive has a significant influence, typi-cally between 20 and 50 percent of the votes. Accounting for associates is dependent on how Invest Receive 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 trans-lated 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 differ-ences arising on translation are recognized in the income statement with the exception of effects from cash-flow hedges, see note 32, Financial Instruments.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consoli-dated surpluses/deficits are translated to SEK using the exchange rate in exis-tence 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 comprehen-sive 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 informa-tion 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 partic-ular 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 Fair	Note P7
Participations in associates	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 32
Disposal of subsidiary	Discontinued operation or not	Note 6

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 assump-tions 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, com-parable companies, EBITDA multi-ples and sales multiples	Note 32
Valuation of interest-bearing liabilities and derivatives	Yield curve for valuation of financial instruments for which trading is lim-ited and duration is long-term	Note 32
Valuation of owner-occupied property	Management inflation rate, projected cash flows, real interest rate and risk premium flow, Note Comparable cash. real interest rate and risk premium	Note 18
Valuation of Investment Property		
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
Provision for long-term tax liability	Reserve for uncertain income tax treatment	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 liabilitiy	Whether to include extension op-tions in the lease term and relevant interest rates for discounting	Note 10 and note 35

Note 3 Risks and risk management

In its business, the Invest Receive group is exposed to commercial risks and financial risks such as share price risk, credit risk, liquidity and financing risk. Invest Receive is also exposed to operational, political, legal and regulatory risks. Invest Receive's most significant risk is the share price risk.

There has been no significant change in the measurement and follow-up of risks compared with the preceding year.

RISK MANAGEMENT

Risk management is part of the Board's and Management's governance and follow-up of the business. At Invest Receive, risk management is an integral part of the Group's processes, meaning that control and responsibility for control is close to the business operations. Invest Receive's Board decides on risk levels, mandates and limits for the parent company and its business areas, while the boards of the wholly-owned subsidiaries decide and follow up on policies that have been adapted to manage the risks in their respective businesses.

Invest Receive's Risk policy sets measurement and mandates for market risks for the short-term trading, excess liquidity and financing activities. The policy also outlines principles for foreign exchange risk management in connection with investments and cash flows in foreign currency, measurements and limits for credit risks and principles to minimize legal, regulatory and operational risks in the business.

The Board follows up frequently on limits and risk exposure to ensure the ability to reach business strategies and goals. The CEO is responsible for ensur-ing that the organization complies with the Risk policy and for the continuous management of all risks within the business. The Board's and the Management's support function for managing and identifying risks and activities required, is the Risk Control Function.

Risk measurement is performed daily regarding the Treasury and Trading businesses and provided to the Management Group. The financial reports are compiled monthly and provided to the Management Group. Yearly a more com-prehensive risk assessment is performed in the form of self-assessment. This risk assessment encompasses all categories of risks, the entire organization and all processes. Representatives from the Management Group, the investment organization, the support organization and the control functions assess the risks together. The assessment takes into consideration such things as systems, con-trol activities and key individuals. When needed, action plans are implemented to minimize the probability and impact of identified risks. The identified risks are compiled in a company-wide risk map. Conclusions drawn from the risk assess-ments are reported to the Management Group and to the Board. The CEO and Management Group follow up on the implementation of action plans and report back to the Board. Using each business area's risk map as a starting point, the Audit and Risk Committee determines which of the identified risks for the finan-cial reporting should be prioritized by the Internal Control function.

COMMERCIAL RISKS

Maintaining long-term ownership in Listed Companies and the wholly-owned subsidiaries as well as a flow of smaller investments and divestments involves commercial risks. These risks include, for instance, having a high exposure to a certain sector or an individual holding, changed market conditions for finding attractive investment candidates and barriers that arise and prevent exits at a chosen time. In order to manage its various commercial risks, Invest Receive focuses on such factors as diversification of the company portfolio, process develop-ment and development of knowledge, experience and expertise.

Invest Receive's subsidiaries operate within different sectors and on different geo-graphical markets. To remain competitive, all subsidiaries need to continuously develop innovative products and services that satisfy customer needs in a cost efficient way. New products, services and techniques developed and promoted by competitors can also affect the ability to achieve business plans and objec-tives. An important component of the subsidiaries' strategies for growth is to make strategic acquisitions and enter strategic alliances that complement their current businesses. A subsidiary's failure to identify appropriate targets for stra-tegic acquisitions, or unsuccessfully integrate its acquisitions, could have a neg-ative impact on competitiveness and profitability.

FINANCIAL RISKS

The main category of financial risks that the Invest Receive Group is exposed to is mar-ket risks. These are primarily risks associated with fluctuations in share prices, as well as interest rate risks and foreign exchange rate risks.

Derivative instruments are used to manage financial risks. All derivative transactions are handled in accordance with established guidelines and limits stated in financial policies. The financial risks in the subsidiaries are managed by each subsidiary's Treasury function.

Note 3 *Risks and risk management*

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

Invest Receive's most significant risk is share price risk. The majority of Invest Receive's share price risk exposure is concentrated to Listed Companies. At year-end 2019, Listed Companies accounted for 80 percent of total assets of reported values (78). The companies and their share prices are analyzed and continu-ously monitored by Invest Receive's analysts. Thus, a large portion of share price expo-sure in Listed Companies does not necessarily lead to any action. It is the long-term commitment that lays the groundwork for Invest Receive's strategic measures. Invest Receive does not have defined goals for share price risks, as share prices are affected by short term fluctuations. The share price risk for Listed Companies is not hedged. If the market value of Listed Companies was to decline by 10 per-cent, the impact on income and equity would be SEK –34.5bn (–27.1).

Patricia Industries including wholly-owned subsidiaries but excluding Patricia Industries' cash, Three Scandinavia and financial investments accounted for 12 percent of total assets of reported values (17). 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 imply a loss of SEK –0.1m (–200).

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 9 percent of total assets of reported values (6) as per year-end 2019. Should the market value and the valuation parameters, in accor-dance 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 –3.7bn (–2.1).

Invest Receive has a trading operation for the purpose of executing Listed Compa-nies transactions and obtaining market information. The trading operation con-ducts 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 posi-tion size are measured as well as liquidity risk. At year-end 2019, 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 –3.3m (–3.9).

Listed holdings in all business areas

Listed holdings in all business areas account for 84 percent of total assets of reported values (82). 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 –36.4bn (–27.3), which equals 8.7 percent of Invest Receive's reported net asset value (8.3). Market risks associated with listed shares constitute the greatest risk for Invest Receive.

Exchange rate risk

Currency exposure arises from cash flows in foreign currencies (transaction exposure), the translation of Balance Sheet items to foreign currencies (balance sheet 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 Invest Receive's Balance Sheet. However, Invest Receive 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 busi-nesses and investments made in foreign companies. Also the EQT fund invest-ment 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 Invest Receive Group is provided in the table below. 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 –0.7bn (–2.0). 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 –3.9bn (–3.5).

Gross exposure in foreign currencies, SEK m	Gross assets		Gross liabilities	
	12/31 2019	12/31 2018	12/31 2019	12/31 2018
EUR	57,674	61,190	–52,316	–43,418
USD	56,247	51,043	–17,830	–16,804
Other European and North American currencies	10,517	9,434	–7,525	–12,697
Asian currencies	2,705	3,185	–3,661	–3,773
Total	127,142	124,852	–81,332	–76,692

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 man-aged 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 2019	12/31 2018
EUR	7,402	19,881
USD	39,493	35,276
Other European and North American currencies	9,444	3,586
Asian currencies	1,727	1,912
Total	58,066	60,655

The net exposure increase in USD relates to value increase of the Nasdaq hold-ing. The reduced net exposure in EUR is mainly explained by value decrease in Wärtsilä and a new loan in the Parent Company of EUR 500m. Other European currencies increased mainly due to acquisition of ABB shares denominated in CHF.

Currency exposure associated with transactions

Invest Receive AB's guideline is, for future known cash flows in foreign currency exceeding the equivalent of SEK 50m, to be hedged through forward exchange contracts, currency options or currency swaps. 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 457m (466), corresponding to SEK 4.8bn (4.8), for the next 12 months. These cash flows are not hedged. For outstanding currency hedging as of December 31, 2019, an immediate 10 percent rise in the value of each currency against the EUR would impact net income by EUR 9.2m during the next 12 month period (7.2). Permobil's operational cash flows in for-eign currency are estimated to corresponding SEK 727m for the coming 12 months (1,269). 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 61m (89) and other comprehensive income with SEK 4m the coming 12 months (0).

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 expo-sure 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 Invest Receive targets primarily to neutralize net investments in foreign currencies with loans in the same currency. Remaining currency expo-sure 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 2019	12/31 2018
DKK m	58	558
EUR m	3,149	2,697
GBP m	279	246
NOK m	0	819
USD m	1,997	1,972

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 35 36 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 3 *Risks and risk management*

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

Cash flow of financial liabilities and derivatives[1)], SEK m	12/31 2019 Loans and other financial debts and commitments	12/31 2019 Derivatives	12/31 2018 Loans and other financial debts and commitments	12/31 2018 Derivatives
< 6 months	−5,348	159	−6,193	−55
6-12 months	−1,202	119	−1,570	−92
1-2 years	−9,651	382	−4,055	−60
2-5 years	−33,009	619	−29,309	339
> 5 years	−44,397	2,578	−43,295	3,784

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, 2019, see note 33, Pledged assets and contingent liabilities.

Credit risk

Credit risk is the risk of a counterparty or issuer being unable to repay a liability to Invest Receive 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).

Invest Receive applies a wide-ranging limit structure with regard to maturities, issu-ers 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 counter-parties 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, 2019.

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)	1,300	11.0	1	4
AAA	11,225	13.5	14	33
AA	8,312	1.7	44	25
A	9,792	0.5	72	29
Lower than A	3,070	3.9	34	9
Total	33,700	5.8	165	100

The total credit risk exposure at the end of 2019 amounted to SEK 33,700m (18,994). The credit risks resulting from positive market values for derivatives, which are included in the total credit risk, amounted to SEK 2,653m (1,841) 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 32, Financial instruments.

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

Aging of receivables, SEK m	12/31 2019 Gross carrying amount	12/31 2019 Impair-ment	12/31 2019 Net	12/31 2018 Gross carrying amount	12/31 2018 Impair-ment	12/31 2018 Net
Not past due	4,063	–7	4,056	3,944	–4	3,940
Past due 0-30 days Past	702	–1	701	683	–2	681
due 31-90 days Past due	356	–1	355	301	–4	297
91-180 days Past due	165	–19	146	106	–13	93
181-360 days More than	61	–19	41	78	–13	64
360 days	71	–38	33	78	–53	25
BS Total	5,417	–85	5,332	5,190	–89	5,100

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 adjacent table. The secured bonds issued by Swedish mort-gage institutions have the primary rating category of AAA. The proportion of AAA-rated instruments accounted for 37 percent of the total credit risk expo-sure (30).

SUSTAINABILITY RISKS

Invest Receive is exposed to sustainability risks in all parts of its business operations. Sustainability risks imply that unethical or unsustainable behavior leads to neg-ative impact on Invest Receive or Invest Receive's stakeholders. Material sustainability risks within the Group are identified, analyzed and mitigated through the annual enterprise risk assessment process as well as within the daily operations. Sub-sidiaries operating in emerging markets have an increased focus on sustainabil-ity related risks such as the risk of bribery and corruption, environmental risks and the risk for poor working conditions. Invest Receive has clear expectations that all holding companies always act responsibly and ethically, and it is the responsibil-ity of each holding and its management to analyze and take systematic action to reduce these risks. These risks are observed in the materiality assessment pre-sented in the section Sustainability, see page 12.

OTHER RISKS

The Group is also exposed to political risks. To a large extent, spending on healthcare products and services is regulated by various governments. This applies to most markets around the world. Funds are made available or with-drawn from healthcare budgets due to different types of political decisions. In most of the major markets, pricing of products and services is controlled by decisions made by government authorities.

There is a high awareness of legal and regulatory risks within the Invest Receive Group. Risks associated with selling and operating globally are monitored and handled by the different levels of management for each area of operation. Con-tinuous quality improvement are performed in accordance with ISO-standards. Property risks, liability risks and interruption risks are covered by insurance policies. Up to this date, very few incidents have occurred. Follow-up on processes is performed on an ongoing basis to determine and strengthen appropriate control measures aimed at reducing operational risks.

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.

	2019	2018
Realized results from long-term and short-term investments	11,186	3,418
Unrealized results from long-term and short-term investments	80,772	–13,880
Realized result from sale of subsidiaries	528	–
Realized result from associates valued at equity	–	–54
method Other	–707	–847
IS Total	91,779	–11,364

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 val-ued at fair value and the change in value is recognized in the Income State-ment.

The financial statements of subsidiaries are reported in the consolidated financial statements as of the acquisition date and until the time when a con-trolling 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 influ-ence, 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 divest-ments 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.

Other acquisitions

During the year, Sarnova, Mölnlycke, Laborie and BraunAbility made a total of four acquisitions. In an aggregated purchase price allocation the total consider-ation amounts to SEK 935m and goodwill amounts to a total of SEK 754m. For the period from acquisition dates until December 31, 2019, the acquired enti-ties contributed net sales of SEK 160m and profit of SEK 43m to the Group's result.

Identifiable assets acquired and liabilities assumed

SEK m	
Intangible assets	182
Property, plant and equipment Other	37
financial investments Inventories	11
Trade receivables	42
Other current receivables	84
Cash and cash equivalents	22
	32
Long-term interest-bearing liabilities	
Deferred tax liabilities	–110
Other current liabilities	–34
	–84
Net identifiable assets and liabilities	181
Consolidated goodwill	754
Consideration	935

During December, 2019, Laborie entered into an agreement to acquire Clinical Innovations, a leading provider of single use, clinician-preferred products for hospital labor & delivery and neonatal intensive care unit departments. The total consideration amounted to USD 525m on a debt-free basis. In 2019, Clinical Innovations' revenues were approximately USD 70m in 2019. The acquisition was completed in February, 2020.

During December, 2019, Piab entered into an agreement to acquire TAWI Group, a leading manufacturer of ergonomic handling solutions. Total sales for TAWI amounted to SEK 350m in 2019. The acquisition was completed in Janu-ary, 2020.

Note 6 Disposal of subsidiary

On October 16, 2018, Aleris announced that it will divest its care operations, Aleris Care to Ambea. The divestiture was completed in January, 2019, and the consideration amounting to SEK 3,220m was paid in cash. For more information about the divestment, see note 31, Assets held for sale.

On July 12, 2019, it was announced that an agreement to divest the remain-ing part of Aleris was signed with Triton. On October 1, 2019, the divesture was completed and the net cash proceeds amounting to SEK 2,719m was paid in cash.

The gain on the disposal of the Aleris businesses was SEK 528m and is included in

Changes in value in the Group's consolidated Income Statement.

Aleris is not considered to represent a separate major line of business or geo-graphical area of operations and is therefore not presented as discontinued operations. For the period from January 1, 2019, until the dates of divestment Aleris contributed net sales of SEK 3,959m and profit/loss of SEK –950m to the Group's result. In 2019, Aleris made a write-down of goodwill amounting to SEK 1,451m, which is included in Administrative, research and development and other operating costs in the Group's consolidated Income Statement.

Assets and liabilities over which control was lost SEK m

Goodwill	3,454
Other intangible assets Property,	222
plant and equipment Other	1,672
financial investments Other	1
long-term receivables Deferred	24
tax assets	22
Other current receivables Cash	1,054
and cash equivalents	734
Other long-term liabilities	–991
Deferred tax liabilities Current	–42
liabilities	–1,475
Net assets disposed of	4,677
Gain on disposal	528
Total consideration	5,205
Consideration received in cash and cash equivalents	5,939
Less: cash and cash equivalents disposed of	–734
Total consideration received	5,205

There were no disposals of subsidiaries made in 2018.

Note 7 Operating costs

	2019	2018
Raw materials and consumables Personnel	16,683	15,581
costs	11,509	14,373
Depreciation, amortization and impairment	4,751	2,295
Other operating expenses	5,887	6,639
Total	38,830	38,888

Costs related to research and development amounts to SEK 998m (918). Additional information regarding operating costs can be found in notes 10-12 and 16-19.

Note 8 Operating Segments

Invest Receive is divided into operating segments based on how operations are reviewed and evaluated by the CEO. Invest Receive'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 twelve listed holdings, see pages 16-20. Patricia Industries includes the wholly-owned subsidiaries, Three Scandina-via and the former IGC portfolio and all other financial investments, except Invest Receive's trading portfolio, see pages 22-32.

The business area Investments in EQT consists of the holdings in EQT AB and the EQT funds, see page 33.

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 Invest Receive 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 Invest Receive 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 9, Revenues.

Performance by business area 2019

	Listed Companies	Patricia Industries	Investments in EQT	Invest Receive Groupwide	Total
Dividends	9,738		125	–6	9,858
Other operating income		0		0	0
Changes in value	69,953	948	20,872	6[1]	91,779
Net sales		42,239			42,239
Cost of goods and services sold		–24,343			–24,343
Sales and marketing costs		–6,257			–6,257
Administrative, research and development and other operating costs		–7,684	–6	–26	–7,717
Management costs	–110	–272	–9	–121	–513
Share of results in associates		579			579
IS Operating profit/loss	79,581	5,209	20,981	–147	105,625
Net financial items		–1,729		–1,246	–2,975
Tax		–1,017		–391	–1,408
IS Profit/loss for the year	79,581	2,463	20,981	–1,783	101,242
Non-controlling interest		–16			–16
Net profit/loss for the period attributable to the Parent Company	79,581	2,447	20,981	–1,783	101,226
Dividend				–9,948	–9,948
Other effects on equity[2]		1,431	400	64	1,895
Contribution to net asset value	79,581	3,878	21,381	–11,667	93,173
Net asset value by business area 12/31 2019					
Shares and participations	345,129	8,318	37,492	378	391,316
Other assets		97,625		968	98,593
Other liabilities	–40	–54,797	–244	–2,186	–57,266
Net debt/-cash[3]		20,897		–32,859	–11,962
Total net asset value including net debt/-cash	345,089	72,043	37,248	–33,699	420,681
Shares in associates reported according to the equity method		4,189			4,189
Cash flow for the year	5,299	11,815	4,876	–14,356	7,634
Non-current assets by geographical area[4]					
Sweden		45,777		14	45,790
Europe excl. Sweden		4,643			4,643
Other countries		27,950		84	28,034

1) Includes proceeds from the trading operation amounting to SEK 2,762m.
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 Invest Receive, as a minority owner, can not access information that can be compiled in a meaningful way.

Note 8 *Operating Segments*

Performance by business area 2018	Listed Companies	Patricia Industries	Investments in EQT	Invest Receive Groupwide	Total
Dividends	8,656	10	676	0	9,342
Other operating income		7			7
Changes in value	–14,944	108	3,516	–44[1]	–11,364
Net sales		42,492			42,492
Cost of goods and services sold		–27,416			–27,416
Sales and marketing costs		–5,246			–5,246
Administrative, research and development and other operating costs		–5,707	–7	–33	–5,748
Management costs	–109	252	9	–108	478
Share of results in associates		–51		–88	–139
IS Operating profit/loss	–6,398	3,945	4,176	–273	1,450
Net financial items		–764		–1,601	–2,365
Tax		–745		–640	–1,385
IS Profit/loss for the year	–6,398	2,436	4,176	–2,514	–2,299
Non-controlling interest		47			47
Net profit/loss for the period attributable to the Parent Company	–6,398	2,483	4,176	–2,514	–2,252
Dividend				–9,179	–9,179
Other effects on equity[2]		2,026	692	–42	2,676
Contribution to net asset value	–6,398	4,510	4,868	–11,734	–8,755
Net asset value by business area 12/31 2018 Shares					
and participations	270,817	11,295	21,068	300	303,480
Other assets		98,768		648	99,416
Other liabilities	–10	–52,099	–240	–1,609	–53,957
Net debt/-cash[3]		13,017		–34,447	–21,430
Total net asset value including net debt/-cash	270,807	70,980	20,828	–35,107	327,508
Shares in associates reported according to the equity method Cash		4,191			4,191
flow for the year	6,825	–6,723	211	–5,534	–5,221
Non-current assets by geographical area[4]					
Sweden		44,144		15	44,159
Europe excl. Sweden		7,407			7,407
Other countries		55,263		21	55,284

1) Includes proceeds from the trading operation amounting to SEK 3,388m.
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 Invest Receive, as a minority owner, can not access information that can be compiled in a meaningful way.

Note 9 Revenues

Accounting policies

Revenues included in operating profit are dividends, other operating income and net sales.

Dividends received are recognized when the right to receive payment has been established. Other operating income consists primarily of interest on shareholder loans to associates and it is calculated using the effective inter-est rate method.

Net sales

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 trans-fers to the buyer. When or as performance obligations are satisfied, the transaction price that is allocated to that performance obligation is recog-nized 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 are disaggregated into the five field of operations Health care equipment, Health care services, Hotel, Real estate and Gripping and moving solutions.

Health care equipment

The majority of the revenues in the field of operations Health care equip-ment are derived from sale of single use products and solutions for manag-ing 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; dis-tribution of healthcare products to national emergency care providers, hos-pitals, 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 allo-cated 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, ser-vice agreements and program management contracts are recognized over the term of the contract.

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 35 36
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 9 *Revenues*

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 revenues are rec-ognized over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the entity performs.

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 cus-tomer 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.

