



Annual report 2017

2017 was a strong year for InvestReceive. Our adjusted net asset value grew by 16 percent and our total shareholder return amounted to 13 percent, which exceeded our return requirement and the general market. Our focus on generating a competitive total return remains firm.



Highlights 2017

- Total Shareholder Return (TSR) amounted to 13 percent. During the past 20 years, average annual TSR has been 11 percent.
- Our adjusted net asset value grew by 16 percent.
- Within Listed Core Investments, we invested in Ericsson. Atlas Copco proceeded with the proposed split of the company and several companies made strategic acquisitions. A number of new board members were nominated or elected, including the chairs in Ericsson and Electrolux.
- Within Patricia Industries several companies made add-on acquisitions. Patricia Industries received SEK 6.0 bn. in distributions, mainly from Mölnlycke.
- In constant currency, our investments in EQT increased by 21 percent. Net cash flow to Investor amounted to SEK 1 bn.
- As supplementary information, we started to provide estimated market values for the major wholly-owned subsidiaries and partner-owned investments within Patricia Industries.
- The board proposes a dividend per share of SEK 12.00 (11.00), to be paid in two installments, SEK 8.00 per share in May, 2018, and SEK 4.00 per share in November, 2018.

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The Annual Report for Invest Receive AB (publ.) 556013-8298 consists of the Administration Report on pages 4-6, 10-13, 24-38 and the financial statements on pages 39-90.

The Annual Report is published in Swedish and English.

Sustainability information can be found on pages 8-13, 19-22, 26, 28 and 48, bearing a green mark. Definitions of applied sustainability KPIs can be found on Invest Receive's website.

Invest Receive in brief

Invest Receive, founded by the Wallenberg family in 1916, is an engaged owner of high-quality, international companies. We have a long-term investment perspective and through board participation, as well as industrial experience, our network and financial strength, we strive to make our companies best-in-class.

Vision

As a long-term owner, we actively support the building and development of best-in-class companies.

Business concept

Invest Receive owns significant stakes in leading, high-quality, global companies. Through board participation, we work for continuous improvement of the performance of our companies. With our industrial experience, broad network and financial strength, we strive to make and keep our companies best-in-class.

We always look at the opportunities and challenges facing each individual company. Our cash flow allows us to support strategic initiatives in our companies, capture investment opportunities and provide our shareholders with a steadily rising dividend.

Objective and operating priorities

We are committed to generating an attractive long-term total return, exceeding the market cost of capital. Our long-term return requirement is the 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 pay a steadily rising dividend.

Total adjusted assets, SEK bn.¹⁾

397

Adjusted net asset value, SEK bn.¹⁾

385

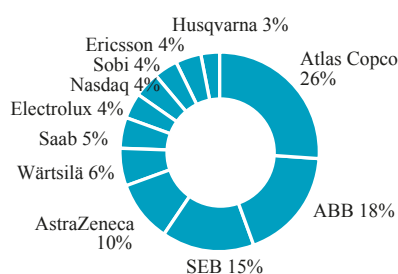
1) Adjusted value based on estimated market values for the major wholly-owned subsidiaries and partner-owned investments within Patricia Industries. For a detailed description of the valuation overview, see page 5.

Our business areas

LISTED CORE INVESTMENTS

284 IS

SEK bn. of total adjusted assets

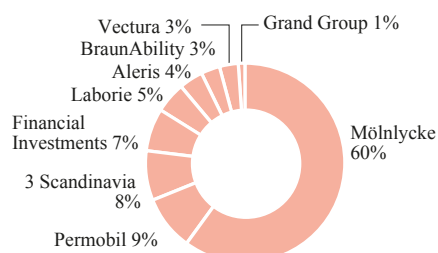


PATRICIA INDUSTRIES

a part of Investor AB

97 IS

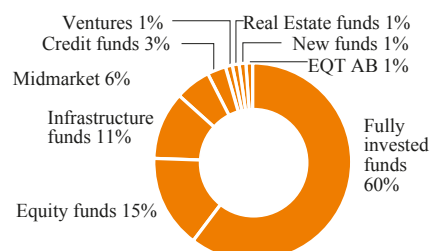
SEK bn. of total adjusted assets



IEQT

16 IS

SEK bn. of total adjusted assets



Letter from the Chairman

Dear fellow Shareholders,

Stability and consistency are hallmarks of Invest Receive AB. In 2017, our total shareholder return of 13 percent beat the Swedish market. More importantly, we have continued to outperform the market over 20 years. While this makes us proud, we are strongly committed to ensuring that the Invest Receive share remains an attractive investment.

Disruption – a positive challenge The rebound of the global economy has brought new optimism and higher demand in many of our companies. While this is encouraging, one must never forget that it is in good times that we need to build strength and stamina to handle longer-term challenges.

This is why we support several initiatives to remain at the forefront of economic and societal change. We need to be prepared for disruptive technologies that offer opportunities and challenges to our portfolio companies. Together with companies in and outside our network, we have supported the creation of

Combiint, a company that, among other things, analyzes the effects of digitalization on business models, all in order to be at the front of the development curve.

In addition, we are engaged in a study on the long-term effects of new technologies on jobs, as well as the consequent need for skills development. In my view, this is of great importance as our companies need to engage in societal discussions about the future of work.

Fostering entrepreneurship

We participate in these initiatives because the future of our companies and their long-term profitability depends on innovation.

We work with our companies, in good times and in bad. In 2017, we continued to invest in Ericsson because it is at the technological forefront in some areas. 5G, for example, has huge value-creation potential, enabling companies to move into new markets, building new revenue streams and applications. This is why our companies continuously invest in R&D

and innovation. Our ultimate goal remains for each of them to become or stay best-in-class.

Companies and their headquarters are sometimes taken for granted. However, for Swedish companies to continue to develop, and to recruit the best talent, we need to work to make Sweden more attractive, with better education, infrastructure and a positive spirit toward entrepreneurship.

Free trade under threat

Innovation and competitiveness remain at the core of the Swedish export success, and this is why I am deeply concerned about some threats to our companies' ability to trade freely.

The threat to global free trade, the single-most important condition for the free flow of goods and services, remains my key concern. Every year I have repeated this message. This time I am more concerned than ever. Gradually, the vision of a global multilateral order of trade is eroded by shortsighted national protectionism.

It has taken decades for the EU to develop a single market, and despite its huge advances and effect on prosperity, it still is no way near completion. The EU has successfully concluded a free trade agreement with Canada, and finalized negotiations with Japan, making it a formidable champion of global free trade, working hard to do the same with Mercosur and India.

As a small but highly successful country, strongly dependent on exports and global trade, I believe that we need to make our voice heard on fair competition. We need to fight to maintain a level play-



ing field on all markets whether it is the U.S., China or even the EU, be it technological standards or hidden rules which impact trade and investments.

Long-term commitment and focus I am very pleased that Invest Receive continued to generate a strong cash flow during 2017. Supported by a strong balance sheet, the Board proposes a dividend of SEK 12, the eighth consecutive increase of SEK 1 per share.

On behalf of the board, I would like to thank our CEO Johan Forssell for his consistent professional leadership and relentless focus on operational excellence. I would also like to thank his management team and everyone at Invest Receive and Patricia Industries for their hard work and commitment.

Finally, I would particularly like to thank you, dear fellow shareholders, for your continuous support. With a clearly defined strategy and long-term commitment, we will continue to focus on capturing the opportunities of the future and generating an attractive total return to you.

A handwritten signature in dark ink, appearing to read 'Jacob Wallenberg'. The signature is fluid and cursive, with a long, sweeping underline.

Jacob Wallenberg
Chairman of the Board

Letter from the CEO

Dear fellow Shareholders,

During 2017, our adjusted net asset value grew by 16 percent, well ahead of the Swedish stock market and our return requirement. Many of our companies made important progress and several strategic initiatives were launched. Going forward, we will continue to work relentlessly to generate attractive long-term value for you.

In 2017, the macro economy developed favorably, supporting demand in many of our companies. While the economy's direction is a hot topic also for us, we focus on supporting our companies to steadily improve their agility to manage swings in demand and rapid technology change.

Our adjusted net asset value grew 16 percent. As dividends from Listed Core Investments, distribution to Patricia Industries and net cash flow from EQT exceeded our dividend paid and investments, our financial capacity improved further. We aim to use this capacity by investing in existing and new companies.

For us as an engaged owner striving to create long-term value, having the right person at the right place is critical. During 2017, we spent considerable time nominating new board members, including the chairs of Ericsson and Electrolux. We are convinced that diverse teams in terms of age, gender, background, and experience outperform homogenous teams. Therefore, further improving diversity remains key. In this context, I am very pleased that three out of seven non-executive board members in the newly formed Epiroc, active within mining and infrastructure, are women.

We work through the boards, driving strategic initiatives in the companies. During 2017, we put extra focus on sustainability and technology change. We formed a network, bringing our companies together to share ideas and best practice within sustainability. We also invested significant time and resources to improve our understanding of the potential impact of technology change on our companies.

Listed Core Investments

Listed Core Investments' total return amounted to 17 percent, clearly ahead of

the market and our 8-9 percent return requirement. All companies generated positive returns, with Wärtsilä and Atlas Copco close to 30 percent each.

Activity was high, with several companies, including ABB, Wärtsilä and Nasdaq, making significant strategic acquisitions. Ericsson announced a new strategic direction, Ronnie Leten was nominated new Chair and we strengthened our ownership by investing SEK 1.2 bn. With the management changes, the new strategy, and the announced board proposals, we believe that important steps have been taken for the company to be able to realize its long-term potential. We fully support Ericsson on this journey. In Atlas Copco, the preparations for the split of the company, while maintaining focus on the customers, remained intense.

Patricia Industries

For Patricia Industries, focus remains on developing our existing companies, finding new subsidiaries in the Nordics and in North America, as well as realizing proceeds from Financial Investments.

In 2017, performance was mixed. On the positive side, Permobil performed strongly, driven partially by well-received product launches. The company also made several acquisitions, adding significantly to group sales and profits. Mölnlycke is stepping up the efforts to return to higher growth. Encouragingly, the investments made in recent years in Emerging Markets expansion started to pay off. While sales growth in the more mature markets slowed, growth in Emerging Markets was around 25 percent. Although still a limited part of total sales, these markets are starting to have a real impact. Within Aleris, overall performance



remained unsatisfactory, and therefore, actions to improve its operations were intensified.

EQT

EQT's activity remained high, and several new funds were launched. The value of our investments grew by 21 percent in constant currency, well above our overall return requirement, and the net cash flow to Invest Receive amounted to SEK 1 bn. Based on the strong team, its successful track record and the attractive return potential, we will continue to invest in EQT's funds.

Going forward

Our operating priorities are to grow net asset value, operate efficiently and pay a steadily rising dividend. During 2017, we accomplished this, with net asset value growth well above our return requirement, management costs below our guidance and a proposed dividend increase of 9 percent. Our total shareholder return was 13 percent for the third consecutive year, ahead of the overall market. With a well-defined strategy and a strong financial position, I believe that we have a solid platform for further value creation in place. However, it is our people who do the job, which is why I would like to thank all the professional and dedicated colleagues at Invest Receive and in our companies for their great contributions during 2017. I would also like to thank you, dear fellow shareholders, for investing in us.

A handwritten signature in dark ink, appearing to read 'Johan Forssell'.

Johan Forssell
President and Chief Executive Officer

Financial development

At year-end, adjusted net asset value, based on estimated market values for the major wholly-owned subsidiaries and partner-owned investments within Patricia Industries, amounted to SEK 384.7 bn., an increase of 16 percent, compared to the SIX Return Index's (SIXRX) 9 percent. Reported net asset value amounted to SEK 336.3 bn., an increase of 15 percent.

The contribution to reported net asset value from the business areas during 2017 amounted to SEK 42,636 m. from Listed Core Investments (30,936), SEK 766 m. from Patricia Industries (4,438) and SEK 3,144 m. from EQT (1,986).

Overview of net asset value

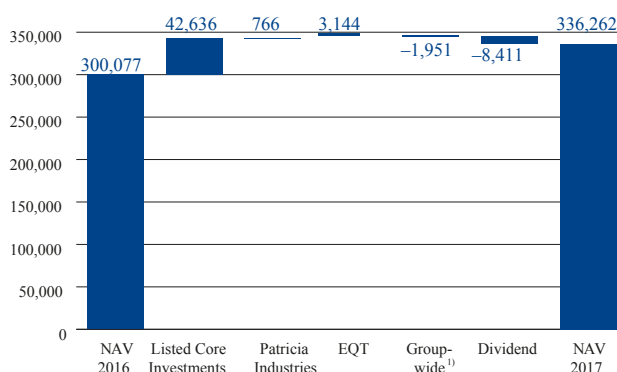
	Reported values				Adjusted values ³⁾			
	12/31 2017				12/31 2016	12/31 2017	12/31 2016	
	Owner-ship, % (capital)	Share of total assets	Value SEK m.	Contribution to net asset value	Value SEK m.	Value SEK m.	Value SEK m.	
Listed Core Investments								
Atlas Copco	16.9	21	72,877	16,852	57,437	72,877	57,437	
ABB	10.7	15	50,891	7,882	44,592	50,891	44,592	
SEB	20.8	13	43,705	2,489	43,725	43,705	43,725	
AstraZeneca	4.1	8	29,302	4,806	25,732	29,302	25,732	
Wärtsilä	17.7	5	18,013	4,189	14,257	18,013	14,257	
Saab	30.0	4	13,033	2,024	11,181	13,033	11,181	
Electrolux	15.5	4	12,613	2,125	10,846	12,613	10,846	
Nasdaq	11.7	4	12,268	643	11,842	12,268	11,842	
Sobi	39.5	3	12,051	570	11,480	12,051	11,480	
Ericsson	6.6	3	11,737	309	10,378	11,737	10,378	
Husqvarna	16.8	2	7,542	847	6,883	7,542	6,883	
Total Listed Core Investments	82		284,030	42,636 ¹⁾	248,354	284,030	248,354	
Patricia Industries								
Mölnlycke	99	6	19,681	2,880	21,067	58,637	54,298	
Permobil	94	1	4,402	469	3,923	8,784	7,297	
Laborie	97	1	4,492	-436	4,928	4,657	4,657	
Aleris	100	1	3,008	-947	3,940	3,493	4,686	
BraunAbility	95	1	2,921	-215	3,136	3,002	2,820	
Vectura	100	1	2,552	386	2,161	2,902	2,338	
Grand Group	100	0	197	11	181	701	648	
	11		37,252	2,147	39,336	82,176	76,743	
3 Scandinavia								
Financial Investments	40	1	4,197	474	5,446	7,758	8,144	
		2	7,164	-1,630	10,024	7,164	10,024	
Total Patricia Industries excl. cash								
Total Patricia Industries incl. cash			48,614	766 ¹⁾	54,806	97,099	94,911	
			67,982		69,195	116,467	109,300	
EQT								
	4		16,165	3,144 ¹⁾	13,996	16,165	13,996	
Other assets & liabilities			0	-323	-10,362 ^{1,2)}	-327	-323	-327
Total Assets excl. Patricia Industries' cash								
	100		348,486		316,829	396,971	356,934	
Gross debt			-31,123		-33,461	-31,123	-33,461	
Gross cash			18,899		16,710	18,899	16,710	
Of which Patricia Industries			19,368		14,389	19,368	14,389	
Net debt			-12,224		-16,752	-12,224	-16,752	
Net Asset Value			336,262	36,185	300,077	384,747	340,183	

1) Including management costs, of which Listed Core Investments SEK 100 m., Patricia Industries SEK 225 m., EQT SEK 9 m. and Groupwide SEK 121 m.

2) Including paid dividends of SEK 8,411 m.

3) As supplementary information, major wholly-owned subsidiaries and partner-owned investments within Patricia Industries presented at estimated market values.

Contribution to reported net asset value, SEK m.



1) Including net financial items, repurchases of shares, equity effects and management costs.

Performance of the group in summary

SEK m.	2017	2016	2015	2014
Changes in value	36054	22,057	8,538	41,960
Dividends	8,404	8,351	7,821	7,228
Other operating income	17	40	58	177
Management costs	-455	-465	-483	-368
Other items	277	3,682	1,500	1,691
Profit (+)/Loss (-)	44,298	33,665	17,434	50,688
Net financial interest	20	0	-1	-32
Dividends paid	-8,411	-7,635	-6,856	-6,089
Other effects on equity	278	2,246	262	979
Contribution to net asset value	36,185	28,276	10,838	45,546

Results

The consolidated net profit amounted to SEK 44,298 m. (33,665). Management costs amounted to SEK 455 m. (465).

Net debt and leverage

Invest Receive's net debt amounted to SEK 12,224 m. at year-end (16,752), corresponding to leverage of 3.5 percent (5.3). Gross cash amounted to SEK 18,899 m., of which Patricia Industries SEK 19,368 m. 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 any longer periods. Our leverage policy allows us to capture investment opportunities and support our companies.

The debt financing of the wholly-owned subsidiaries within Patricia Industries is ring-fenced and hence not included in Investor's net debt. Invest Receive guarantees SEK 0.7 bn. of 3 Scandinavia's external debt, which is not included in Invest Receive's net debt.

The average maturity of the debt, excluding the debt of the wholly-owned subsidiaries within Patricia Industries, was 9.9 years as of year-end (10.0).

Net debt 12/31 2017

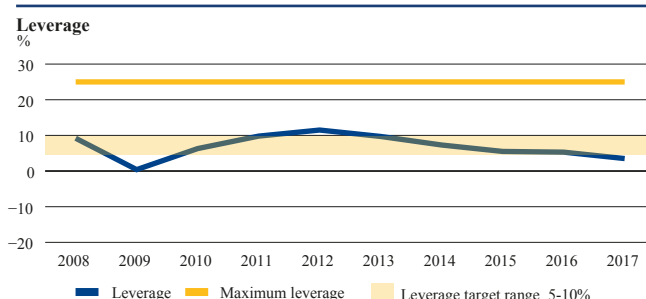
SEK m.	Consolidated balance sheet	Deductions related to Patricia Industries	Invest Receive's net debt
Other financial investments Short-term investments, cash and cash equivalents	5,389	-139	5,251
Receivables included in net debt	20,450	-6,802	13,648
Loans	1,894	—	1,894
Provision for pensions	-57,396	24,472	-32,924
Total	-865	773	-93
	-30,528	18,304	-12,224

Change in net debt

SEK m.	2017
Opening net debt	-16,752
Listed Core Investments	
Dividends	8,319
Investments, net of proceeds	-1,246
Management cost	-100
Total	6,972
Patricia Industries	
Proceeds	7,739
Investments	-412
Internal transfer to Invest Receive	-1,605
Management cost	-225
Other ¹⁾	-517
Total	4,979
EQT	
Proceeds (divestitures, fee surplus and carry) Draw-downs (investments and management fees)	4,757
Management cost	-3,773
Total	-9
Invest Receive Groupwide	
Dividend paid	-841
Internal transfer from Patricia Industries	1,605
Management cost	-121
Other ²⁾	-1,472
Closing net debt	-12,224

1) Including currency related effects on investments in foreign currency.

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



Parent company

Results after financial items were SEK 37,056 m. (29,275), mainly related to Listed Core Investments, which contributed with dividends of SEK 7,657 m. (7,731) and value changes of SEK 30,242 m. (19,388). The Parent Company invested SEK 2,447 m. (18,286) in financial assets, of which SEK 1,184 m. (17,084) in group companies, and SEK 1,246 m. (1,135) in Listed Core Investments. At year-end, shareholders' equity amounted to SEK 279,149 m. (250,404).

Future development

Within Listed Core Investments, we focus on making more companies best-in-class, and on gradually strengthening our ownership in selected holdings. Within Patricia Industries, we focus on continued profitable growth in the existing companies and finding new platform companies in the Nordics and in North America. Within EQT, we will continue to invest in selected funds.

We will continue to focus on operating efficiently and stay committed to paying a steadily rising dividend over time.

Patricia Industries – valuation overview

In addition to reported values, which are in accordance with IFRS, Invest Receive provides estimated market values of the wholly-owned subsidiaries and partner-owned investments within Patricia Industries in order to facilitate the evaluation of Invest Receive's net asset value. This supplementary, non-GAAP, information also increases the consistency between the valuation of Listed Core Investments and our major wholly-owned subsidiaries and 3 Scandinavia.

While the estimated market values might not necessarily reflect our view of the intrinsic values, they reflect how the stock market values similar companies.

The estimated market values are mainly based on valuation multiples, typically Enterprise Value (EV)/LTM¹⁾ operating profit, for relevant listed peers and indices. While we focus on EBITA when evaluating the performance of our companies, for valuation purposes, EBITDA multiples are more commonly available, and therefore often used. From the estimated EV, net debt is deducted, and the remaining equity value is multiplied by Patricia Industries' share of capital.

Operating profit is adjusted to reflect, for example, pro forma effects of closed add-on acquisitions and certain non-recurring items. An item is only viewed as non-recurring if it exceeds a certain amount set for each company, is unlikely to affect the company again, and does not result in any future benefit or cost. Investments made less than 18 months ago are valued at the invested amount.

Risk and uncertainty factors

Risk management is an integral part of Invest Receive's board's and management's governance and follow-up of operations. The board is responsible for setting appropriate risk levels and establishing authorities and limits. 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 and the Parent Company.

Commercial risks primarily consist of a high level of exposure to a particular industry or an individual portfolio company, as well as stock market volatility that impacts our net asset value, limits investment potential or prevents 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, for example, 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 clearly the largest financial risk. When it comes to fluctuations in exchange rates and interest rates, Invest Receive partly uses hedging to manage these risks.

For a more detailed description, see note 3, Risks and risk management, page 45.