Gripping and moving solutions

The field of operations Gripping and moving solutions mainly generates rev-enue 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 assem-bled to the specification of each customer and comprise of our 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 infor-mation about how transaction prices are determined and allocated to per-formance 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 Invest Receive's net sales. The products mainly relates to health care equipment but also products within gripping and moving solutions. Performance obligations in the con-tracts with customers from sale of finished products mainly refers to goods manufactured by the selling company. A minor part of the performance obli-gations also relates to distribution of goods as retailer and revenue from cus-tomer-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 perfor-mance obligation is fulfilled and revenue is recognized.

Customer-specific solutions are mainly relevant within Gripping and mov-ing solutions and represents one performance obligation as a bundle of goods and services, since the separate goods and services are not consid-ered as distinct within the context of each contract. The performance obliga-tion 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 per-formance completed to date.

The selected method used to measure the progress towards complete satis-faction 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 con-trolled 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 signif-icant 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 rec-ognizing 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 and rental agreements for real estate. The sale of products can, to a limited extent, also include performance obligations related to vari-ous 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 activi-ties within primary medical care, specialized care, diagnostics and rehabili-tation. Revenues consist of listing compensation, compensation per visit and percentage compensation regardless of how many visits. In healthcare, there are step discounts and compensation attributable to fulfillment of quality goals. Accruals are recognized for both discounts and quality targets.

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 accommo-dation and food & beverage. The different services are distinct and perfor-mance 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 agree-ments, program management contracts and similar obligations. Revenues are recognized over time as the services are performed.

Contract balances

	2019	2018	Change	%
Contract assets	1	204	–202	–99
Contract liabilities	–145	–139	–5	4
Net contract assets/liabilities	–143	64	–208	–96

Contract assets are comprised of accrued revenue balances. Accrued revenue represents the right to consideration for goods and services that has been trans-ferred 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 cus-tomer and the asset is amortized as the contracts are completed.

Note 9 *Revenues*

Net sales 2019	Field of operation					
	Health care equipment	Health care services	Hotel	Real estate	Gripping and moving solutions	Total
By geographical market:						
Sweden	720	2,016	678	123	26	3,564
Scandinavia, excl. Sweden	1,196	2,028			17	3,240
Europe, excl. Scandinavia	9,333	8			558	9,900
U.S.	21,179	217			350	21,746
North America, excl. U.S.	688				79	767
South America	376				43	419
Africa	399				3	401
Australia	834				7	842
Asia	1,175	1			184	1,360
Total	35,900	4,270	678	123	1,267	42,239[1)]
By category:						
Sales of products Sales of	35,390	6			1,267	36,663
services Revenues from	449	4,260	678			5,387
Leasing Other Revenue	58	2		120		181
	3	2		3		9
Total	35,900	4,270	678	123	1,267	42,239
By sales channels:						
Through distributors	20,871		515		697	22,083
Directly to customers	15,029	4,270	163	123	570	20,156
Total	35,900	4,270	678	123	1,267	42,239
Timing of revenue recognition:						
Goods and services transferred at a point in time	35,506	94			1,231	36,831
Goods and services transferred over time	394	4,176	678	123	36	5,408
Total	35,900	4,270	678	123	1,267	42,239

Net sales 2018	Field of operation					
	Health care equipment	Health care services	Hotel	Real estate	Gripping and moving solutions	Total
By geographical market:						
Sweden	737	5,210	601	39	21	6,608
Scandinavia, excl. Sweden	1,160	5,818			20	6,999
Europe, excl. Scandinavia	8,532	5			329	8,866
U.S.	16,673				168	16,842
North America, excl. U.S.	617				80	698
South America	301				23	323
Africa	355				2	357
Australia	712				4	716
Asia	973	1			110	1,084
Total	30,059	11,035	601	39	758	42,492[1)]
By category:						
Sales of products Sales of	29,792				758	30,550
services Revenues from	226	11,017	601			11,845
Leasing Other Revenue	41			26		67
		17		13		30
Total	30,059	11,035	601	39	758	42,492
By sales channels:						
Through distributors	18,806	137	361		417	19,720
Directly to customers	11,254	10,898	241	39	341	22,773
Total	30,059	11,035	601	39	758	42,492
Timing of revenue recognition:						
Goods and services transferred at a point in time	29,838	124			720	30,682
Goods and services transferred over time	221	10,911	601	39	38	11,811
Total	30,059	11,035	601	39	758	42,492

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 35 36 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 10 Leases

Accounting *policies-lessee*

For Invest Receive 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 lia-bilities and Current interest-bearing liabilities.

Lessor
For Invest Receive 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 auto-matically 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	2019[1)]
Disclosures related to the financial performance	
− Depreciation charge for right-of-use buildings	−494
− Depreciation charge for right-of-use machinery and equipment	−99
− Interest expense on lease liabilities	−106
− Expense relating to short-term leases	−30
− Expense relating to low-value leases	−18
− Expense relating to variable lease payments	−9
Disclosures related to cash flows	
− Cash outflow for leases, Interest	−106
− Cash outflow for leases, Payment of lease liability	−616
− Cash outflow for leases, Low value and short-term	44
Disclosures related to the financial position	
− Carrying amount of right-of-use asset as per December 31, included in:	
Buildings and land	1,789
Machinery and equipment	189
− Lease liability as per December 31, included in:	
Long-term interest-bearing liabilities	1,611
Current interest-bearing liabilities	391

1) Comparative information in respect of the preceding period is not presented due to 2019 being the first period prepared in accordance with IFRS 16 Leases.

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 Invest Receive and all rights are retained in the underlying assets.

Lease amounts for the period - Lessor

Operating lease income	
Total income	181
- whereof variable lease income	3
Undiscounted lease payment to be received	
Less than 1 year from balance sheet date 1-2	198
years from balance sheet date	169
2-3 years from balance sheet date	132
3-4 years from balance sheet date	122
4-5 years from balance sheet date	116
More than 5 years from balance sheet date	831
Total	1,567

Reference to lease information in other notes

Disclosure	Note	Page
Information about right-of-use assets buildings	17 Buildings and land	76
Information about assets subject to an operating lease as a lessor Information	17 Buildings and land	76
about right-of-use assets machinery and equipment Maturity	19 Machinery and equipment	79
analysis of lease liabilities Information	26 Interest-bearing liabilities	83
about first time adoption of IFRS 16	35 Effects of changes in accounting policies	94

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 demon-strably committed (without any realistic possibility of withdrawing the com-mitment) by a formal plan to prematurely terminate an employee's employ-ment.

Share-based payment transactions

Within the Invest Receive 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, tak-ing 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 allo-cated over the vesting period with a corresponding increase in equity.

The recognized cost corresponds to the fair value of the estimated num-ber 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 capi-tal 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 neu-tralizes 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 calcu-lated and the grant value is recognized over the vesting period as a person-nel cost, which is similar to the recognition of equity-settled programs. How-ever, 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 recog-nized 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 trans-actions

Social security expenses attributable to share-based remuneration are rec-ognized 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 2019 decided on guidelines for remuneration for the President and other Members of the Extended Management Group. The Board of Directors may, where particular grounds exist in the individual case, decide to deviate from the guidelines.

Invest Receive shall strive to offer competitive total remuneration in line with market conditions which will enable the Company to recruit and retain the most suitable senior executives. Comparative studies of relevant industries and markets are carried out annually in order to determine what constitutes a total level of remu-neration in line with market conditions and in order to evaluate current remuner-ation levels. The total remuneration shall be based on factors such as position, performance and individual qualification.

The total remuneration to the Extended Management Group may consist of: fixed cash remuneration; short-term variable remuneration; long-term variable remuneration; pension; and other benefits.

Fixed cash remuneration, short-term variable remuneration and long-term variable remuneration together comprise the total salary for an employee.

Fixed cash remuneration

The fixed remuneration shall be reviewed annually and constitutes the basis for calculation of the variable remuneration.

Short-term variable remuneration

The short-term variable remuneration shall be dependent upon the individual's achievement to meet annually set goals. The outcome of the short-term variable remuneration is reviewed annually. For the Extended Management Group, the highest possible short-term variable remuneration shall vary due to the position held and employment agreements and shall, for the Members of the Extended Management Group, generally amount to 10-75 percent of the fixed cash remu-neration. For the President, the short-term variable remuneration amounted to maximum 30 percent in 2018.

The total short-term variable remuneration before tax for all current Members of the Extended Management Group can vary between SEK 0 and SEK 17.0 mil-lion during 2019, depending on whether the goals have been met. The short-term variable remuneration might exceed this amount in the event that the Extended Management Group is expanded. The outcome should only be related to the fulfillment of the individual's goals and thus the remuneration is clearly related to the work contributions and performance of the individual. The goals shall be both qualitative and quantitative and be based on factors which support the Company's long-term strategy.

Long-term variable remuneration

The long-term variable remuneration is described on pages 67-68.

Pension
Pension benefits shall consist of a premium based pension plan of which the ratio of pension provisions to fixed cash salary depends on the age of the execu-tive. In respect of employees working abroad, pension benefits shall be adjust-able in line with local pensions practice. The age of retirement for the President and other Members of the Extended Management Group shall be 60 years.

Other benefits

Other benefits shall be on market terms and shall contribute to facilitating the executive's discharge of his or her duties.

Termination and severance pay

Invest Receive and Members of the Extended Management Group may mutually termi-nate employment contracts subject to a six months' notice. Fixed cash salary during the notice period and severance pay shall, for Members of the Extended Management Group with employment contracts entered into after the Annual General Meeting 2010, in aggregate not exceed the fixed cash salary for two years. For Members of the Extended Management Group employed before the Annual General Meeting of 2010 the contracts already entered into shall apply. For these Members a mutual termination period of six month applies and sever-ance payment is maximized to 24 months of fixed cash salary.

Fees received for Board work

Invest Receive allows Extended Management Group members to keep any fees that they have received for work done on the boards of the company's Listed Compa-nies. One reason for allowing this practice is that the employee assumes per-sonal responsibility by having a board position. Fees received for board work are taken into account by Invest Receive when determining the employee's total remunera-tion.

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Note 11 *Employees and personnel costs*

Average number of employees in the Group

	2019 Total	2019 Of which women	2018 Total	2018 Of which women
Parent Company, Sweden	72	37	73	39
Sweden, excl. Parent Company	3,095	1,991	6,184	4,573
Europe excl. Sweden	4,263	2,625	7,211	4,713
North- and South America Africa	4,400	1,624	4,002	1,441
Asia	1	1	3	3
Australia	3,596	2,541	3,540	2,508
	133	85	150	83
Total Group	15,560	8,904	21,162	13,361

Gender distribution in Boards and Senior management

	2019 Men	2019 Women	2018 Men	2018 Women
Gender distribution in percent Board of the Parent Company Extended	60	40	64	36
Management Group of the Parent Company incl. the President	50	50	50	50
Boards in the Group[1]	79	21	76	24
Management Groups in the Group	69	31	67	33

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

Remunerations and benefits to Johan Forssell, President and Chief Executive Officer (SEK t)

Year	Basic salary	Vacation remuneration	Variable salary for the year	Total cash salary	Change of vacation pay liability	Pension premiums	Benefits	Long-term share-based remuneration value at grant date	Total	Own investment in long-term share-based remuneration	Own investment, % of CEO basic salary pre-tax
2019	9,500	556	2,565	12,621	164	3,592	160	7,600	24,137	3,185	33.5
2018	8,026	390	2,167	10,583	124	2,976	167	6,420	20,269	2,646	33.0

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 2019 (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	9,500	556	164	2,565	7,945	20,730	3,592	160	24,482
Extended Management Group, excl. the President	26,050	921	371	12,402	25,676	65,419	8,107	1,309	74,836
Total	35,550	1,477	535	14,967	33,621	86,149	11,700	1,469	99,318
Total remunerations 2018 (SEK t)									
President and CEO	8,026	390	124	2,167	7,261	17,968	2,976	167	21,111
Extended Management Group, excl. the President	23,869	471	–395	11,433	17,348	52,725	7,203	1,233	61,161
Total	31,894	861	–271	13,600	24,609	70,693	10,179	1,400	82,271

1) There is a deviation from the value at grant date according to the previous table. 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, whereas in the previous table the value is based on an assumed allotment.

2) There are no outstanding pension commitments for the Extended Management Group including the President.

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

Total remuneration (SEK m), Group	2019 Basic salary[1]	2019 Variable salary	2019 Long-term share-based remuneration	2019 Pension cost	2019 Cost for employee benefits	2019 Social security contributions	2019 Total	2018 Basic salary[1]	2018 Variable salary	2018 Long-term share-based remuneration	2018 Pension cost	2018 Cost for employee benefits	2018 Social security contributions	2018 Total
Parent Company	94	15	41	28	14	53	246	86	22	30	24	12	49	224
Subsidiaries	7,379	903	228	591	561	1,244	10,905	9,760	702	65	734	429	1,804	13,494
Total	7,473	918	269	619	575	1,297[2]	11,151	9,846	724	95	758	441	1,853[2]	13,718

1) Includes vacation remuneration and change of vacation pay liability.
2) Of which SEK 87m refers to social security contribution for long-term share-based remuneration (17).

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

Remuneration (SEK m), Group	2019 Salary Senior executives Presidents and Boards in subsidiaries[1,2]	2019 Of which variable salary[1]	2019 Other employees	2019 Total	2018 Salary Senior executives Presidents and Boards in subsidiaries[1,2]	2018 Of which variable salary[1]	2018 Other employees	2018 Total
Parent Company	45	9	65	109	41	8	68	108
Subsidiaries	125	33	8,156	8,282	102	23	10,360	10,462
Total	170	42	8,221	8,391	143	31	10,428	10,571

1) The number of people in the Parent Company is 17 (18) and in subsidiaries 80 (75).
2) Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 24m and are in addition to the amounts presented in the table (21).

Long-term variable remuneration – program descriptions

Through the long-term variable remuneration programs, part of the remunera-tion to employees becomes linked to the long-term performance of the Invest Receive share. Invest Receive has two programs for long-term variable remuneration: Invest Receive's program and the program for Patricia Industries.

Invest Receive'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 Invest Receive at the market price during a period (determined by the Board) subse-quent to the release of Invest Receive'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 Invest Receive share acquired or

committed by the employee, as well as a right to acquire one Invest Receive share

(Matching Share) for SEK 10. The Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Invest Receive share, during the corresponding period, at a strike price

corresponding to 120 percent of the average volume-weighted price paid for Invest Receive shares during the Measurement Period.

The President, other members of the Management Group and a maximum of 20 other senior executives ("Senior Management") are obligated to invest at least 5 percent of their annual basic salary in Invest Receive shares according to the Stock Matching Plan. Other employees are not obligated to invest, but they are still entitled to invest to the extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of either 10 or 15 percent of their basic salary. Senior Management has the right to invest to such an extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum between 10 and 27 percent of their respective basic salary. In order to participate fully in the Stock Matching Plan for 2019, the President had to invest or commit approximately 34 percent of his basic salary in Invest Receive shares. If the President, through the investment mentioned above, participates fully in the Stock Matching Plan, the theoretical value of the right to receive a Matching Share and two Matching Options per acquired share under the Stock Matching Plan is 27 percent of the basic salary.

2) Performance-Based Share Program, in which Senior Management partici-pates in addition to the Stock Matching Plan

Senior Management has, in addition to the Stock Matching Plan, the right (and obligation) to participate in a Performance-Based Share Program. Under this program, which presumes participation in the Stock Matching Plan, Senior Man-agement, after a three-year vesting period, has the right during four years to acquire additional Invest Receive shares ("Performance Shares") for a price that corre-sponds to, in 2019 year's program, 50 percent of the price of the shares acquired by the employee ("Acquisition Price"). This right is conditional upon whether certain financial goals related to the total return of the Invest Receive share are met during the vesting period. Total return is measured over a three-year qualification period. The average annual total return (including reinvested divi-dends) must exceed the interest on 10-year government bonds by more than 10 percentage points in order for Senior Management to be entitled to acquire the maximum number of Performance Shares that they were allotted. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, Senior Management is not entitled to acquire any 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 per-centage points, a proportional (linear) calculation of the number of shares that may be acquired is made. The total return is measured quarterly on running 12-month basis during the qualification period, where the total outcome is esti-mated as the average total return during the three-year period based on 9 mea-surement points.

Adjustment for dividend

At the time when Matching Shares and Performance Shares are acquired, employees are entitled to remuneration for dividends paid during the vesting period and up until the acquisition date. This is done so that the program will not be affected by dividends and to avoid the risk that a decision on dividends is affected by the long-term variable remuneration program.

Hedge contracts for employee stock option and share programs
Invest Receive's policy is to implement measures to minimize the effects on equity from the programs in the event of an increase in Invest Receive's share price. For pro-grams implemented in 2006 and later, Invest Receive has previously been repurchas-ing its own shares in order to guarantee delivery.

Summary of Invest Receive's long-term share-based variable remuneration programs 2013-2019

Matching Shares 2013-2019

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2019	Matching Shares forfeited in 2019	Matching Shares exercised in 2019	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]
2019	32,671	–	264	284			32,651[4]	379.81	422.53	10.00	12/31 2025	3
2018	32,172	32,202 936	823	898	585	466.51	31,655[4]	333.01	370.47	10.00	12/31 2024	3
2017	28,482	28,686		269	910	464.63	28,330[4]	355.53	395.69	10.00	12/31 2023	3
2016	49,948	48,717	1,204		11,346	457.87	38,575	246.40	274.01	10.00	12/31 2022	3
2015	37,671	31,286	826	2	5,389	462.70	26,721	293.33	326.18	10.00	12/31 2021	3
2014	55,451	37,748	887		12,067	461.18	26,568	219.51	244.29	10.00	12/31 2020	3
2013	72,378	16,375	195		16,558	462.76	12	167.90	187.33	10.00	12/31 2019	3
Total	308,773	195,014	5,135	1,453	46,855		184,512					

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 page 68 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 2013-2019

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2019	Number of Matching Options exercised in 2019	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]
2019	65,342	–	565			64,777[4]	21.98	24.45	519.20	12/31 2025	3
2018	64,344	63,740	1,944	801	487.67	60,995[4]	21.50	23.95	456.60	12/31 2024	3
2017	56,964	55,594	791	814	501.72	53,989[4]	27.57	30.70	486.90	12/31 2023	3
2016	99,896	92,051	213	23,531	457.07	68,307	28.32	32.69	340.90	12/31 2022	3
2015	75,342	66,258		16,920	458.26	49,338	38.77	44.76	403.30	12/31 2021	3
2014	110,902	65,036		25,314	462.92	39,722	29.86	34.41	304.50	12/31 2020	3
2013	144,756	20,311		20,311	466.46	–	22.63	24.97	236.10	12/31 2019	3
Total	617,546	362,990	3,513	87,691		337,128					

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 page 68 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.

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Note 11 *Employees and personnel costs*

Performance Shares 2013-2019

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2019	Performance Shares, forfeited in 2019	Performance Shares exercised in 2019	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)
2019	143,814	–	1,125				144,939[3]	97.28	107.53	214.67	12/31 2025	3
2018	132,371	133,747 3,876	3,638				137,623[3]	86.63	95.92	182.99	12/31 2024	3
2017	121,591	125,485 3,398	2,514				129,123[3]	92.81	102.77	191.05	12/31 2023	3
2016	231,067	242,901 2,843		102,851	28,329	449.74	115,119	66.74	74.26	130.22	12/31 2022	3
2015	163,585	91,652			7,172	459.26	86,994	80.59	89.84	148.77	12/31 2021	3
2014	258,017	109,270			23,150	460.35	88,963	62.79	70.03	109.31	12/31 2020	3
2013	320,473	55,391	783		56,123	469.53	51	49.33	54.26	82.20	12/31 2019	3
Total	1,370,918	758,446	18,177	102,851	114,774		702,812					

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 antici-pated 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:

	2019			2018		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Invest Receive B	432.71	432.71	432.71	380.51	380.51	380.51
shares Strike price	10.00	519.20	216.36	10.00	456.60	190.26
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%	3.3%	0%	0%	3.0%	0%
Risk-free interest	–0.39%	–0.39%	–0.39%	–0.09%	–0.09%	–0.09%
Expected outcome[4]			50%			50%

1) The assumed volatility was based on future forecasts based on the historical volatility of Invest Receive 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.

Patricia Industries' program for long-term variable remuneration

Patricia Industries' program for long-term variable remuneration is based on the same structure as Invest Receive's program for long-term variable remuneration, but is related to the value growth of Patricia Industries' ("PI").

The instruments in the PI long-term variable remuneration program are granted under two different Plans as further described below: the PI Balance Sheet Plan (the "PI-BS Plan"); and the PI North America Subsidiaries Plan (the "PI-NA Plan"). The instruments have a duration of up to seven years and partici-pants will, conditional upon making a personal investment in Invest Receive shares, be granted instruments that may vest after a three-year vesting period and may be exercised and/or settled during the four-year period thereafter (subject to appli-cable US tax laws).

Two categories of employees are offered to participate in the program: (i) PI Senior Management 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 Invest Receive.
- Instruments granted to PI Senior Management under the two Plans consists both of instruments replicating the Stock Matching Plan in Invest Receive and instru-ments subject to specific performance conditions replicating the structure of the Performance-Based Share Program in Invest Receive.
- 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, main-tains 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. This in order for the program to be divi-dend neutral.

Specific performance conditions for PI Senior Management

The following performance conditions apply to the instruments under the pro-gram allocated to PI Senior Management (replicating the structure of the Perfor-mance-Based Share Program in Invest Receive).

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 applica-ble compounded annual growth is between the 10-year interest on Swedish government bonds plus 2 percentage points and the 10-year interest on Swed-ish government bonds plus 10 percentage points, then a proportional (linear) calculation of the award shall be made.

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 wholly-owned subsidiaries of PI must exceed the interest on 10-year US government bonds by more than 12 percentage points. 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 gov-ernment bonds plus 12 percentage points, then a proportional (linear) calcula-tion of the award shall be made.

Note 11 *Employees and personnel costs*

Summary of Patricia Industries' long-term share-based variable remuneration programs 2017-2019

PI-BS Plan

Matching Shares 2017-2019

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2019	Matching Shares forfeited in 2019	Matching Shares exercised in 2019	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]
2019	23,911	–	604	580			23,935[4]	379.81	422.43	10.00	12/31 2025	3
2018	25,280	23,606 589	422	843			23,352[4]	333.01	370.45	10.00	12/31 2024	3
2017	20,830	17,806		291			17,937[4]	355.53	395.77	10.00	12/31 2023	3
Total	70,021	41,412	1,615	1,714	–		65,224					

Matching Options 2017-2019

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2019	Number of Matching Options exercised in 2019	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]
2019	47,822	–	1,132			46,690[4]	26.30	48.37	519.20	12/31 2025	3
2018	50,560	47,791	2,811			44,980[4]	24.90	34.17	456.60	12/ 31 2024	3
2017	41,660	35,021	851			34,170[4]	31.51	44.00	486.90	12/ 31 2023	3
Total	140,042	82,812	4,794	–		79,150					

Performance Shares 2017-2019

Year issued	Number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2019	Performance Shares forfeited in 2019	Performance Shares exercised in 2019	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]
2019	152,948	–	3,773	4,209			152,512[4]	97.28	108.98	211.15	12/31 2025 97.67	3
2018	161,612	155,0803,731	2,633	7,544			151,267[4]	86.63		183.41	12/31 2024 106.11	3
2017	132,442	111,506					114,139[4]	92.81		193.45	12/31 2023	3
Total	447,002	266,586	10,137	11,753	–		417,918					

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 page 70 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.

PI-NA Plan

Matching Shares 2017-2019

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2019	Matching Shares forfeited in 2019	Matching Shares exercised in 2019	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]
2019	11,568	–					11,568[4]	380.83	424.12	10.00	12/31 2025	3
2018	13,110	11,979		210			11,769[4]	334.17	372.34	10.00	12/31 2024	3
2017	10,482	8,348		183			8,165[4]	356.31	396.95	10.00	12/31 2023	3
Total	35,160	20,327	–	393	–		31,502					

Matching Options 2017-2019

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2019	Number of Matching Options exercised in 2019	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]
2019	23,136	–				23,136[4]	29.80	53.60	519.20	12/31 2025	3
2018	26,220	24,409	1,179			23,230[4]	27.33	37.04	456.60	12/ 31 2024	3
2017	20,964	16,673	549			16,124[4]	29.85	39.19	486.90	12/ 31 2023	3
Total	70,320	41,082	1,728	–		62,490					

Performance Shares 2017-2019

Year issued	Number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2019	Performance Shares forfeited in 2019	Performance Shares exercised in 2019	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]
2019	72,497	–					72,497[4]	107.44	124.02	216.36	12/31 2025	3
2018	80,402	76,324		2,212			74,112[4]	96.80	112.51	187.82	12/31 2024	3
2017	67,237	53,282					53,282[4]	99.89	114.76	200.33	12/31 2023	3
Total	220,136	129,606	–	2,212	–		127,394					

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 page 70 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.

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 35 36 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P16 P17 P18

Note 11 *Employees and personnel costs*

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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Averaged volume-weighted price paid for Invest Receive B shares	432.71	380.51	432.71	380.51	432.71	380.51	432.71	380.51	432.71	380.51	432.71	380.51
Strike price	10.00	10.00	519.20	456.60	216.36	190.26	10.00	10.00	519.20	456.60	216.36	190.26
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%	2.4%	2.3%	0%	0%	0%	0%	3.7%	4.0%	0%	0%
Risk-free interest	–0.39%	–0.09%	–0.39%	–0.09%	–0.39%	–0.09%	2.18%	2.88%	2.18%	2.88%	2.18%	2.88%
Expected outcome[4)]					50%	50%					50%	50%

1) The assumed volatility was based on future forecasts based on the historical volatility of Invest Receive 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.

Other programs in subsidiaries

Participation/incentive programs in Invest Receive Growth Capital (IGC) Within IGC, selected senior staff and other senior executives were, to a certain extent, allowed to make parallel investments with Invest Receive, or else receive prof-it-sharing. For more information regarding the programs see note 34, Related party transactions.

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 and Laborie are offered the opportunity to invest in the companies through management partici-pation programs or similar. The terms of the programs are based on market valu-ations 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 func-tion'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 allot-ment, 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	2019	2018
Group		
Costs relating to equity-settled share-based payment transactions	62	26
Costs relating to cash-settled share-based payment transactions	206	112
Social security relating to share-based payment transactions	87	17
Total	355	155
Parent Company		
Costs relating to equity-settled share-based payment transactions	26	24
Costs relating to cash-settled share-based payment transactions	14	6
Social security relating to share-based payment transactions	48	14
Total	88	44

Other effects of share-based payment transactions, SEK m	2019	2018
Group		
Effect on equity relating to Stock-Options exercised by employees	48	27
Carrying amount of liability relating to cash-settled instruments	403	228
Parent Company		
Effect on equity relating to Stock-Options exercised by employees	48	27
Carrying amount of liability relating to cash-settled instruments	32	22

Note 11 *Employees and personnel costs*

Remuneration to the Board of the Parent Company

At the 2019 Annual General Meeting (AGM), it was decided that Board remuner-ation should total SEK 11,700t (10,835), of which SEK 10,425t (9,665) would be in the form of cash and synthetic shares and SEK 1,275t (1,170) would be dis-tributed as cash remuneration for committee work done by the Board of Direc-tors.

Synthetic shares 2008-2019

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 2019 is essentially identical to the decision of the AGM 2018. In 2019, 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 Invest Receive 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 2024, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Invest Receive share. At the statutory meeting in May 2019 the Board approved, as in 2018, 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 Invest Receive shares (or a corresponding exposure to the Invest Receive share, for example in synthetic shares) for a market value that is expected to correspond to at least one year's remuner-ation 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 publi-cations of each of the year-end report and the three interim reports, respec-tively, which are made during the year after the year when such request was received by the Company.

Expensed remuneration to the Board 2019

Total remuneration for 2019 (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 2019	Effect from Synthetic Shares exercised/ forfeited 2019	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2019[1]	Adjustment for dividend	Exercised/ forfeited Synthetic Shares, 2019	Number of Synthetic Shares on December 31, 2019
Jacob Wallenberg	1,400	1,400	380	3,180		277		3,457		3,256	26		3,282
Marcus Wallenberg Josef	1,625			1,625				1,625					
Ackermann[2] Dominic					606		86	693	5,339		138	1,330	4,146
Barton[3] Gunnar Brock[4]	188	375		563			–375	188		872		872	
Johan Forssell	375	375	200	950	606	74	86	1,717	5,339	872	145	1,330	5,025
Magdalena Gerger Tom													
Johnstone, CBE Sara	750		200	950	467		86	1,503	4,421		111	1,330	3,202
Mazur	375	375	95	845	606	74	86	1,612	5,339	872	145	1,330	5,025
Grace Reksten Skaugen	375	375		750	139	74		964	927	872	34		1,833
Hans Stråberg	750		305	1,055				1,055					
Lena Treschow Torell Peter	375	375		750	606	74	86	1,517	5,339	872	145	1,330	5,025
Wallenberg Jr.[5] Sara	375	375	95	845	606	74	86	1,612	5,339	872	145	1,330	5,025
Öhrvall[6]							86	86	1,309		21	1,330	
					467			467	3,103		90		3,193
Total	6,558	3,650	1,275	11,513	4,103	649	230	16,495	36,453	8,488	998	10,184	35,755

1) Based on weighted average stock price for Invest Receive B in the period May 10 to May 16, 2019: SEK 430.02.
2) Member of the Board until 5/8 2019.
3) Member of the Board until 11/14 2019.
4) Additional remunerations of SEK 1,588t to Gunnar Brock have been expensed in the subsidiaries.
5) Member of the Board until 5/12 2015.
6) Member of the Board until 5/8 2018.

Expensed remuneration to the Board 2018

Total remuneration for 2018 (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 2018	Effect from Synthetic Shares exercised 2018	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2018[1]	Adjustment for dividend	Exercised Synthetic Shares, 2018	Number of Synthetic Shares on December 31, 2018
Jacob Wallenberg	2,600		350	2,950				2,950					
Marcus Wallenberg Josef	1,505			1,505				1,505					
Ackermann Gunnar	348	348		695	57	1	35	788	6,006	918	188	1,773	5,339
Brock[2]	348	348	185	880	57	1	35	973	6,006	918	188	1,773	5,339
Johan Forssell													
Magdalena Gerger Tom	695		185	880	57			937	4,276		145		4,421
Johnstone, CBE Carola	348	348	85	780	57	1	35	873	6,006	918	188	1,773	5,339
Lemne[4]							35	35	1,730		43	1,773	
Sara Mazur	348	348		695		1		696		918	10		927
Grace Reksten Skaugen	695		280	975				975					
Hans Stråberg	348	348		695	57	1	35	788	6,006	918	188	1,773	5,339
Lena Treschow Torell Peter	348	348	85	780	57	1	35	873	6,006	918	188	1,773	5,339
Wallenberg Jr.[3] Sara					17		35	52	2,999		83	1,773	1,309
Öhrvall[5]					40			40	3,008		95		3,103
Total	7,580	2,085	1,170	10,835	401	4	245	11,486	42,044	5,505	1,315	12,411	36,453

1) Based on weighted average stock price for Invest Receive B in the period May 5 to May 11, 2018: SEK 378.72.
2) Additional remunerations of SEK 1,556t to Gunnar Brock have been expensed in the subsidiaries.
3) Member of the Board until 5/12 2015.
4) Member of the Board until 5/6 2014.
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 35 36 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P 6 P 7 P18

Note 12 Auditor's fees and expenses

	2019	2018
Auditor in charge	Deloitte	Deloitte
Auditing assignment	43	41
Other audit activities	0	3
Tax advice	8	7
Other assignments	1	4
Total Auditor in charge	51	55
Other auditors Auditing assignment	2	3
Total other auditors	2	3
Total	53	58

Audit assignment refers to the auditor's reimbursement for execution of the stat-utory 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 effec-tive 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, includ-ing 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 inter-est 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 derivatives and loans that are subject to fair value hedging, and foreign currency result.

	2019	2018
Interest		
Interest income	35	27
Interest expense	–2,282	–1,827
Total interest	–2,248	–1,799
Other financial items		
Changes in value, gains	130	–
Changes in value, losses	–	–
Exchange loss	–197	36
Other items	–660	–389
Total other financial items	–727	–140 –565
IS Net financial items	–2,975	–2,365

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 –74m (–8) and revaluations of financial assets and liabilities established with valuation techniques totaling SEK 130m (–36). Liabilities accounted for as hedges have been revalued by SEK –247m (404) and the associated hedging instruments have been revalued by SEK 346m (–452). Derivatives included in cash flow hedges are not recognized in the Income Statement but have affected Other Comprehensive income by SEK –22m (3). For more information about net finan-cial items, see note 32, 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 differ-ences between the tax base of an asset or liability and its carrying amount. Temporary differences attributable to goodwill are not recognized. Further-more, temporary differences attributable to investments in subsidiaries or associates are not recognized unless they are expected to reverse within the foreseeable future. The valuation of deferred tax is based on the extent to which underlying assets and liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and tax regulations that have been decided or announced at year-end. If the calculations result in a deferred tax asset, it will only be reported as such if it is probable that it will be realized.

Income taxes are reported in the Income Statement unless the underlying transaction is reported as part of Other Comprehensive income or as a com-ponent 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.

For a description of matters relating to tax contingencies, see note 33, Pledged assets and contingent liabilities.

Information about the connection between tax expense for the period and reported income before tax

	2019 (%)	2019	2018 (%)	2018
Reported profit/loss before taxes		102,650		–914
Tax according to applicable tax rate	21.4	–21,967	22.0	201
Effect of other tax rates for foreign subsidiaries	0.2	–214	-6.4	–58
Tax from previous years	0.0	35	-75.	–691
Tax effect of non-taxable income	–24.6	25,274	1,419.1	612,976
Tax effect status as an industrial holding company[1]	–0.5	508	67.0	612
Tax effect of non-deductible expenses	4.4	–4,478	–1,512.7	–13,831
Controlled Foreign Company taxation	0.0	–	0.0	–
Standard interest on tax allocation reserves	0.0	0	0.0	0
Tax effect of not recognized losses or temporary differences	0.5	-485	-71.7	-656
Tax effect of recognition and derecognition of tax losses and temporary differences	0.4	-429	-25.4	-232
Other	0.0	15	2.1	19
Current tax expense	1.7	–1,740	–181.6	–1,660
Tax effect of recognition and derecognition of tax losses and temporary differences Tax	–0.4	428	25.4	232
effect of not recognized losses or temporary differences	0.1	-92	–2.6	–24
Tax effect of changed tax rates	0.0	-4	6.2	57 –
Tax effect impairment of goodwill	0.0	-	0.0	10
Other	0.0	0	1.1	
Deferred tax income	–0.3	332	30.1	275
IS Reported tax expense	1.4	–1,408	–151.4	–1,385

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

Income tax for the year in Other Comprehensive income

	2019	2018
Income tax for the year in Other Comprehensive income	–17	–34
Total	–17	–34

Note 14 *Income tax*

Deferred taxes

Deferred taxes refer to the following assets and liabilities

	12/31 2019			12/31 2018		
	Asset	Liability	Net	Asset	Liability	Net
Intangible assets	314	−5,265	−4,951	79	−5,299	−5,220
Property, plant and equipment	11	−1,065	−1,054	84	−904	−820
Financial assets	15	−36	−21	6	−173	−168
Inventory	205	−11	194	181	−22	159
Interest-bearing liabilities	5	–0	5	25	–	25
Pension provisions Provisions	240	–2	240	226	0	226
Losses carry-forward	89		87	117	–1	117
Tax allocation reserves Other	145	−155	145	270	–	270
	0	–13	–154	–	–72	–72
	250		236	119	–71	48
Total deferred tax assets and liabilities Net	1,274	–6,547	–5,273	1,108	–6,543	–5,435
of deferred tax assets and liabilities[1)]	–669	669	–	–422	422	–
BS Net deferred tax	605	–5,878	–5,273	685	–6,121	–5,435

1) Deferred tax assets and liabilities are offset if a legal right exist for this.

Unrecognized deferred tax assets and liabilities

Taxes relating to deductible temporary differences for which deferred tax assets have not been recognized amounted to SEK 125m on December 31, 2019 (188). 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.

There is currently an uncertainty regarding how the current Swedish tax law in relation to exchange differences on EUR denominated financial assets in Swedish entities with EUR as presentation currency should be interpreted and if the Swedish law is consistent with EU law. Therefore, the Group does not report a deferred tax liability on such unrealized taxable foreign exchange gain as of December 31, 2019, but discloses this uncertainty as a contingent liability of EUR 40.8m. For more information see note 33, Pledged assets and contingent liabilities.

Change in deferred taxes related to temporary differences and losses carry-forward

12/31 2019	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in Other Comprehensive income	Exchange rate differences	Amount at year-end
Intangible assets	−5,220	43	335	–	–109	−4,951
Property, plant and equipment	−820	12	–131	–105	–9	−1,054
Financial assets	−168	–	15	–	–	–21
Inventory	159	–2	5		9	194
Interest-bearing liabilities	25	–	–27	5	1	5
Pension provisions Provisions	226	–22	53	39	–6	240
Losses carry-forward	117	−18	−14	–	2	87
Tax allocation reserves Other	270	−41	−91	–	7	145
	–72	1	−83	–	0	–154
	48	−6	151	45	0	236
Total	–5,435	–35	332	–17	–119	–5,273

Change in deferred taxes related to temporary differences and losses carry-forward

12/31 2018	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in Other Comprehensive income	Exchange rate differences	Amount at year-end
Intangible assets	−3,301	−1,995	235	–	–158	−5,220
Property, plant and equipment	−738	−33	3	−40	−12	−820
Financial assets	−169	–26	41	1	−14	−168
Inventory	146	–31	36	–	8	159
Interest-bearing liabilities	1	12	21	−101	3	25
Pension provisions Provisions	223	–4	–11	15		226
Losses carry-forward	50	4	59	–	4	117
Tax allocation reserves Other	282	133	–1583	0	1	270
	−29	–46	45	0	4	–72
	−4	3		0	0	48
Total	–3,538	–1,985	275	–34	–153 3	–5,435

Long-term tax liabilities

	12/31 2019	12/31 2018
Tax liability expected to be paid after more than 12 months		
Reserve for tax on deduction for interest expenses	372	372

Invest ReceiveAB'ssubsidiaries have historically claimed deduction for certain interest expenses, which have been denied by the tax authorities. The recent appeals to the Administrative Court of Appeal were denied in May, 2018. Investor still believes that these deductions have been claimed rightfully and has appealed the decision to the Supreme Administrative Court. A reserve has been booked for the tax that might need to be paid if the interest deductions are denied in highest instance as well. For more information see note 33 , Pledged assets and contingent liabilities.

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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 pro-grams 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

	2019	2018
Profit/loss for the year attributable to the holders of ordinary shares in the Parent Company, SEK m	101,226	–2,252
Weighted average number of ordinary shares outstanding during the year, millions	765.2	764.9
IS Basic earnings per share, SEK	132.29	–2.94

Change in the number of outstanding shares, before dilution	2019	2018
Total number of outstanding shares at beginning of the year, millions	765.1	764.8
Repurchase of own shares during the year, millions	0.0	0.0
Sales own shares during the year, millions	0.3	0.3
Total number of outstanding shares at year-end, millions	765.3	765.1

Diluted earnings per share

	2019	2018
Profit for the year attributable to the holders of ordinary shares in the Parent Company, SEK m	101,226	–2,252
Weighted average number of outstanding ordinary shares, millions	765.2	764.9
Effect of issued:		
Employee share and stock option programs, millions	0.5	0.6
Number of shares used for the calculation of diluted earnings per share, millions	765.7	765.5
IS Diluted earnings per share, SEK	132.20	–2.94

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 449.26) compared to exercise price and potential value per option to be expensed in accordance to IFRS 2. Finally there are Performance Shares for which perfor-mance 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 busi-nesses 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 intangi-ble asset is reported by the Group only if all of the following apply; it is possi-ble 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 trade names with an indefinite useful life are not amortized.

Estimated useful lives:

Trademarks	5-15 years
Capitalized development expenditure	1-8 years
Proprietary technology Customer	5-20 years
contracts and relations Software	3-18 years
and other	1-10 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 when-ever the carrying amount of an asset exceeds its recoverable amount. The loss is reported in the Income Statement.

Note 16 *Intangible assets*

12/31 2019	Goodwill	Other intangible assets: Tradenames and Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total other	Total
Accumulated costs								
Opening balance	45,018	10,007	1,517	3,975	14,714	2,723	32,935	77,953
Business combinations	663	2		90	47	–26	113	776
Internally generated intangible assets			48	211		59	318	318
Acquisitions	164	1	128	1	143	146	419	582
Disposals	–5,128	–38	–57	–66	–1,085	–187	–	–6,562
Reclassifications	–15	2	–140	669	1,106	–1,652	1	–30
Exchange rate differences	838	147	29	50	285	103	,	1,453
At year-end	41,540	10,120	1,524	4,932	15,209	1,167	32,951 4 3	74,491
							3	
Accumulated amortization and impairment losses							–	
Opening balance	–1,631	–111	–559	–1,284	–5,760	–499	–8,213 1	–9,844
Disposals	3,172	4	43	30	857	165	1,098 5	4,270
Impairment loss	–1,544 1)	–21					–21 6	–1,565
Reversal of impairment loss							1	
Amortizations Reclassifications	–51	–121	–163	–385	–926	–123	–1,717 5	–1,769
Exchange rate differences			71	–71	–17	26	9	9
	1	–4	–6	–18	–78	–3	–108	–108
At year-end	–54	–253	–613	–1,728	–5,924	–433	–8,952	–9,006
BS Carrying amount at year-end	41,486	9,867	911	3,203	9,285	734	23,999	65,485
Allocation of amortization and impairment in Income Statement								
Costs of goods and services sold	–2	–4	–7		–10	–12	–34	–36
Sales and marketing costs Administrative, research and development		–53		–137	–171	–14	–376	–376
and other operating costs Management	–1,593 1)	–85	–156	–248	–744	–95	–1,328	–2,921
costs						–2	–2	–2
Total	–1,595	–142	–163	–385	–926	–123	–1,739	–3,334

1) Including write-down of goodwill related to Aleris amounting to SEK 1,451m.