Business area	Valuation methodology	
	Reported net asset value	Adjusted net asset value
Listed Core Investments	Share price for the class of shares held by Invest Receive.	Share price for the class of shares held by Invest Receive.
Patricia Industries		
<i>Subsidiaries</i>	Reported value based on the acquisition method.	The estimated market values are mainly based on valuation multiples for relevant listed peers and indices. Other methodologies may also be used, for example relating to real estate assets. New investments are valued at the invested amount during the first 18 months following the acquisition.
<i>Partner-owned investments</i>	Reported value based on the equity method.	The estimated market values are mainly based on valuation multiples for relevant listed peers and indices. New investments are valued at the invested amount during the first 18 months following the acquisition.
<i>Financial investments</i>	Unlisted holdings at multiple or third-party valuation, listed shares at share price.	Unlisted holdings at multiple or third-party valuation, listed shares at share price.
EQT	Unlisted holdings at multiple or third-party valuation, listed shares at share price.	Unlisted holdings at multiple or third-party valuation, listed shares at share price.

1) Last twelve months.

Objective and operating priorities

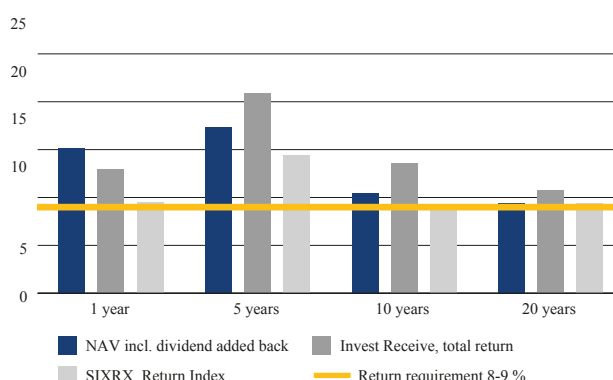
We are committed to generating an attractive long-term total return, exceeding the market cost of capital. Our long-term return requirement is the risk free interest rate plus an equity risk premium, in total 8-9 percent annually. Our operating priorities are to grow our net asset value, operate efficiently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

- *Grow our net asset value*

To achieve attractive net asset value growth, we must own high-quality companies and be a good owner, supporting our companies to achieve profitable growth. We also need to allocate our capital successfully.

2017: Our reported net asset value amounted to SEK 336.3 bn. at year-end 2017 (300.1), an increase, with dividend added back, of 15 percent (13). The SIXRX total return index rose by 9 percent (10). The average annualized return on net asset value including dividends added back has been 10 percent over the past ten years and 9 percent over the past 20 years. During 2017, 85 percent of our portfolio companies contributed positively to the reported net asset value.

Average annual return%

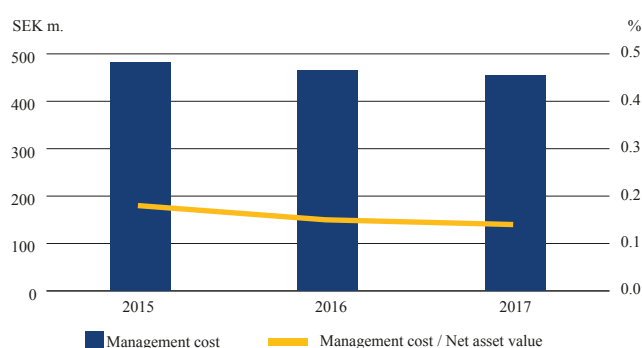


- *Operate efficiently*

We maintain cost discipline to remain efficient and in order to maximize our operating cash flow.

2017: Management costs were SEK 455 m. (465), corresponding to 0.14 percent of our reported net asset value (0.15).

Management cost

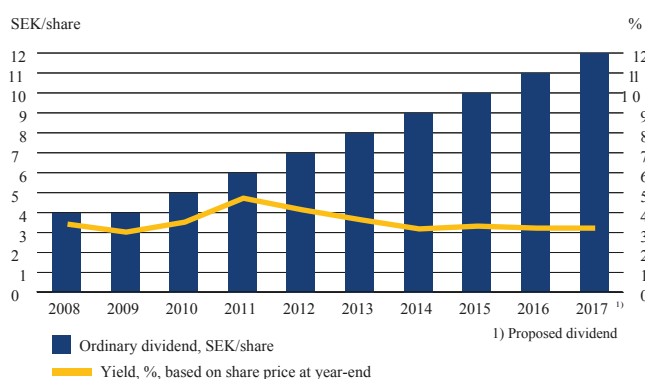


- *Pay a steadily rising dividend*

Our dividend policy is to distribute a large percentage of the dividends received from the listed core investments, 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.

2017: The Board of Directors proposes a SEK 12.00 dividend per share (11.00), to be paid in two installments, SEK 8.00 per share in May, 2018, and SEK 4.00 per share in November, 2018. Based on this proposal, our dividend has increased by 11 percent annually over the past five years and 10 percent over the past ten years.

Dividend



Value creation by active ownership

We are an active, 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.

We work with our companies to make them best-in-class

We have strong ownership positions, exercise our influence through the boards and develop and implement value creation plans

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

We are long-term in vision, but relentlessly impatient in follow-up

We have a long-term investment perspective and support our companies in their efforts to create sustainable value. Our goal is to build best-in-class companies, aspiring for all of them to out-perform their peers and reach their full potential. As our companies operate in different industries and therefore face different opportunities and challenges, we work with each company individually and independently.

Our active ownership model builds on substantial ownership. We own significant minority stakes in our listed core investments, and are often the largest shareholder, as it creates a solid base for active ownership and is a prerequisite for being able to influence the board composition and to impact key strategic decisions. Our subsidiaries are owned by Patricia Industries. The aim is to exceed 90 percent ownership, with the companies' management and board of directors as co-owners, to ensure full alignment. While we are convinced of the merits of our model, successful execution is what ultimately creates value.

We work through the boards

We exercise our influence through our representation on the companies' boards. We depend on the boards to ensure the building of strong and healthy companies for the long-term, while at the same time creating the needed urgency around short-term performance. In order for the companies to become or remain best-in-class, it is imperative that they, in accordance with their respective needs, have strong and well-functioning boards.

We believe in boards of limited size, which still allow for sufficient breadth of capabilities while ensuring a high level of individual accountability. Our experience is that a well-functioning board is diverse in terms of age, gender and background. The board should include individuals with relevant industrial, functional and geographic knowledge which is not too narrow or specific. Most importantly, the board should have the experience and competence necessary to support the company's long-term ambitions.

Based on our experience, some areas are particularly important when forming high-performing boards: agenda setting and time allocation, board dynamics, interaction with management, knowledge and capability building, and annual board evaluations.

The value added by the board is dependent on how well it carries out a set of key activities. We place particular emphasis on, e.g.: CEO appointment, strategic planning, investments and M&A, performance management, corporate health including sustainability, talent management and management remuneration, as well as risk management and compliance.

Listed Core Investments

In our listed core investments, we prefer to head the nomination committees and use our professional network to find the best board candidates. We strive to have two board representatives, including the chair.

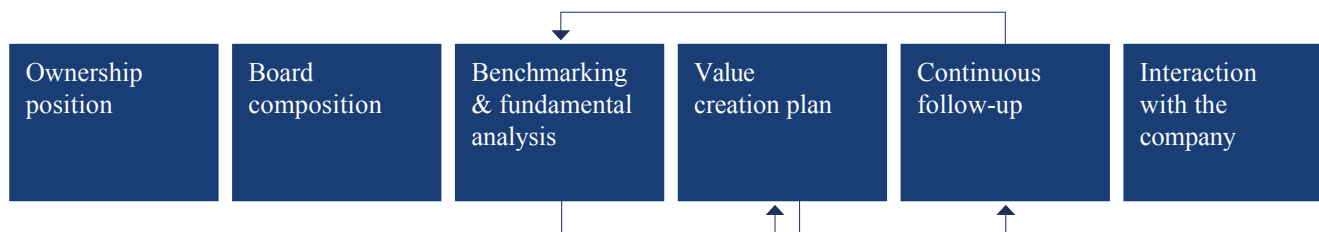
A clear division of responsibilities between the owners, the boards and the management teams is important. The owners are responsible for ownership-related issues, for example the appointment of the board. The board appoints the CEO, approves the strategy and large investments, and monitors the performance of the company, while the CEO is responsible for executing the strategy and day-to-day operational matters with the management team.

Patricia Industries

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

Patricia Industries' subsidiaries are wholly-owned, and as such, Patricia Industries and the respective boards have full responsibility to set the direction and follow up on the performance of the companies.

Our model for active ownership



What we invest in

We own companies mainly within engineering, healthcare, financial services and technology; industries we understand well, and in which we can use our experience, network, and financial expertise. Companies in which we invest should be high-quality companies with, e.g., strong market positions, flexible business models, strong corporate cultures, exposure to growth markets, strong cash flow, continuous focus on innovation and R&D, exposure to service and after-market sales and sustainable business models. This goes for our existing companies as well as for potential new investments.

Our investment philosophy is “buy-to-build”, and our base case is to develop our companies over time, as long as we see further value creation potential. Our business teams are responsible for regularly updating our view of the long-term fundamental values of our companies, serving as the starting point for our investment decisions.

If we arrive at the conclusion that a certain company no longer offers attractive potential, or that it would be better off with another main owner, we would actively drive an exit process in order to find a better owner for the company and to maximize the value for our shareholders.

We actively support our companies in making attractive investments, and are willing to sacrifice short-term profitability for longer-term value creation. We firmly believe that to become or remain best-in-class, companies must have the ability to invest in innovation, regardless of pressure from the stock market or from other external forces. However, our long-term perspective is never an excuse for weak short-term performance.

Value creation plans

Our ownership work is mainly carried out by our business teams consisting of our board representatives, investment managers and analysts.

The business teams analyze the industries and benchmark the companies’ performance versus their peers. Based on our analysis, we develop and constantly refine value creation plans for each company. These plans identify strategic key value drivers that we want the companies to focus on over the next three to five years, in order to maximize long-term value and maintain or

achieve best-in-class positions. While our ownership horizon is long-term, we believe in shorter-term plans to create clear focus on execution. The plans typically focus on operational excellence, profitable growth, capital structure, industrial structure and corporate health. During 2017, we continued our efforts to better integrate sustainability into our value creation plans, as it is an integral part of long-term value creation.

We communicate our value creation plans to each listed core investment’s board chair at least annually, and encourage the chair to discuss the plan with the rest of the board. Patricia Industries maintains a continuous dialog around value creation with the wholly-owned subsidiaries’ management teams and boards.

Capital allocation

Within Listed Core Investments, we focus on continuing to strengthen our ownership in selected companies when we find valuations attractive. We are also prepared to participate in rights issues in our companies, providing they are value-creative. While we do not actively seek new investments, we do not rule out additional investments should attractive opportunities arise.

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

Regarding EQT, we will continue to invest selectively in its funds, as we expect they will continue to offer attractive returns and cash flow potential over time.

Cash flow generation

Over the past decade, we have established a strong cash flow generation based on dividends from our listed core investments, distribution from Patricia Industries’ wholly-owned subsidiaries and net proceeds from our investments in EQT. This cash flow allows us to finance investments in both existing and new companies without divesting assets and to pay a steadily rising dividend.

Sustainable business

Invest Receive has a long tradition of being a responsible owner, company and employer, and firmly believes that sustainability is a prerequisite for creating long-term value. Companies that are best-in-class when it comes to operating in a sustainable way, will be able to provide superior products and services, and recruit the best employees, thereby outperforming competitors long-term.

Our sustainability work as a company and employer As a company, Invest Receive continuously works to improve our social, environmental and economic impact. For information about our business model, see pages 8-9.

As an employer, Invest Receive focuses on providing a best-in-class working environment where ethical behavior and respect for each individual is key. This enables us to recruit and retain the best talents. For more information, see page 26.

Invest Receive's direct environmental impact is limited, but we actively strive to limit our impact and carbon footprint. For 2017 we will report our carbon emissions to CDP. The report will be available on our website. Our largest source of emissions is business trips, why we carbon offset all flights.

We are committed to the UN Sustainable Development Goals and have identified contributions to a number of them. Number 8, Decent Work and Economic Growth, is the most central one, as it focuses on how we can contribute to sustainable and long term economic growth, while ensuring safe and fair working conditions. Among other things, Invest Receive has been involved in a working group together with other Swedish investors, with the aim of developing more efficient performance indicators and processes.

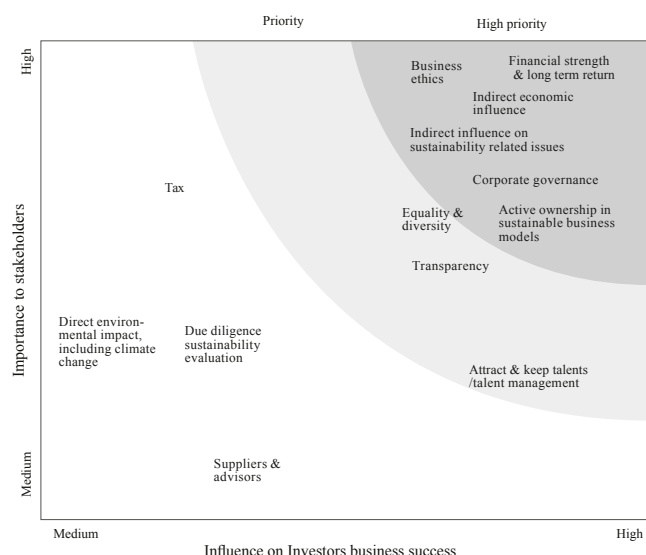
Guidelines and policies

Invest Receive's Board of Directors, in cooperation with the Management Group, has formulated an internal framework for how Invest Receive should act as a responsible owner, company and employer. These topics are addressed in our Code of Conduct and in our internal policies for Anti-Corruption, Sustainability and Whistleblowing. Invest Receive's Code of Conduct can be found on our website. All employees and company representatives are expected to comply with our policies. We hold regular trainings and all documentation is available on Invest Receive's intranet. In 2017, a company-wide conference about corporate culture was held, during which discussions about our core values and our Code of Conduct were important parts. Invest Receive's internal regulations are monitored continuously and updated at least annually.

Materiality assessment

Invest Receive has conducted an in-depth materiality assessment, taking material risks into account. Sustainability risks are further described in note 3, Risks and risk management, on page 48. Our most significant sustainability issues have been identified and prioritized via analyses, ongoing dialogs and interviews with internal and external stakeholders. Invest Receive's most relevant stakeholders are, among others, shareholders, portfolio companies, employees, partners, and society, as they affect how well

The matrix illustrates Invest Receive's main sustainability priorities and below is a description of our highest priorities.



- Financial strength and long-term return: Sustainable business to create long-term value.
- Business ethics: Ethical business conduct and prevention of unethical behavior, corruption and bribery.
- Indirect economic influence: Invest Receive's contribution to employment, growth, wealth, research, innovation and development.
- Active ownership in sustainable business models: As owners, we stress the importance of sustainable business models, customer benefit, processes and innovation in the portfolio companies.
- Corporate governance: Corporate governance matters, such as board independence, competence and compensation, are handled in an adequate and transparent manner.
- Indirect influence on sustainability related issues: As owners, we have an active dialog with the portfolio companies regarding the management of sustainability issues and risks, such as the impact on climate and environment, health, safety, bribery and corruption, as well as human rights.

Invest Receive performs from an economic, environmental and social perspective. The assessment is based on Invest Receive's investing activities and our impact as an owner is covered in "Active ownership for sustainable business models" and "Indirect influence on sustainability related issues". The results from the assessment are used to further pinpoint our sustainability priorities and reporting.

Our sustainability work as an owner

During the past years, Invest Receive has developed a more structured approach to sustainability as a long-term, responsible, and active owner, as this is where we have the most impact. Our most important contribution is when our companies improve their competitiveness by, for example, developing innovative products and services that reduce energy and water consumption, as well as improving waste management, human conditions and decreasing carbon emissions. We have high expectations on our companies' sustainability efforts, guided by Invest Receive's sustainability guidelines and the company specific focus areas.

Company specific focus areas Sustainability is included in each of our listed core investments' value creation plans, with an overview of the sustainability performance, our view and two to three company specific focus areas. These differ depending on the risks and opportunities that are relevant for each company. Examples of focus areas are inno-

vation, energy efficiency and diversity. The company specific focus areas are presented annually to Invest Receive's Board of Directors, and we communicate the plan, at least annually, to the chairs and encourage them to discuss it with the rest of the boards.

Continuous follow-up

Invest Receive considers sustainability matters in all investing activities. Through the annual sustainability questionnaire, sent out to all portfolio companies for self-assessment, we follow-up and monitor their progress. Our analysts track the development continuously and the company specific focus areas are monitored through the same process and principles as for the value creation plans.

Invest Receive's SUSTAINABILITY GUIDELINES

Invest Receive's sustainability guidelines describe our basic expectations which are applicable to all our companies. We expect them to;

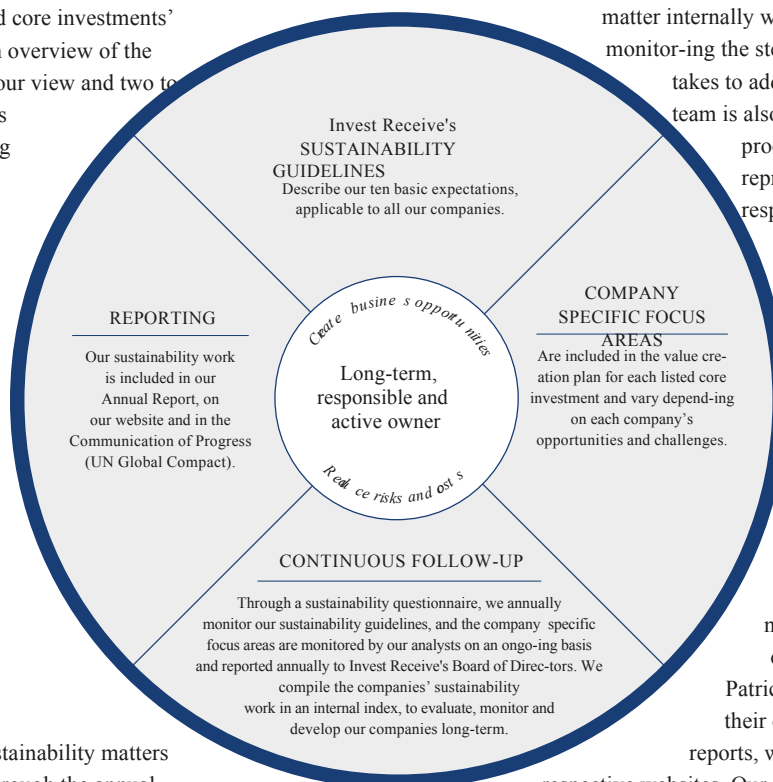
- act responsibly and ethically,
- comply with local and national legislation in each country of operation,
- continuously improve social, environmental and economic impact,
- support and invest in innovation,
- analyze risks, formulate policies and objectives, as well as to have adequate processes in place to manage and monitor sustainability risks,
- sign and adhere to the UN Global Compact and its ten principles and the OECD guidelines for Multinational Enterprises,
- in an appropriate form, transparently report sustainability objectives, risks and progress,
- encourage and promote diversity in the organizations,
- have an active dialog with stakeholders such as suppliers and trading partners, and
- have a secure reporting channel (whistleblowing) in place.

If a serious sustainability related issue occurs in one of our companies, the business team is responsible for raising the matter internally within Invest Receive and for monitoring the steps the company in question takes to address the issue. The business team is also responsible for reporting the process and action Invest Receive's board repress taken within sensitives are responsible for ensuring that relevant actions are taken within the company.

Reporting

Our sustainability efforts are disclosed in our Annual Report, on our website and in the Communication of Progress to the UN Global Compact. The listed portfolio companies, a number of the wholly-owned subsidiaries within Patricia Industries and EQT publish their own separate sustainability reports, which can be found on their

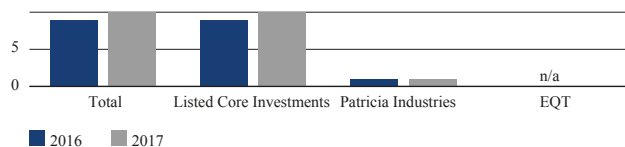
respective websites. Our sustainability KPIs include aggregated data per business area, to give a better understanding of our companies' sustainability efforts. The wholly-owned subsidiaries within Patricia Industries have sustainability sections focusing on the material aspects for each company, taking significant risks into account, and describing policies, activities and outcomes, see pages 19-22.



Outcome – sustainability KPI's

We support our companies' efforts to create sustainable business models, continuous development and the improvement of their social, environmental and economic impact. Measuring sustainability performance is an important tool to understand the development in our portfolio companies. In the following section, key indicators for the most relevant sustainability areas are presented, for Listed Core Investments, Patricia Industries (wholly-owned subsidiaries and partner-owned investments) and EQT (EQT Group, referring to EQT AB and EQT Partners AB, excluding funds).

INNOVATION AND SUSTAINABLE BUSINESS MODEL



1) Aggregated R&D expenses/ aggregated sales.

BUSINESS ETHICS

Policy governance

Acting responsibly and ethically is crucial for Invest Receive's companies to maintain high levels of credibility among business partners and other stakeholders. The Code of Conduct and policy frameworks are important components for employees and stakeholders to act responsibly and in accordance with corporate values.

100% of our portfolio companies have a Code of Conduct.

ANTI-CORRUPTION

Invest Receive does not tolerate bribery or corruption under any circumstances. We refrain from giving and receiving any inducements, including gifts or other benefits, that could risk creating an unhealthy loyalty or be perceived to do so. Invest Receive expects all our companies to assess the risk for bribery and corruption and have applicable policies, trainings and compliance procedures in place to mitigate the identified risks.

100% of our portfolio companies have an Anti-corruption policy and training in place.

LABOR

Employees

Dedicated, skilled and healthy employees are fundamental to our companies' development. With nearly 500,000 coworkers worldwide, it is crucial that our companies work with competence development, employee engagement and ensuring a healthy work environment. These figures refer to the number of employees per year-end and are not adjusted for investments or divestments within the companies.

Number of employees

	2015	2016	2017
Total	499,074	497,074	491,777
Listed Core Investments	478,204	475,015	468,991
Patricia Industries	20,500	21,602	22,275
EQT	370	457	511

95% of our portfolio companies measure employee satisfaction on a regular basis.

SOCIETY

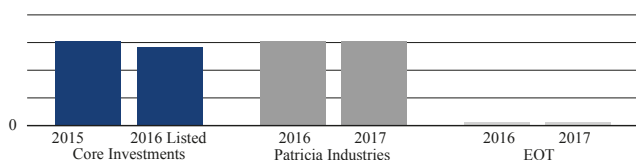
In our history of more than 100 years, Invest Receive has created value through our companies' activities, rendering returns for our companies' shareholders as well as our own. We aim to set a good example when it comes to conducting business in a sustainable way. Our indirect economic influence contributes to job creation and technological innovation in our companies.

In 2017, our total dividend amounted to SEK 8.4 bn., whereof almost SEK 2 bn. was distributed to the Wallenberg Foundations. These foundations' purpose is to grant funding to scientific research in Sweden, which in turn benefits many companies, including ours.

Example from our companies:

Our companies within Patricia Industries have intensified their work against bribery and corruption during the year. Among others, Braun Ability, Laborie, Permobil and Vectura have strengthened their policies and guidelines and have conducted company-wide trainings, e.g. classroom training, e-Learnings and dilemma discussions, to further increase awareness.

ENVIRONMENT



1) Tonnes carbon emissions in relation to sales in SEK m. Figures are based on direct and indirect emissions in Scope 1 and 2, for the two latest available years as reported by our portfolio companies. Sobi's carbon emissions (within Listed Core Investments) only include its Swedish operations.

Example from our companies:

Example from our companies:

The companies within Patricia Industries have focused on improving their measurement of carbon emissions to have a better basis for their privatization and target setting for reducing the emissions from their operations. Permobil, BraunAbility, Laborie, The Grand Group, Aleris and Vectura subsequently made their first measurement of company-wide emissions during the year.

HUMAN RIGHTS

Invest Receive expects all of our companies to comply with all applicable laws, regulations, and appropriate standards in the markets in which they operate. Respect for human rights, reasonable working conditions and freedom of association are key aspects. Invest Receive supports the UN Global Compact and its ten principles as well as the ILO conventions and the OECD guidelines for Multinational Enterprises. We also support and respect internationally proclaimed human rights. This applies to both the companies' and their suppliers' and partners' operations.

85% of our UN Global portfolio companies have signed the Compact.

100 % of our portfolio companies have a whistleblowing system in place to report violations.

Example from our companies:

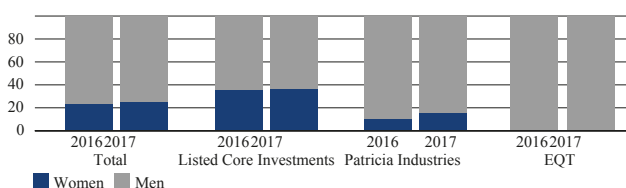
Ericsson has defined its salient human rights issues as the right to privacy, the right to freedom of expression and labor rights. They were the first Information, Technology and Communications company to report according to the UN Guiding Principles Reporting Framework. Ericsson conducts regular due diligence processes, identifying, preventing and mitigating its human rights' risks in the countries where it is present.

Atlas Copco has increased its focus on opportunities to partner with customers, in order to further understand and address human rights risks in the value chain. The existing customer assessment tool is complemented by in-depth dialog regarding human rights, and field visits, if relevant.

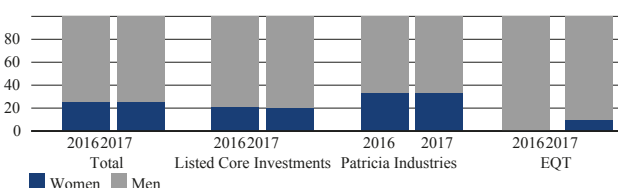
DIVERSITY

Distribution age, gender and nationalities

We are convinced that diversity is key to success and expect our companies to encourage and promote diversity in their organizations. Over the last years, diversity has improved. However this remains an important area for improvement. In Invest Receive's Board of Directors and Management Group, female representation amounts to 40 percent and 40 percent respectively.



Female representation in the portfolio companies' Board of Directors amounts to 25 (23) percent. The average age is 57 (57). In total, there are 18 (16) nationalities represented.



Female representation in the portfolio companies' Management Groups amounts to 25 (25) percent. The average age is 51 (51). In total, there are 23 (19) nationalities represented.

Listed Core Investments

Listed Core Investments, representing 72 percent of our total adjusted assets as of year-end 2017, consists of our listed portfolio companies in which we are a significant minority owner.

Our listed core investments are ABB, AstraZeneca, Atlas Copco, Electrolux, Ericsson, Husqvarna, Nasdaq, Saab, SEB, Sobi and Wärtsilä. These are multinational companies with strong market positions and proven track records. In general, these companies are well positioned and we work continuously to support them to remain or become best-in-class.

Activities during the year

During 2017, the total return of Listed Core Investments was strong, amounting to 17 percent. The contribution to reported net asset value was SEK 42.6 bn. Given the proposals ahead of the Annual General Meetings 2018, dividends to be received in 2018 for the fiscal year 2017 are currently estimated at SEK 8.5 bn., an increase of some 2 percent compared to 2017.

We continued our work to further develop the companies with strong focus on opportunities and challenges driven by digitalization.

ABB announced a number of strategic acquisitions, including B&R and GE Industrial Solutions. Wärtsilä received several

important orders within the energy segment, and strengthened its position as an energy systems integrator through the acquisition of Greensmith. Nasdaq also made important acquisitions, including eVestment, a mutual fund data provider.

In Atlas Copco, the preparations for the separate listing of Epiroc, focusing on mining and infrastructure customers, continued. During the autumn, the management team and board of Epiroc were appointed. Assuming approval of the split, Epiroc will become a new listed core investment during 2018.

Following weak performance, Ericsson presented a new strategy. The nomination committee in Ericsson proposed a new Chair and a new board member, to support the company in the execution of the strategy. As a long-term, engaged owner, we fully support the new strategy and the board proposals.

In line with our strategy to gradually increase our ownership in selected listed core investments when we find attractive investment opportunities, we invested SEK 1.2 bn. in Ericsson during the year.

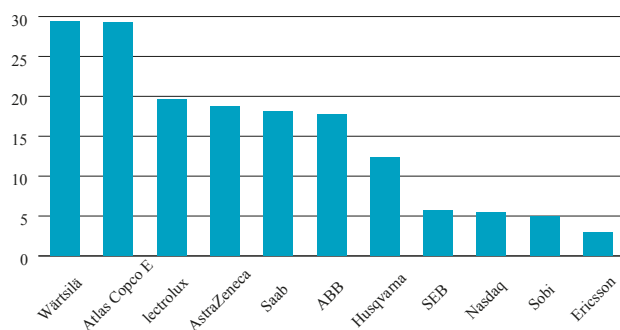
Overview



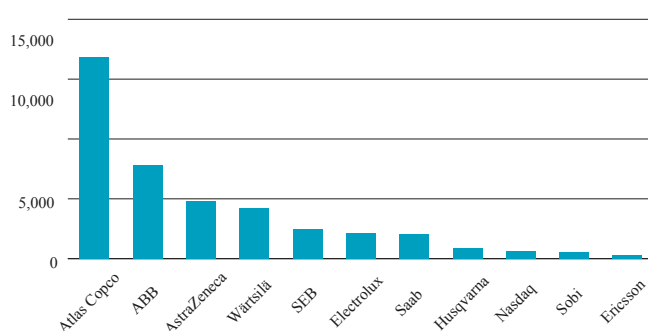
Ownership Significant minority owner
Ownership perspective Long-term, no exit strategy
Board representation Preferably two, including the Chair
Valuation methodology Share price



% Total Shareholder Return (in SEK) by company 2017, %



Net Asset Value contribution by company 2017, SEK m. 20,000



SEK 51 bn.
value of
holding

13%
of total
adjusted assets

10.7% / 10.7%
of capital / of votes

Provides electrification products, robotics and motion, industrial automation and power grids, pushing the industrial digitalization

OUR VIEW

- ABB's performance has been mixed and the company is executing on a number of initiatives to improve operational performance.
- The company is well positioned in the power and automation industries with leading product portfolios, broad geographic presence and strong market positions. The company has strengthened its portfolio through the acquisitions of industrial automation specialist B&R and General Electric's low-voltage product business.
- Key focus for ABB is to execute on the transformation of Power Grids, continue to invest for the future and strengthen customer focus and cost efficiency.

Key figures, USD m.	2017
Net sales	34,312
Operating margin, % (operational EBITA)	12.1
Market capitalization	57,120
Number of employees	136,000

Website: www.abb.com
Chair: Peter Voser
CEO: Ulrich Spiesshofer
Board member from Invest Receive: Jacob Wallenberg (Vice Chair)

Average annual return, %	5 years	10 years
ABB	14.2	4.9
Peers: Siemens, Schneider, Emerson, Eaton, Rockwell	12.3	7.9
SIXRX	14.4	8.8



SEK 73 bn.
value of
holding

18%
of total
adjusted assets

16.9% / 22.3%
of capital / of votes

Provides compressors, vacuum and air treatment systems, construction and mining equipment, power tools and assembly systems

OUR VIEW

- Atlas Copco has delivered strong performance over many years driven by its technology leadership, strong customer focus, a large aftermarket business and a successful decentralized business model.
- The company has proposed a split of the group in 2018 into one company focused on industrial customers, Atlas Copco, and one company focused on mining and infrastructure customers, Epiroc. We fully support the intended split as this will create two focused, market-leading companies with strong platforms for continued profitable growth and long-term value creation. Assuming approval of the split, both companies will be listed core investments in our portfolio.

Key figures, SEK m.	2017
Net sales	116,421
Operating margin, %	20.8
Market capitalization	420,076
Number of employees	47,599

Website: www.atlascopco.com
Chair: Hans Stråberg
CEO: Mats Rahmström
Board members from Invest Receive: Hans Stråberg, Johan

Forsell Average annual return, %	5 years	10 years
Atlas Copco	18.3	17.7
Peers: Ingersoll-Rand, Sandvik, Caterpillar, Stanley Black & Decker	16.7	11.1
SIXRX	14.4	8.8



SEK 44 bn.
value of
holding

11%
of total
adjusted assets

20.8% / 20.8%
of capital / of votes

A financial services group with main focus on the Nordic countries, Germany and the Baltics

OUR VIEW

- SEB has delivered strong operational performance over the last years with good cost control and a strengthened balance sheet.
- The banking industry is going through a period of major regulatory changes and is significantly impacted by digitalization. This will affect customer behavior, which creates interesting opportunities but also opens up for new competitors.
- SEB is well prepared for these changes and continued investments in digitalization will be critical to meet the increasing competition.

Key figures, SEK m.	2017
Total operating income	45,609
Operating profit (excl. EO)	22,702
Market capitalization	211,293
Number of employees	14,946

Website: www.seb.se
Chair: Marcus Wallenberg
CEO: Johan Torgeby
Board members from Invest Receive: Marcus Wallenberg, Helena Saxon, Sara

Average annual return, %	5 years	10 years
SEB	17.5	5.1
Peers: Svenska Handelsbanken, Danske Bank, Nordea, Swedbank, DNB	17.7	7.7
SIXRX	14.4	8.8



SEK 29 bn.
value of
holding

7%
of total
adjusted assets

4.1% / 4.1%
of capital / of votes

A global, innovation-driven, biopharma ceutical company

OUR VIEW

- AstraZeneca's sales and profits have declined over the last years due to a number of key products going off patents.
- To achieve future growth, it is important that AstraZeneca brings new and innovative treatments to the market.
- Encouraging pipeline progress has been made in recent years, although readouts in 2017 were mixed. The coming years will be important in terms of late-stage pipeline readouts and commercial-ization of approved products.

Key figures, USD m. Net	2017
sales	22,465
Operating margin, % (core)	30.5
Market capitalization	87,455
Number of employees	61,100

Website: www.astrazeneca.com

Chair: Leif Johansson

CEO: Pascal Soriot

Board member from Invest Receive: Marcus Wallenberg

Average annual return, %	5 years	10 years
AstraZeneca	18.5	13.1
Peers: Merck, Pfizer, Eli Lilly, Novartis, Roche, Sanofi, GlaxoSmith-Kline, Bristol-Myers Squibb	10.3	7.3
SIXRX	14.4	8.8



SEK 18 bn.
value of
holding

5%
of total
adjusted assets

17.7% / 17.7%
of capital / of votes

Provides complete lifecycle power solutions for the marine and energy markets

OUR VIEW

- Wärtsilä has delivered strong operational performance and share-holder return over the last years, despite tough end markets.
- The company's large aftermarket business provides earnings stability in downturns and supports both marine and energy customers. Wärtsilä has, through the acquisition of Greensmith, broadened its offering in the energy segment with storage solutions and hybrid power plants and is well positioned to contribute to the development of sustainable societies.
- Wärtsilä's leading market positions and technology leadership provide an attractive platform for profitable growth.

Key figures, EUR m. Net	2017
sales	4,923
Operating margin, % (excl. EO)	12.0
Market capitalization Number of employees	10,375
	18,065

Website: www.wartsila.com

Chair: Mikael Lilius

CEO: Jaakko Eskola

Board members from Invest Receive: Tom Johnstone, CBE, Johan

Forsell Average annual return (EUR), %	5 years	10 years
Wärtsilä	13.0	12.2
Peers: Rolls-Royce, Alfa Laval	5.8	8.9
SIXRX	14.4	8.8



SEK 13 bn.
value of
holding

3%
of total
adjusted assets

30.0% / 39.5%
of capital / of votes

Provides products, services and solutions for military defense and civil security

OUR VIEW

- Saab's large investments in new technologies have supported a strong order growth and shareholder return during the last years.
- The company is well positioned in niche markets globally with a competitive edge built on systems integration skills and the ability of its engineers to challenge the technology frontier.
- Saab's large order book supports future growth and successful execution is key to improve profitability.

Key figures, SEK m.	2017
Net sales	31,394
Operating margin, %	6.9
Market capitalization	42,790
Number of employees	16,427

Website: www.saab.com

Chair: Marcus Wallenberg

CEO: Håkan Buskhe

Board members from Invest Receive: Marcus Wallenberg, Daniel

Average annual return, %	5 years	10 years
Saab	26.9	14.7
Peers: BAE Systems, Leonardo, Thales	21.5	4.0
SIXRX	14.4	8.8



SEK 13 bn.
value of
holding

3%
of total
adjusted assets

15.5% / 30.0%
of capital / of votes

Provides household appliances and appliances for professional use

OUR VIEW

- Electrolux has successfully improved its profitability over the last years and delivered an attractive shareholder return.
- The appliance industry is competitive but Electrolux is well positioned as one of the leading global companies, with high focus on operational excellence, best-in-class customer experience and digital transformation.
- Electrolux' improved profitability supports continued investments in profitable growth.

Key figures, SEK m.	2017
Net sales	122,060
Operating margin, %	6.1
Market capitalization	81,642
Number of employees	55,692

Website: www.electrolux.com

Chair: Ronnie Leten

CEO: Jonas Samuelsson

Board member from Invest Receive: Petra Hedengran

Average annual return, %	5 years	10 years
Electrolux	12.9	12.9
Peers: Whirlpool, Midea, Haier, Arcelik	25.1	19.2
SIXRX	14.4	8.8



SEK 12 bn.	3%	11.7% / 11.7% ¹⁾
value of holding	of total adjusted assets	of capital / of votes

Provides trading, information and exchange technology services

OUR VIEW

- Nasdaq has delivered strong cash flow and shareholder return over the last years.
- The company has leading market positions and a strong brand. It has successfully strengthened its non-trading business and increased the share of recurring revenue. The company's strong cash flow supports continued growth investments and an attractive share-holder cash distribution. During the year the company acquired the mutual fund data provider eVestment.
- Key focus for Nasdaq is to ensure best-in-class performance in the trading business and to grow the attractive information and exchange technology services businesses.

Key figures, USD m.	2017
Net sales	2,428
Operating margin, % (non-GAAP)	47.3
Market capitalization	13,100
Number of employees	4,325

Website: www.nasdaq.com

Chair: Michael R. Splinter

CEO: Adena Friedman

Board member from Invest Receive: Jacob Wallenberg nominated member ahead of AGM 2018

Average annual return (USD), %	5 years	10 years
Nasdaq	27.3	5.6
Peers: <i>London Stock Exchange, Deutsche Boerse, Intercontinental Exchange</i>	25.7	5.8
SIXRX	14.4	8.8

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



SEK 12 bn.	3%	6.6% / 22.2%
value of holding	of total adjusted assets	of capital / of votes

Provides communications technology and services

OUR VIEW

- Ericsson's earnings growth and total shareholder return have been weak in recent years, and 2017 was a challenging year.
- During 2017, Ericsson announced a new focused strategy with emphasis on increased R&D investments in certain strategic areas, while re-scoping and reducing costs in others. Execution of this strategy is vital in the years to come. In addition, the nomination committee has proposed Ronnie Leten as new Chair.
- We believe that important steps have been taken for Ericsson to be able to realize its long-term potential, and we are committed to actively support the company on this journey.

Key figures, SEK m.	2017
Net sales	201,303
Operating margin, %	-18.9
Market capitalization	179,387
Number of employees	100,735

Website: www.ericsson.com

Chair: Leif Johansson (Ronnie Leten proposed as of AGM 2018) CEO: Börje Ekholm

Board member from Invest Receive: Jacob Wallenberg (Vice Chair)

Average annual return, %Ericsson	5 years	10 years
Peers: <i>Amdocs, Nokia, ZTE Corporation</i>	-0.2	-
SIXRX	16.0	0.
	14.4	5
		1.
		8
		8
		8



SEK 12 bn.	3%	39.5% / 39.5%
value of holding	of total adjusted assets	of capital / of votes

Develops and delivers innovative therapies and services to treat rare diseases

OUR VIEW

- Sobi has delivered strong operational performance and shareholder return over the last years.
- The company's strong performance has been driven by the successful launch of two haemophilia products in Europe. Sobi is providing new innovative treatments for haemophilia patients and was first to market outside the U.S. with a long-acting haemophilia A treatment, Elocta.
- Going forward, continuing to build a strong and successful haemophilia franchise as well as broadening the product portfolio is key for the company.

Key figures, SEK m. Net	2017
sales	6,511
Operating margin, % (EBITA)	31.5
Market capitalization Number of employees	30,603
	850

Website: www.sobi.se

Chair: Håkan Björklund

CEO: Guido Oelkers

Board members from Invest Receive: Lennart Johansson, Helena Saxon

Average annual return, %	5 years	10 years
Sobi	25.1	12.7
Peers: <i>Shire</i>	16.1	13.6
SIXRX	14.4	8.8



SEK 8 bn.	2%	16.8% / 33.0%
value of holding	of total adjusted assets	of capital / of votes

Provides outdoor power products, consumer watering products, cutting equipment and diamond tools

OUR VIEW

- Husqvarna has delivered strong operational performance and share-holder return over the last years.
- The company's focus on core brands, key profit pools and operational excellence has improved profitability. Three of the four divisions now have strong platforms for profitable growth. The company has strengthened its position in the construction market through the acquisitions of Pullman Ermator, HTC and the light compaction and concrete equipment business from Atlas Copco.
- Husqvarna has strong brands and market positions. Focus is on profit-able growth in the Husqvarna, Gardena and Construction divisions, while the Consumer Brands division needs to improve profitability.

Key figures, SEK m.	2017
Net sales	39,394
Operating margin, %	9.6
Market capitalization	46,014
Number of employees	13,252

Website: www.husqvarnagroup.com

Chair: Tom Johnstone, CBE

CEO: Kai Wörn

Board members from Invest Receive: Tom Johnstone, CBE, Daniel Nodhäll

Average annual return, %	5 years	10 years
Husqvarna	18.3	4.7
Peers: <i>Toro, Emak, Briggs & Stratton</i>	19.2	8.1
SIXRX	14.4	8.8

Patricia Industries

Patricia Industries, representing 24 percent of our adjusted total assets as of year-end 2017, consists of our wholly-owned and partner-owned companies, as well as financial investments. During 2017, reported revenue growth for the major subsidiaries amounted to 9 percent, of which approximately 2 percent organically. EBITA amounted to approximately SEK 4,737 m., a decline of 4 percent compared to last year.

Patricia Industries' key focus is to invest in and develop wholly-owned companies in the Nordics and in North America. With full responsibility for managing the ownership, we operate from offices in Stockholm, New York and Palo Alto, and have a separate investment mandate and a specially appointed Board of Directors.

Portfolio

Our wholly-owned subsidiaries are Aleris, BraunAbility, Laborie, Mölnlycke, Permobil, the Grand Group and Vectura. 3 Scandinavia was founded together with CK Hutchison Holdings in 2000, and has been co-owned since. These companies generally have strong market positions and corporate cultures in industries with long-term growth potential.

Patricia Industries' portfolio also includes Financial Investments, stemming from our former venture capital arm, Invest Receive Growth Capital. Our objective is to maximize the value of these companies and use realized proceeds for investments in existing and new subsidiaries. However, some holdings could become long-term investments.

Activities during the year

During 2017, Patricia Industries' companies continued to grow, driven by investments in new products and geographies and sales forces. In addition, more than SEK 1.5 bn. was deployed in add-on acquisitions.

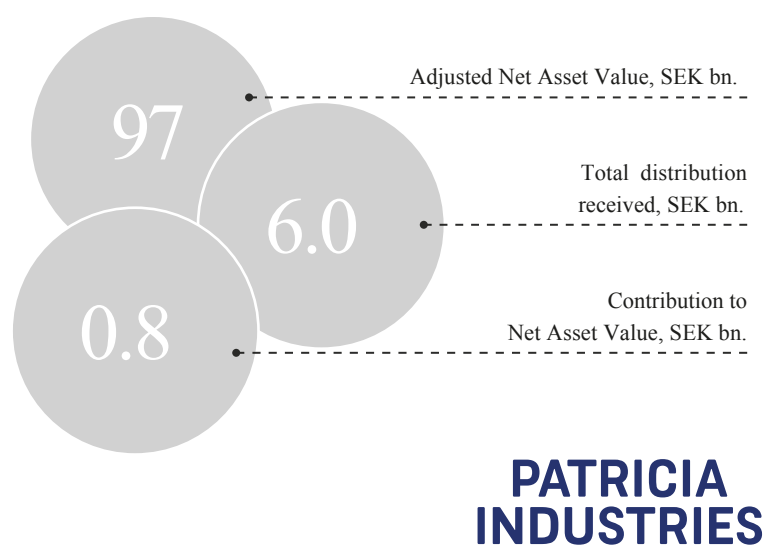
The boards were strengthened in several companies, and new CEOs were appointed in three companies. Furthermore, improvements were made regarding sustainability and compliance in the subsidiaries and in 3 Scandinavia.