12/31 2018	Goodwill	Other intangible assets: Tradenames and Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total other	Total
Accumulated costs								
Opening balance	35,763	7,424	883	3,251	9,765	1,506	22,829	58,592
Business combinations	9,472	2,256	466	619	4,644	1,028	9,014	18,485
Internally generated intangible assets			148				148	148
Acquisitions			36	0		110	146	146
Disposals	–48	0	–13	–14		–13	–41	–89
Reclassifications	–10	–7	–15	–23	10	12	–23	–34
Reclassification to Assets held for sale	–1,886	–7	–4	0	–304	–6	–320	–2,206
Exchange rate differences	1,728	342	14	142	599	86	1,183	2,911
At year-end	45,018	10,007	1,517	3,975	14,714	2,723	32,935	77,953
Accumulated amortization and impairment losses								
Opening balance	–1,904	–32	–333	–969	–5,119	–410	–6,863	–8,767
Disposals	34	0	6	4		13	22	57
Impairment loss	–18				–2		–2	–21
Amortizations		–74	–229	–277 4	–720 –4	–101	–1,401 1	
Reclassifications			0		273	1	282	–1,401 1
Reclassification to Assets held for sale	261	0	3	0	–189	6		543
Exchange rate differences	–4	–5	–6	–46		–6	–251	–256
At year-end	–1,631	–111	–559	–1,284	–5,760	–499	–8,213	–9,844
BS Carrying amount at year-end	43,387	9,896	958	2,690	8,953	2,224	24,722	68,109
Allocation of amortization and impairment in Income Statement								
Costs of goods and services sold	–15	0	–9		–61	–18	–89	–104
Sales and marketing costs Administrative,		–13		–125	–108	–6	–25	–252
research and development							2	
and other operating costs Management	–3	–61	–220	–152	–553	–75	–1,081	–1,064
costs						–2	–2	–2
Total	–18	–74	–229	–277	–722	–101	–1,403	–1,421

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Note 16 *Intangible assets*

Impairment testing

Goodwill and other intangible assets with an indefinite useful life originating from acquisitions are primarily divided between six cash-generating entities; Mölnlycke, Permobil, BraunAbility, Laborie, Sarnova and Piab. Invest Receive 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 Invest Receives 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. The base for calculation of the discount rate is the com-pany'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 Invest Receive'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 lon-ger period if deemed more relevant). A growth rate of 1.7-2.9 percent has been used to extrapolate the cash flows for the years beyond the forecast period. The growth-rate is individual for each entity and is considered reasonable given the company's historical growth, geographical positioning and industry fundamen-tals. A sector's long-term growth drivers, such as demographics and lifestyle aspects can be considered as well.

Sensitivity analysis

For all entities except Piab, the assessment is that no reasonably possible change in any key assumption will lead to a calculated recoverable amount that is lower than the carrying amount.

The impariment test for Piab gives a value in use that is 7 percent higher than the carrying amount. The calculation is primarily sensitive to changes in growth rate and EBITDA-margins. The applied growth rate is based on historical track record, market growth outlook and the competitive position. However if the growth rate will be 1 percentage point lower 2020 and onwards, the calculated value in use will be in line with the carrying amount. The EBITDA-margins needs to be over 1 percentage points lower than expected for the value in use to be in line with the carrying amount.

12/31 2019	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	23,602	5,358	Value in use	2020	2024	1.9	10.1
Sarnova	4,719	–	Value in use	2020	2024	2.5	9.7
Laborie	4,125	178	Value in use Value in	2020	2024	2.9	9.6
Piab	3,726	1,045	use Value in use Value	2020	2024	2.7	9.7
Permobil BraunAbility	3,249	1,443	in use	2020	2024	2.2	9.9
Other[2]	1,865	285		2020	2024	1.7	10.4
	200	–					
Total	41,486	8,309					

12/31 2018	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	22,654	5,601	Value in use	2019	2023	1.9	10.1
Sarnova	4,442	–	Value in use	2019	2023	1.9	9.8
Laborie	4,027	169	Value in use	2019	2023	2.4	10.2
Piab	3,664	1,045	Value in use	2019	2023	3.4	9.6
Aleris	3,354	21	Value in use/ fair value	2019	2023	0.8	9.7
Permobil	3,311	1,443	Value in use	2019	2023	1.9	10.0
BraunAbility	1,745	260	Value in use	2019	2023	1.8	10.4
Other[2]	191	–					
Total	43,387	8,539					

1) Tradenames with indefinite useful life.
2) Cash Generating Units with intangible assets with indefinite useful life that are non-significant.

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. Proper-ties 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 10, Leases.

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 deprecia-tion and any accumulated impairment losses. Cost includes the original pur-chase price and directly attributable costs, including borrowing costs, required to bring the asset to working condition for its intended use. Prop-erty consist of parts with different useful lives (such as the framework, 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. Any undepreciated carrying amount of replaced components, or parts of components, are retired and expensed in connec-tion with the exchange. Repairs are expensed as incurred.

Note 17 *Buildings and land*

Revaluation model

Owner-occupied property, whose fair value can be measured reliably, is rec-ognized 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 carry-ing 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 rec-ognized 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 2-50 years

Impairment
The recoverable amount of an asset is calculated whenever there is an indi-cation of impairment. An impairment loss is recognized in the income state-ment 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 regu-larly conducted by external appraisers. Fair value has been determined based on current market prices for comparable property 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 5.52-5.75 percent 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 esti-mated long-term yield. The long-term yield requirement has been assessed to be in a span of 3.52 percent to 3.75 percent. 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 man-agement 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 revalua-tion 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 173m. Respectively a 0.5 percentage point change of the long-term yield requirement would have an effect on the value of SEK 439m.

The majority of the properties was revalued during 2019. The Hotel proper-ties and some Office properties have been revalued by December 31, 2019.

	Revaluation model			Cost model				Total		
	Buildings	Buildings	Land	Buildings		Land				
12/31 2019	For own use	Operating leases	For own use	For own use	Right-of-use	For own use	Right-of-use	Buildings	Land	Total
Revalued cost										
Opening balance	4,135	283	2,132	1,492	–	97	–	5,910	2,228	8,138
Adjustment for changed accounting policy				5	2,7962 1		15	2,801	17	2,818
Other acquisitions	50	0		51	565		2	667	2	669
Sales and disposals	–209		–30	–15	–1,407	-1		-1,631	–31	-1,662
Reclassifications	–321	321		–151	127	-4	4	-23	0	-23
Reclassification to Investment Property Effect	-1,414	–93	–381					-1,507–	–381	-1,888
of revaluations on revaluation reserve	–375	–132	987					507 95	987	480
Exchange rate differences	9		1	63	22	5	0		7	102
At year-end	1,875	379	2,709	1,446	2,104	99	22	5,805	2,830	8,635
Accumulated depreciation										
Opening balance	-640	-42	-	–358	–	–	–	–1,040	-	–1,040
Sales and disposals	12			6	177	0		195	0	196
Depreciation	-77	-16		-68	-492	–1	–2	-652	–3	-655
Reclassifications	26	4 8		24				30		30
Reclassification to Investment Property	85	0			-24			94		94
Exchange rate differences	-1			-19		0	0	-16	0	–16
At year-end	–594	–45	–	–415	–335	–1	–2	–1,388	–3	–1,391
BS Carrying amount at year-end	1,282	334	2,709	1,032	1,769	98	20	4,417	2,827	7,244
Carrying amount if acquisition cost model had been used	801	337	305	1,032	1,769	98	20	3,939	423	4,362

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Note 17 *Buildings and land*

	Revaluation model			Cost model		
	Buildings		Land	Buildings	Land	
12/31 2018	For own use	Operating leases	For own use	For own use	For own use	Total
Revalued cost						
Opening balance	3,818	–	1,825	1,532	87	7,262
Business combinations	11		58	14	0	84
Other acquisitions	531	4	4	28	6	573
Sales and disposals	–10			–112	–3	–125
Reclassifications	–261	259	1	–58	0	–62
Reclassification to Assets held for sale Effect of	–23		–1			–23
revaluations on revaluation reserve Exchange	60	21	244			325
rate differences	7		1	87	6	101
At year-end	4,135	283	2,131	1,492	97	8,138
Accumulated depreciation						
Opening balance	–609	–	–	–302	0	–912
Sales and disposals	1			33	0	34
Depreciation	–75	–4		–65	–1	–182
Reclassifications	37	–37		0	0	37
Reclassification to Assets held for sale	6 0					6
Exchange rate differences				–23		–23
At year-end	–640	–42	–	–358	0	–1,040
BS Carrying amount at year-end	3,495	241	2,131	1,134	96	7,098
Carrying amount if acquisition cost model had been used	2,290	93	588	1,134	96	4,201

Note 18 Investment Property

Accounting policies

Property held to earn rentals from external lessees or for capital apprecia-tion or both is classified as investment property. All investment property is measured using the fair value model. Changes in the fair value are recog-nized 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 prop-erties, 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 analysed 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	2019
Rental income	79
Direct operating expenses arising from investment property that generated rental income during the period	–16
Direct operating expenses arising from investment property that did not generate rental income during the period	–1

	Buildings			
12/31 2019	Buildings	Construction in progress	Land	Total
Reclassification from owner-occupied property	1,039	356	399	1,794
Business Combinations	101		16	117
Other acquisitions	10	680	29	718
Sales and disposals		–3	–7	–10
Reclassifications	345	–364	17	–2
Effect of revaluation	255		–1	243
BS Carrying amount at year-end	1,749	669	442	2,861

Major changes during the reporting period

Several properties had a change in use in January, 2019. The main reason for the change was the sale of Aleris care operations. Previously all properties was classified as owner-occupied property, but from January, 2019 several proper-ties are classified as investment property due to having external lessees. The effect of this change is that properties with a value of SEK 1,794m have been reclassified from owner-occupied property to investment property.

Fair value measurement of Investment Property

The discount rate has been estimated at 4.5-6.5 percent 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 oper-ating 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 4 percent to 7.15 percent. Value determined on an earnings basis nomi-nal development during the calculation period will then be around 2 percent.

All valuations in level 3 are based on assumptions and judgments that man-agement 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 101m. Respectively a 0.5 percentage point change of the long-term yield requirement would have an effect on the value of SEK 136m. All properties was revalued during 2019.

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	3-24 years	
Furniture, fixtures and fittings	3-11 years	
Expenditure on leased property	3-28 years	– or over the remaining lease period if shorter

	12/31 2019						12/31 2018				
	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Machinery Right-of-use	Machinery, operating leases as lessor	Total	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Machinery, operating leases as lessor	Total
Accumulated costs											
Opening balance	2,645	2,606	591	–	63	5,906	2,027	2,579	576	–	5,182
Adjustment for changed accounting policy	28			214		242					
Business combinations	0	0		0		0	126	72	3	52	253
Other acquisitions	206	404	39	71	19	739	250	553	121	10	934
Sales and disposals	–85	–1,057	–408	–5	–23	–1,577 0	–19	–432	–77	–1	–529
Reclassifications	93			0		–91	138	–85	3		55
Reclassification to Assets held for sale		–184	–1					–188	–48		–237
Exchange rate differences							124	108	13	2	247
At year-end	2,979 90	1,824 54	224 2	287 7	62 2	5,376 157	2,645	2,606	591	63	5,906
Accumulated depreciation and impairment											
Opening balance	–971	–1,264	–298	–	–10	–2,544	–729	–1,320	–312	–	–2,361
Sales and disposals	63	597	191		6	856	9	390	72		471
Reclassifications	–3	8	0			5	0	1	–1		0
Reclassification to Assets held for sale								139	15		154
Depreciation	–253	–331	–50	–99	–16	–749	–204	–411	–64	–10	–689
Exchange rate differences	–36	–30	–1	1	0	–66	–47	–62	–8	0	–118
At year-end	–1,201	–1,020	–159	–98	–21	–2,497	–971	–1,264	–298	–10	–2,544
BS Carrying amount at year-end	1,778	804	65	189	41	2,878	1,674	1,342	293	53	3,362

Note 20 Shares and participations in associates

Accounting policies

Associates are companies in which Invest Receive, directly or indirectly, has a significant influence, typically between 20 and 50 percent of the votes. Accounting for associates is dependent on how Invest Receive controls and moni-tors the companies' operations. The Group applies the equity method for unlisted holdings in those cases where Invest Receive is significantly involved in the associate's operations.

Certain unlisted associates within Patricia Industries and all listed associ-ates 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 associ-ates' 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 Invest Receive's share of the net fair value of the associate's identifiable assets and liabilities is reported as good-will corresponding to principles for acquisition of subsidiaries.

If the Group's share of reported losses in the associate exceeds the carry-ing amount of the participations in the Group, the value of the participations is reduced to zero. Losses are also offset against long-term financial receiv-ables without collateral, the economic substance of which is comprised of part of the Invest Receive'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 2019	12/31 2018
At the beginning of the year	4,191	4,340
Business combinations	–	20
Acquisitions	–	0
Divestments	–	–1
Reclassification	–	–93
Share of results in associates	579	–139
Share of other comprehensive income in associates	–72	146
Dividends to owners	–486	–196
Other changes in associated companies equity	–25	108
Exchange rate differences	2	6
BS Carrying amount at year-end	4,189	4,191

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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 ser-vices in Sweden and Denmark. Invest Receive's share of votes are 40 percent and the investment is included in Patricia Industries.

Three Scandinavia is consolidated using the equity method. Dividend was distributed to Invest Receive for 2019 amounting to SEK 480m (204).

Three Scandinavia is, through its operational company in Sweden, involved in discussions with the Swedish Tax Authorities (STA). These discussions are about the interpretation of the underlying and applicable Swedish and EU law associated with the application of taxes on sales.

Three Sweden challenged the STA's decision in the administrative court who, during November, 2018, ruled in the STA's favor. This affected Three Sweden's result during 2018 with a negative effect amounting to SEK 1,448m. At the beginning of 2019 Three Sweden challenged the decision in Kammarrätten and in January, 2019 paid the total amount of SEK 1,552m to the STA relating to the decision.

The assessment made by the management of Three Scandinavia is that the process is in line with current legislation.

EQT AB, Stockholm, 556849-4180

In conjunction with the steps taken to simplify EQT AB's ownership structure, the ownership in EQT AB increased from 19 percent to approximately 23 per-cent during the first quarter 2019. EQT AB then became an associate valued at fair value. Following the listing of the EQT AB shares, a limited share of the hold-ing have been sold during September and October, 2019. After these sales the ownership decreased from approximately 23 percent to approximately 18 per-cent and EQT AB is no longer reported as an associate.

Summarized financial information for associates using the equity method Hi3G Holdings AB

	Total	
	12/31 2019	12/31 2018
Ownership capital/votes, %	40/40	40/40
Net sales	10,705	10,728
Profit/loss for the year	1,297	–126
Total other comprehensive income for the year	–178	135
Total comprehensive income for the year	1,119	9
Invest Receive's share of total comprehensive income for the year	448	3
Total share of total comprehensive income	448	3
Non-material associates		
Share of profit/loss for the year	60	–89
Share of total other comprehensive income	–1	110
Share of total comprehensive income for the year	60	22
Total share of total comprehensive income	507	25
Hi3G Holdings AB		
Total non-current assets	17,476	15,094
Total current assets	3,423	5,208
Total non-current liabilities	−8,338	−4,539
Total current liabilities	−2,435	−5,494
Total net assets (100 %)	10,125	10,269
Invest Receive's share of total net assets	4,050	4,108
Carrying amount of Hi3G Holdings AB	4,050	4,108
Carrying amount of non-material associates	139	84
BS Carrying amount of associates at year-end reported using the equity method	4,189	4,191

Summarized financial information for material associates valued at fair value

	Invest Receive's share of			100% of reported values of the associate					
12/31 2019 Company, Registered office, Registration number	Ownership capital/votes (%)	Carrying amount[1)]	Dividends received	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	40,124	2,965	50,134	20,177	1,160	21,337	2,856,648	2,700,948
Atlas Copco, Stockholm, 556014-2720	17/ 22	76,975	1,309	103,756	16,543	932	17,475	111,722	58,432
Ericsson, Stockholm, 556016-0680	7/23	20,063	240	227,216	1,840	–3,590	–1,750	276,383	194,505
Electrolux, Stockholm, 556009-4178	16/28	11,655	432	118,981	2,509	944	3,453	106,808	84,234
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	36/36	16,586	–	14,248	3,304	–57	3,247	45,658	28,728
Epiroc, Stockholm, 556077-9018 Saab,	17/23	23,759	436	40,849	5,884	301	6,185	41,037	18,224
Linköping, 556036-0793 Husqvarna,	30/40	12,865	184	35,433	2,025	–115	1,910	59,858	39,049
Jönköping, 556000-5331	17/33	7,254	218	42,277	2,528	10	2,538	41,981	24,698
Total participations in material associates valued at fair value		209,281	5,785	632,894	54,810	–415	54,395	3,540,095	3,148,818

Summarized financial information for material associates valued at fair value

	Invest Receive's share of			100% of reported values of the associate					
12/31 2018 Company, Registered office, Registration number	Ownership capital/votes (%)	Carrying amount[1)]	Dividends received	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	39,207	2,623	45,868	23,134	–923	22,211	2,567,516	2,418,727
Atlas Copco, Stockholm, 556014-2720	17/ 22	43,373	1,454	95,363	106,435	2,184	108,619	96,670	54,198
Ericsson, Stockholm, 556016-0680	7/23	18,561	240	210,838	–6,276	100	–6,176	268,761	180,991
Electrolux, Stockholm, 556009-4178	16/28	9,459	397	115,463	3,805	–95	3,710	97,312	75,563
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	39/39	20,696	–	9,139	2,418	–124	2,294	17,183	8,143
Epiroc, Stockholm, 556077-9018 Saab,	17/23	17,219	–	38,285	5,437	–72	5,365	36,155	17,308
Linköping, 556036-0793 Husqvarna,	30/40	12,576	180	33,156	1,366	–1,335	31	56,128	36,495
Jönköping, 556000-5331	17/33	6,351	218	41,085	1,213	430	1,643	38,607	22,598
Total participations in material associates valued at fair value		167,442	5,112	589,197	137,532	165	137,697	3,178,332	2,814,023

1) Carrying amount for associates valued at fair value, equals the quoted market price for the investment.

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 pro-vided that:

- there is an insignificant risk of changes in value
- they are readily convertible to cash

For more information regarding accounting policies, see note 32, 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, Risks and risk management.

12/31 2019	0–3 months	4–6 months	7–12 months	13–24 months	Total carrying amount
Short-term investments	7,007	379	4,008		11,394
Cash and bank	12,225				12,225
Other financial investments				8,188	8,188
BS Total	19,231	379	4,008	8,188	31,806

12/31 2018	0–3 months	4–6 months	7–12 months	13–24 months	Total carrying amount
Short-term investments	337	1,692	810		2,839
Cash and bank	11,079				11,079
Other financial investments				2,998	2,998
BS Total	11,416	1,692	810	2,998	16,916

Of the total carrying amount, SEK 24,894m is readily available for investments (11,294).

Note 22 Long-term receivables and other receivables

	12/31 2019	12/31 2018
Non-current receivables Receivables		
from associates Derivatives	1	1
Receivables from MPP Foundations	2,653	1,838
Other	1,109	981
	45	76
BS Total	3,807	2,897

	12/31 2019	12/31 2018
Other receivables		
Derivatives	0	4
Incoming payments	13	51
VAT	93	122
Other	412	141
BS Total	518	318

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 inven-tories 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 2019	12/31 2018
Raw materials and consumables	1,949	1,815
Work in progress	152	131
Finished goods	2,758	2,752
Supplies	56	50
BS Total	4,915	4,748

Note 24 Prepaid expenses and accrued income

	12/31 2019	12/31 2018
Accrued interest income	270	267
Other financial receivables	6	9
Accrued customer income (contract assets)	1	204
Other accrued income	301	239
Other prepaid expenses	210	179
BS Total	788	899

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 invest-ment 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 Invest Receive'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.

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Note 25 *Equity*

Specification of reserves in equity	12/31 2019	12/31 2018
Translation reserve		
Opening balance	5,298	2,390
Translation differences for the year, subsidiaries	1,538	2,765
Reclassification adjustment to Income Statement	164	89
Change for the year, associates	–71	54
	6,929	5,298
Revaluation reserve		
Opening balance	2,318	2,022
Revaluation of non-current assets for the year	510	365
Tax relating to revaluations for the year Release	–105	–39
of revaluation reserve due to		
depreciation of revalued amount	–31	–29
	2,692	2,318
Hedging reserve		
Opening balance	7	485
Cash flow hedges:		
Reclassification adjustment to Income		
Statement	–	– 4
Change in fair value of cash flow hedges for the year	–22	8
Tax relating to changes in fair value of cash flow		0
hedges for the year	5	– –
Change for the year, associates	–1	3
	–11	7
Hedging cost reserve		
Opening balance	136	–
Adjustment for changed accounting policy[1]	–	307
Opening balance adjusted for changed		
accounting policy	136	307
Hedging cost for the year	40	–170
	177	136
Total reserves		
Opening balance	7,760	4,897
Adjustment for changed accounting policy[1]	–	307
Opening balance adjusted for changed		
accounting policy	7,7605,203 2,908	
Change in reserves for the year:		
Translation reserve	1,631	
Revaluation reserve	374	296
Hedging reserve	–18	–477
Hedging cost reserve	40	–170
Carrying amount at year-end	9,787	7,760

1) Adjustment for currency basis spread accounted for as hedging cost from 1/1 2018.