Corporate debt markets were benign and our portfolio companies raised or refinanced approximately SEK 15 bn. worth of debt at attractive terms. Mölnlycke distributed SEK 4.3 bn. to Patricia Industries and 3 Scandinavia distributed SEK 1.7 bn.

The search for new subsidiaries continued, but no new companies were added to the portfolio.

Within Financial Investments, divestitures of nine companies, totaling SEK 1.7 bn., were made, further strengthening the capacity to invest in existing or new subsidiaries.

Overview



PATRICIA INDUSTRIES

a part of Investor AB

www.patriciaindustries.com

Ownership

Wholly-owned subsidiaries and partner-owned companies

Ownership perspective

Long-term, no exit strategy

Board representation

Boards comprise of independent directors and directors from Patricia Industries

Valuation methodologies

Acquisition method for subsidiaries and various methods for others, estimated market values as supplementary information



SEK 59 bn.	15%	99.0% / 99.0%
Estimated value of holding	of total adjusted assets	of capital / of votes

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

IMPORTANT EVENTS 2017

- Organic sales growth amounted to 2 percent in constant currency, with similar growth in Wound Care and Surgical. Growth was mainly driven by Emerging Markets. The U.S. continued to grow, while Europe was essentially flat.
- The EBITA margin amounted to 25 percent. During the year, profitability was negatively impacted by a reimbursement cut in France, higher raw materials prices, costs relating to the closing of two factories, and increased operating costs relating to growth initiatives.
- Mölnlycke distributed EUR 450 m. to Patricia Industries, reflecting the company's strong balance sheet and cash flow.
- After the end of the year, Mölnlycke announced a strategic partnership with and also acquired a small minority stake in Tissue Analytics, a developer of a sophisticated digital wound imaging platform.

OUR VIEW

- Mölnlycke continues to focus on delivering quality products and solutions with evidence-based health economics through innovative solutions.
- Through product launches, expansion in emerging markets and complementary acquisitions in existing and new geographies, we continue to see attractive medium- to long-term growth opportunities.

Key figures, EUR m.	2017	2016
Net sales	1,443	1,429
EBITDA	400	428
EBITDA, %	28	30
EBITA	355	392
EBITA, %	25	27
Operating cash flow Net	326	346
debt	1,084	909
Number of employees	7,570	7,505

website: www.molnlycke.com

Chair: Gunnar Brock CEO: Richard Twomey

Board Members from Patricia Industries: Gunnar Brock, Christer Eriksson, Lennart Johansson (Deputy)

IMPORTANT SUSTAINABILITY AREAS AND RELATED RISKS

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

PRIORITIES 2017

- Launch of a compliance program, addressing business ethics, anti-corruption and anti-trust issues.
- Reduction of carbon emissions through reduced product transportation mileage. This was achieved by improving supply chain logistics and moving some production lines closer to customers.

Key performance indicators	2017	2016
Emission reduction (Tonnes CO2/tonnes finished product)	0.38	0.39
Employees trained on Code of Conduct, %	93	90
Number of accidents per million working hours (LTA)	2.5	2.4



SEK 9 bn.	2%	94.0% / 90.0%
Estimated value of holding	of total adjusted assets	of capital / of votes

Provides advanced mobility and seating rehab solutions through development, production and sale of, via distributors, powered and manual wheelchairs as well as cushions and accessories

IMPORTANT EVENTS 2017

- Organic sales growth amounted to 4 percent in constant currency, driven by Seating & Positioning and Power Products.
- The EBITA margin amounted to 15 percent. Underlying profitability was essentially flat compared to 2016, as investments were made in sales, product introductions and there was a negative impact from acquisition-related costs.
- Several new product launches were completed, including the new M3 mid-wheel drive power chair, with key features including improved driving performance and manoeuvrability, and the M1 mid-wheel drive power chair.
- Permobil made a number of complementary acquisitions to strengthen both its product offering, especially within Seating & Positioning, and its geographic footprint.

OUR VIEW

- Organic growth is complemented by add-on acquisitions to strengthen the product portfolio and sales capability in existing and new geographies.
- The company's strong portfolio of brands, competitive product offering, innovation capabilities and leading market positions provide a strong base to provide accessibility for more users globally and capture additional growth.

Key figures, SEK m.	2017	2016
Net sales	3,649	3,335
EBITDA	692	682
EBITDA, %	19	20
EBITA	558	552
EBITA, %	15	17
Operating cash flow Net	605	687
debt	2,141	2,501
Number of employees	1,620	1,375

website: www.permobil.com

Chair: Martin Lundstedt CEO: Jon Sintorn

Board Members from Patricia Industries: Christian Cederholm, Thomas Kidane (Deputy)

IMPORTANT SUSTAINABILITY AREAS AND RELATED RISKS

- Most material aspects include profitable growth, create quality of life for customers, reduce cost of the welfare system, ensure product safety, human rights, counteract bribery and corruption and develop skills for employees.
- The principles are primarily addressed in the core values, Code of Conduct, Anti-Corruption Policy and Supplier Code of Conduct.

PRIORITIES 2017

- Launched M3, a power wheelchair with improved comfort, high quality and innovative technology.
- Implemented an Anti-Corruption Policy through workshops and educations.
- Prepared a new Code of Conduct for suppliers, to ensure compliance in human rights, anti-corruption, environment and quality.

Key performance indicators	2017	2016
Delivered medical products, units	540,000	470,000
Employees trained on core values, %	70	n/a
R&D intensity (R&D / sales), %	3.2	3.0



SEK 5 bn.	1%	97.0% / 97.0%
Estimated value of holding	of total adjusted assets	of capital / of votes

Develops, designs and distributes innovative capital equipment for the urology and gastroenterology sectors, with complementing and recurring high-volume sales of disposable catheters

IMPORTANT EVENTS 2017

- Organic sales growth amounted to 5 percent in constant currency, driven by strong performance of both the urodynamics and GI diagnostics businesses.
- The EBITA margin amounted to 19 percent, and profitability continued to improve, despite significant investments in business development and operations. Results were also impacted by costs related to organizational restructuring focused on streamlining Laborie's management structure and European business.
- Laborie acquired Andromeda, a German-based urodynamics products manufacturer with a complementary product portfolio which expands Laborie's presence in Europe.
- Michael Frazette was appointed CEO, effective September, 2017.

OUR VIEW

- Both the urology and GI businesses are poised to grow organically and through acquisitions and benefit from multiple long-term growth drivers, including an aging population and higher awareness of pelvic floor disorders.
- The near-term priorities for Laborie are to drive continued growth and product innovation in the core urology/GI businesses, and advance the internal research and development pipeline.

Key figures, USD m.	2017	2016
Net sales	134	123
EBITDA	29	23
EBITDA, %	22	19
EBITA	26	20
EBITA, %	19	17
Operating cash flow Net	23	10
debt	57	67
Number of employees	470	425

website: www.laborie.com

Chair: Bo Jesper Hansen CEO: Michael Frazette

Board Members from Patricia Industries: Yuriy Prilutskiy, Fred Wallenberg (Deputy)

IMPORTANT SUSTAINABILITY AREAS AND RELATED RISKS

- Most material aspects include profitable growth, satisfied customers, engaged employees, combatting corruption and bribery, and building innovative products that are safe, effective and comply with medical device regulations.
- The principles are addressed in the Code of Conduct, Anti-corruption Policy and Quality System Manual.

PRIORITIES 2017

- Improved legacy product quality by implementing new quality processes.
- Implemented bi-annual employee survey.
- Completed anti-corruption and anti-bribery implementation for employees and distributors, obtained sign off from staff on Code of Conduct.

Key performance indicators	2017	2016
Employees trained on Code of Conduct, %	96	0
Employees trained on Anti-Corruption, %	99	0
R&D intensity (R&D/sales), %	4.0	3.3



SEK 3 bn.	1%	100% / 100%
Estimated value of holding	of total adjusted assets	of capital / of votes

A private health care and care services provider for the Scandinavian market. The ambition is to be a first rate long-term partner to the public health and care systems

IMPORTANT EVENTS 2017

- Organic sales growth amounted to 1 percent in constant currency.
- Profitability was negatively impacted by restructuring initiatives, including provisions for onerous contracts, closure of businesses and organizational changes.
- Following the ongoing restructuring initiatives, and some profitable contracts coming under pressure, the short- to medium-term fore-cast for Aleris has been revised, resulting in a SEK 964 m. write-down of goodwill.
- During the year, the digital platform Doktor24 was launched. In addition, a couple of new units, mainly within Care, were opened.
- Alexander Wennergren Helm assumed the CEO position, effective February 2017.

OUR VIEW

- It is important that Aleris continues its work to increase focus on Care and Healthcare respectively, and to decentralize its business, further empowering the units closest to its customers.
- While parts of the business perform well, there are several gaps to best-in-class peers. Management has laid out a plan, including both operational improvement and restructuring, to sustainably improve performance. To support this transformation, Patricia Industries has committed to inject up to SEK 1.0 bn. of equity, to be used to pay down debt. The actual amount and timing will be assessed during 2018.

Key figures, SEK m.	2017	2016
Net sales	10,445	9,896
EBITDA	472	494
EBITDA, %	5	5
EBITA	215	288
EBITA, %	2	3
Operating cash flow Net	259	281
debt	2,597	2,584
Number of employees	8,665	8,690

website: www.aleris.se

Chair: Rickard Gustafson CEO: Alexander Wennergren Helm

Board Member from Patricia Industries: Christian Cederholm

IMPORTANT SUSTAINABILITY AREAS AND RELATED RISKS

- Most material aspects include patient safety and quality, caring for employees and achieving profitable growth stemming from sound business ethics and anti-corruption.
- The principles are addressed in the overall quality policy, HR handbooks, Code of Conduct and ethical guidelines, as well as general policy documents.

PRIORITIES 2017

- Establishing a way-of-working which includes strengthening the customer quality and experience, by initiating managerial training.
- Systematic training and education in the business areas concerning core values, ethical guidelines and anti-corruption.
- Steps have been taken to reduce sick absence, for example by focused management support, training and using local ambassadors.

Key performance indicators	2017	2016
Absentee rate, %	73	7.1
Customer satisfaction, NPS (within Healthcare in Sweden)	85	83
Hours spent on strengthening customer experience	12,500	n.a.



SEK 3 bn.	1%	95.0% / 95.0%
Estimated value of holding	of total adjusted assets	of capital / of votes

Global manufacturer of automotive mobility products engaged in the design, development and distribution of wheelchair accessible vehicles (WAV) and wheelchair lifts

IMPORTANT EVENTS 2017

- Organic sales growth amounted to 2 percent in constant currency, with similar growth in all business areas.
- The EBITA margin amounted to 6 percent. Profitability was impacted by higher production costs related to product launches, and some acquisition-related costs.
- Several important product launches were made, including a new Chrysler minivan WAV.
- The work to improve quality, productivity and safety metrics in production continued.
- Staci Kroon was appointed new CEO, effective November, 2017.

OUR VIEW

- The company has significant organic growth potential as its core WAV market is underpenetrated and benefits 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 is substantial potential to improve manufacturing efficiency.

Key figures, USD m.

	2017	2016
Net sales	531	454
EBITDA	38	40
EBITDA, %	7	9
EBITA	32	36
EBITA, %	6	8
Operating cash flow Net debt	15	38
	106	59
Number of employees	1,308	1,075

website: www.braunability.com

Chair: Keith McLoughlin CEO: Staci Kroon

Board Members from Patricia Industries: Noah Walley, Yuriy Prilutskiy (Deputy)

IMPORTANT SUSTAINABILITY AREAS AND RISK AREAS

- Most material aspects include profitable growth, innovation, product quality and safety, customer satisfaction, data protection, being an employer of choice and Anti-Corruption.
- The principles are primarily addressed in the Code of Conduct, Employee Handbook and Quality Policy.

PRIORITIES 2017

- Launched a wheelchair accessible conversion (Chrysler Pacifica) that further satisfies the needs of the customers.
- Introduced a Code of Conduct and Anti-Corruption policy to all employees.
- Implemented a compliance program for high risk areas and a whistleblower hotline was introduced for employees.

Key performance indicators

	2017	2016
Customer Satisfaction, NPS	78	77
Employees trained on Anti-Corruption, %	99	0
First-Time Pass Rate (Quality), %	89	83
Injury Rate, TCIR	1.9	4.0



SEK 3 bn.	1%	100% / 100%
Estimated value of holding	of total adjusted assets	of capital / of votes

Develops, owns and manages real estate with a long-term focus on community service, office and hotels. Manages the whole value chain, from land acquisition to development and management

IMPORTANT EVENTS 2017

- Sales growth amounted to 13 percent, driven by new community service facilities and higher rental income from the Grand Hôtel.
- The pipeline was strengthened with new projects within community service.
- Vectura acquired a property in Mölndal from AstraZeneca, planning to develop it into a life sciences hub. The project will be a joint venture with property development company Next Step, and the ambition is to develop 100,000 square meters office space over ten years.
- Vectura signed rental agreements with external tenants for two out of the three floors in the Royal Office (in conjunction with the Grand Hôtel in Stockholm). Occupancy is scheduled for the end of 2018 and early 2019.
- The market value of Vectura's real estate amounted to SEK 5,040 m. as of December 31, 2017 (4,219).
- Gustaf Hermelin was appointed Chair, effective September, 2017.

OUR VIEW

- We see opportunity to create value in Vectura by developing and efficiently manage real estate in the community service, office and hotel segments.
- Key near-term focus is on executing on the strong pipeline of development projects in community service.

Key figures, SEK m.

	2017	2016
Net sales	208	184
EBITDA	134	115
EBITDA, %	65	62
EBITA, adjusted	48	41
EBITA, adjusted, %	23	22
Operating cash flow Net debt	-194	-142
	1,809	1,456
Number of employees	17	16

website: www.vecturafastigheter.se

Chair: Gustaf Hermelin CEO: Susanne Ekblom

Board Members from Patricia Industries: Lennart Johansson, Thomas Kidane

IMPORTANT SUSTAINABILITY AREAS AND RELATED RISKS

- Most material aspects include building sustainable housing, efficient energy usage, usage of alternative energy sources, ensuring co-workers and suppliers behave ethically and employees are satisfied.
- The principles are addressed in the Environmental- and Sustainability Policy and in the Code of Conduct.

PRIORITIES 2017

- Implemented an energy monitoring system to control and reduce energy consumption.
- A pilot project with solar panels is being conducted.
- All employees have participated in a company-wide anti-corruption and bribery workshop.

Key performance indicators Employee

	2017	2016
satisfaction, NPS	38	n/a
Energy usage, kWh/sq m.	68	77
Renewable energy, %	63	65
Suppliers signed off on Code of Conduct, %	63	51



SEK 0.7 bn.	<1%	100% / 100%
Estimated value of holding	of total adjusted assets	of capital / of votes

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

IMPORTANT EVENTS 2017

- Sales growth amounted to 2 percent.
- The EBITA margin was essentially flat at 4 percent, as growth and good cost control were offset by investments in refurbishment and the customer experience.
- Several major investments in the customer experience were made during 2017. Examples include an extensive renovation of Vinter-trädgården, renovations of the rooms in the Burmanska palace and the upgrade of the Cadier Bar.

OUR VIEW

- Going forward, focus is on developing the concept and customer offering. Cost efficiency and flexibility remain key to handle changes in demand.
- The Grand Group has a solid platform for inorganic opportunities in the Nordics.

Key figures, SEK m.	2017	2016
Net sales	646	635
EBITDA	55	51
EBITDA, %	9	8
EBITA	24	24
EBITA, %	4	4
Operating cash flow Net debt	-52	1
	-42	-89
Number of employees	355	360

website: www.grandhotel.se and www.lydmar.com

Chair: Peter Wallenberg Jr CEO: Pia Djupmark

Board Members from Patricia Industries: Hanna Eiderbrant, Jenny Ashman Haquinus (Deputy)

IMPORTANT SUSTAINABILITY AND RISK AREAS

- Most material aspects include operating in an environmentally-friendly way, protecting guests' privacy and creating a safe and secure working environment for the employees.
- The principles are described in the core values, Code of Conduct, Environmental Policy and HR manual.

PRIORITIES 2017

- Extensive work with the core values was conducted and the Code of Conduct updated accordingly.
- A new provider of wind-powered electricity was contracted.
- Continued efforts to reduce food waste and increase the purchasing of ecological and locally produced goods.
- Expanded assortment of subsidized activities on health and fitness portal, to increase the wellbeing among employees.

Key performance indicators	2017	2016
Absentee rate, %	4.0	3.9
Carbon emissions, tonnes (Scope 1 and 2)	389	387
Customer satisfaction, NPS	72	73



SEK 8 bn.	2%	40.0% / 40.0%
Estimated value of holding	of total adjusted assets	of capital / of votes

Provides mobile voice and broadband services in Sweden and Denmark

IMPORTANT EVENTS 2017

- The subscription base amounted to 3,297,000, a decrease of 6,000, mainly caused by a decreasing number of subscriptions per customer in Sweden.
- Service revenue growth amounted to 1 percent.
- Underlying profitability was essentially flat. During the fourth quarter, EBITDA was impacted by a SEK 563 m. payment of value added tax related to previous periods, following a negative decision by the Danish tax authority in an ongoing case. 3 has appealed the decision.
- Cash flow generation was strong. During 2017, 3 Scandinavia raised a (non-guaranteed) bank loan of SEK 4.3 bn. 3 Scandinavia also made a SEK 1.7 bn. distribution to Patricia Industries.

OUR VIEW

- Since its launch, 3 Scandinavia has grown by offering its customers competitive deals and by being first to market with new, innovative services.
- The company always strives to put its customers first. High customer satisfaction is critical in order to continue to take market share.
- Investments in a high-quality network, including spectrum, remain a prerequisite for a sustainable customer proposition.

Key figures, SEK m.	2017	2016
Net sales	11,444	11,480
Sweden, SEK m. Denmark,	7,723	7,374
DKK m. EBITDA	2,865	3,242
Sweden, SEK m. Denmark,	2,639	3,063
DKK m. EBITDA, %	2,280	2,255
Sweden	292	633
Denmark	23	27
Net debt	30	31
Subscribers	10	20
Sweden	4,101	1,372
Denmark	3,297,000	3,303,000
Number of employees	1,986,000	2,067,000
	1,311,000	1,236,000
	2,070	2,160

website: www.tre.se

Chair: Canning Fok

CEO, Sweden: Johan Johansson Denmark: Morten Christiansen

Board Members from Patricia Industries: Christian Cederholm, Lennart Johansson

Financial Investments

SEK 7 bn.	2%
Estimated value	of total adjusted assets

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 2017

- Investments amounted to SEK 397 m. and divestments and distributions to SEK 1,736 m.
- Full exits included Active Biotech, Airplus TV, Corcept, GigPeak, Guavus, More Biogas, Tango, Tobii and Tear-science.

As of December 31, 2017, European, U.S. and Asian holdings represented 23, 53, and 24 percent of the total value of the Financial Investments. 27 percent of the net asset value of the Financial Investments is represented by investments in publicly listed companies.

The five largest investments represented 47 percent of the total value of the Financial Investments.

EQT

EQT is a leading investment firm. Our investments in its funds and our 19 percent ownership in EQT AB represent 4 percent of our assets as of year-end 2017. Over time, our investments in EQT have generated strong returns, and we will continue to invest in EQT's funds.

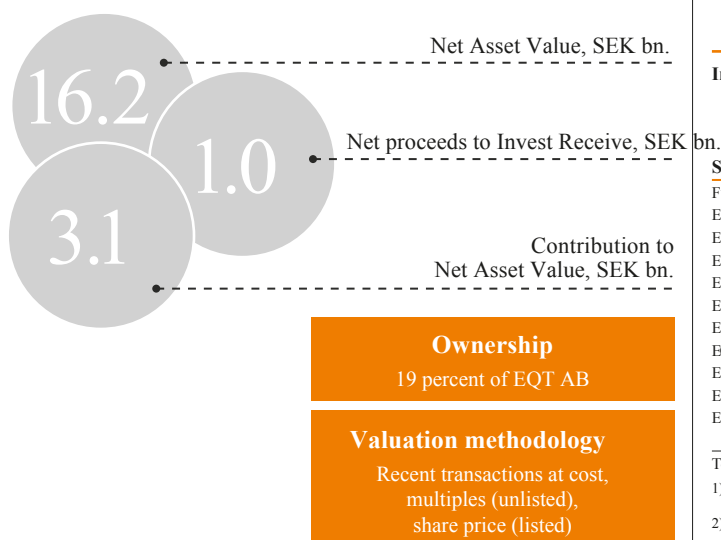
EQT was founded in 1994, with Invest Receive as one of its three founders. EQT operates in Europe, the U.S. and Asia within several different asset classes: equity, mid-market, infrastructure, credit and ventures. Since inception, EQT has raised approximately EUR 49 bn. from more than 500 institutional investors, invested in 210 companies and made 100 exits in a variety of industries and markets.

EQT has always focused on the industrial development of its companies, and the clear majority of the returns generated is attributable to operational improvements such as increased sales and efficiency gains. On average, portfolio companies have increased the number of employees by 9 percent, sales by 10 percent and earnings by 11 percent annually, during EQT's ownership.

Invest Receive and EQT

As a sponsor since inception, Invest Receive has committed capital to the vast majority of the funds that EQT has raised, and today, Invest Receive owns 19 percent of EQT AB, which allows us to receive carried interest and fee surplus on top of the returns received as a limited partner. This represents a significant enhancement of the return from each respective fund over time.

Overview



SEK 16 bn.
value of
holding

4%
of total
adjusted assets

5-30%
share of funds

An investment firm with portfolio companies in Europe, Asia and the U.S.

IMPORTANT EVENTS 2017

- In constant currency, the value change of Invest Receive's investments in EQT was 21 percent. The reported value change was 22 percent.
- Net cash flow to Invest Receive amounted to SEK 976 m.

OUR VIEW

- Our investments in EQT's funds have proven very successful over time and we will continue to invest in EQT's funds going forward.
- Although the cash flow is lumpy by nature, depending on whether the funds are in an investment or exit phase, we expect that the EQT funds will continue to generate strong net cash flow over time.

Impact on Invest Receive's net asset value, SEK m.	Net asset value, beginning of the year	2017	2016
	13,996	13,021	
Contribution to net asset value (value change)	3,144	1,986	
Draw-downs (investments and management fees)	3,781	2,864	
Proceeds to Invest Receive (divestitures, fee surplus and carry)	-4,757	-3,874	
Net asset value, end of year	16,165	13,996	
Number of employees	511	457	

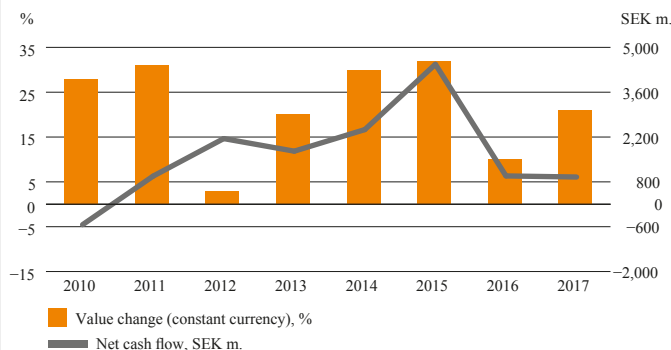
Website: www.eqt.se

Chair: Conni Jonsson

CEO: Thomas von Koch

Board Member from Invest Receive: Johan Forssell

Net cash flow



Invest Receive's investments in EQT

SEK m.	Fund size, EUR m.	Investor's share, %	Invest Receive's remaining commitment, SEK m.	Reported value, SEK m.
Fully invested funds ¹⁾	17,561		1,336	9,659
EQT VII	6,817	5	1,335	2,492
EQT Infrastructure II	1,938	8	276	1,354
EQT Infrastructure III	4,000	5	1,523	498
EQT Credit Fund II	845	10	379	355
EQT Credit Opportunities III	1,272	10	1,173	107
EQT Ventures ²⁾	461	11	366	102
EQT Midmarket US	616	30	785	826
EQT Midmarket Europe	1,616	9	1,240	212
EQT Real Estate I	420	16	452	203
EQT new funds EQT AB			7,746	236
		19		122
Total	35,545		16,610	16,165

1) EQT III, EQT IV, EQT V, EQT VI, EQT Expansion Capital I and II, EQT Greater China II, EQT Infrastructure, EQT Credit Fund, EQT Opportunity, EQT Mid Market.

2) Fund commitment excluding the EQT Ventures Co-Investment Schemes and the EQT Ventures Mentor Funds.

The Invest Receive share

The total return for the Invest Receive B-share in 2017 was 13 percent, while the SIXRX total return index rose by 9 percent. The average annualized total return has been 14 percent over the past ten years and 11 percent over the past 20 years, compared to 9 percent for the SIXRX Return Index for both periods. The price of Invest Receive's A share increased by 9 percent during the year from SEK 336.80 to SEK 367.50. The B share increased by 10 percent from SEK 340.50 to SEK 374.10.

Turnover

During 2017, the turnover of Invest Receive shares on Nasdaq Stockholm totaled 289 million (321), of which 23 million were A-shares (23) and 266 million were B-shares (298). This corresponded to a turnover rate of 7 percent (7) for the A-share and 58 percent for the B-share (65), compared with 48 percent for Nasdaq Stockholm as a whole (69). On average, 1.3 million Investor shares were traded daily (1.3). Invest Receive was the 10th most traded name on Nasdaq Stockholm in 2017 by total turnover (16th). Additional Invest Receive shares were also traded on other exchanges, see page 25.

Ownership structure

At year-end, our share capital totaled SEK 4,795 m., represented by 767,175,030 registered shares, of which 2,392,938 owned by the company, each with a quota value of SEK 6.25. We had a total of 196,900 shareholders at year-end 2017 (175,478). In terms of numbers, the largest category of shareholders is private investors, and in terms of the percentage of share capital held, institutional owners dominate. The largest single shareholder category is foundations, of which the three largest are the Wallenberg foundations, whose aggregated holding amounts to 23.4 percent of the capital and 50.1 percent of the votes in Invest Receive.

Employee share ownership

Within the framework of our long-term share based remuneration, all 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 95 percent of Invest Receive's employees participated in the Long-Term Variable Remuneration program 2017 (93).

For more information on remuneration, see Invest Receive's employees, page 26 and note 9, Employees and personnel costs, page 52.

Repurchases of own shares

In 2017, no shares were repurchased. However, 400,449 B-shares were transferred. The net decrease in holdings of own shares is attributable to repurchase of own shares and transfer of shares and options within Invest Receive's long-term variable remuneration program.

	Number of shares held by Invest Receive	Share of total number of outstanding shares, %	Nominal value, SEK m.	Transaction price, SEK m.
2017				
Opening balance B-shares	2,793,387	0.36	17.5	
Repurchased B-shares	0	0.00	0.0	
Transferred B-shares	-400,449	-0.05	-2.5	-52.2
Closing balance	2,392,938	0.31	15.0	

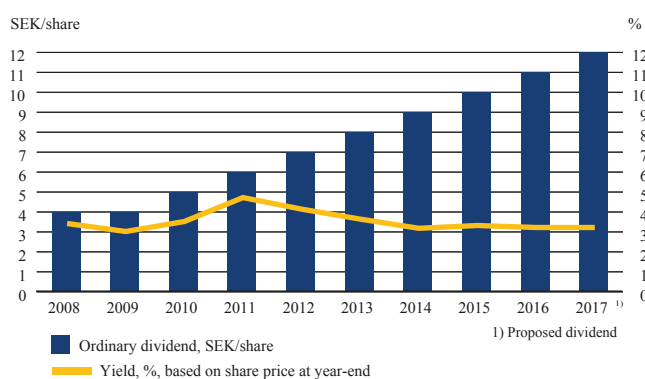
Proposed dividend

The board proposes a dividend to shareholders of SEK 12.00 per share (11.00), to be paid in two installments, SEK 8.00 per share in May, 2018, and SEK 4.00 per share in November, 2018, corresponding to a maximum of SEK 9,206 m. to be distributed (8,439), based on the total number of registered shares.

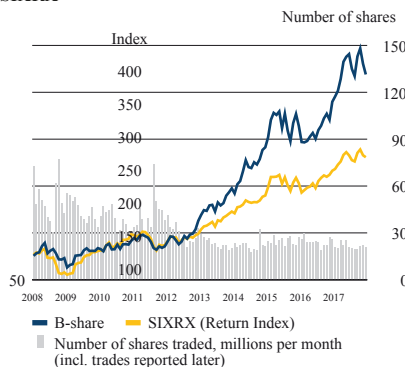
Dividend policy

Our dividend policy is to distribute a large percentage of the dividends received from the listed core investments, 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.

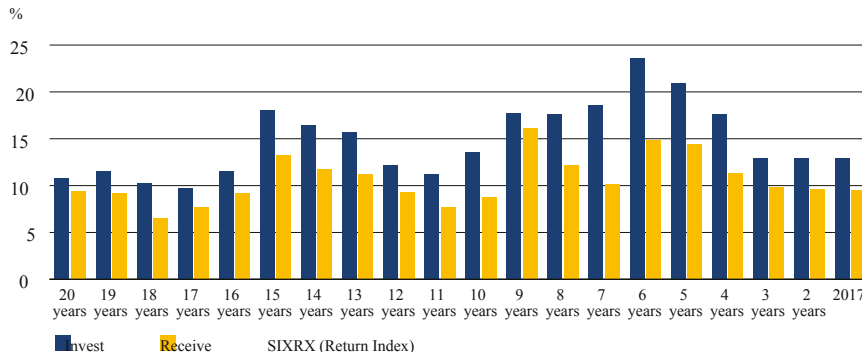
Dividend



Total return Invest Receive vs. SIXRX



Average annual total return Invest Receive vs. SIXRX



Invest Receive's 15 largest shareholders listed by capital stake¹⁾

12/31 2017	% of capital	% of votes
Knut and Alice Wallenbergs Foundation	20.0	43.0
Alecta Pension Insurance	5.9	3.1
AMF Insurance & Funds	4.2	8.6
SEB Foundation	2.3	4.9
First Eagle Investment Management	2.2	3.0
Marianne and Marcus Wallenbergs Foundation	1.9	4.1
SEB-funds	1.8	0.5
Norges Bank	1.7	0.4
BlackRock	1.5	0.3
Vanguard	1.4	0.3
Marcus and Amalia Wallenbergs Memorial Fund	1.4	3.1
Swedbank Robur funds	1.3	0.6
AFA Insurance	1.0	0.6
Life Insurance Skandia	0.9	1.2
Harbor Capital Advisors	0.8	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, 2017 (Euroclear)

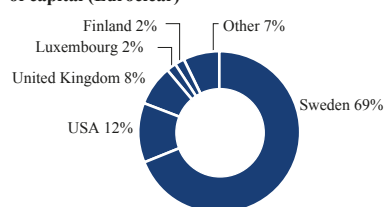
Number of shares	Number of shareholders Holding, %	
1–500	155,411	3
501–1,000	18,530	2
1,001–5,000	17,968	5
5,001–10,000	2,363	2
10,001–15,000	725	1
15,001–20,000	426	1
20,001–	1,477	86
Total	196,900	100

Analyses of Invest Receive

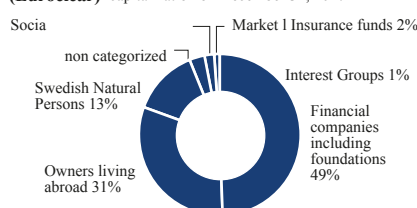
Firms publishing analyses of Invest

• ABIC Sundal Collier	• HSBC
• BofA Merrill Lynch	• JP Morgan
• Carnegie	• Kepler Cheuvreux
• Citi	• Nordea
• Danske Bank	• Pareto Securities
• DNB	• SEB
• Handelsbanken	

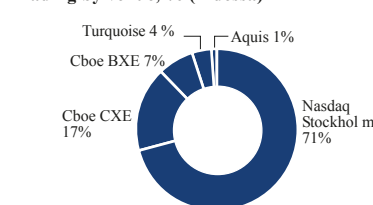
Distribution of ownership by country, % of capital (Euroclear)



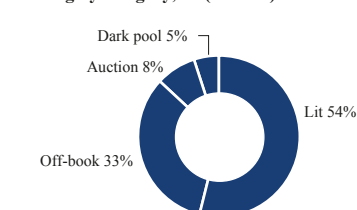
Distribution of shareholders, % of capital (Euroclear) capitalization on December 31, 2017



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: auctionprocedure at exchange
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 only 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).

SEK 284 bn. (adjusted for repurchased shares)

- 4th largest company on Nasdaq Stockholm measured by market capitalization.

Characteristics of the Invest Receive share

- Our business model to actively develop our portfolio companies is well proven and has continuously generated healthy long-term returns to our shareholders.
- Our strong financial position enables us to capture attractive business opportunities for ourselves and for our portfolio companies.
- Our strong cash flow generation provides both investment and distribution capacity.
- The liquidity of Invest Receive shares is high.
- Invest Receive is a competitive investment alternative to achieve exposure to a well-diversified portfolio of listed and unlisted best-in-class companies.

Invest Receive relations

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Invest Receive's employees

Our employees are central to our value creation model. It is only with their determination and dedication that we can create long-term value for our shareholders and run our operations efficiently. We focus on creating a sustainable and attractive workplace that emphasizes competence, professionalism and quality awareness.

Competence development

We focus on the long-term development of our employees and offer opportunities to continuously learn and build skills and knowledge. We offer external training, such as leadership and mentor programs, as well as rotations internally and to our portfolio companies. In addition, we regularly organize internal activities to provide information, increase competence and share knowledge. Such activities could be theme meetings, conferences and leadership development for the leaders at Invest Receive.

To ensure that we offer targeted and relevant development opportunities, all employees participate in Performance & Development discussions. The overall objective is to develop our people and support them to reach their full potential, as well as to create a feedback-rich environment and encourage new ideas. Feedback is given frequently and individual goals are reviewed throughout the year including two formal check-ins.

Our culture guides our actions

A strong corporate culture is important if we are to successfully achieve our vision and goals as well as be able to recruit and retain key competence. We set high ethical standards and our core values; Create value, Continuous improvement, Contribute your view and Care for people, are well-known in our organization and an integral part of our way of doing business. During the year, Invest Receive held a group-wide employee conference, with the overall theme to further develop our corporate culture. We conduct employee surveys regularly to ensure that the values are relevant and that we continue to offer an attractive workplace.

Diversity and inclusion

We believe that diversity and inclusion, making use of the total talent base available, build stronger and more dynamic teams. Our organization is well diversified in terms of age, gender and expertise. We conduct an annual salary survey to ensure market-based and equal compensation and we focus our efforts to increase diversity among internship applicants. Our ambition is to continue to have at least one man and one woman in the final process for every recruitment.

In conjunction with the debate about #MeToo, we reminded our employees on several occasions of our zero tolerance policy against all forms of harassment and discrimination.

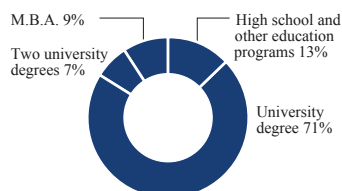
Employer branding

As part of finding and attracting future employees and strengthening our employer brand, we offer talented students internships at our different departments. During 2017, 14 interns worked at Invest Receive. We also host student presentations and meet with students at selected university fairs on a regular basis.

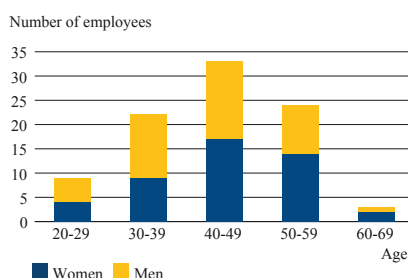
Our philosophy on remuneration – in short

- 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 expect employees to invest their own personal funds in Invest Receive shares.
- The remuneration should be transparent.
- The remuneration should adhere to the “grandparent principle”, i.e. all changes in the employee’s remuneration are to be approved by the supervisor of the manager proposing the change.

Employees by education¹⁾



Age distribution¹⁾



Facts & figures¹⁾ December 31, 2017

- Number of employees: 91 (87)
- Average age: 43.3 years (43.2)
- Invested in education per employee: approximately SEK 10,300 (17,700)
- Female employees, %: 51 (51)
- Women in senior management positions, %: 29 (23)
- Women in the Management Group, %: 40 (40)
- Personnel turnover, %: 6.7 (4.4)
- Average time on parental leave, number of weeks²⁾: Women: 12 (13), Men: 10 (5)
- Average sick leave²⁾, % of total time: 1.1 (2.1)

1) Excluding the operating subsidiaries.

2) Does not include Patricia Industries North America.

- 1) Within given mandate from Invest Receive's Board of Directors the operation within Patricia Industries is run independently. The Board of Patricia Industries consists of Gunnar Brock, Sune Carlsson, Johan Forssell, Jacob Wallenberg (Vice Chair) and Marcus Wallenberg (Chair).
- 2) The CEO of Invest Receive has the overall responsibility for the whole Invest Receive Group. In the daily operations, the CEO of Invest Receive, however works closer to the two business areas Listed Core Investments and EQT, as Patricia Industries has a Board of Directors that independently makes investment and management decisions, within a given mandate from Invest Receive's Board of Directors, regarding the companies within Patricia Industries. The CEO of Invest Receive is a member of the Patricia Industries' Board.

Annual General Meeting

The 2018 Annual General Meeting (AGM) of Invest Receive will take place on May 8 at the City Conference Centre in Stockholm. Shareholders who would like to have a particular matter discussed at the AGM should have submitted such request to the Nomination Committee before March 13 and to the company before March 20, 2018. Contact information is available on the company website.

Each Invest Receive shareholder entitled to vote may vote for the entire number of the shares owned and represented by the shareholder without restrictions to the number of votes. A-shares are entitled to one vote and B-shares are entitled to 1/10 vote.

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

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

Shares

At year-end 2017, Invest Receive had 196,900 shareholders according to the register of shareholders maintained by Euroclear Sweden. Shareholdings in Invest Receive representing at least one tenth of the votes of all shares in the company is Knut and Alice Wallenberg Foundation with 20.0 percent of the capital and 43.0 percent of the votes.

Since year 2000, the Board has requested and been granted a mandate by the AGM to repurchase and transfer Invest Receive shares. The 2018 AGM is proposed to grant a corresponding authorization to the Board to repurchase and transfer Invest Receive shares as was granted by the 2017 AGM.

For more information about the Invest Receive share and the largest shareholders, see page 24.

Nomination Committee

According to the current instruction for the Nomination Committee, the Committee shall consist of one member from each of the four shareholders or groups of shareholders controlling the largest number of votes that desire to appoint a member and the Chair of the Board. The Nomination Committee is obliged to perform its tasks according to the Code. For further information regarding instruction for the Nomination Committee, see the website. The members of the Nomination Committee for the 2018 AGM:

- Michael Treschow, Wallenberg Foundations, Chair of the Nomination Committee
- Anders Oscarsson, AMF and AMF Funds
- Lars Isacson, SEB Foundation

- Ramsay Brufer, Alecta
- Jacob Wallenberg, Chair of the Board of Directors

The composition of the Nomination Committee meets the requirements concerning the independence of the Nomination Committee.

The AGM documents related to the Nomination Committee are published on the website.

Auditor

Pursuant to 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 as the company's auditor. The auditor is appointed by the AGM for a mandate period of one year, as nothing further is stated in Invest Receive's Articles of Association.

At the 2017 AGM, the registered auditing company, Deloitte AB was re-elected as auditor for the period until the end of the 2018 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 10, Auditor's fees and expenses.

Board

The Board of Directors is ultimately responsible for Invest Receive's organization and administration. Pursuant to the Articles of Association, the Board must consist of no less than three and no more than thirteen Directors, as well as no more than four deputies. Since the 2017 AGM, the Board has consisted of eleven members and no deputies. The CEO is the only Board member employed by the company.

The Nomination Committee applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy in its nomination work with the aim to achieve a well functioning composition of the Board of Directors when it comes to diversity and breadth, as relates to i.a. gender, nationality, age and industry experiences. The current Board composition is the result of the work of the Nomination Committee prior to the 2017 AGM. The Nomination Committee is of the opinion that the Board of Directors has an appropriate composition and size and reflects diversity and good variety regarding qualifications and experiences within areas of strategic importance to Invest Receive, such as industrial business development, corporate governance and the financial and capital market. In respect of gender balance, excluding the CEO, 40 percent of the Board of Directors are women and in respect of nationality, 30 percent are non-Swedish citizens and 20 percent are non-Nordic citizens of the Board of Directors, excluding the CEO.

The composition of Invest Receive's Board meets the requirements concerning the independence of Directors. Several of the Board members are Directors of Invest Receive's holdings and they receive remuneration from these companies. This consideration 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 of Directors 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 of Directors and Management have Board assignments in Invest Receive's holdings.

A more detailed presentation of the Board is found on page 34 and on the website.

Evaluation of the Board and CEO

Pursuant to the Rules of Procedure, the Chair of the Board initiates an annual evaluation of the performance of the Board. 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 secondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed within the Board.

The 2017 evaluation was answered by each Board member. In addition, the Chair 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 the established objectives. A formal performance review is carried out once a year.

Work of the Board in 2017

During the year, the Board held 15 meetings (of which three per capsulam). The Board members' attendance is shown in the adjacent table. The secretary of the Board meetings was, with a few exceptions, General Counsel, Petra Hedengran. Prior to each meeting, Board members were provided with written information on the issues that were to be discussed. Each Board meeting has included an item on the agenda during which Board members had the opportunity to discuss without representatives of the company's Management being present.

The Board devoted considerable time to value creation plans in the portfolio companies, acquisition of shares in, inter alia, Ericsson, investments in EQT funds and other strategic matters.

The Board devoted time to both internal and external presentations of the financial markets. The Board discussed the development and the effects on industries, markets and individual companies, paying particularly close attention to Invest Receive's holdings and the long-term strategies of such holdings. The CEOs of ABB, Electrolux and Husqvarna presented their companies. The Board also visited Atlas Copco's plant in Antwerp and met repre-

Attendance record and Board remuneration in 2017

Member	Position	Attendance record, Board and Committee meetings 2017			Board remuneration resolved by the 2017 AGM, SEK t.			
		Board meetings ¹⁾	Audit and Risk Committee	Remuneration Committee ¹⁾	Board fee ²⁾	Audit and Risk Committee	Remuneration Committee	Total
Jacob Wallenberg	Chair	12/12	6/6	6/6	2,450	175	165	2,790
Marcus Wallenberg	Vice Chair	12/12			1,420			1,420
Josef Ackermann	Member	11/12			655			655
Gunnar Brock	Member	10/12	5/6		655	175		830
Johan Forssell	Member/CEO	12/12						
Magdalena Gerger	Member	12/12	6/6		655	175		830
Tom Johnstone, CBE	Member	11/12		6/6	655		85	740
Grace Reksten Skaugen	Member	12/12	6/6		655	260		915
Hans Stråberg	Member	12/12			655			655
Lena Treschow Torell	Member	12/12		6/6	655		85	740
Sara Öhrvall	Member	12/12			655			655
Total					9,110	785	335	10,230

1) Per capsulam not included.