Repurchased shares included in retained earnings under equity, including profit/loss for the year

	Number of shares		Amounts affecting equity, SEK m	
	2019	2018	2019	2018
Opening balance, repurchased own shares	2,108,682	2,392,938	–447	–474
Sales/repurchases for the year	–261,052	–284,256	481)	27[1]
Balance at year-end, repurchased own shares	1,847,630	2,108,682	–399	–447

1) In connection with transfer of shares and options within Invest Receive's' long-term variable remuneration program, the payment of received strike price has had a positive effect on equity.

Repurchased shares

Repurchased shares include the cost of acquiring own shares held by the Parent Company. On December 31, 2019 the Group held 1,847,630 of its own shares (2,108,682). 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 Invest Receive AB:

Total available funds for distribution:	
Retained earnings Net	234,228
profit for the year	76,699
Total	310,928

To be allocated as follows:	
Dividend to shareholders, SEK 14.00 per share	10,740[1]
Funds to be carried forward	300,187
Total	310,928

1) Calculated on the total number of registered shares.

For more information, see the Administration Report page 47. The dividend is subject to the approval of the Annual General Meeting on May 5, 2020. The dividend for 2018 amounted to SEK 9,948m (SEK 13.00 per share) and the dividend for 2017 amounted to 9,179m (SEK 12.00 per share). Dividends paid out per share for 2018 and 2017 correspond to proposed dividend per share. 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 Invest Receive to maintain financial flexibility. The Group's goal is to have leverage (net debt as a percentage of total assets) of 5-10 percent over an economic cycle. The ceiling for Invest Receive's leverage has been set at a maximum of 25 percent, which may only be exceeded on a short-term basis. Invest Receive´s lever-age at the beginning of the year was 6.1 percent and at the end of the year 2.8 percent. The change is mainly due to cash flows arising from dividends from Listed Companies, proceeds from sales within the operating segments Invest-ments in EQT and Patricia Industries, investments in ABB and EQT funds and dividends paid to shareholders. For more information, see the Administration Report page 8.

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 2019 was 40.0 percent.

Capital is defined as total recognized equity.

Equity	12/31 2019	12/31 2018
Attributable to shareholders of the Parent Company	420,681	327,508
Attributable to non-controlling interest	242	182
BS Total	420,923	327,690

Put options to non-controlling interests

Agreements with non-controlling interests exists that obliges Invest Receive to, at specified occasions, purchase equity instruments in subsidiaries if the counter-party 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 Invest Receive. 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.

Note 26 Interest-bearing liabilities

Accounting policies
For more information relating to accounting policies for financial liabilities see note 32, Financial instruments.

Interest-bearing liabilities

	12/31 2019	12/31 2018
Long-term interest-bearing liabilities		
Bond loans	60,949	51,801
Bank loans	11,389	11,604
Interest rate derivatives with negative value	336	354
Lease liabilities	1,611	106
Other long-term interest-bearing liabilities	22	–
BS Total	74,306	63,866
Short-term interest-bearing liabilities		
Bond loans	–	1,161
Bank loans	590	2,502
Interest rate derivatives with negative value	10	158
Lease liabilities	391	16
Other short-term interest-bearing liabilities	2	8
BS Total	994	3,845
Total interest-bearing liabilities and derivatives	75,300	67,711
Long-term interest rate derivatives positive value	2,653	–1,838
Short-term interest rate derivatives positive value	–	–
Total	–2,653	–1,841[3]
Total interest-bearing liabilities and derivatives	72,647	65,870

Lease liabilities

IFRS 16

Maturity, 12/31 2019	Future lease payments	Interest	Present value of future lease payments
Less than 1 year from balance sheet date	474	–83	391
1-5 years from balance sheet date	1,081	–183	899
More than 5 years from balance sheet date	989	–277	712
Total	2,544	–542	2,002

IAS 17

Maturity, 12/31 2018	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year from balance sheet date	23	–6	16
1-5 years from balance sheet date	46	–19	27
More than 5 years from balance sheet date	100	22	80
Total	170	–46	123

Changes in liabilities arising from financing activities

			Non-cash changes					
12/31 2019	Opening balance	Cash flows	Acquisitions	Foreign exchange movements	Fair value changes	Effect of IFRS 16	Other[4]	Amount at year-end
Long-term interest-bearing liabilities	63,759	7,699		791	816		–371	72,695[1]
Current interest-bearing liabilities	3,829	–3,745	9	152	–167		525	602[2]
Long-term leases	106		487	–32		2,380	–1,331	1,611[1]
Current leases	16	–616	–9	–9		602	407	391[2]
Long-term interest rate derivatives positive value	–1,838				–815			–2,653[3]
Short-term interest rate derivatives positive value	-3				3			–
Total liabilities from financing activities	65,870	3,338	488	902	–164	2,982	–769	72,647

			Non-cash changes				
12/31 2018	Opening balance	Cash flows	Acquisitions	Foreign exchange movements	Fair value changes	Other[4]	Amount at year-end
Long-term interest-bearing liabilities	55,194	5,577	4,562	2,016	–85	–3,506	63,759[1]
Current interest-bearing liabilities	2,528	–1,790	154	–236	161	3,012	3,829[2]
Long-term financial leases	109	–4	1	9		–9	106[1]
Current financial leases	19	–12		1		9	16[2]
Long-term interest rate derivatives positive value	–1,894				56		–1,838[3]
Short-term interest rate derivatives positive value	–				–3		-3
Total liabilities from financing activities	55,957	3,771	4,718	1,790	130	–494	65,870

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 transfers between long-term and short-term liabilities and change in liabilities due to divestment of subsidiaries.

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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 actu-arial 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 contribu-tions 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 pay-ments. The net obligation under defined benefit plans is measured sepa-rately 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 repre-senting 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 com-mitments 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 re-payments 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 differ-ent 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 infor-mation 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 founda-tions.

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 –)	2019	2018
Current service cost	85	80
Past service cost and gains/losses from settlements	–20	–
Additional pension obligations	3	2
Other values	–3	3
Total operating cost	66	83 [1]
Net interest expense	22	26
Exchange rate differences	–	–
Total financial cost	22	26
Components recognized in profit/loss	88	108

Remeasurement on the net defined benefit liability (gain –)	2019	2018
Return on plan assets (excl. amounts in interest income)	–45	1
Actuarial gains/losses, demographic assumptions	0	0
Actuarial gains/losses, financial assumptions	235	56
Actuarial gains/losses, experience adjustments	–8	23
Other	–2	–
Components in Other Comprehensive income	180	80

Provision for defined benefit plans

The amount included in the consolidated Balance Sheet arising from defined benefit plans	12/31 2019	12/31 2018
Present value of funded or partly funded obligations	469	708
Present value of unfunded obligations	920	710
Total present value of defined benefit obligations	1,389	1,418
Fair value of plan assets	–275	–456
NPV of obligations and fair value of plan assets	1,114	962
Restriction on asset ceiling recognized	–	–
BS Net liability arising from defined benefit obligations	1,114	962

Note 27 *Provisions for pensions and similar obligations*

Changes in the obligations for defined benefit plans recognized during the year	12/31 2019	12/31 2018
Defined benefit plan obligations, opening balance	1,418	1,432
Current service cost	83	83
Interest cost	32	31
Remeasurement of defined benefit obligations		
Actuarial gains/losses, demographic assumptions	0	0
Actuarial gains/losses, financial assumptions	235	56
Actuarial gains/losses, experience adjustments	–8	23
Contributions to the plan from the employer	19	0
Past service cost and gains/losses from curtailments Liabilities	–20	–7
reclassified as Liabilities directly associated with assets held for sale	–373	–218
Benefit paid	–34	–20
Other	28	–1
Exchange rate difference	9	38
Obligations for defined benefit plans at year-end	1,389	1,418

Changes in fair value of plan assets during the year	12/31 2019	12/31 2018
Fair value of plan assets, opening balance	456	567
Interest income	11	11
Remeasurement of fair value plan assets		
Return on plan assets (excl. amounts in interest income)	45	–1
Contributions from the employer	24	45
Contributions from plan participants	1	2 –
Effects of disposals	–279	
Assets reclassified as Liabilities directly associated with assets held for sale	–	–176
Exchange differences on foreign plans	1	14
Benefit paid	–17	–15
Other	29 4	–2
Exchange rate difference		10
Fair value of plan assets at year-end	275	456

The fair value of the plan asset at the end of the reporting period for each category are as follows	12/31 2019	12/31 2018
Cash and cash equivalents	–	15
Equity investments	24	72
Debt investments[1]	27	159
Properties	–	28
Other values[2]	223	182
Total fair value of plan assets	275	456

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 2019	12/31 2018
Restriction asset ceiling, opening balance	–	–
Interest net	–	–
Changes asset ceiling, OCI	–	–
Restriction asset ceiling at year-end	–	–

The Group estimates that SEK 9m will be paid to defined benefit plans during 2020 (53).

Assumptions

Assumptions for defined benefit obligations 2019	Sweden	Norway	Other (weighted average)
Discount rate	1.5	–	1.1
Future salary growth Future	1.7	–	1.6
pension growth	1.8–2.2	–	0.7
Mortality assumptions used	DUS14, PRI		Local mortality tables

Assumptions for defined benefit obligations 2018	Sweden	Norway	Other (weighted average)
Discount rate	2.3	2.6	2.1
Future salary growth Future	1.8	2.6	2.4
pension growth	2.0-2.5	1.7	0.6
Mortality assumptions used	DUS14, PRI	K2013, K2013BE	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	75	93	372	1,380	1,920

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 2019 the Invest Receive Group did not have access to infor-mation 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 2020, the Invest Receive Group expect to pay SEK 17m for premiums to Alecta (72). Alecta's total premiums per year for defined benefit pensions is about SEK 15bn (15).

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 is based on the market value of Alecta's assets as a percentage of insurance obligations calcu-lated using Alecta's actuarial assumptions, which do not conform to IAS 19. Alecta aims to have a collective funding ratio varying between 125 and 175 per-cent, with a target level of 150 percent.

The assets that exceed the insurance undertaking are a surplus to policy-holders' behalf. Surplus can be used to increase future pensions, reduce future premiums or reimbursement for already-made premium payments. The collec-tive funding ratio in Alecta was 148 percent December 31, 2019 (142).

Defined contribution plans

Defined contribution plans	2019	2018
Expenses for defined contribution plans	481	550

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	1,101	1,669
Current service cost	50	78
Interest expense	27	14

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 35 36 P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11 P12 P13 P14 P15 P6 P7 P18

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.

For medical care and health care operations, a provision is made for the risk of loss if the total directly attributable costs during the entire term of the contract are expected to exceed the total revenues, including indexation. Provisions are reviewed at each balance sheet date.

	12/31 2019	12/31 2018
Provisions expected to be paid after more than 12 months		
Restructuring reserve	–	10
Provision for social security contributions for LTVR	16	9
Other	88	161
BS Total non-current other provisions	104	181
Provisions expected to be paid within 12 months		
Restructuring reserve	47	161
Provision for social security contributions for LTVR	40	29
Other	154	111
BS Total current other provisions	241	301
Total other provisions	345	481

Provision for social security contributions for long-term share-based remuneration (LTVR)

Invest Receive 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 2020-2026.

Restructering reserve

In 2018 a provision was made for restructuring of the health care operations and loss of contracts within these operations.

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 154m in 2020, SEK 66m in 2021 and SEK 22m in 2022 or later.

12/31 2019	Restruc-turing reserve	Social security LTVR	Other	Total other provisions
Opening balance	172	38	272	481
Provisions for the year	20	28	201	249
Reversals for the year	–145	–10	–231	–386
Carrying amount at year-end	47	55	242	345
12/31 2018				
Opening balance	113	53	266	432
Provisions for the year	136	0	122	258
Reversals for the year	–77	–15	–116	–208
Carrying amount at year-end	172	38	272	481

Note 29 Other long-term and short-term liabilities

	12/31 2019	12/31 2018
Acquisition related liabilities	357	270
Liabilities related to share-based instruments Non	345	155
controlling interest[1]	3,224	2,758
Other	567	310
BS Total other long-term liabilities	4,494	3,493

1) Fair value of issued put options' over non-controlling interest.

Derivatives	142	15
Shares on loan	338	255
Incoming payments	0	2
VAT	282	221
Vehicle Floorplan liabilities	79	62
Personnel-related	349	291
Prepayments from customers	60	86
Other	562	530
BS Total other current liabilities	1,812	1,461

Note 30 Accrued expenses and deferred income

	12/31 2019	12/31 2018
Accrued interest expenses	903	915
Personnel-related expenses	1,357	1,481
Customer bonuses	279	225
Prepayments from customers (contract liabilities)	145	139
Other	947	877
BS Total	3,631	3,637

Note 31 Assets held for sale

Accounting policies

Non-current assets/disposal groups are classified as held for sale if its car-rying amount will be recovered principally through a sale transaction rather than through continuing use and its sale are highly probable. They are mea-sured at the lower of its carrying amount and fair value less costs to sell.

Non-current assets are not depreciated while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a dis-posal group classified as held for sale are continued to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other assets in the Consolidated Balance sheet.

On October 16, 2018, Aleris announced that it will divest its care operations, Aleris Care. The divestiture included 305 units and almost 6,000 employees in Sweden, Norway and Denmark. The transaction was closed January 21, 2019. The Aleris care operations was therefore reported as assets held for sale as per December 31, 2018.

Assets and liabilities classified as held for sale	12/31 2018
Assets held for sale Goodwill	
Other intangible assets Property,	1,624
plant and equipment Other	39
financial assets Deferred tax	100
assets	0
Other current receivables	17
	601
BS Total assets held for sale	2,382
Liabilities directly associated with assets held for sale	
Other long-term liabilities	58
Current liabilities	679
BS Total liabilities directly associated with assets held for sale	738

Note 32 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. Liabili-ties 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 instru-ment. 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 dis-charged or cancelled 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 enforce-able 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 pay-ments 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 contrac-tual 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 combi-nation 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 92.

Financial assets measured at fair value through other comprehensive income
Invest Receive 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 receiv-ables 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 mea-sured at amortized cost. For all these financial assets, except trade receiv-ables, 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 bal-ance 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 allow-ance 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 allow-ance 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 deriva-tives 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 92.

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, Risks and risk management; note 13, Net financial items; note 21, Other financial investments, short-term investments and cash and cash equiva-lents; and note 26, Interest-bearing liabilities.

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Note 32 *Financial instruments*

Financial assets and liabilities by valuation category

12/31 2019	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	386,756			386,756	386,756
Other financial investments	8,099		89	8,188	8,188
Long-term receivables	1,109	2,653	45	3,807	3,807
Accrued interest income			276	276	276
Trade receivables			4,813	4,813	4,813
Other receivables	11		507	518	518
Shares and participations in trading operation Short-	371			371	371
term investments	4,386		1	4,387	4,387
Cash and cash equivalents	12,858		6,373	19,231	19,231
Total	413,590	2,653	12,105	428,348	428,348
Financial liabilities					
Long-term interest-bearing liabilities	373		73,934	74,306	80,106[1)]
Other long-term liabilities	3,243	102	1,148	4,494	4,494
Current interest-bearing liabilities	19		975	994	994
Trade payables			2,788	2,788	2,788
Other current liabilities	695	89	1,027	1,812	1,812
Accrued interest expenses			903	903	903
Total	4,330	191	80,776	85,297	91,097

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 2018	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	298,994			298,994	298,994
Other financial investments	2,915		83	2,998	2,998
Long-term receivables	981	1,838	78	2,897	2,897
Accrued interest income			277	277	277
Trade receivables			4,782	4,782	4,782
Other receivables	1	3	314	318	318
Shares and participations in trading operation Short-	294			294	294
term investments	2,502			2,502	2,502
Cash and cash equivalents	6,543		4,873	11,416	11,416
Total	312,231	1,841	10,407	324,478	324,478
Financial liabilities					
Long-term interest-bearing liabilities	354		63,512	63,866	67,702[1)]
Other long-term liabilities	2,739		753	3,493	3,493
Current interest-bearing liabilities	28	130	3,687	3,845	3,859[1)]
Trade payables			2,927	2,927	2,927
Other current liabilities	355		1,107	1,461	1,461
Accrued interest expenses			915	915	915
Total	3,476	130	72,901	76,507	80,358

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.

Note 32 *Financial instruments*

Result from financial assets and liabilities by valuation category

2019	Financial assets and liabilities measured at fair value through profit/loss			Financial assets 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	9,858					9,858
Changes in value, including currency	91,032	163			−70	91,124
Cost of sales, distribution expenses	0			6	−78	−72
Net financial items						
Interest	39	−53	362	9	−2,595	−2,238
Changes in value	−22	53	346		−247	130
Exchange rate differences	87	−165	455	−10	−602	−234
Total	100,993	−2	1,163	6	−3,593	98,568

2018	Financial assets and liabilities measured at fair value through profit/loss			Financial assets 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	9,342					9,342
Changes in value, including currency	−11,099	−7				−11,106
Cost of sales, distribution expenses	0			7	−37	−30
Net financial items						
Interest	12	−97	427	20	−2,134	−1,773
Changes in value	−9	125	295	28	−479	−40
Exchange rate differences	122	63	596	140	−1,266	−345
Total	−1,632	84	1,317	195	−3,916	−3,952

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 Invest Receive 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 compa-nies, with deduction for individually determined adjustments as a consequence of the size difference between the company being valued and the sample of comparable companies. In those cases when other measurement methods better reflect the fair value of a holding, this value is used.

Unlisted holdings in funds are measured at Invest Receive'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 Invest Receive's assess-ment 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 con-sidered to deviate considerably from IFRS principles, the value is adjusted.

When estimating the fair value market conditions, liquidity, financial condi-tion, 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 Invest Receive's management par-ticipate actively in the valuation process within Invest Receive 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 above.

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 condi-tions of the agreement and based on an estimated market rate for similar instruments with diverse durations.

Options

The value of unlisted options is 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 Invest Receive'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 32 *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 2019					12/31 2018				
	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	362,170	2,222	22,347	16	386,756	271,213	1,785	25,936	62	298,994
Other financial instruments	8,009	19	71	89	8,188	2,848		67	83	2,998
Long-term receivables		231	3,531	45	3,807		265	2,553	78	2,897
Other receivables	12	0	10	497	518	33	3		281	318
Shares and participations in trading operation Short-	371				371	294				294
term investments	4,386			1	4,387	2,502				2,502
Cash and cash equivalents	12,858			6,373	19,231	6,594			4,822	11,416
Total	387,806	2,472	25,960	7,021	423,259	283,484	2,054	28,556	5,325	319,419
Financial liabilities										
Long-term interest-bearing liabilities	0	257	56	73,993	74,306		307	47	63,512	63,866
Other long-term liabilities	243		3,326	924	4,494			2,798	695	3,493
Short-term interest-bearing liabilities	0	10		984	994		158		3,687	3,845
Other current liabilities	339	141	89	1,243	1,812	254	15	86	1,106	1,461
Total	582	408	3,472	77,143	81,606	254	480	2,931	69,000	72,665

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.

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 2019	12/31 2018	Valuation technique	Input	12/31 2019	12/31 2018
Shares and participations	22,347	25,936	Last round of financing	N/A	N/A	N/A
			Comparable companies	EBITDA multiples	N/A	N/A
			Comparable companies	Sales multiples	1.3–5.2	1.3–4.3
			Comparable transactions	Sales multiples	1.3–3.6	2.1–6.4
			Net Asset Value	N/A	N/A	N/A
Other financial instruments	71	67	Discounted cash flow	Market interest rate	N/A	N/A
Long-term and short-term receivables	3,542	2,553	Discounted cash flow	Market interest rate	N/A	N/A
Long-term interest bearing liabilities	56	47	Discounted cash flow	Market interest rate	N/A	N/A
Other provisions and liabilities	3,415	2,884	Discounted cash flow		N/A	N/A

All valuations in level 3 are based on assumptions and judgments that manage-ment 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 93 percent of the portfolio value (72). 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 port-folio value of approximately SEK 100m (200).

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 approxi-mately SEK 1,000m (1,000).

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Note 32 *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 2019	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	25,936	67	2,553		28,556	47	2,798	86	2,931
Total gains or losses									
in profit/loss	3,123	2	937	10	4,072	9	409		418
in other comprehensive income	403	2	4		409		51	3	54
Acquisitions	6,886	0	55		6,940		102		102
Divestments	–11,261				–11,261		–16		–16
Settlements			–18		–18		–17		–17
Revaluation in Equity									
Transfer in to level 3									
Transfers out of level 3	–2,739				–2,739				
Carrying amount at year-end	22,347	71	3,531	10	25,960	56	3,326	89	3,472
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	1,109				1,109		4,818		4,818
Net financial items			850		850	–9			–9
Total	1,109		850		1,959	–9	4,818		4,809

12/31 2018	Shares and participations recognized at fair value	Other financial investments	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Other long-term liabilities	Other current liabilities	Total financial liabilities
Opening balance	21,383	–	1,509	22,893	45	1,700	–	1,745
Total gains or losses								
in profit/loss	4,456		63	4,519	2	419	−42	379
in other comprehensive income	1,055	2	1	1,057		46	3	49
Acquisitions	3,643	66	980	4,689		69		69
Divestments	–4,193			–4,193				
Settlements						–19	−47	−65
Revaluation in Equity						593		593
Transfer in to level 3							171	171
Transfers out of level 3	–409			–409		–11		−11
Carrying amount at year-end	25,936	67	2,553	28,556	47	2,798	86	2,931
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	1,507		63	1,570		9		9
Net financial items					–2	–428		–430
Total	1,507		63	1,570	–2	–419		–422

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 2019			12/31 2018		
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)]	934	−338	597	856	−294	562
Derivatives[2)]	2,653	−314	2,340	1,838	−354	1,484
Derivatives[3)]	4	0	4	9	−4	5
Total	3,592	–652	2,940	2,703	–652	2,051

1) Included in the Balance sheet under Shares and participations valued at fair value, SEK 386,756m (298,994).
2) Included in the Balance sheet under Long-term receivables, SEK 3,807m (2,897).
3) Included in the Balance sheet under Other receivables, SEK 518m (318).