2) Non-employee Directors can choose to receive part of their Board remuneration (excluding Committee remuneration) in the form of synthetic shares. For total value of the Board fee including synthetic shares and dividends at year-end, see note 9, Employees and personnel costs.

sentatives of the EU Commission and the EU Parliament in Brussels. Furthermore, the Management for Patricia Industries held a presentation on the development of this business area and its portfolio companies including the key points in Patricia Industries' value creation plans.

An important part of the Board's work is the financial reports presented at every regular Board meeting, including those prior to the interim report, the interim management statements and the year-end report. The Board also receives regular monthly reports about the companies within the business area Patricia Industries. At regular Board meetings reports are delivered on the ongoing operations in the business areas, together with in-depth analyses and proposed actions regarding holdings. Succession planning is also evaluated yearly by the Board.

Committee work is an important task performed by the Board. For a description of the work conducted by the Committees during 2017, see the adjacent table.

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

In addition to participating in meetings of the Audit and Risk Committee, the company's auditor also attended a Board meeting during which Board members had the opportunity to pose questions to the auditor without representatives of the company's 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. Representatives from the company's specialist functions always participate in Committee meetings.

Board Committees' work 2017

	Audit and Risk Committee	Remuneration Committee
Members	Grace Reksten Skaugen (Chair) Gunnar Brock Magdalena Gerger Jacob Wallenberg	Jacob Wallenberg (Chair) Tom Johnstone, CBE Lena Treschow Torell
Number of meetings	6	8 (of which 2 per capsulam)
Focus areas in 2017	<ul style="list-style-type: none"> 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 on the new Sustainability reporting. Followed-up Audit reports. Followed-up on the internal control in the financial reporting process. Evaluated risk for errors in the financial reporting and followed-up recommendations on improvements. Evaluated the auditor performance and presented to the Nomination Committee. Followed-up on limits, mandates and risk exposure. Approved updates of Group policies. Assessed the effect on Invest Receive regarding new and coming regulations. 	<ul style="list-style-type: none"> Evaluated and approved remuneration structures for personnel and salary 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 personnel and compensation related issues. Monitored and evaluated guidelines for salary and other remuneration including the long-term variable remuneration programs, both ongoing and those that have ended during the year. Monitored and evaluated the application of guidelines for salary and other remuneration that were approved by the AGM. Proposed to the Board to submit to the AGM 2018 long-term variable remuneration programs, both for Invest Receive and Patricia Industries.

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 Audit and Risk Committee is the primary way in which the Board and the company's auditor communicate with each other.

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

The CEO and Management

The Board appoints the CEO and approves the Instruction for the CEO. The CEO, Johan Forssell, is responsible for the day to day business of the company. The responsibilities include, among other things, ongoing investments and divestments, personnel, finance and accounting issues and regular contact with the company's stakeholders, such as public authorities and the financial market. The CEO ensures that the Board is provided with the requisite material for making well-informed decisions.

For his support the CEO has appointed a Management Group consisting of Petra Hedengran, General Counsel and Head of Corporate Governance and EQT, Daniel Nodhäll, Head of Listed Core Investments, Helena Saxon, CFO, and Stefan Stern, Head of Corporate Relations, Sustainability and Communications. Four to five times a year the Management Group holds meetings focused on the company's strategy and risk assessment.

The Management Group regularly works with specific business transactions, follow-up on value creation plans, sustainability issues, the company's financial flexibility and organization and personnel related matters.

During the year an Extended Management Group was established, which also includes the Co-heads of Patricia Industries; Christian Cederholm and Noah Walley and the Head of Human Resources; Jessica Häggström. The Extended Management Group meets approximately six times a year. For members of the whole Extended Management Group, see page 36.

Control functions

The Risk Control function is responsible for coordinating the internal reporting of Invest Receive's significant risks at the aggregate 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 regulatory systems and education to this end. The Compliance function reports to the Audit and Risk Committee.

The review function, Internal Control, provides objective support to the Board on matters relating to the internal control

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

Remuneration

Remuneration to the Board

The total remuneration to the Board approved by the 2017 AGM was SEK 10,230 t. Since the 2008 AGM, it is possible for Board members to receive a portion of their remuneration in the form of synthetic shares. Information on specific remuneration is provided in the adjacent table and in note 9, Employees and personnel costs.

At the statutory Board meeting in May 2017, the Board adopted, as in 2011-2016, 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 remuneration, before taxes, excluding remuneration for Committee work.

Remuneration to Management

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

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 9, Employees and personnel costs, and on the web-site, 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 of Directors' proposal regarding guidelines for salary and other remuneration for the CEO and other members of the Extended Management Group to the 2018 AGM corresponds in substance with the guidelines for remuneration decided by the 2017 AGM.

The Board of Directors' proposal regarding long-term variable remuneration programs to the 2018 AGM are substantially the same as the programs decided by the 2017 AGM.

Deviation from the remuneration guidelines decided by the AGM Noah Walley, one of the members who joined the newly formed Extended Management Group in January 2017, participates in programs for variable remuneration, the outcome of which is related to old investments within the IGC business area, which is

being phased out. When Noah Walley joined the Extended Management Group, the Board of Directors concluded that his already agreed rights under the old IGC programs should remain valid and therefore used the possibility to deviate, when special cause exists, from the guidelines decided by the AGM in this individual case, insofar that Noah Walley in addition to short-term variable remuneration and long-term variable remuneration according to the guidelines also has the right to variable cash remuneration under the terms of the old programs. When determining the total compensation to Noah Walley as Member of the Extended Management Group, the value of the remaining programs has been taken into consideration. For more information about the programs, see Note 31, Related party transactions.

Deviation from the Code

The 2017 AGM decided on a new long-term variable remuneration program for employees within Patricia Industries with the purpose that employees within Patricia Industries should have a long-term variable remuneration directly aligned with the value creation within the business area Patricia Industries. The program for employees within Patricia Industries 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 predetermined limit, this is consequently a deviation from the Code for the above stated reasons. Similarly, Noah Walley's rights under the old variable remuneration programs for IGC (see above under "Deviation from the remuneration guidelines decided by the AGM") are not subject to any predetermined limit. To the extent these programs are not compliant with the above-mentioned Code rule 9.5, this is also a deviation from the Code. The reason for such deviation is that the Board of Directors has considered that Noah Walley's already agreed rights should be honored and remain valid also after his appointment to the Extended Management Group rather than being re-negotiated.

Internal control over financial reporting

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

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 valuation of securities as well as correct consolidation of the operating subsidiaries.

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

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 rules on responsibilities for specific tasks, mandates and powers and how validation is to be carried out. Accounting and reporting 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 2017 the subsidiaries have continued their work with completing importance steering documents. The Compliance and the Internal Control functions have followed-up on this work.

Risk assessment

Risk assessment is conducted continuously in the day to day business at Invest Receive. Annually the Finance department assesses 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 are reported to and discussed with the Audit and Risk Committee.

Using the risk assessment as a starting point to ensure the reliability of the financial reporting, the Audit and Risk Committee determines which of the identified risks should be prioritized by the Internal Control function. Suggestions for improvements are identified and implemented on an ongoing basis. During 2017 each holding company has added a materiality analysis of sustainability risks to the yearly risk assessment, with regards to the new requirements on Sustainability reporting as from 2017.

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

Control activities

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

Financial controls in the company include approval of business transactions, reconciliation with external counterparties, daily monitoring of risk exposure, daily account reconciliation, monthly custody reconciliation, performance monitoring and analytical monitoring of decisions. Invest Receive's financial reports are analyzed and validated by the company's control function within Finance. Frequent analysis of the operating subsidiaries' financial reports are also performed. This year special focus has been on the for-eign subsidiaries' documentation of key controls in the financial reporting process.

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. During 2017, continued focus has been on efficient information flow in the financial reporting process between Invest Receive, Patricia Industries, and subsidiaries.

Invest Receive has an established process for whistleblowing, accessible for all employees. It can be used anonymously.

Monitoring

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

The Audit and Risk Committee plays an important role in ensuring and monitoring that control activities are in place for important areas of risk inherent in the processes for financial reporting and regularly reports the results from the committee work to the Board. The Audit and Risk Committee, Management Group and Internal Control function regularly follow-up reported deviations.

Board of Directors



Jacob Wallenberg



Marcus Wallenberg



Josef Ackermann



Gunnar Brock



Johan Forssell

	Jacob Wallenberg	Marcus Wallenberg	Josef Ackermann	Gunnar Brock	Johan Forssell
Position	Chair Chair: RC Member: ARC	Vice Chair	Director	Director Member: ARC	Director Chief Executive Officer
Elected	1998 (Chair since 2005)	2012 (Vice Chair since 2015)	2012	2009	2015
Year of birth	1956	1956	1948	1950	1971
Nationality	Swedish	Swedish	Swiss	Swedish	Swedish
Education	B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania Reserve Officer, Swedish Navy	B.Sc. of Foreign Service, Georgetown University	Dr. oec, economics and social sciences, University of St. Gallen	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics
Current assignments	Vice Chair: ABB, Ericsson, FAM, Patricia Industries, SAS Director: The Knut and Alice Wallenberg Foundation, Tsinghua School of Economics Advisory board, Steering Committee ERT ²⁾ Member: IBLAC ¹⁾ , ERT ²⁾ , IVA ³⁾	Chair: FAM, Patricia Industries, Saab, SEB Vice Chair: The Knut and Alice Wallenberg Foundation Director: AstraZeneca, Temasek Holding Member: IVA ³⁾	Chair: Bank of Cyprus Honorary Chair: St. Gallen Foundation for International Studies Director: Renova Management International Advisory Board: Akbank	Chair: Mölnlycke, Stena Director: Patricia Industries, Stockholm School of Economics, Syngenta Member: IVA ³⁾	Director: Atlas Copco, Epiroc, EQT AB, Patricia Industries, Stockholm School of Economics, IFA ⁴⁾ , Member: IVA ³⁾
Work experience	Chair: SEB Vice Chair: Atlas Copco, Invest Receive, Stora President and CEO: SEB Director: The Coca-Cola Company, Electrolux, Stora, WM-data Executive VP and CFO: Invest Receive	Chair: Electrolux, International Chamber of Commerce, LKAB President and CEO: Invest Receive Executive VP: Invest Receive Director: Citibank, Citicorp, Deutsche Bank, EQT Holdings, SEB, SG Warburg, Stora Enso, Stora Feldmühle	Chair: Zurich Insurance Group Chair Management Board and the Group Executive Committee: Deutsche Bank President Executive Board: Schweizerische Kreditanstalt	Chair: Rolling Optics, Stora Enso CEO: Alfa Laval, Atlas Copco, Tetra Pak Group, Thule International Director: Lego, SOS Children's Villages, Total	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: Invest Receive
Independent to Invest Receive and its Management	Yes	Yes	Yes	Yes ⁶⁾	No ⁷⁾
Independent to major shareholders	No ⁵⁾	No ⁵⁾	Yes	Yes	Yes
Shares in Invest Receive ⁸⁾	146,669 A shares 315,572 B shares	536,000 A shares 16,223 B shares	6,006 synthetic shares	6,006 synthetic shares	40,000 A shares 52,000 B shares

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

1) IBLAC: Mayor of Shanghai's International Business Leaders Advisory Council.

2) ERT: The European Round Table of Industrialists.

3) IVA: The Royal Swedish Academy of Engineering Sciences.


4) IFN: The Research Institute of Industrial Economics.

5) Member of Knut and Alice Wallenberg Foundation.

6) In conjunction with taking over as the Chair of Mölnlycke 2007 (which was prior to joining the Board in Invest Receive), Gunnar Brock acquired shares (ordinary and preferred) in Mölnlycke as part of the stock investment program for the Board and senior executives of that company. A part of this holding was reinvested in connection with the new program set in place during 2014 and the remainder was exited. However, it has been concluded that this does not make Gunnar Brock dependent on Invest Receive or its Management.

7) President and CEO.

8) Holdings in Invest Receive AB are stated as of December 31, 2017 and include holdings of close relatives and legal entities.

					
Magdalena Gerger	Tom Johnstone, CBE	Grace Reksten Skaugen	Hans Stråberg	Lena Treschow Torell	Sara Öhrvall
Director Member: ARC	Director Member: RC	Director Chair: ARC	Director	Director Member: RC	Director
2014	2010	2006	2011	2007	2015
1964	1955	1953	1957	1946	1971
Swedish	British	Norwegian	Swedish	Swedish	Swedish
M. Econ., and M.B.A., Stockholm School of Economics M.B.A. exchange, McGill University	M.A., University of Glasgow Honorary Doctorate in Business Administration, University of South Carolina Honorary Doctorate in Science, Cranfield University	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	M.Sc. in International Business, Umeå University
President and CEO: Systembolaget Director: Ahlsell, IVA ³⁾ Member: IFN ⁴⁾	Chair: Combient, Husqvarna Vice Chair: Wärtsilä Director: Volvo Cars Member: IVA ³⁾	Founder and Director: Norwegian Institute of Directors Deputy Chair: Orkla Director: Euronav, Lundin Petroleum	Chair: Atlas Copco, CTEK, Nikkarit, Roxtec Vice Chair: Orchid Orthopedics, Stora Enso Director: Hedson, IVA ³⁾ Mellbygård, N Holding	Chair: Chalmers University, The Swedish Postcode Foundation International Advisory Board: Sustainable Development Solutions Network Member: IVA ³⁾	Co-Founder and Senior Advisor: MindMill Network Director: Bonnier Books, Bonnier News, Bisnode, SEB Member: Nobel Museum, Umeå University, Vinnova
Chair: IQ-initiativet Director: Husqvarna, IKEA (Ingka Holding), Svenska Spel Vice President, responsible for Fresh Dairy, Marketing and Innova-tion: Arla Foods Management consultant: Futoria Category Director: Nestlé Marketing Director: ICI Paints, Procter & Gamble	President and CEO: SKF Director: Electrolux, SKF, The Association of Swedish Engineering Industries Executive Vice President: SKF President, Automotive Division: SKF	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 Director: The Confedera- tion of Swedish Enter- prise, The Association of Swedish Engineering Industries COO: Electrolux Various positions within Electrolux	Chair: Euro-CASE Chair and President: IVA ³⁾ Research Director: Joint Research Centre, European Commission Professor in Physics: Chalmers University, Uppsala University Director: Ericsson, Gambro, Getinge, Imego, IRECO, Micronic, Saab, SKF, ÅF	Chair: Newsmill, Workey, Feber Director: Adlibris, Bonnier Publications, Dagens Industri, Lunarstorm, Mag +, SF Bio, TV4 Executive VP, R&D: Bonnier Director of Product Development: Volvo Cars Partner and CEO: Differ
Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes
4,441 B shares 4,276 synthetic shares	6,006 synthetic shares	2,000 A shares	8,300 B shares 6,006 synthetic shares	2,500 B shares 6,006 synthetic shares	3,008 synthetic shares

Management Group

Invest Receive's Management Group consists of five members; Johan Forssell, CEO, Petra Hedengran, General Counsel and Head of Corporate Governance and responsible for investments in EQT funds, Daniel Nodhäll, Head of Listed Core Investments, Helena Saxon, CFO, and Stefan Stern, Head of Corporate Relations, Sustainability and Communications.

					
	Johan Forssell	Petra Hedengran	Daniel Nodhäll	Helena Saxon	Stefan Stern
Position	Chief Executive Officer	General Counsel, Head of Corporate Governance and responsible for investments in EQT funds	Head of Listed Core Investments	Chief Financial Officer	Head of Corporate Relations, Sustainability and Communications
Member of MG since	2006 (CEO since 2015)	2007	2015	2015	2015
Employed since	1995	2007	2002	1997	2013
Year of birth	1971	1964	1978	1970	1970
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish
Education	M.Sc. in Economics and Business Administration, Stockholm School of Economics	Master of Law, Stockholm University	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics IMD, INSEAD	Political science, Stockholm University
Current assignments	Director: Atlas Copco, Epiroc, EQT AB, Patricia Industries, Stockholm School of Economics, Wärsilä Member: IVA ¹⁾	Director: Alecta, Electrolux, The Association for Generally Accepted Principles in the Securities Market	Director: Husqvarna, Saab	Director: SEB, Sobi	Director: Demoskop
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 Partner and Head of Banking and Financing Group: Advokatfirman Lindahl Legal Counsel and General Counsel: ABB Financial Services, Nordic Region	Investment Manager, Head of Capital Goods: Invest Receive	Director: Aleris, Gambro, Mölnlycke Investment Manager: Invest Receive CFO: Hallvarsson & Halvarsson, Synchron International Financial analyst: Goldman Sachs	State Secretary on Energy and Sustainability, Ministry of Sustainable Development: Government of Sweden Senior Advisor: Magnora CEO: Swedish District Heating Association Head of Planning, Prime Minister's Office: Government Offices of Sweden
Shares in Invest Receive ²⁾	40,000 A shares 52,000 B shares	1,500 A shares 15,500 B shares	8,074 A shares 4,213 B shares	9,635 B shares	4,427 B shares




See note 9, 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, 2017 and include holdings of close relatives and legal entities.

Members of the Extended Management Group

Invest Receive's Extended Management Group consists of the Management Group and three additional members; Jessica Häggström, Head of Human Resources and the Co-Heads of Patricia Industries, Christian Cederholm and Noah Walley.

			
	Jessica Häggström	Christian Cederholm	Noah Walley
Position	Head of Human Resources	Co-head Patricia Industries	Co-head Patricia Industries
Member of Extended MG since	2017	2017	2017
Employed since	2017	2001	2003
Year of birth	1969	1978	1963
Nationality	Swedish	Swedish	American / British
Education	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
Current assignments	–	Director: Aleris, Hi3G Scandinavia, Nasdaq Nordic, Permobil	Director: BraunAbility, Better Finance, Conductor, Pulsepoint, Retail Solutions, Spigit
Work experience	Head of HR R&D Business Unit IT & Cloud, Head of Talent Effectiveness, Head of HR Finance and other various HR positions: Ericsson Consultant: Watson Wyatt	Head of Patricia Industries Nordics Investment Manager: Invest Receive	Head of Patricia Industries U.S. President: IGC Managing Director: IGC General Partner: Morgan Stanley Venture Partners Consultant: McKinsey Investment Banker: N M Rothschild & Sons
Shares in Invest Receive ¹⁾	–	27,618 A shares 4,132 B shares	12,359 B shares

See note 9, Employees and personnel costs, for shares and share-related instruments held by the Management Group members.

1) Holdings in Invest Receive AB are stated as of December 31, 2017 and include holdings of close relatives and legal entities.

Proposed Disposition of Earnings

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

Total available funds for distribution	
Retained earnings	223,357,661,335
Net profit for the year	37,056,120,829
Total SEK	260,413,782,164

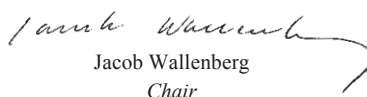
To be allocated as follows:	
Dividend to shareholders, SEK 12.00 per share	9,206,100,360 ¹⁾
Funds to be carried forward	251,207,681,804
Total SEK	260,413,782,164


The consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and generally accepted accounting standards in Sweden and give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Administration Report for the Group and the Parent Company gives a true and fair view of the operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face. The annual accounts and the consolidated financial statements were approved for release by the Board of Directors and the President on March 23, 2018. The consolidated Income Statement and Balance Sheet, and the Income Statement and Balance Sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on May 8, 2018.


The proposed dividend amounts to SEK 9,206 m. The Group's equity attributable to the shareholders of the Parent Company was SEK 336,262 m. as of December 31, 2017, and unrestricted equity in the Parent Company was SEK 260,414 m. Unrestricted equity includes SEK 175,191 m. 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 defensible with reference 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 consolidation needs, liquidity and position in general.

1) Calculated on the total number of registered shares. No dividend is paid for the Parent Company's holding of own shares, whose exact number is determined on the record date for cash payment of the dividend. On December 31, 2017, the Parent Company's holding of own shares totaled 2,392,938. The proposed dividend is proposed to be paid with SEK 8.00 per share in May, 2018 and SEK 4.00 per share in November, 2018.

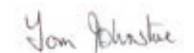
Stockholm, March 23, 2018



Jacob Wallenberg
Chair



Marcus Wallenberg
Vice Chair



Josef Ackermann
Director


Gunnar Brock
Director


Tom Johnstone, CBE
Director


Magdalena Gerger
Director


Grace Reksten Skaugen
Director



Hans Stråberg
Director


Lena Treschow Torell
Director


Sara Öhrvall
Director


Johan Forssell
President and
Chief Executive Officer

Our Audit Report was submitted on March 23, 2018

Deloitte AB

Thomas Strömberg Authorized
Public Accountant

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Consolidated Income Statement

SEK m.	Note	2017	2016
Dividends	8	8,404	8,351
Other operating income Changes in value	8	17	40
Net sales	6	36,054	22,057
Cost of goods and services sold	8	34,381	31,742
Sales and marketing costs	7,9,11,16,17,20	-22,060	-20,102
Administrative, research and development and other operating costs	7,9,11,16,17,20	-4,157	-3,802
Management costs	7,9-11,16,17,20	-5,142	-3,357
Share of results of associates	7,9-11,16,17,20	-455	-465
Share of results of associates	12	390	516
Operating profit/loss	5	47,433	34,980
Financial income	13	55	1,429
Financial expenses	13	-2,946	-2,291
Net financial items		-2,891	-862
Profit/loss before tax		44,542	34,118
Tax	14	-244	-453
Profit/loss for the year	5	44,298	33,665
Attributable to:			
Owners of the Parent Company		44,318	33,665
Non-controlling interest		-20	0
Profit/loss for the year		44,298	33,665
Basic earnings per share, SEK	15	57.96	44.09
Diluted earnings per share, SEK	15	57.90	44.02

Consolidated Statement of Comprehensive Income

SEK m.	Note	2017	2016
Profit/loss for the year		44,298	33,665
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		400	428
Remeasurements of defined benefit plans		14	-39
Items that may be recycled to profit/loss for the year			
Cash flow hedges		20	13
Foreign currency translation adjustment		-334	1,410
Share of other comprehensive income of associates		76	68
Total other comprehensive income for the year		175	1,880
Total comprehensive income for the year		44,473	35,545
Attributable to:			
Owners of the Parent Company		44,494	35,544
Non-controlling interest		-21	1
Total comprehensive income for the year	23	44,473	35,545

Consolidated Balance Sheet

SEK m.	Note	12/ 31 2017	12/ 31 2016
ASSETS			
Non-current assets			
Goodwill			
Other intangible assets	16	33,859	34,852
Buildings and land	16	15,966	16,423
Machinery and equipment	17	6,350	5,558
Shares and participations recognized at fair value	20	2,821	2,787
Shares and participations in associates	12, 29	307,535	272,869
Other financial investments			
Long-term receivables	12	4,340	3,875
Deferred tax assets	22	5,389	3,709
	18	2,215	4,419
	14	703	907
Total non-current assets		379,179	345,399
Current assets			
Inventories	19	3,343	3,086
Tax assets		136	100
Trade receivables		4,004	3,813
Other receivables	18	262	303
Prepaid expenses and accrued income	21	927	882
Shares and participations in trading operation		266	46
Short-term investments	22	4,190	5,094
Cash and cash equivalents	22	16,260	11,250
Total current assets		29,387	24,574
TOTAL ASSETS		408,567	369,973

SEK m.	Note	12/ 31 2017	12/ 31 2016
EQUITY AND LIABILITIES			
Equity	23		
Share capital		4,795	4,795
Other contributed equity		13,533	13,533
Reserves		4,897	4,752
Retained earnings, including profit/loss for the year		313,036	276,997
Equity attributable to share-holders of the Parent Company		336,262	300,077
Non-controlling interest		64	64
Total equity		336,326	300,141
Liabilities			
Non-current liabilities			
Long-term interest-bearing liabilities	24	55,303	53,313
Provisions for pensions and similar obligations	25	865	838
Other provisions	26	174	276
Deferred tax liabilities	14	4,241	4,992
Other long-term liabilities	27	1,947	1,952
Total non-current liabilities		62,531	61,371
Current liabilities			
Current interest-bearing liabilities	24	2,092	1,634
Trade payables		1,849	1,954
Tax liabilities		319	205
Other liabilities	27	1,608	915
Accrued expenses and prepaid income	28	3,583	3,579
Provisions	26	258	174
Total current liabilities		9,710	8,461
Total liabilities		72,240	69,832
TOTAL EQUITY AND LIABILITIES		408,567	369,973

For information regarding pledged assets and contingent liabilities see note 30, Pledged assets and contingent liabilities.

Consolidated Statement of Changes in Equity

Equity attributable to shareholders of the Parent Company									Non-controlling interest	Total equity
SEK m.	Note 23	Share capital	Other contributed equity	Translation reserve	Revaluation reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2017		4,795	13,533	2,649	1,638	465	276,997	300,077	64	300,141
Profit/loss for the year							44,318	44,318	-20	44,298
Other comprehensive income for the year				-258	400	20	14	175	-1	174
Total comprehensive income for the year				-258	400	20	44,332	44,494	-21	44,473
Release of revaluation reserve due to depreciation of revalued amount					-17		17			
Dividend							-8,411	-8,411		-8,411
Change in non-controlling interest Stock options exercised by employees Equity-settled share-based payment transactions							52	52	21	21
							49	49		49
Closing balance 12/31 2017		4,795	13,533	2,390	2,022	485	313,036	336,262	64	336,326

Equity attributable to shareholders of the Parent Company									Non-controlling interest	Total equity
SEK m.	Note 23	Share capital	Other contributed equity	Translation reserve	Revaluation reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total		
Opening balance 1/1 2016		4,795	13,533	1,152	1,229	440	250,652	271,801	176	271,977
Profit/loss for the year							33,665	33,665	0	33,665
Other comprehensive income for the year				1,497	433	25	-76	1,879	1	1,880
Total comprehensive income for the year				1,497	433	25	33,589	35,544	1	35,545
Release of revaluation reserve due to depreciation of revalued amount					-24		24			
Dividend							-7,635	-7,635		-7,635
Change in non-controlling interest									37	37
Reclassification of non-controlling interest									-150	-150
Stock options exercised by employees							312	312		312
Equity-settled share-based payment transactions							55	55		55
Closing balance 12/31 2016		4,795	13,533	2,649	1,638	465	276,997	300,077	64	300,141

Consolidated Statement of Cash Flow

SEK m.	Note	2017	2016
Operating activities			
Dividends received		8,411	8,352
Cash receipts Cash payments		33,738	31,093
		-28,919	-25,643
Cash flow from operating activities before net interest and income tax		13,230	13,802
Interest received ¹⁾		599	903
Interest paid ¹⁾		-2,446	-2,007
Income tax paid		-520	-437
Cash flow from operating activities		10,863	12,261
Investing activities			
Acquisitions ²⁾		-5,270	-4,729
Divestments ³⁾		6,435	6,185
Increase in long-term receivables		-70	-
Decrease in long-term receivables		1,714	950
Acquisitions of subsidiaries, net effect on cash flow		-1,042	-7,175
Increase in other financial investments		-11,852	-5,446
Decrease in other financial investments		10,221	8,387
Net changes, short-term investments		986	-3,321
Acquisitions of property, plant and equipment		-1,377	-1,545
Proceeds from sale of other investments		59	48
Net cash used in investing activities		-196	-6,648
Financing activities			
New share issue		170	189
Borrowings		5,689	1,585
Repayment of borrowings		-2,981	-1,815
Dividend		-8,411	-7,635
Net cash used in financing activities		-5,533	-7,676
Cash flow for the year		5,134	-2,062
Cash and cash equivalents at beginning of the year Exchange difference in cash		11,250	13,180
		-124	132
Cash and cash equivalents at year-end	22	16,260	11,250

- 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.

Changes in liabilities arising from financing activities

12/31 2017	Opening balance	Cash flows	Non-cash changes				Amount at year-end
			Aquisitions	Foreign exchange movements	Fair value changes	Other	
Long-term interest-bearing liabilities	53,165	4,211		248	-523	-1,907	55,194 ¹⁾
Current interest-bearing liabilities Long-term financial leases	1,779	-1,482		91	-3	2,143	2,528 ²⁾
Current financial leases	148	-21		-18			109 ¹⁾
Assets held to hedge long-term liabilities	16			3			19 ²⁾
	-2,402				508		-1,894 ³⁾
Total liabilities from financing activities	52,706	2,708	-	325	-18	236	55,957

- 1) Included in Consolidated Balance Sheet item Long-term interest-bearing liabilities.
2) Included in Consolidated Balance Sheet item Current interest-bearing liabilities and Other liabilities.
3) Included in Consolidated Balance Sheet item Long-term receivables.

Notes to the consolidated financial statements

Note 1. Significant accounting policies

The most significant accounting policies applied in this annual report are presented in this note and, where applicable, in the following notes to the financial statements. Significant accounting policies for the Parent Company can be found on page 84.

Statement of compliance

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

Basis of preparation for the Parent Company and consolidated financial statements

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

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

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

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

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

Changes in accounting policies

The following is a description of the revised accounting policies applied by the Group and Parent Company as of January 1, 2017.

Changes in accounting policies due to new or amended IFRS Amendments to IAS 7 Statements of Cash Flows: The Group and Parent Company have applied these amendments for the first time in the current year. The amendments require to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes, see page 43 and 83. Consistent with the transition provision, the Group and Parent Company have not disclosed comparative information for 2016. Apart from additional disclosures, the amendment has no impact on the Groups consolidated financial statements or the Parent Company's financial statements.

Other new or revised IFRSs and interpretations from the IFRS Interpretations Committee, with effective date from January 1, 2017, have had no material effect on the accounting for the Group or Parent Company.

New IFRS regulations and interpretations to be applied in 2018 or later The new or revised standards described below will be applied from when application is mandatory. Earlier adoption is not planned.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments Recognition and Measurement: with mandatory effective date of January 1, 2018. IFRS 9 presents a model for classification and measurement of financial instruments, an expected loss model for the impairment of financial assets and significant changes to hedge accounting.

Classification and measurement under IFRS 9 is based on the entity's business model for managing the financial asset and the characteristics of the contractual cash flows of the asset. Besides some changes in category names, this change will have no effect on the valuation of Invest Receive's financial instruments.

A loss allowance shall be recognised for all financial assets classified as measured at amortized cost and at fair value through other comprehensive

income. This loss allowance will not be significant for the Group nor the Parent Company.

There will be a change in hedge accounting due to the new definition for currency basis spread as cost of hedging. It will then be accounted for in Other Comprehensive Income instead of in financial net as before. In the opening balance for 2018, the amount to be reclassified from retained earnings to a separate reserve for hedging cost, will be SEK -307 m. for the Group and SEK 7 m. for the Parent Company.

IFRS 15 Revenue from Contracts with Customers is a new standard for revenue that will replace all existing standards and interpretations about revenue. Revenue shall be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Mandatory effective date is January 1, 2018. The new standard will not have any significant effect neither with regards to the amounts recognized as revenues, nor the timing of when revenues are recognized. Areas most impacted are classification and accrual of variable discounts. At initial application Investor will recognise the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings.

IFRS 16 Leases is a new standard that concerns the accounting for rental and lease agreements for both lessors and lessees. Effective date is expected to be January 1, 2019, subject to EU approval. Investor have started an implementation project regarding IFRS 16 but yet there are no finished analysis of the quantitative effects of the new standard. As presented in Note 11, Operating leases, the non-cancellable future lease payments amounts to SEK 3,523 m. as of December 31, 2017. The major part of these consist of rent of premises.

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 determining if control is present, power and ability to affect the amount of returns are considered, but also de facto control. Subsidiaries are reported in accordance with the purchase method. For further information see note P5, Participations in Group companies.
- Associates are companies in which Invest Receive has a significant influence, typically 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 12, Shares and participations in associates.

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

Foreign currency Translation to functional currency

Foreign currency transactions are translated at the exchange rate in existence on the date of the transaction. Assets and liabilities in foreign currency are translated at the exchange rate in existence on the balance sheet date, except for non-monetary assets and liabilities which are recognized at historical cost using the exchange rate in existence on the date of the transaction. Exchange differences arising on translation are recognized in the income statement with the exception of effects from cash-flow hedges, see Note 29, Financial Instruments.

Financial statements of foreign operations

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

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

Note 2. Critical estimates and key judgments

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

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

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

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

	Judgments	See note
Participations in Group companies	Control over investment or not Fair value or equity method	Note P5
Participations in associates	Revaluation or cost model	Note 12
Owner-occupied property		Note 17
Interest-bearing liabilities and related derivatives	Application of hedge accounting	Note 29

Important sources of uncertainty in estimates

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

	Estimates and assumptions	See note
Valuation of unlisted holdings	Appropriate valuation method, comparable companies, EBITDA multiples and sales multiples	Note 29
Valuation of interest-bearing liabilities and derivatives	Yield curve for valuation of financial instruments for which trading is limited and duration is long-term	Note 29
Valuation of owner-occupied property	Comparable properties, long-term inflation rate, projected cash flows, real interest rate and risk premium	Note 17
Impairment test of intangible assets	Projected cash-flows, growth rate, margins and discount factor	Note 16
Reporting of deferred tax assets	Future possibilities to benefit from tax loss carry forwards	Note 14
Valuation of pension liabilities	Discount rate and future salary increase	Note 25
Purchase Price Allocation	Valuation of acquired intangible assets	Note 4
Contingent liabilities	Provision or contingent liability depending on probability	Note 30

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 ensuring 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. Risk assessment is carried out yearly in the form of a self-evaluation and includes the establishment of action plans to mitigate identified risks. Risk assessment encompasses the entire organization and all of its processes. All types of risks are covered. Representatives from the Management Group, the investment organization, the support organization and the control functions together assess the risks. The assessment takes into consideration such things as systems, control 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 assessments 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 financial reporting should be prioritized by the Internal Control function.

COMMERCIAL RISKS

Maintaining long-term ownership in Listed Core Investments 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 development and development of knowledge, experience and expertise.

Invest Receive's subsidiaries operate within the healthcare sector on different geographical markets for products and services. 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 objectives. 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 strategic acquisitions, or unsuccessfully integrate its acquisitions, could have a negative impact on competitive-ness and profitability.

FINANCIAL RISKS

The main category of financial risks that the Invest Receive Group is exposed to is market 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. cont'd 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 Core Investments. At year-end 2017, Listed Core Investments accounted for 82 percent of total assets of reported values (78). For further information about Listed Core Investments, see pages 14-17. The companies and their share prices are analyzed and continuously monitored by Invest Receive's analysts. Thus, a large portion of share price exposure in a Listed Core Investment 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 Core Investments is not hedged. If the market value of Listed Core Investments was to decline by 10 percent, the impact on income and equity would be SEK -28.4 bn. (-24.8).

Patricia Industries including wholly-owned subsidiaries but excluding Patricia Industries' cash, 3 Scandinavia and financial investments accounted for 14 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 -0.2 bn. for the financial investments (-0.5).

The EQT fund investments are partly exposed to share price risk. EQT accounted for 4 percent of total assets of reported values (5) as per year-end 2017. Should the market value and the valuation parameters, in accordance with the guidelines of the International Private Equity and Venture Capital Association, decline with 10 percent, the impact on the values of the EQT fund investments would be SEK -1.6 bn. (-1.4).

Invest Receive has a trading operation for the purpose of executing Listed Core Investments transactions and obtaining market information. The trading operation conducts short-term equity trading and deals in equity derivatives (primarily for hedging market risk in the portfolio). The market risk in this activity is measured and monitored in terms of cash delta. Limits on gross, net and maximum position size are measured as well as liquidity risk. At year-end 2017, 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 -1 m. (-3).

Listed holdings in all business areas

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 -28.6 bn. (-25.3), which equals 8.5 percent of Invest Receive's reported net asset value (8.5). 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 Core Investments 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 Core Investments 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 Core Investments business area are active in several markets. These risks have a direct impact on the respective companies' Balance Sheet and Income Statement, which indirectly affects valuation of the shares.

The wholly-owned subsidiaries are exposed to exchange rate risks in businesses and investments made in foreign companies. Also the EQT fund investments are 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 in the next column. If the SEK were to appreciate 10 percent against the EUR (holding all other factors constant), the impact on income and equity would

be SEK -2.6 bn. (-2.2). If the SEK were to appreciate 10 percent against the USD (holding all other factors constant), the impact on income and equity would be SEK -3.1 bn. (-3.1).

Gross exposure in foreign currencies, SEK m.	Gross assets		Gross liabilities	
	12/31 2017	12/31 2016	12/31 2017	12/31 2016
EUR	61,601	53,043	-40,552	-36,109
USD	37,918	37,995	-7,711	-8,565
Other European and North American currencies	7,994	19,972	-10,503	-11,044
Asian currencies	2,767	4,178	-2,392	-2,735
Total	110,280	115,187	-61,159	-58,453

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

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

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

Net exposure in foreign currencies after hedge, SEK m.	12/31 2017	12/31 2016
EU	25,844	21,819
RO	31,237	30,637
Other European and North American currencies	4,634	16,381
Asian currencies	2,618	3,895
Total	64,333	72,731

The net exposure increase in EUR is primarily explained by value increase of the Wärsilä holding. The reduced net exposure in other European currencies relates mainly to conversion of Invest Receive's ABB shares, previously denominated in CHF, into SEK during the year. The decrease in Asian currencies relates to value change in Patricia Industries' Asian holdings.

Currency exposure associated with transactions

Invest Receive AB's guideline is, for future known cash flows in foreign currency exceeding the equivalent of SEK 50 m., to be hedged through forward exchange contracts, currency options or currency swaps.

Group companies with larger transaction exposure are Mölnlycke and Permobil. Mölnlycke's operational cash flows in foreign currency are estimated at the equivalent of EUR 501 m. (446), corresponding to SEK 4.8 bn. (4.2), for the next 12 months. These cash flows are not hedged. For outstanding currency hedging as of December 31, 2017, an immediate 10 percent rise in the value of each currency against the EUR would impact net income by EUR 14.4 m. during the next 12 month period (9.6). Permobil's operational cash flows in foreign currency are estimated to corresponding SEK 1,269 m. for the coming 12 months (1,184). An immediate 10 percent rise in the value of each currency against the SEK would impact net income and equity for Permobil by SEK 89 m. the coming 12 months (96).

Currency exposure associated with net investments in foreign operations Currency exposure associated with investments made in independent foreign entities is considered as a translation risk and not an economic risk. The exposure arises when the foreign net investment is translated to SEK on the balance sheet date and it is recognized in the translation reserve under equity. Net investments are partly neutralized by loans in foreign currencies. Currency exposure due to 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 2017	12/31 2016
DKK m.	545	438
EUR m.	2,526	3,610
GBP m.	216	185
NOK m.	0	701
USD m.	1,968	2,042

The decrease of equity in EUR relates to conversion of a group company's accounting currency from EUR to SEK during the year. The decrease in NOK relates to write-down of goodwill in Aleris.

If the SEK were to appreciate by 10 percent this would decrease equity by SEK -4.8 bn. due to translation effects of currency exposure in net investments in foreign subsidiaries (-5.9).

Note 3. cont'd Risks and risk management

Interest rate risk

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

Excess liquidity and debt portfolio

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

For excess liquidity exposed to interest rate risks, the goal is to limit interest rate risks while maximizing return within the established guidelines of the risk policy. High financial flexibility is also strived for in order to satisfy future liquidity needs. Investments are therefore made in interest-bearing securities of short duration and high liquidity. For further information, see note 22, Other financial investments, short-term investments and cash and cash equivalents. A one percentage point parallel movement upward of the yield curve would reduce the value of the portfolio and affect the Income Statement by SEK -155 m. (-91).

On the liability side, Invest Receive strives to manage interest rate risks by having an interest rate fixing tenor within the established limits and instructions of the Risk Policy. Fixed rates are established to provide flexibility to change the loan portfolio in step with investment activities and to minimize loan costs and volatility in the cash flow over time. Invest Receive uses derivatives to hedge against interest rate risks (related to both fair value and cash flow fluctuations) in the debt portfolio. Some derivatives do not qualify for hedge accounting, but are still grouped together with loans since the intention of the derivative is to achieve the desired fixed-interest term for each loan. The total outstanding carrying amount of hedged loans, including fair value, was at year-end SEK 13,997 m. (16,340).

The table below shows the value of fair value derivatives by the end of 2017. The effect of fair value hedges is recognized in the Income Statement. The remaining maturities of fair value hedges vary between 2 and 20 years. For further information on the maturity structure, see schedule, "Invest Receive AB's debt maturity profile".

	12/31 2017		12/31 2016	
	Fair value	Nominal amount	Fair value	Nominal amount
Assets	1,894	12,752	2,402	13,362
Liabilities	-587	-6,235	-570	-6,260
Interest rate derivatives, cash flow hedges, SEK m.				
Assets	-	-	-	-
Liabilities	-	-	-19	-1,500

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

	12/31 2017		12/31 2016	
	Effect on income statement	Effect on other comprehensive income	Effect on income statement	Effect on other comprehensive income
Interest rate risk:				
- hedged loans	-1,123	-	-1,257	-4
- swaps for hedges	1,282	-	1,463	-4
- other swaps	-73	-	-106	-
Net interest rate sensitivity	86	-	100	-8

During the year all cash flow hedges matured. The effect on other comprehensive income during 2017 has been SEK 19 m. (32).

In each subsidiary the interest cost effect related to instruments with float-ing interest is non-material at a parallel movement of the yield curve with one percentage.

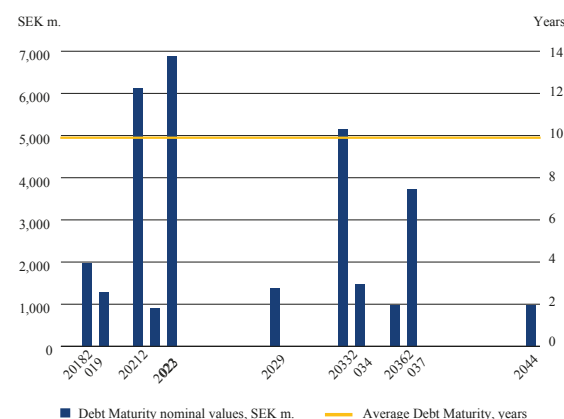
Liquidity and financing risk

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

Liquidity risks are reduced in Treasury operations by limiting the maturity of short-term cash investments up to two years and by always maintaining a higher than 1:1 ratio between cash and credit commitments/current liabilities. Liquid funds are invested in deposit markets and short-term interest-bearing securities with low risk and high liquidity. In other words, they are invested in a well-functioning second-hand market, allowing conversion to liquid funds when needed. Liquidity risk in the trading operations is restricted via limits established by the Board.

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

Invest Receive AB's debt maturity profile



Invest Receive's funding is primarily done through long-term loan programs in the Swedish and European capital markets. Invest Receive has a European Medium Term Note Program (EMTN), which is a loan program intended for long-term financing. The program is for EUR 5.0 bn. (SEK 49.2 bn.), of which EUR 2.8 bn. (SEK 27.3 bn.) has been utilized. For short-term financing, Invest Receive has an uncommitted Swedish and a European Commercial Paper program (CP/ECF) for SEK 10.0 bn. and USD 1.5 bn. (SEK 12.3 bn.), respectively. At year-end 2017 these facilities were unutilized. Invest Receive has a committed syndicated bank loan facility of SEK 10.0 bn. This facility is available until 2022, with an option of another two years additional extension. This facility was unutilized at year-end. In contrast to an uncommitted credit facility, a committed loan program is a formalized commitment from the credit grantor. There are no financial covenants in any of Invest Receive AB's loan contracts, meaning that Investor does not have to meet special requirements with regard to key financial ratios for the loans it has obtained. The wholly-owned subsidiaries ensure their financial preparedness by keeping credit facilities, should there be a need for additional working capital or minor acquisitions. As of December 31, 2017, Mölnlycke had a total credit facility of EUR 1,846 m. (1,196), of which EUR 1,496 m. was utilized (1,001). At the same time, Aleris had total credit facilities amounting to SEK 3,423 m. (3,480) of which SEK 2,908 m. (2,782) had been utilized. Also at year-end

2017, Permobil had total credit facilities of SEK 3,154 m. (3,437) of which 3,106 m. was used (3,037). Vectura had a total credit facility of SEK 2,500 m. (1,767), of which 2,021 m. was used as per year-end (1,767). BraunAbility had a total credit facility of USD 248 m. (196), of which USD 150 m. was used (123). Laborie had at year-end a total credit facility of USD 120 m. (120) of which USD 118 m. was used (120). The terms of the credit facilities require the companies to meet a number of key financial ratios. The subsidiaries fulfilled all financial ratios during 2017.