	12/31 2019			12/31 2018		
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)]	314	−314	–	354	−354	–
Derivatives[2)]	10	–	10	158	–	158
Securities lending[3)]	440	−338	102	260	−297	–37
Total	764	–652	112	772	–652	120

1) Included in the Balance sheet under Long-term interest bearing liabilities, SEK 74,306m (63,866).
2) Included in the Balance sheet under Current interest-bearing liabilities, SEK 994m (3,845).
3) Included in the Balance sheet under Other liabilities, SEK 1,812m (1,461).

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 32 *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 recog-nized 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, Risks and risk management.

Hedge accounting

Invest Receive 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 receiv-able or liability at the closing rate and the hedge instrument at fair value in the Income Statement.

Hedging of the Group's interest rate exposure – fair value hedges

The Group uses interest rate swaps to hedge the risk of changes in the fair value of its own borrowings that have a fixed rate of interest. The interest rate swaps are recognized at fair value in the Balance Sheet and the hedged item is recalculated at the fair value of the hedged risk (the risk-free interest rate). Changes in the fair value of the derivative and hedged item are recog-nized in the Income Statement.

The interest rate coupon is recognized on an on-going basis in the Income Statement as a component of interest expense.

Hedging of the Group's interest rate exposure – cash flow hedges

In some cases Invest Receive 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 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		Liabilities		Changes in fair value		Accumulated amount of fair value change	
					Carrying amount		Carrying amount					
	<1 year	>1 year	12/31 2019	12/31 2018	12/31 2019	12/31 2018	12/31 2019	12/31 2018	2019	2018	12/31 2019	12/31 2018
Fair value hedges												
Contracts related to interest rate												
Interest Rate Swaps				114		3			–	–		3
Bonds								117	3	4		–3
Ineffectiveness[1)]									3	4		
									0	0		
Contracts related to foreign currency												
Currency Swaps		8,637	8,637	9,810	2,653	1,838		130	905	80	2,718	1,772
Bonds							11,308	11,675	–806	–129	–2,735	–1,929
Ineffectiveness[1)]									99	–49		
Cash flow hedges												
Contracts related to interest rate												
Interest Rate Swaps	105	3,482	3,587				22		–22		–22	
Loans							3,587		22 0		22	
Ineffectiveness[1)]												
Total Hedging instruments	105	12,119	12,224	9,924	2,653	1,841	22	130	880	76	2,696	1,775
Total Hedged items							14,895	11,792	–781	–125	–2,713	–1,932
Total Ineffectiveness[1)]									99	–49		

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 33 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 2019	12/31 2018
In the form of pledged securities for liabilities and provisions		
Real estate mortgages	3,147	2,436
Shares etc.[1]	11,251	10,893
Other pledged and equivalent collateral		
Bank Guarantee	3	3
Total pledged assets	14,400	13,332

1) Pledged shares for loans in subsidiaries.

Contingent liabilities	12/31 2019	12/31 2018
Guarantee commitments to FPG/PRI	1	1
Guarantees on behalf of associates	–	700
Other contingent liabilities	2,310	2,680
Total contingent liabilities	2,311	3,381

Other contingent liabilities consist of warranties within the wholly-owned subsidiaries and appeals regarding deducted interest expenses. The decrease in contingent liabilities is mainly related to a decrease in warrenties due to divested businesses and Three Scandinavia´s repayment of a guaranteed bank loan.

Invest Receive AB's subsidiaries have historically claimed deductions for interest expenses, some have been denied by the tax authorities. Invest Receive believes that these deductions have been claimed rightfully and has appealed the cases, tried in court, to the Supreme Administrative Court. However, the costs that in 2017 were reported as other contingent liabilities, SEK 740m, have been expensed because of the restrictiveness of the Supreme Administrative Court in allowing cases to be tried. Interest deductions that has been challenged by the tax authorities, not yet tried in court, where facts diverge from the cases tried in court in a significant way, are treated as contingent liabilities, SEK 377m.

The Swedish Council for Advance Tax Rulings has in 2019 interpreted Swedish tax law in relation to exchange differences on EUR denominated finan-cial assets in Swedish entities with EUR as presentation currency. The advanced tax ruling indicates an asymmetry in the income tax treatment between financial assets and financial liabilities denominated in EUR. According to the interpreta-tion in the advanced tax ruling, an unrealized taxable foreign exchange gain of EUR 197.8m exists in one of the Groups entities as of December 31, 2019, involving a deferred tax liability of EUR 40.8m.

There is currently an uncertainty regarding how the current Swedish tax law in this area should be interpreted and if the Swedish law is consistent with EU law. Therefore, the Group does not report a deferred tax liability on the afore-mentioned unrealized taxable foreign exchange gain as of December 31, 2019, but discloses this uncertainty as a contingent liability of EUR 40.8m.

The credit facilities within the wholly-owned subsidiaries are subject to financial covenants.

Note 34 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 Invest Receive (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). Invest Receive 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 Invest Receive 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

Participation/incentive programs IGC

Within Invest Receive Growth Capital (IGC), selected senior staff and other senior executives have had the opportunity for a number of years to make parallel investments to some extent with Invest Receive. The plans are designed in accordance with market practice in the venture capital market and are evaluated periodically against similar programs in Europe, the U.S. and Asia. Carried interest plans provide an economic incentive for managers and encourage personal commit-ment 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. This means that when an invest-ment is realized with a profit, each parallel Invest Receive receives his or her share of the profit, after provisions for any unrealized declines in value or write-downs of other investments. The plans allow a maximum share of 15 percent that can be given to parallel Invest Receive's, which is in line with practice in the venture capital market.

During the year, a total of SEK 68m was paid out from these programs (24). The provision (not paid out) on unrealized gains amounted to SEK 104m at year-end (496). Expensed amounts were reported in the item "Changes in Value" in the Income Statement.

Due to the restructuring of IGC, a limited number of employees also partici-pate in a profit sharing program that is better adapted to reflect the decision to restructure IGC. This program is linked to the realized proceeds of holdings, where the share that can be credited to program participants is set with the holding's market value taken into account. During the year, a total of SEK 17m was paid out from this program (9). The provision (not paid out) on unrealized gains amounted to SEK 135m at year-end (138).

Related party transactions

	Associates		Other related party	
	2019	2018	2019	2018
Sales of products/services	9	22	10	
Purchase of products/services	54	4		
Financial expenses	145	134		
Financial income	71	46		
Dividend received	6,265	5,317		
Dividend paid	–	–	1,995	1,842
Receivables	4,044	3,668	0	
Liabilities	5,274	5,751	3	

Note 35 Effects of changes in accounting policies

Leases

From January 1, 2019 Invest Receive applies IFRS 16 Leases. Invest Receive has used the new standard prospectively and therefore used the transition method to apply the standard retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings as of January 1, 2019. The lease liability initially recognized corresponds to the pres-ent value of the remaining lease payments, except short-term leases and leases of low value, discounted using the incremental borrowing rate as per January 1, 2019. The average incremental borrowing rate was 3.8 percent at the date of initial application of IFRS 16. The right-of-use asset connected to the lease payments yet not paid, has initially in most cases been measured to an amount equal to the lease liability, adjusted for the amount of any prepaid or accrued lease payments relating to these lease contracts. In some cases, the right-of-use asset has been measured at its carrying amount as if the Standard had been applied since the commence-ment date instead, but discounted using the incremental borrowing rate at January 1, 2019. This method has had an effect on retained earnings of SEK –25m. The total right-of-use assets as per January 1, 2019, were SEK 3,023m. Of these, SEK 2,809m was buildings and land and mainly related to rental agreements for offices and industrial premises. The effect on the Consolidated Income Statement was SEK –40m during 2019. This due to leasing costs being reversed and instead being accounted for as depreciation and interest expense, applying an effective interest method. In the Consolidated Cash Flow the cash payments within Operating activities have decreased correspondingly and are instead reported as interest paid within Operating activities and repayment of borrowings within Financing activities.

Effect on the Consolidated Balance Sheet due to changes in accounting policies

	Reported as per 12/31 2018	Adjustment due to IFRS 16	Adjusted as per 1/1 2019
Buildings and land	7,098	2,809	9,907
Whereof finance leases	111[1)]	2,809	2,920
Machinery and equipment	3,362	214	3,576
Whereof finance leases	17[1)]	214	231
Shares and participations in associates	4,191	–25[2)]	4,166
Other receivables (current)	318	–41[3)]	277
Total equity	327,690	–25	327,665
Long-term interest-bearing liabilities	63,866	2,380	66,246
Whereof lease liabilities	106[1)]	2,380	2,487
Current interest-bearing liabilities	3,845	602	4,447
Whereof lease liabilities	16[1)]	602	618

1) Finance leases according to IAS 17.
2) Increase due to the effect of changed accounting policy in Three Scandinavia.
3) Adjustment for prepaid lease payments.

Reconciliation of operating lease commitments (IAS 17) and reported lease liabilities (IFRS 16)

Non-cancellable future lease payments as of December 31, 2018	4,537
Financial lease liability as of December 31, 2018	123
Short-term lease contracts	−36
Low value lease contracts	33
Effects of extension options	485
Effects of reclassification of lease contracts	−24
Effects of adjustments of indexes or other variable fees	−90
Effects due to discounting	–764
Effects due to divested operations	–1,133
Exchange rate differences	40
Lease liability as of January 1, 2019	3,105

Investment Property

From mid-January, 2019, certain properties are classified as Investment Property according to IAS 40 due to the properties being leased out to external lessees after that time. These properties were previously used for services within the Group and therefore classified as owner-occupied property reported according to the revaluation model less accumulated depreciation and revalua-tion adjustments. The effect on the Consolidated Balance Sheet at the time for reclassification was as follows:

Buildings and land reported as owner-occupied property	–1,794
Investment Property	1,794
Effect on total equity	–

Note 36 Subsequent events

CEO Richard Twomey leaves Mölnlycke

On March 3, 2020, it was announced that Mölnlycke's CEO Richard Twomey will leave his position after six years. Mölnlycke's board is now initiating the recruit-ment of a new CEO and Richard Twomey will remain in place to help secure a smooth transition.

Impact from the outbreak of the covid-19 virus

During the beginning of 2020, the outbreak of the covid-19 virus has had a severely negative impact on people, companies and financial markets across the world. Invest Receive and our portfolio have also been negatively affected. As of December 31, 2019 the total value of our holdings within Listed Companies amounted to SEK 345,089m, representing 69 percent of our total reported asset value. As of March 20, 2020, the Swedish OMXS30 index had declined by 23 percent since year-end 2019.

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Parent Company

The Parent Company's result after financial items was SEK 76,669m (–7,148). The result is mainly related to Listed Companies which contributed to the result with dividends amount-ing to SEK 8,867m (7,884) and value changes of SEK 68,962m (–13,902). During 2019, the Parent Company invested SEK 4,912m in financial assets (7,010), of which SEK 583m in Group compa- nies (3,448) and purchases in Listed Companies of SEK 4,328m (3,561). The Parent Company divested SEK 8,235m in Group companies (5,344) and SEK 21m (1,858) in Listed Companies during the year. The Parent Company issued a new bond with a nominal amount of EUR 500m. By the end of the year, Shareholder's equity totaled SEK 329,661m (262,864).

Parent Company Income Statement

SEK m	Note	2019	2018
Dividends		8,867	7,884
Changes in value	P8, P9	68,962	–13,902
Net sales		12	12
Operating costs	P2	–387	–371
Operating profit/loss		77,753	–6,378
Profit/loss from financial items			
Results from other receivables that are non-current assets	P3	2,017	3,117
Interest income and similar items		0	7
Interest expenses and similar items	P4	–2,771	–3,894
Profit/loss after financial items		76,699	–7,148
Tax	P1	–	–
Profit/loss for the year		76,699	–7,148

Parent Company Statement of Comprehensive Income

SEK m	2019	2018
Profit/loss for the year	76,699	–7,148
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	–14	–9
Hedging cost	–2	4
Total Other Comprehensive income for the year	–16	–5
Total Comprehensive income for the year	76,683	–7,153

Parent Company Balance Sheet

SEK m	Note	12/31 2019	12/31 2018
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for software	P5	3	5
Property, plant and equipment			
Equipment	P6	10	10
Financial assets			
Participations in Group companies	P7	44,007	47,007
Participations in associates	P8, P15	209,281	167,442
Other long-term holdings of securities	P9	105,721	74,292
Receivables from Group companies	P10	17,112	20,960
Total non-current assets		376,134	309,717
Current assets			
Trade receivables		1	2
Receivables from Group companies		1,925	1,508
Receivables from associates		2	0
Tax assets		10	12
Other receivables		0	0
Prepaid expenses and accrued income		60	59
Cash and cash equivalents	P11	–	–
Total current assets		1,998	1,580
TOTAL ASSETS		378,132	311,297

SEK m	Note	12/31 2019	12/31 2018
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		4,795	4,795
Statutory reserve		13,935	13,935
Reserve for development expenditures		3	4
		18,733	18,734
Unrestricted equity			
Accumulated profit/loss		234,229	251,278
Profit/loss for the year		76,699	–7,148
		310,928	244,130
Total equity		329,661	262,864
Provisions			
Provisions for pensions and similar obligations	P12	112	97
Other provisions	P13	25	62
Total provisions		138	160
Non-current liabilities			
Interest-bearing liabilities	P14	37,164	31,187
Liabilities to Group companies		10,224	9,991
Other long-term liabilities		9	26
Total non-current liabilities		47,397	41,204
Current liabilities			
Interest-bearing liabilities		–	1,138
Trade payables		12	7
Liabilities to Group companies		86	5,149
Liabilities to associates		0	1
Other liabilities		75	56
Accrued expenses and deferred income	P16	724	686
Other provisions	P13	40	33
Total current liabilities		937	7,070
TOTAL EQUITY AND LIABILITIES		378,132	311,297

For information regarding pledged assets and contingent liabilities see note P17, Pledged assets and contingent liabilities.

Parent Company Statement of Changes in Equity

SEK m	Restricted equity: Share capital	Restricted equity: Statutory reserve	Restricted equity: Reserve for development expenditures	Unrestricted equity: Accumulated profit/loss	Unrestricted equity: Profit/loss for the year	Total equity
Opening balance 1/1 2019	4,795	13,935	4	244,130		262,864
Profit/loss for the year					76,699	76,699
Other Comprehensive income for the year				–16		–16
Total Comprehensive income for the year Dividend				–16	76,699	76,683
Stock options exercised by employees				–9,948		–9,948
Equity-settled share-based payment transactions				48		48
Reclassification				13		13
			–1	1		–
Closing balance 12/31 2019	4,795	13,935	3	234,229	76,699	329,661

SEK m	Restricted equity: Share capital	Restricted equity: Statutory reserve	Restricted equity: Reserve for development expenditures	Unrestricted equity: Accumulated profit/loss	Unrestricted equity: Profit/loss for the year	Total equity
Opening balance 1/1 2018	4,795	13,935	5	260,414		279,149
Profit/loss for the year					–7,148	–7,148
Other Comprehensive income for the year				–5		–5
Total Comprehensive income for the year Dividend				–5	–7,148	–7,153
Stock options exercised by employees				–9,179		–9,179
Equity-settled share-based payment transactions				27		27
Reclassification				20		20
			–1	1		–
Closing balance 12/31 2018	4,795	13,935	4	251,278	–7,148	262,864

Distribution of share capital

The Parent Company's share capital on December 31, 2019, as well as on December 31, 2018, consists of the following numbers of shares with a quota of SEK 6.25 per share.

Share class	Number of shares	Number of votes	Share in % of: Capital	Share in % of: Votes
A 1 vote	311,690,844	311,690,844	40.6	87.2
B 1/10 vote	455,484,186	45,548,418	59.4	12.8
Total	767,175,030	357,239,262	100.0	100.0

For information regarding repurchased own shares, see page 34.

Dividend
For the Board of Director's proposed Disposition of Earnings, see note 25, Equity.

Parent Company Statement of Cash Flow

SEK m	2019	2018
Operating activities		
Dividends received	8,867	7,884
Cash payments	–363	–390
Cash flow from operating activities before net interest and income tax	8,504	7,494
Interest received	1,058	1,863
Interest paid	–1,608	–2,496
Income tax paid	0	–5
Cash flow from operating activities	7,954	6,856
Investing activities		
Share portfolio		
Acquisitions	–4,333	–3,632
Divestments	21	1,858
Other items		
Capital contributions to/from subsidiaries	3,000	–1,400
Acquisitions of property, plant and equipment/intangible assets	0	–1
Net cash used in investing activities	–1,313	–3,176
Financing activities		
Proceedes from borrowings Repayment	5,323	5,249
of borrowings	–1,287	–4,163
Change, intra-group balances	–730	4,413
Dividends paid	–9,948	–9,179
Net cash used in financing activities	–6,642	–3,680
Cash flow for the year	0	0
Cash and cash equivalents at beginning of the year	0	0
Cash and cash equivalents at year-end	0	0

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 Invest Receive Group Finance.

Note P1 Accounting policies

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 Invest Receive 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 attrib-utable to business combinations will be included in the acquisition cost.

Contingent consideration is valued based on the likelihood that the consider-ation 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 Invest Receive 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 sharehold-ers 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 deduct-ible. 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 attribut-able to temporary differences. The regulations for industrial holding companies also imply that the Parent Company may neither give nor receive Group contri-butions.

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 246m (224), of which social costs SEK 53m (49). The average number of employees 2019 were 72 (71). For more information see note 11, Employees and personnel costs.

Auditor's fees and expenses

	2019	2018
Auditor in charge	*Deloitte*	*Deloitte*
Auditing assignment	2	2
Other audit activities	0	0
Total	2	2

Leases

Non-cancellable future lease payments	2019	2018
Less than 1 year from balance sheet date 1-5	10	11
years from balance sheet date	0	1
Total	10	11
Costs for the year		
Minimum lease payments	–14	–14
Total	–14	–14

Lease contracts are mainly related to rental agreement for office building.

Note P3 Results from other receivables that are non-current assets

	2019	2018
Interest income from Group companies	988	1,282
Changes in value	209	536
Other interest income	44	43
Exchange rate differences	776	1,256
IS Total	2,017	3,117

Note P4 Interest expenses and similar items

	2019	2018
Interest expenses to Group companies	−347	−378
Changes in value	−151	−554
Changes in value attributable to long-term share-based remuneration	−36	−6
Net financial items, internal bank Interest	0	0
expenses, other borrowings Exchange rate	–1,346	–1,327
differences	−859	−1,598
Other	−30	−31
IS Total	–2,771	–3,894

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Note P5 Intangible assets

Capitalized expenditure for software	12/31 2019	12/31 2018
Accumulated costs		
Opening balance	29	36
Acquisitions	0	1
Disposals	–	–8
At year-end	28	29
Accumulated amortization and impairment losses		
Opening balance	–24	–30
Disposals	–	8
Amortizations	–2	–2
At year-end	–25	–24
BS Carrying amount at year-end	3	5
Allocation of amortizations in Income Statement		
Operating costs	–2	–2
Total	–2	–2

Note P6 Property, plant and equipment

Equipment	12/31 2019	12/31 2018
Accumulated costs		
Opening balance	34	38
Acquisitions	0	0
Sales and disposals	0	–5
At year-end	34	34
Accumulated depreciation and impairment		
Opening balance	–24	–28
Sales and disposals	0	5
Depreciation for the year	–1	–1
At year-end	–24	–24
BS Carrying amount at year-end	10	10

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 2019	12/31 2018	12/31 2019	12/31 2018
Invest Receive Holding AB, Stockholm, 556554-1538 Patricia	1,000	100.0	100.0	2,793	5,793
Industries AB, Stockholm, 556752-6057 Invaw Invest AB,	100,000	100.0	100.0	23,539	23,239
Stockholm, 556270-6308[2)] Patricia Industries II AB, Stockholm,	10,000	100.0	100.0	12,099	12,099
556619-6811 Innax AB, Stockholm, 556619-6753[3)]	1,000	100.0	100.0	3,282	3,082
AB Invest Receive Group Finance, Stockholm, 553671-9987[4)]	1,000	100.0	100.0	1,879	2,379
	100,000	100.0	100.0	416	416
BS Carrying amount				44,007	47,007

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 2019	12/31 2018
Sirela Group AB, Stockholm[2)]	100.0	100.0
Braun Holdings Inc., Indiana	95.2	95.2
Invest Receive Growth Capital AB,	100.0	100.0
Stockholm[3)] Invest Receive Investment	100.0	100.0
Holding AB, Stockholm[4)] Laborie, Toronto	98.4	98.2
Mölnlycke AB, Gothenburg	98.8	98.8
Permobil Holding AB, Timrå	91.0	88.0
Piab AB, Täby	91.1	89.3
Sarnova, Columbus	86.3	86.3
The Grand Group AB, Stockholm Vectura	100.0	100.0
Fastigheter AB, Stockholm	100.0	100.0

1) Refers to share of equity.
2) The holding in Aleris was divested in 2019.
3) Holding company of Invest Receive Growth Capital Inc.
4) Holding company of the shares in EQT AB.

Changes in participations in group companies	12/31 2019	12/31 2018
Accumulated costs		
Opening balance	48,148	46,748
Acquisitions and capital contributions	500	1,400
Divestments and repaid capital contribution	–3,500	–
At year-end	45,148	48,148
Accumulated impairment losses		
Opening balance	–1,140	–1,140
At year-end	–1,140	–1,140
BS Carrying amount at year-end	44,007	47,007

The Invest Receive Group consists of 6 wholly-owned subsidiaries to Invest Receive 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 and Laborie non-controlling interests exists. None of these are considered material for Invest Receive have assessed control over all subsidiaries due to the high ownership interest and Invest Receive AB having direct or indirect power of the companies and has the right and ability to affect the returns. Invest Receive also continuously assess whether it controls companies with ownership interests below 50 percent. The assess-ment is based on whether Invest Receive 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 identi-fied.

Note P8 Participations in associates

Specification of participations in associates

			12/31 2019			12/31 2018		
			Invest Receive'sshare of			Invest Receive's share of		
Company, Registered office, Registration number	Number of shares	Ownership capital/votes (%)	Carrying amount[1]	Equity[2]	Profit/loss for the year[3]	Carrying amount[1]	Equity[2]	Profit/loss for the year[3]
SEB, Stockholm, 502032-9081	456,198,927	21/21	40,124	32,386	4,197	39,207	30,935	4,810
Atlas Copco, Stockholm, 556014-2720	207,754,141	17/22	76,975	8,539	2,792	43,373	7,178	17,988
Ericsson, Stockholm, 556016-0680	240,029,800	7/23	20,063	5,944	160	18,561	6,319	–452
Electrolux, Stockholm, 556009-4178	50,786,412	16/28	11,655	3,250	145	9,459	3,567	624
Swedish Orphan Biovitrum, Stockholm, 556038-9321	107,594,165	36/36	16,586	6,078	1,186	20,696	3,559	952
Saab, Linköping, 556036-0793	40,972,622	30/40	12,865	6,202	599	12,576	5,929	413
Husqvarna, Jönköping, 556000-5331	97,052,157	17/33	7,254	2,903	425	6,351	2,696	204
Epiroc, Stockholm, 556041-2149	207,757,845	17/23	23,759	3,892	1,004	17,219	3,214	930
BS Total participations in associates			209,281			167,442		

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 2019	12/31 2018
Opening balance	167,442	173,560
Acquisitions	75	3,561
Divestments	0	–1,858
Revaluations disclosed in Income Statement	41,764	–7,821
BS Carrying amount at year-end	209,281	167,442

Note P9 Other long-term holdings of securities

	12/31 2019	12/31 2018
Opening balance	74,292	80,197
Acquisitions	4,253	2
Revaluations disclosed in Income Statement	27,175	–5,907
BS Carrying amount at year-end	105,720	74,292

Note P10 Receivables from Group companies

	12/31 2019	12/31 2018
Opening balance	20,960	24,600
New lending	83	12,211
Divestments/due/redeemed	–4,735	–15,507
Reclassifications Unrealized	–804	–
change in value		1,
BS Carrying amount at year-end	17,112	20,960 2 8
		7 9 4 3

Note P11 Prepaid expenses and accrued income

	12/31 2019	12/31 2018
Accrued interest income	34	33
Other financial receivables	6	9
Other	20	17
BS Total	60	59

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 –)	2019	2018
Net interest expense	2	2
Total financial cost	2	2
Components recognized in profit or loss	2	2

Remeasurement on the net defined benefit liability (gain –)	2019	2018
Actuarial gains/losses, financial assumptions	14	8
Actuarial gains/losses, experience adjustments	0	0
Components in Other Comprehensive income	14	9

Provision for defined benefit plans

The amount included in the Balance Sheet arising from defined benefit plan

	12/31 2019	12/31 2018
Present value of unfunded obligations	112	97
Total present value of defined benefit obligations	112	97
BS Net liability arising from defined benefit obligations	112	97

Changes in the obligations for defined benefit plans during the year	12/31 2019	12/31 2018
Defined benefit plan obligations, opening balance	97	92
Interest cost	2	2
Remeasurement of defined benefit obligations		
Actuarial gains/losses, financial assumptions	14	8
Actuarial gains/losses, experience adjustments	0	0
Exchange difference on foreign plans	0	0
Benefit paid	–4	–3
Other	3	–2
Obligations for defined benefit plans at year-end	112	97

Assumptions

Assumptions for defined benefit obligations	12/31 2019	12/31 2018
Discount rate	1.4	2.0
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	2019	2018
Expenses for defined contribution plans	28	25

Note P13 Other provisions

	12/31 2019	12/31 2018
Provisions expected to be paid after more than 12 months		
Provision for social security contributions for LTVR Other	13	8
	12	54
BS Total non-current other provisions	25	62
Provisions expected to be paid within 12 months		
Provision for social security contributions for LTVR	40	29
Other	–	4
BS Total current provisions	40	33
Total other provisions	65	95

Provision for social security contributions for long-term share-based remuneration (LTVR)

Invest Receive 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 2020-2026.

Other

Other provisions are considered immaterial to specify.

12/31 2019	Social security LTVR	Other	Total other provisions
Opening balance	36	59	95
Provisions for the year	26	–	26
Reversals for the year	–9	–46	–55
Carrying amount at year-end	53	12	65

12/31 2018			
Opening balance	50	67	117
Provisions for the year	2	1	3
Reversals for the year	–16	–10	–26
Carrying amount at year-end	36	59	95

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Note P14 Interest-bearing liabilities

	12/31 2019	12/31 2018
Long-term interest-bearing liabilities		
Bond loans	36,907	30,918
Related interest rate derivatives with negative value	257	269
BS Total	37,164	31,187
Short-term interest-bearing liabilities		
Bond loans	–	1,138
Total	–	1,138
BS Total interest-bearing liabilities and derivatives	37,164	32,325

	12/ 31 2019	12/ 31 2018
Carrying amounts		
Maturity, less than 1 year from balance sheet date	–	1,138
Maturity, 1-5 years from balance sheet date Maturity,	11,821 11,962	19,225
more than 5 years from balance sheet date	25,342	
BS Total	37,164	32,325

Changes in liabilities arising from financing activities

12/31 2019	Opening balance	Cash flows	Non-cash changes: Foreign exchange movements	Non-cash changes: Fair value changes	Non-cash changes: Other	Amount at year-end
Long-term interest-bearing liabilities	31,187	5,323	610	45	0	37,164
Current interest-bearing liabilities	1,138	–1,286	148			–
Total liabilities from financing activities	32,325	4,037	758	45	0	37,164

12/31 2018	Opening balance	Cash flows	Non-cash changes: Foreign exchange movements	Non-cash changes: Fair value changes	Non-cash changes: Other	Amount at year-end
Long-term interest-bearing liabilities	28,274	2,919	1,249	56	–1,311	31,187
Current interest-bearing liabilities	1,969	–1,833	–274		1,276	1,138
Total liabilities from financing activities	30,243	1,086	975	56	–34	32,325

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Note P15 Financial instruments

Accounting policies

For accounting policies see note 32, Financial instruments.

Financial assets and liabilities by valuation category

12/31 2019	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 Participations	105,721			105,721	105,721
in associates	209,281			209,281	209,281
Receivables from Group companies (non-current)		1,083	16,029	17,112	17,112
Accrued interest income			40	40	40
Trade receivables			1	1	1
Receivables from Group companies (current)			1,925	1,925	1,925
Receivables from associates			2	2	2
Other receivables			0	0	0
Total	315,002	1,083	17,996	334,081	334,081
Financial liabilities					
Loans (non-current)	257		39,906	37,164	44,120[1)]
Liabilities to Group companies (non-current)		1,979	8,244	10,224	10,224
Other liabilities (non-current)			9	9	9
Trade payables			12	12	12
Liabilities to Group companies (current)			86	86	86
Liabilities to associates (current)			0	0	0
Accrued interest expenses			618	618	618
Other liabilities	39		36	75	75
Total	269	1,979	45,913	48,188	55,144

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 2018	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 Participations	74,292			74,292	74,292
in associates	167,442			167,442	167,442
Receivables from Group companies (non-current)		856	20,104	20,960	20,960
Accrued interest income			42	42	42
Trade receivables			2	2	2
Receivables from Group companies (current)			1,508	1,508	1,508
Receivables from associates			0	0	0
Other receivables			0	0	0
Total	241,734	856	21,655	264,245	264,245
Financial liabilities					
Loans (non-current)	269		30,918	31,187	37,683[1)]
Liabilities to Group companies (non-current)		1,747	8,244	9,991	9,991
Other liabilities (non-current)			26	26	26
Loans (current)			1,138	1,138	1,175[1)]
Trade payables			7	7	7
Liabilities to Group companies (current)			5,149	5,149	5,149
Liabilities to associates (current)			1	1	1
Accrued interest expenses			584	584	584
Other liabilities	10		47	56	56
Total	279	1,747	46,114	48,140	54,672

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.

Note P15 *Financial instruments*

Result from financial assets and liabilities by valuation category

2019	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	8,867					8,867
Changes in value, including currency	68,991	–29				68,962
Net financial items						
Interest		12	−42	860	−1,508	−678
Changes in value		2	−4	106	−47	58
Exchange rate differences		9	–	652	−744	−83
Total	77,858	–5	–46	1,618	–2,299	77,126

2018	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	7,884					7,884
Changes in value, including currency	–13,780	–7				–13,787
Net financial items						
Interest		11	–39	1,182	−1,558	−404
Changes in value		–7	12	459	−483	−18
Exchange rate differences		–23	–	1,012	−1,332	−343
Total	–5,896	–25	–27	2,653	–3,372	–6,667

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 2019					12/31 2018				
	Level 1	Level 2	Level 3	Other[1]	Total	Level 1	Level 2	Level 3	Other[1]	Total
Financial assets										
Participations associates	207,059	2,222			209,281	165,512	1,930			167,442
Receivables from Group companies (non-current)			1,083	16,029	17,112			856	20,104	20,960
Other long-term holdings of securities	105,714		7		105,721	74,286		6		74,292
Total	312,774	2,222	1,090	16,029	332,114	239,798	1,930	862	20,104	262,694
Financial liabilities										
Liabilities to Group companies (non-current)			1,979	8,244	10,224			1,747	8,244	9,991
Interest-bearing liabilities (non-current)		277		36,887	37,164		269		30,918	31,187
Other current liabilities		39		35	75		10		46	56
Total	–	316	1,979	45,166	47,462	–	279	1,747	39,208	41,234

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 2019	Other long-term holdings of securities	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Total financial liabilities
Opening balance	6	856	862	1,747	1,747
Total gains or losses in profit/loss		227	227	232	232
Acquisitions	1		1		
Divestments					
Carrying amount at year-end	7	1,083	1,089	1,979	1,979
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	–	227	227	232	232
Total	–	227	227	232	232

12/31 2018	Other long-term holdings of securities	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Total financial liabilities
Opening balance	5	537	542	1,443	1,443
Total gains or losses in profit/loss		319	319	304	304
Acquisitions	2		2		
Divestments					
Carrying amount at year-end	6	856	862	1,747	1,747
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	–	319	319	304	304
Total	–	319	319	304	304

Note P16 Accrued expenses and deferred income

	12/31 2019	12/31 2018
Accrued interest expenses	618	584
Personnel-related expenses	80	75
Other	26	27
BS Total	724	686

Note P17 Pledged assets and contingent liabilities

	12/31 2019	12/31 2018
Pledged assets		
In the form of pledged securities for liabilities and provisions		
Shares	516	250
Total pledged assets	516	250
Contingent liabilities		
Guarantees on behalf of Group companies	–	–
Guarantees on behalf of associates	–	700
Total contingent liabilities	–	700

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 34, Related party transactions.

Related party transactions

	Group companies		Associates		Other related party	
	2019	2018	2019	2018	2019	2018
Sales of products/ services	2	3	3	7		
Purchase of products/ services	12	10	3	3		
Financial expenses	347	378				
Financial income	988	1,282				
Dividend received			5,785	5,113		
Dividend paid					1,995	1,842
Capital contributions	3,000	1,400				
Receivables	19,037	22,468	0	1		
Liabilities	10,311	15,140				

In addition to the above stated information, guarantees on behalf on the associate Three Scandinavia amounts to SEK – bn (0.7).

Auditor's report

To the annual general meeting of the shareholders of Invest Receive AB (publ.) CORP. ID 556013-8298

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Invest Receive AB (publ) for the financial year January 1, 2019 – December 31, 2019 except for the corporate governance statement on pages 36-46 and the statutory sustainability report on pages 12-15 and 110-113. The annual accounts and consolidated accounts of the company are included on pages 4-15, 36-106 and 110-113 in this document.

In our opinion, the annual accounts have been prepared in accor-dance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 Decem-ber 2019 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 2019 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 36-46 and the statutory sustainability report on pages 12-15 and 110-113. 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 com-pany and the group.

Our opinions in this report on 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 accor-dance 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 profes-sional 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 sep-arate 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 report-ing for several reasons. Firstly, it is important to ensure that the infor-mation 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.

Invest Receive's information regarding the principles applied for its consol-idated financial statements are included in Note 1 Significant account-ing policies and Note 20 Shares and participation in associates on page 79, providing further explanation on the method for accounting for associates.

Our audit procedures included, but were not limited to:

- We obtained an understanding ofInvest Receive's processes relating to internal controls over financial reporting and tested key controls.
- We evaluated internal controls in relation to critical IT-systems used for financial reporting.
- We assessed the company's procedures relating to controls over financial information reported from consolidated subsidiaries and associates reported under the equity method.
- We assessed the application of new accounting rules and regulations and their compliance with IFRS.

Valuation of unlisted investments

The valuation process for unlisted investments requires estimates by management and is therefore more complex compared to the valuation of listed investments. The total carrying value of unlisted investments recognized at fair value amounted to SEK 22,347 million as of Decem-ber 31, 2019.

Invest Receive's valuation policy is based on IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines. Inappropriate judgments made in the assessment of fair value could have a signifi-cant 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 judgments and estimates made.

Invest Receive's principles for accounting for unlisted investments are described in note 32 on page 87 and detailed disclosures regarding these investments are included in Note 32 Financial instruments on page 88-92, see detailed description in section Measurement of financial instruments in level 3.

Our audit procedures included, but were not limited to:

- We obtained an understanding of the valuation process and key controls in this process and tested key controls.
- We agreed correct ownership percentages in Patricia Industries and EQT funds and proper accounting for changes in such ownership.
- We tested that the methodology and consistency applied in the valuation of the portfolio companies is in accordance with IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines.

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 Invest Receive AB (publ) for the financial year January 1, 2019 – December 31, 2019 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 audit-ing 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 require-ments.

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 appropria-tions of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable consid-ering 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 administra-tion 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 guar-antee 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 corporate governance statement The Board of Directors is responsible for the corporate governance statement on pages 36-46 and that it has been prepared in accor-dance with the Annual Accounts Act.

Our examination of the corporate governance statement is con-ducted 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 examina-tion 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 TThe Board of Directors is responsible for the statutory sustainability report on pages 12-15 and 110-113, and that it is prepared in accor-dance 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 suffi-cient basis for our opinion.

A statutory sustainability report has been prepared. Deloitte AB, was appointed auditor of Invest Receive AB (publ) by the general meeting of the shareholders on the 2019-05-08 and has been the company's auditor since 2013-04-15.

Stockholm March 20, 2020
Deloitte AB

Thomas Strömberg Authorized
Public Accountant

Sustainability Notes

Invest Receive's Sustainability Report 2019 is integrated in the Annual Report and covers the calendar year 2019. The content is mainly on pages 7, 12-15 and in this supplement on pages 110–113. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core option, as well as the provisions of the Swedish Annual Accounts Act. The wholly-owned subsidiaries have sustainabil-ity sections on pages 22-31.

The listed companies and a number of the companies within Patricia Industries also publish their own sustainability reports. The sustain-ability report has been reviewed by a third party, PwC, to ensure the accuracy and completeness of the reporting. Questions or comments regarding the report can be directed to Sustainability Specialist, Sofia Jonsson, sofia.jonsson@investreceive.com

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Unless otherwise indicated, all GRI Standards used are from 2016.

Stakeholder engagement

Invest Receive continuously monitors its most significant economic, environmental and social impacts to ensure that Invest Receive is addressing the most important topics of its business and stakeholders. The key stakeholder groups have been identified based on their interest and potential impact from and on Invest Receive's operations.

Invest Receive's most significant sustainability topics have been identified and prioritized via ongoing engagements, dialogues, group meetings, and interviews with stakeholders through different channels and methods. Most of them are integrated in our regular work through for example ongoing dialogue with Invest Receive, analysts, employees, suppliers and partners.

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
Invest Receive and Analysts	• Annual Report and Interim Reports • Webcasts, website and press releases • Sustainability assessment/ surveys • Capital market days • Invest Receive 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 in boards • Invest Receive 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 and NGOs	• Annual and Sustainability Reports • Meetings with sustainability scientist and experts • Community engagement and dialogue • 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.

Materiality assessment

The first materiality analysis was performed in 2016. During 2019 we con-ducted an updated stakeholder dialogue to reaffirm the results and prioritize the most material topics going forward. The stakeholders raised the importance of Invest Receive driving 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 ensure Invest Receive's long-term attractiveness as an investment. The results from different stakeholders showed great similarities when it comes to what was valued the most. Topics that have been raised by our key stakeholders are gov-ernance, business ethics, anti-corruption, climate and diversity. All stakeholders considered these topics to be very important. Many stakeholder groups also underlined the importance of transparency in reporting and communication.

The updated materiality analysis lead to minor changes to the material topics. Financial strength and long-term return are the foundation for Invest Receive's entire business model and not reported as a specific topic within the context of our GRI report. The material topics regarding indirect influence were merged within other relevant topics. A more significant change after the updated materiality analysis is that Invest Receive now includes climate as a separate material topic. Invest Receive has limited direct impact on environment but as a owner, we have large indirect impact through our portfolio companies.

Material topic	Boundary and impact
Business Ethics & Governance	Impact within and outside the organization. Ethical business con-duct is the foundation for our and our portfolio companies' long-term success. The information regarding the material topic covers Invest Receive AB and aggregated data for our portfolio companies.
Diversity & Inclusion	Impact within and outside the organization. Invest Receive views diver-sity and inclusion as business imperatives and the value that is created benefits society at large. The information regarding the material topic covers Invest Receive AB and aggregated data for our portfolio companies.
Climate & Resource Efficiency	Impact mainly outside the organization. Small direct impact from Invest Receive AB and main impact is indirect through the operations of our portfolio companies. Invest Receive ncludes climate data relating to our scope 1, 2 and 3 emissions. Our scope 3 emissions includes the portfolio companies' direct emissions (their scope 1 and 2 emissions on an aggregated level).

Reporting

Entities divested during the year (Aleris) are removed from the baseline for greenhouse gas emissions and are not included in the yearly sustainability data for the overall portfolio. The company's last sustainability report was published in March 2019. 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. The report does not contain any significant restatements of information compared to previous years.

Our business model and supply chain remains unchanged in all material aspects. As an industrial holding company, our supply chain is neither extensive nor complex. Invest Receive's primary suppliers are office, software and hardware providers, consultancies, travel agents etc. Invest Receive's 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 in 2019.

Our sustainability work is also disclosed on our website where our Sustain-ability Policy, Code of Conduct, guiding principle on tax and whistleblowing procedures available. Invest Receive reports its Communication of Progress to the UN Global Compact and climate data to CDP.

Areas	Policy and strategic documents
Compliance with laws and business ethics Fair competition Human Rights International standards	• Code of Conduct • Sustainability Policy (incl. Invest Receive Sustainability Guidelines) • Compliance Policy • Work Environment Procedures • Equality Plan • Employee Handbook • Tax Policy
Bribery and corruption Conflict of interest Political donations	• Code of Conduct • Gift and Benefit Procedures • Personal Account Trading Policy • Employee Handbook
Diversity and non-discrimination	• Code of Conduct • Sustainability Policy (incl. Invest Receive Sustainability Guidelines) • Equality Plan • Employee Handbook • Work Environment Procedures
Working conditions and employee development	• Code of Conduct • Sustainability Policy (incl. Invest Receive Sustainability Guidelines) • Employee Handbook • Work Environment Procedures
Environment and climate	• Code of Conduct • Sustainability Policy (incl. Invest Receive Sustainability Guidelines) • Employee Handbook (incl. Travel Policy)

Memberships and partnerships

Invest Receive works together with other Swedish Invest Receive and share knowledge. We are for example involved in Sida's Swedish Invest Receive for Sustainable Develop-ment with the aim of developing more efficient performance indicators and processes to measure development of the UN Sustainable Development Goals. Invest Receive aims to continuously generate sustainable, economic value and simul-taneously have a positive impact on society and the environment, thus creating shared value. In 2019, our total paid dividend amounted to SEK 9.9bn, whereof approx. SEK 2.3bn, was distributed to the Wallenberg Foundations, whose purpose is to grant funding to scientific research in Sweden.

Invest Receive strives to be a good corporate citizen. The areas we prioritize are youth, education and entrepreneurship. Invest Receive supports several organizations such as IVA, SNS, Forum för Välfärd, Chambers of Commerce, Business Challenge and Young Enterprise Sweden.

Business Ethics & Governance

Invest Receive AB

Acting responsibly and ethically is crucial for Invest Receive to maintain a high level of credibility. Invest Receive's Board of Directors have decided on a policy framework that sets the principles for how Invest Receive 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 whistle-blowing.

The Sustainability Policy sets the framework for Invest Receive's sustainability approach and work. The Board of Directors have decided on a long-term sus-tainability approach covering both Invest Receive and our portfolio companies. The Management Group decides on the development and execution of the sustain-ability approach and within the Management Group the Head of Corporate Communication & Sustainability is responsible for coordinating and driving the overall sustainability work.

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 Invest Receive's Code of Conduct. We hold regular trainings and all policies and procedures are available on Invest Receive's intranet. In 2019 all employees participated in training covering principles in the policy framework. Invest Receive's internal instructions are monitored continuously and updated at least annually. Material incidents are reported to the Management Group and the Board.

Invest Receive 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. According to the internal pro-cedures, the 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. Invest Receive's Legal department is also available for guidance. In 2019, all employees were trained on the procedures. All employees sign the Code of Conduct which also include the anti-bribery and anti-corruption policy. The risk for bribery and corruption is evaluated continu-ously and also assessed on an annual basis as part of Invest Receive's risk assessment process. There were no incidents at Invest Receive relating to bribery and corruption during 2019.

Whistle-blowing channel

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 whistle-blower system, both employees and external parties can report suspected violations of law or business ethics. Invest Receive's employees are an important source of insight for revealing possible misconduct that needs to be addressed. Invest Receive organizes regular training for employees. The purpose of the whistle-blowing 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.

The whistle-blowing procedure is prepared and managed by Compliance and approved by Invest Receive's Management Group. Reports are handled confidentially by representatives at Invest Receive's Legal department. Access to messages received through the whistle-blowing channel is restricted. Representatives from the Legal department decide if and how a whistle-blowing report should be esca-lated. A summary of received whistle blowing reports is presented to the Board of Directors on an annual basis. Invest Receive also reports on the outcome in the Annual Report. In 2019, Invest Receive received four reports through the whistle-blowing channel of which one was Human Resource-related and three related to situations in our portfolio companies. All reports have been processed and managed.

Portfolio companies

Our portfolio companies are expected to adhere to Invest Receive's Sustainability Guidelines. Invest Receive continuously monitors the portfolio companies' develop-ment and progress. One way is through the annual sustainability self-assess-meant-questionnairewhere we follow-up the Sustainability Guidelines. The progress is presented to the Board of Directors once a year.

The business teams within Invest Receive have developed value creation plans for each portfolio company which includes sustainability issues. The company spe-cific focus areas vary depending on industry, development stage, and the risks and opportunities that are relevant for each company. Examples of focus areas could be business ethics, sustainability governance, supplier control, innova-tions, energy efficiency and diversity. If a serious sustainability related issue occurs in one of our companies, Invest Receive's business team is responsible for raising the matter and for monitoring the steps the company takes to address the issue. For example, the business team for Ericsson's has during the year moni-tored and followed up on the company's work to strengthening their ethics and compliance program.

Invest Receive created a Sustainability Network in 2017. Through Invest Receive's Sustain-ability Network, we meet the portfolio companies' Heads of Sustainability three to four times per year to discuss different sustainability challenges and opportu-nities. In 2019, Invest Receive Sustainability Network met four times.

In 2019, Invest Receive also facilitated a sustainability training for the companies within Patricia Industries. The training was divided in two parts covering both a general sustainability training and a more practical training related to gover-nance structure for sustainability.

95%

of our companies have signed the UN Global Compact

100 %

100 %

of our companies have a Code of Conduct

100 %

Diversity & Inclusion

Invest Receive AB

Invest Receive aim's to provide a best-in-class working environment for our employees. all employees shall be treated equally, fairly and with respect regardless or age, gender, national origin, disability, religion, sexual orientation or union memner-ship, among other to ensure equal opportunities in the work environment Invest Receive's management has established an Equality Plan regard for Invest Receive's employees. The plan includes five steps: investigate, analyze, take action, follow up and evaluate. This applies to the areas equal work environment, work and parenthood, training and competence development, recruitment, equal wages, and work against harassment, sexual harassment and reprisals.

The work environment at Invest Receive shall be characterized by opportunity for professional growth and development, opportunity to influence as well as social wellbeing. The Work Environment Procedure is decided by the Management Group and is reviewed and approved annually. It is designed so that no employee shall put their health at risk.

Invest Receive conducts an employee engagement survey every 18-24 months. The latest survey in 2018 came out with strong results versus the external benchmark on engagement, leadership, team efficiency and psychosocial work environment. Our strongest scores are linked to values and pride. 100 percent of our employees stated that they are familiar with our values and 97 percent declared that they act according to them and that they are proud to work at Invest Receive. Areas to work on are individual feedback and follow-up. Invest Receive will conduct the next survey in 2020. To enhance an inclusive culture, Invest Receive will also set a target for perceived level of inclusion. Read more about the targets and progress on pages 7 and 12-15.

Employee turnover	Women	Men
Number of new employee hires	5	4
Rate of new employee hires	5.6%	4.5%
Number of employee turnover	9	5
Rate of employee turnover 1)	20.0%	11.0%

Employment contract	Women	Men
Number of permanent employees	43	44
Number of temporary employees 2)	0	2

Employment type	Women	Men
Number of full-time employees	42	44
Number of part-time employees	1	2

Parental leave	Women	Men
Average time on parental leave, number of weeks 3)	48	10

1) The turnover is calculated on the average number of employees during the year. The total employee turnover was 15% and includes retirement, moves to subsidiaries and normal attrition. We are aware that the number was higher than previous years and monitor it closely.
2) The two temporary employees are located at the Stockholm office.
3) Data for the Stockholm office. Invest Receive aims for a more equal balance in the take out of parental leave between the genders.

Gender	Women	Men
Employees [1]	48.3%	51.7%
Managers	31.6%	68.4%
Extended Management Group	50.0%	50.0%
Management Group	60.0%	40.0%
Board of Directors [2]	44.4%	55.6%

Age group	<30 years	30-50 years	>50 years
Employees [1]	12	50	27
Extended Management Group	0	5	3
Board of Directors [2]	0	0	9

1) Includes all employees, including the members of the Management Group.
2) Board of Directors excluding the CEO.

Portfolio companies

With nearly 500,000 co-workers world-wide, it is crucial that our portfolio companies work with competence development, employee engagement and ensure a safe and healthy work environment. In our yearly questionnaire, all companies reported that they have policies covering health, safety, diversity, anti-discrimination. In 2019, 100 percent of our companies' measure and follow-up on recordable work-related injuries and employee satisfaction on a regular basis.

Our portfolio companies are expected to encourage and promote diversity and inclusion in their organizations. In end of 2019, 77 percent of our compa-nies have a commitment or target related to diversity. The average proportion of women in the companies' management groups amounts to 24 percent. The average proportion within the Listed Companies is 21 percent, Patricia Industries 28 percent and EQT 17 percent. In the total portfolio, the average age is 51 and there are 21 nationalities represented. 59 percent of our companies measured the perceived level of inclusion among their employees.

Management Groups, women	2019	2018
Listed Companies	21.4%	21.0%
Patricia Industries	28.2%	30.3%
EQT	16.7%	9.1%
Average share of women	24.0%	24.5%

Management Groups, nationalities	2019	2018
Listed Companies	21	21
Patricia Industries	13	10
EQT	3	5
Total number of different nationalities	21	21

Participating in nomination committees, in order to compose the best possible board for each company, is one of Invest Receive's most important tasks as an owner. Invest Receive is represented in nine nomination committees in the Swedish listed companies. In six of these, Invest Receive has female representation.

The average proportion of women in the companies' boards of directors amounts to 25 percent. The average proportion within the Listed Companies is 35 percent, Patricia Industries 13 percent and EQT 17 percent. In the total portfolio, the average age is 58 and there are 15 nationalities represented in the boards.

Board of Directors, women	2019	2018
Listed Companies	34.6%	35.0%
Patricia Industries	12.9%	13.1%
EQT	16.7%	16.7%
Average share of women	24.9%	24.7%

Board of Directors, nationalities	2019	2018
Listed Companies	15	15
Patricia Industries	8	8
EQT	2	2
Total number of different nationalities	15	15

The process to collect diversity data has been improved during the year to ensure higher quality. Historical data contains minor changes compared to what was reported in previous years. In the reported diversity data, executive direc-tors have been excluded from the Board of Directors (e g CEO) to prevent double counting as they are included in the Management Groups.

Climate & Resource Efficiency

Invest Receive AB

Invest Receive actively works to reduce the environmental impact of our operations. We integrate environment and climate considerations into our business opera-tions and risk assessments. Invest Receive is members and follows the UN Global Compact's ten principles, which include the precautionary principle. Our 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. The greenhouse gas emissions are largely generated through energy consumption in our offices and through business travel. The Employee Handbook includes Invest Receive's travel policy with guidance to reduce the domestic business travel by air. In 2019, the energy consumption in our offices amounted to 1,291 MWh. At our main premises in Stockholm we use 100 percent renewable electricity.

Invest Receive has committed to climate targets aligned with the Paris Agreement's aim of limiting global temperature rise to 2 degrees above pre-industrial levels, while trying to limit the temperature increase to 1.5 degrees. Invest Receive's target is to reduce greenhouse gas emissions from our scope 1 and 2 with 50 percent by 2030 compared with 2016. In 2019, the direct emissions equaled 130 tonnes, a reduction of 10 percent compared to 2016.

GHG emissions, tonnes CO_{2e}	2019	2018	2017	2016
Scope 1	18	18	22	22
Scope 2 (market based)	112	117	114	123
Invest Receive's scope 1 and 2 emissions	130	135	136	145

Scope 3 emissions, tonnes CO_{2e}	2019	2018	2017	2016
Equity share of portfolio emissions [1]	356,300	372,200	372,400	421,500
Emissions from business travel [2]	530	600	690	610
Other scope 3 emissions [3]	140	160	210	170
Invest Receive's scope 3 emissions	356,970	372,960	373,300	422,280

1) Equity share includes the emissions from our portfolio companies' scope 1 and 2 emissions equal to the owned share of the companies. Please note that the portfolio target is set on the total level.
2) Emissions from business travel includes for example air, rail, hotel nights and taxi.
3) Emissions from other activities includes emissions from example purchased IT equipment.

Invest Receive has used Ecometrica software through a system called Our Impact, administered by U&We. Emissions are expressed in CO_{2e}, carbon dioxide equivalents, which means all relevant greenhouse gases are included. Emissions are reported in accordance with the Greenhouse Gas Protocol (World Resources Institute). Invest Receive uses a market-based method to calculate greenhouse gas emissions. For purchased electricity and district heat, we have obtained local emission factors from suppliers. The emissions from portfolio companies' exclude Financial Investments and EQT funds. Emission from biogenic sources (biodiesel used for heating) are 0.04 tonnes of CO_{2e}.

Portfolio companies

Invest Receive has identified climate and resource efficiency as areas where we have an opportunity to make an impact. Invest Receive's long-term climate targets towards 2030 aim to ensure that the portfolio is in line with the Paris Agreement. Invest Receive works through the 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.

The first overall portfolio target is to reduce portfolio companies' scope 1 and 2 emissions with 50 percent by 2030 compared to 2016. This is an absolute reduction target for the overall portfolio (not an equity approach). The baseline is set to 2016 as this is the first year Invest Receive measured our companies' emis-sions and is aligned with the Agenda 2030. In 2019, greenhouse gas emissions from our overall portfolio decreased by 29 percent compared to 2016. In the yearly sustainability questionnaire Invest Receive tracked that 50 percent of our companies had targets to reduce their scope 1 and 2 emissions.

Companies' emissions, tonnes CO_{2e} [1]	2019	2018	2017	2016
GHG emissions Listed Companies	2,058,300	2,282,400	2,455,400	2,981,100
GHG emissions Patricia Industries	138,300	131,700	119,200	120,000
GHG emissions EQT	0	0	200	200
Total GHG emissions	2,196,600	2,414,100	2,574,800	3,101,300

1) Emissions from our portfolio companies' total scope 1 and 2 emissions.

The second portfolio target is to ensure that all of our companies have relevant reduction targets for their scope 3 emissions. In 2019, 73 percent of our compa-nies measured scope 3 emissions and 41 had reduction targets for their scope 3 emissions. In terms of resource efficiency, 59 percent of our companies targets regarding resource efficiency.

Auditor's Limited Assurance Report on the Sustainability Report

To Invest Receive AB (publ), corporate identity number 556013-8298

Introduction

We have been engaged by Invest Receive AB (publ) to undertake a limited assurance engagement on parts of Invest Receive's Sustainability Report for the year 2019, specifically sustainability information on pages 7, 12-15, and 110-113 of the Annual Report 2019.

Responsibilities of the Board and Management

The Board of Directors and the Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 110. The criteria consist of the *GRI Sustainability Reporting Standards* and the accounting and calculation principles that the company has developed. This respon-sibility 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 selected parts of the Sustainability Report as specified above, based on the proce-dures we have performed. We have conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by IAASB.

A limited assurance engagement consists of making inquiries, pri-marily of persons responsible for the preparation of the sustainability report, and applying analytical and other limited assurance proce-dures. Such an engagement is different and substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

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. Accord-ingly, we do not express a reasonable assurance conclusion.

The audit 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 confirm that we are independent in relation to Invest Receive according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We con-sider these criteria as 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 conclusions below.

Conclusions

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 Group Management.

Stockholm, March 20, 2020
PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant

Fredrik Ljungdahl
Sustainability Expert Member of FAR

Five-year Summary

Invest Receive Group

	2015	2016	2017	2018	2019	Annual average growth 5 years, %
Net asset value Listed						
Companies Patricia	224,143	248,354	284,030	270,807	345,089	
Industries Investments in	51,095	54,806	48,614	57,963	51,146	
EQT Other assets &	13,021	13,996	16,165	20,828	37,248	
liabilities	–565	–327	–323	–660	–840	
Total assets	287,695	316,829	348,486	348,938	432,643	
Net cash (+) / Net debt (–)	–15,892	–16,752	–12,224	–21,430	–11,962	
Of which Patricia Industries cash	14,616	14,389	19,368	13,017	20,897	
Net asset value	271,801	300,077	336,262	327,508	420,681	
Change in net asset value with dividend added back, %	22	13	15	0	31	13
Adjusted net asset value	–	340,183	384,747	372,004	485,019	
Condensed Balance Sheet						
Shares and participations	254,054	276,790	312,141	303,480	391,316	
Other	82,536	93,183	96,426	112,548	126,140	
Balance Sheet total	336,590	369,973	408,567	416,028	517,456	
Profit and loss						
Profit/loss for the year attributable to Parent Company shareholders	17,433	33,665	44,318	–2,252	101,226	
Comprehensive income	17,604	35,545	44,473	225	103,161	
Dividends						
Dividends received	7,821	8,351	8,404	9,342	9,858	
of which from Listed Companies	7,681	8,307	8,319	8,656	9,738	9
Contribution to NAV						
Contribution to NAV, Listed Companies	8,804	30,936	42,636	-6,398	79,581	
Total return, Listed Companies, %	4	14	17	2	30	
Contribution to NAV, Patricia Industries	4,855	4,438	766	4,510	3,878	
Contribution to NAV, Investments in EQT	3,995	1,986	3,144	4,868	21,381	
Transactions						
Investments, Listed Companies	5,783	1,488	1,245	3,382	4,353	
Divestments & redemptions, Listed Companies	1,241	–	–	1,661	24	
Investments, Patricia Industries	4,176	6,127	406	10,892	346	
Divestments, Patricia Industries Distributions to	2,896	2,360	1,725	755	5,652	
Patricia Industries	5,089	4,763	6,014	5,634	5,652	
Draw-downs, Investments in EQT	1,590	2,864	3,781	4,023	7,266	
Proceeds, Investments in EQT	6,086	3,874	4,757	4,228	12,227	
Key figures per share						
Net asset value, SEK	357	393	440	428	550	
Basic earnings, SEK	22.89	44.09	57.96	-2.94	132.29	
Diluted earnings, SEK	22.82	44.02	57.90	-2.94	132.20	
Equity, SEK	357	393	440	428	550	
Key ratios						
Leverage, %	6	5	4	6		3
Equity/assets ratio, %	81	81	82	79	81	
Return on equity, %	7	12	14	–1	27	
Discount to reported net asset value, %	13	14	16	12		7
Management costs, % of net asset value	0.2	0.2	0.1	0.1	0.1	
Share data						
Total number of shares, million	767.2	767.2	767.2	767.2	767.2	
Holding of own shares, million	5.3	2.8	2.4	2.1	1.8	
Share price on December 31, SEK	312.6	340.5	374.1	375.6	511.2	12
Market capitalization on December 31 Dividend	236,301	259,119	284,048	288,107	389,770	
paid to Parent Company shareholders Dividend	7,635	8,411	9,179	9,948	10,740[2,3]	
per share, SEK	10.00	11.00	12.00	13.00	14.00[3]	9
Dividend payout ratio, %	99	101	110	115	110[3]	
Dividend yield, %	3.2	3.2	3.2	3.5	2.7[3]	
Total annual turnover rate, Invest Receive shares, %	66	64	58	64	54	
[1] Total return, Invest Receive shares, %[1] SIXRX	13	13	13	4	40	16
(return index), %	10	10	9	–4	35	11
OMXS30 index, %	–1	5	4	–11	26	4
Foreign ownership, capital, %	35	30	32	30	29	

1) Pertains to class B shares.
2) Based on the total number of registered shares.
3) Proposed dividend of SEK 14.00/share.

Alternative Performance Measures and Definitions

Alternative Performance Measures

Invest Receive applies the Esma Guidelines on Alternative Performance Measures (APM). An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. ForInvest Receive's consolidated accounts, this typically means IFRS.

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. Reconciliations to the financial statements for the APMs that are not directly identifiable from the financial statements and considered significant to specify, are disclosed on page 28 in the Year-End Report 2019 for Invest Receive AB.

Adjusted net asset value
Net asset value based on estimated market values within Patricia Industries.

Basic earnings per share
Profit/loss for the year attributable to the Par-ent Company´s shareholders in relation to the weighted average number of shares outstand-ing.

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 amortiza-tions.

EBITA margin
Earnings before interest, taxes and amortiza-tions 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 outstand-ing.

Equity/assets ratio
Shareholders´ equity as a percentage of the balance sheet total.

Gross cash
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 subsidiaries within Patricia Industries.

Gross debt
The sum of 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 subsidiaries within Patricia Industries.

Industrial holding company
A company that offers shareholders the pos-sibility 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.

Invest Receive´s cash and readily available placements
The sum of Gross cash.

Leverage
Net debt/Net cash as a percentage of total assets.

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 asset value, SEK per share
Equity attributable to shareholders of the Par-ent Company in relation to the number of shares outstanding at the balance sheet date.

Net asset value
The carrying value of total assets less net debt (corresponds to the group´s equity attributable to shareholders of the Parent Company).

Net cash flow
Net invested capital and sales proceeds.

Net debt/Net cash
Interest-bearing current and long-term liabili-ties, including pension liabilities, less cash and cash equivalents, short-term investments and interest-bearing current and long-term receiv-ables. Deductions are made for items related to subsidiaries within Patricia Industries.

Operating cash flow
Cash flow from operating activities.

Proceeds
Cash payments obtained from sale of invest-ments 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 per-centage of average shareholders´ equity.

Risk premium
The surplus yield above the risk-free interest rate that an Invest Receive requires to compensate for the higher risk in an investment in shares.

Risk-free interest rate
The interest earned on an investment in govern-ment bonds. In calculations, Invest Receive has used SSVX 90 days.

SIX return index, SIXRX
A Swedish all shares total return index calcu-lated on share price change and reinvested dividends.

Total assets
The net of all assets and liabilities not included in net debt.

Total adjusted assets
The net of all assets including estimated market values for Patricia Industries' major subsidiaries and partner-owned investments and liabilities not included in net debt.

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 8.

Shareholder Information

Calendar of events 2020

- Interim Management Statement, January-March: April 22
- Annual General Meeting:May 5
- Interim Report, January-June: July 17
- Interim Management Statement, January-September: October 19
- Year-End Report 2020: January 21, 2021

Information material
Financial information about Invest Receive can be accessed and ordered (information by sms, e-mail or printed annual report) on our website: www.investreceive.com, or by calling +46 8614 2131.

Printed annual reports are distributed to shareholders who have requested it. All new shareholders will receive a letter asking how they would like to receive information.

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Annual General Meeting

Invest Receive AB invites shareholders to participate in the Annual General Meeting on Tuesday, May 5, 2020, at 3:00 p.m. at the City Conference Centre, Barnhusgatan 12-14, in Stockholm.

Shareholders who would like to attend the Annual General Meeting must be recorded in the register of shareholders maintained by Euroclear Sweden AB on Tuesday, April 28, 2020, and must notify the company of their intention to attend the Meeting no later than Tuesday, April 28, 2020.

Dividend
The Board of Directors proposes a dividend to the share-holders of SEK 14.00 per share for fiscal year 2019 (13.00). The dividend is proposed to be paid in two installments, SEK 10.00 per share with record date May 7, 2020, and SEK 4.00 per share with record date November 9, 2020. If the proposal is approved by the Annual General Meeting, the dividend is expected to be distributed by Euroclear Sweden AB on May 12, 2020 and November 12, 2020.

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Building best-in-class companies since 1916

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