With an equity/assets ratio of 82 percent at year-end (81), Invest Receive has considerable financial flexibility, since leverage is low and most assets are highly liquid.

Note 3. cont'd 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 bn.	12/31 2017		12/31 2016	
	Loans and other financial debts and commitments	Derivatives	Loans and other financial debts and commitments	Derivatives
< 6 months	-2,777	-20	-2,459	-7
6-12 months	-2,214	-20	-1,700	-52
1-2 years	-1,930	-148	-3,658	-39
2-5 years	-23,371	446	-11,964	-209
> 5 years	-41,350	3,313	-49,34	4,256

1) Interest payments included.

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For information on the Group's excess liquidity and how it is invested, see note 22, 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, 2017, see note 30, 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. 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, issuers and counterparties in order to limit credit risks on single counterparties. With a view to further limiting credit risks in interest rate and currency swaps, and other derivative transactions, agreements are established with counterparties in accordance with the International Swaps and Derivatives Association, Inc. (ISDA), as well as netting agreements. Credit risk is monitored daily and the agreements with various counterparties are continuously analyzed.

The following table shows the total credit risk exposure by rating category as of December 31, 2017.

Exposure per rating category	Nominal amount, SEK m.	Average remaining maturity, months	Number of counterparties	Percentage of the credit risk exposure
Swedish government papers (AAA)	1,150	1.9	1	4
AAA	8,295	14.5	6	28
AA	4,041	2.2	24	13
A	14,250	0.4	48	48
Lower than A	2,040	4.2	36	7
Total	29,776	4.9	115	100

The total credit risk exposure at the end of 2017 amounted to SEK 29,776 m. (22,291). The credit risks resulting from positive market values for derivatives, which are included in the total credit risk, amounted to SEK 1,894 m. (2,402) and is reported in the Balance Sheet.

The credit risk in the wholly-owned subsidiaries relates mainly to trade account receivables. Mölnlycke's, Aleris' 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.

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

Aging of receivables, SEK m.	12/31 2017			12/31 2016		
	Gross carrying amount	Impairment	Net	Gross carrying amount	Impairment	Net
Not past due	3,479	-2	3,477	3,311	-2	3,309
Past due 0-30 days	405	-1	404	459	-2	457
Past due 31-90 days	218	-2	216	174	-12	162
Past due 91-180 days	118	-13	104	97	-9	88
Past due 181-360 days	73	-8	65	51	-9	41
More than 360 days	43	-42	1	81	-23	58
BS Total	4,336	-70	4,266	4,173	-57	4,116

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 mortgage institutions have the primary rating category of AAA. The proportion of AAA-rated instruments accounted for 32 percent of the total credit risk exposure (39).

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 negative 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. Most of the risks are derived from operations in Invest Receive's holdings. Subsidiaries operating in emerging markets have an increased focus on sustainability 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 responsibility of each holding and its management to analyze and take systematic action to reduce these risks. These risks are observed in the materiality analysis presented in the section Sustainable business, see page 10.

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 withdrawn 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. Activities within Health care companies are also heavily regulated. Examples of such laws are the Health and Medical Service Act, the Social Services Act and environmental legislation.

There is a high awareness of legal and regulatory risks within the Invest Receive Group. Risks associated with selling and operating healthcare services are dealt with by the different levels of management for each area of operations. Continuous quality improvement is 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. 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 identifies assets and liabilities that are not reported in the acquired company, such as trademarks and customer contracts. Identified intangible assets that have been identified when making the purchase price allocation are amortized over the estimated useful life. Goodwill and strong trademarks that are considered to have an indefinite useful life, are not amortized but tested annually for impairment, or whenever there is any indication of impairment.

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

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

Non-controlling interests

At the time of an acquisition, the Group must choose to either recognize non-controlling interest at fair value, meaning that goodwill is included in the non-controlling interest or recognize the non-controlling interest as the share of the net identifiable assets. The choice between the two methods is made individually for each acquisition.

If a business combination achieved in stages results in a controlling influence, the prior acquired shares are revalued at fair value and the resulting profit or loss is recognized in the Income Statement. Acquisitions that are made subsequent to having obtained a controlling influence and divestments that do not result in a loss of the controlling influence are reported under equity as a transfer between equity attributable to the Parent Company's shareholders and non-controlling interests. For information regarding put options to non-controlling interests, see note 23, Equity.

Permobil's acquisitions

During the fourth quarter 2017, Permobil acquired 100 percent of Durable Medical Equipment Ltd. and Orbit One Ltd. based in New Zealand, as well as U.S. based The Comfort Companies LLC. The acquisitions are in-line with Permobil's strategy to drive access to care and to expand its product offering.

The aggregated consideration amounted to SEK 330 m., whereof SEK 314 m. was paid in cash and SEK 16 m. relates to a potential earnout. The potential earnout is based on revenue and EBITDA targets during 2 years leading up to December 31, 2019 and maximized to SEK 16 m.

In the aggregated purchase price allocation, goodwill amounts to SEK 88 m. The goodwill recognized for the acquisitions corresponds to the complementary strengths of the companies in the field of complex rehabilitation and long-term care markets. The goodwill recognized is not expected to be deductible for income tax purposes.

Identifiable assets acquired and liabilities assumed

SEK m.	Purchase Price Allocation
Intangible assets	251
Property, plant and equipment	15
Inventories	29
Trade receivables	37
Other current receivables Cash and cash equivalents	3
	5
Deferred tax liabilities	-58
Other provisions	-17
Other current liabilities	-22
Net identifiable assets and liabilities	242
Consolidated goodwill	88
Consideration	330

Transaction related costs amounted to SEK 13 m. and derive from external legal fees and due diligence expenses. The costs have been included in the item Administrative, research and development and other operating costs in the Group's consolidated income statement.

For the respective period from the acquisition dates until December 31, 2017, the companies contributed net sales of SEK 84 m. and profit of SEK 0 m. to the Group's result. If the acquisitions had occurred on January 1, 2017, management estimates that consolidated net sales for the Invest Receive Group would have increased by SEK 251 m. and consolidated profit for the period would have increased by SEK 5 m.

After the end of the period Permobil acquired MAX Mobility and Ottobock's OBSS and NUTEC custom seating business lines. The aggregated consideration amounted to SEK 549 m.

Invest Receive's acquisition of Laborie

During the first quarter 2017, the preliminary purchase price allocation related to the acquisition of Laborie in 2016, was changed and goodwill and deferred tax liability was reduced with SEK 400 m. due to a finalization of analysis of local tax consequences as a result of the acquisition.

Other acquisitions

During the year, BraunAbility, Aleris, Vectura and Laborie acquired ten smaller entities. In the purchase price allocations the aggregated purchase price amounted to SEK 541 m. and preliminary goodwill amounted to a total of SEK 312 m. For the periods from the acquisition date until December 31, 2017, the acquisitions contributed net sales of SEK 944 m. and loss of SEK -14 m. to the Group's result. If the acquisitions had occurred on January 1, 2017, management estimates that consolidated net sales for the Invest Receive Group would have increased by SEK 104 m. and consolidated profit for the period would have increased by SEK 16 m. Invest Receive's acquisition of Sarnova after the end of the financial year On March 12, 2018, Patricia Industries, a part of Invest Receive AB, signed an agreement to acquire Sarnova Holdings Inc., the leading U.S. speciality distributor of healthcare products in the emergency preparedness and acute care markets. The acquisition is subject to

approval by the relevant competition authorities.

Closing is expected during the second quarter 2018. The enterprise value amounts to USD 903 m. For the 12-month period ending in December 2017, sales amounted to USD 555 m. and the EBITDA margin was approximately 12 percent. A preliminary purchase price allocation has up to now not been prepared.

Note 5. 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 Core Investments, Patricia Industries and EQT.

Listed Core Investments consists of listed holdings, see page 14. Patricia Industries includes the wholly-owned subsidiaries, 3 Scandinavia and the former IGC portfolio and all other financial investments, except EQT and Invest Receive's trading portfolio, see page 18. The business area EQT consists of the holdings in EQT, see page 23. 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 8, Revenues.

Performance by business area 2017	Listed Core Investments	Patricia Industries	EQT	Invest Receive Groupwide	Total
Dividends	8,319	5	81		8,404
Other operating income		17			17
Changes in value	34,418	-1,099	2,703	331)	36,054
Net sales		34,381			34,381
Cost of goods and services sold		-22,060			-22,060
Sales and marketing costs		-4,157			-4,157
Administrative, research and development and other operating costs		-5,112	-5	-25	-5,142
Management costs	-100	-225	-9	-121	-455
Share of results of associates		403		332)	13 390
IS Operating profit/loss	42,636	2,153	2,770	-126	47,433
Net financial items		-986		-1,905	-2,891
Tax		-210		-34	-244
IS Profit/loss for the year	42,636	957	2,770	-2,066	44,298
Non-controlling interest		20			20
Net profit/loss for the period attributable to the Parent Company	42,636	977	2,770	-2,066	44,318
Dividend				-8,411	-8,411
Other effects on equity ²⁾		-211	374	114	278
Contribution to net asset value	42,636	766	3,144	-10,362	36,185
Net asset value by business area 12/31 2017 Shares and participations	284,033	11,433	16,403	272	312,141
Other assets		74,971		662	75,633
Other liabilities	-3	-37,790	-238	-1,256	-39,288
Net debt/-cash ³⁾		19,368		-31,592	-12,224
Total net asset value including net debt/-cash	284,030	67,982	16,165	-31,915	336,262
Shares in associates reported according to the equity method Cash flow for the year	6,961	4,338 10,438	1,051	1 -13,316	4,340 5,134
<i>Non-current assets by geographical area⁴⁾</i>					
Sweden		37,845		17	37,862
Europe excl. Sweden		6,632			6,632
Other countries		14,480		23	14,503

1) I includes proceeds from the trading operation amounting to SEK 2,263 m.

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 5. cont'd Operating Segments

Performance by business area 2016	Listed Core Investments	Patricia Industries	IEQ	Invest Receive Groupwide	Total
Dividends	8,307	10	33	1	8,351
Other operating income		40			40
Changes in value	22,719	-2,029	1,374	-7 ¹⁾	22,057
Net sales		31,742			31,742
Cost of goods and services sold		-20,102			-20,102
Sales and marketing costs		-3,802			-3,802
Administrative, research and development and other operating costs		-3,343	-6	-7	-3,357
Management costs	-89	-263	-8	-105	-465
Share of results of associates		521		-5	516
IS Operating profit/loss	30,936	2,774	1,393	-123	34,980
Net financial items		-408		-454	-862
Tax		-509		56	-453
IS Profit/loss for the year	30,936	1,857	1,393	-521	33,665
Non-controlling interest		0			0
Net profit/loss for the period attributable to the Parent Company	30,936	1,857	1,393	-521	33,665
Dividend				-7,635	-7,635
Other effects on equity ²⁾		2,582	592	-928	2,246
Contribution to net asset value	30,936	4,438	1,986	-9,084	28,276
Net asset value by business area 12/31 2016 Shares and participations	248,356	14,138	14,191	104	276,790
Other assets		73,394		677	74,071
Other liabilities	-2	-32,727	-195	-1,109	-34,032
Net debt/-cash ³⁾		14,389		-31,141	-16,752
Total net asset value including net debt/-cash	248,354	69,195	13,996	-31,468	300,077
Shares in associates reported according to the equity method Cash flow for the year	6,729	5,566 1,499	1,036	15 -11,326	5,581 -2,062
<i>Non-current assets by geographical area⁴⁾</i>					
Sweden		37,155		15	37,170
Europe excl. Sweden		6,760			6,760
Other countries		15,660		29	15,689

1) I includes proceeds from the trading operation amounting to SEK 1,774 m.

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 6. 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 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.

	2017	2016
Realized results from long-term and short-term investments	2,329	3,057
Unrealized results from long-term and short-term investments	34,226	19,518
Realized result from associates valued at equity method	-	82
Other	-501	-601
IS Total	36,054	22,057

Note 7. Operating costs

	2017	2016
Raw materials and consumables Personnel costs	11,087	8,333
Depreciation, amortization and impairment	12,244	11,412
Other operating expenses	2,558	1,348
Total	5,923	6,633
	31,814	27,726

Costs related to research and development amounts to SEK 722 m. (531).

Note 8. 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 interest rate method.

Net sales

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Services provided as part of healthcare activities are sold via multi-year operating contracts and, in some cases, framework agreements. Revenue from services is recognized based on the stage of completion on balance sheet date. Completion is determined by an assessment of the work done, on the basis of performed examinations.

Revenue is not recognized if it is probable that economic benefits will not flow to the Group. No revenue is recognized if there is significant uncertainty regarding the payment, associated costs or the risk of returns. Neither is revenue recognized if the seller remains involved in day-to-day management activities that are typically associated with ownership. Revenue is recognized at the fair value of consideration received or expected to be received, less any discounts. Revenue shall be recognized when the amount of revenue can be measured reliably.

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.

Net sales

By category:	2017	2016
Sales of products	23,053	21,048
Sales of services	11,276	10,504
Other income	52	190
TS Total	34,381	31,742
By field of operation:	2017	2016
Health care equipment	22,057	20,730
Health care services	11,651	10,360
Hotel	646	629
Real estate	27	23
TS Total	34,381	31,742
By geographical market:	2017	2016
Sweden	6,481	6,421
Scandinavia, excl. Sweden	6,502	5,936
Europe, excl. Scandinavia	7,319	7,497
U.S.	11,165	9,862
North America, excl. U.S.	548	436
South America	624	164
Africa	325	248
Australia	634	547
Asia	781	631
TS Total	34,381	31,742

External revenues are presented on the basis where the customer is resident. Net sales are attributable to wholly-owned subsidiaries. No customer exceeds 10 percent of total net sales.

Note 9. 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 25, Provisions for pensions and similar obligations.

Short-term benefits

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

Termination benefits

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

Share-based payment transactions

Within the 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, taking into consideration the terms and conditions that are related to the share price. The value is recognized in the income statement as a personnel cost allocated over the vesting period with a corresponding increase in equity. The recognized cost corresponds to the fair value of the estimated number of options and shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares. However, no adjustment is made when options and shares expire only because share price related conditions do not reach the level needed for the options to vest.

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

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

Accounting for cash-settled programs

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

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

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

Note 9. cont'd Employees and personnel costs

Average number of employees in the Group

	2017		2016	
	Total	Of which women	Total	Of which women
Parent Company, Sweden	71	37	71	36
Sweden, excl. Parent Company	6,206	4,719	6,295	4,797
Europe excl. Sweden	6,931	4,737	6,616	4,680
North- and South America	3,147	1,090	2,626	875
Africa	6	5	6	4
Asia	3,549	2,524	3,593	2,562
Australia	144	69	85	59
Total Group	20,054	13,181	19,292	13,011

Gender distribution in Boards and Senior management

	2017		2016	
	Men	Women	Men	Women
Gender distribution in percent				
Board of the Parent Company	64	36	64	36
Extended Management Group of the Parent Company incl. the President	57	43	60	40
Boards in the Group ¹⁾	74	26	70	30
Management Groups in the Group	63	37	60	40

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

Guidelines for remuneration to members of the Extended Management Group and other employees in Investing activities The AGM 2017 decided on guidelines for salary and other 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 strives to offer a total remuneration that is competitive and in line with market conditions, thereby enabling it to attract and retain the right type of expertise to the company. The total remuneration should be based on factors such as position, performance and individual qualifications. The total remuneration for the Extended Management Group may consist of: basic salary, variable cash salary, long-term variable remuneration, pension and other remuneration and benefits.

Basic salary

Basic salary is reviewed annually for all Invest Receive employees. Basic salary constitutes the basis for calculating variable salary.

Variable cash salary

Invest Receive's employees can have a portion of their salary as variable cash salary. The variable portion of salary differs between business areas. For the President Johan Forssell, it amounts to a maximum of 30 percent of basic salary. For other employees, the maximum variable salary ranges between 0 and 60 percent of their basic salary, although for a very limited number of key personnel, the variable portion of salary can be a maximum of 100 percent of their basic salary. The President may award additional variable salary to company employees who he feels have made an exceptional contribution during the year. However, any such additional variable salary must be approved by Invest Receive's Remuneration Committee.

The established goals must also be reached in order to receive the variable salary. Goals are reviewed at the end of the year. The focus of the President's goals for the year is determined through a dialog between the President and the Chairperson of the Board. The goals for the President are proposed by the Remuneration Committee and later approved by the Board. Goals for other employees are established by each employee's manager.

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
2017	7,600	253	2,052	9,905	217	2,845	178	6,080	19,226	2,472	32.5
2016	7,150	104	1,877	9,131	314	2,729	205	5,720	18,099	2,252	31.5

Long-term variable remuneration

For long-term variable remuneration programs, it is the Board's ambition to create a structure that results in employee commitment and is based on the long-term development of Invest Receive. As a result, part of the remuneration to employees is related to the long-term performance of Invest Receive and the Investor share, which exposes the employee to both increases and decreases of the share price. In 2006, a Stock Matching Plan was introduced for Invest Receive employees, as well as a performance based share program for Senior Management. "Senior Management" is defined as the President, other members of the Extended Management Group and a maximum of 20 other senior executives. The structure of the programs for 2007-2017 correspond in all material aspects to the program for 2006.

During 2017 a specific long-term variable remuneration program for Patricia Industries was introduced. Employees within Patricia Industries do not therefore participate, from 2017, in Invest Receive's program for long-term variable remuneration. The employee is required to invest his or her own funds, or commit shares, in order to participate in the programs for long-term variable remuneration.

For more details regarding the programs, see page 54-57.

Pension

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

Other remuneration and benefits Profit-sharing program for the trading operation

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

Termination and severance pay

Invest Receive and Members of the Extended Management Group may mutually terminate 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 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 severance 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 Core Investments. One reason for allowing this practice is that the employee assumes personal responsibility by having a Board position. Fees received for Board work are taken into account by Invest Receive when determining the employee's total remuneration.

Other benefits

Invest Receive offers all employees a variety of non-monetary benefits, including corporate health service, health insurance, subsidized lunches, employee fitness programs and the possibility to rent vacation homes. Managers and employees with young children are also offered in-home services in the form of cleaning and baby-sitting.

Note 9. cont'd Employees and personnel costs

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

	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
Total remunerations 2017 (SEK t.)									
President and CEO	7,600	253	217	2,052	6,388	16,511	2,845	178	19,534
Extended Management Group, excl. the President ³⁾	21,991	345	465	10,753	12,250	45,805	7,106	2,438	55,348
Total	29,591	598	682	12,805	18,639	62,315	9,951	2,616	74,882
Total remunerations 2016 (SEK t.)									
President and CEO	7,150	104	314	1,877	4,788	14,232	2,729	205	17,166
Management Group, excl. the President	10,750	156	370	4,094	5,415	20,785	5,739	331	26,854
Total	17,900	260	684	5,970	10,203	35,017	8,468	536	44,021

1) There is a deviation from the value at grant date according to the previous table on page 53. 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 Management Group.

3) From 2017 Invest Receive has established an Extended Management Group including the two Co-heads of Patricia Industries and the Head of Human Resources.

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

	2017							2016						
Total remuneration (SEK m.), Group	Basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total	Basic salary ¹⁾	Variable salary	Long-term share-based remuneration	Pension cost	Cost for employee benefits	Social security contributions	Total
Parent Company	82	18	30	25	12	46	213	84	18	28	23	12	44	208
Subsidiaries	8,446	477	39	679	339	1,613	11,593	7,722	593	28	614	306	1,569	10,832
Total	8,528	495	70	704	351	1,659 ²⁾	11,806	7,806	611	56	637	318	1,613 ²⁾	11,040

1) Includes vacation remuneration and change of vacation pay liability.

2) Of which SEK 23 m. refers to social security contribution for long-term share-based remuneration (21).

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

2017					2016				
Remuneration (SEK m.), Group	Salary Senior executives, Presidents and Boards in subsidiaries ^{1,2)}	Of which variable salary ¹⁾	Other employees	Total	Salary Senior executives, Presidents and Boards in subsidiaries ^{1,2)}	Of which variable salary ¹⁾	Other employees	Total	
Parent Company	39	7	61	100	35	6	67	102	
Subsidiaries	80	25	8,842	8,923	119	36	8,196	8,315	
Total	119	32	8,904	9,023	154	42	8,263	8,417	

1) The number of people in the Parent Company is 17 (15) and in subsidiaries 57 (55).

2) Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 17 m. and are in addition to the amounts presented in the table (25).

Long-term variable remuneration – program descriptions Through the long-term variable remuneration programs, part of the remuneration to employees becomes linked to the long-term performance of the Investor 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) subsequent 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 Match-ing 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 2017, the President had to invest or commit approximately 32 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 participates 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 Management, after a three-year vesting period, has the right during four years to acquire additional Invest Receive shares ("Performance Shares") for a price that corresponds to, in 2017 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 dividends) must exceed the interest on 10-year government bonds by more

Note 9. cont'd Employees and personnel costs

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 percentage 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 estimated as the average total return during the three-year period based on 9 measurement 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 programs implemented in 2006 and later, Invest Receive has previously been repurchasing its own shares in order to guarantee delivery.

Summary of Invest Receive's long-term share-based variable remuneration programs 2011-2017

Matching Shares 2011-2017

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2017	Matching Shares forfeited in 2017	Matching Shares exercised in 2017	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⁾
2017	28,482	—	—	330	—	—	28,152 ⁴⁾	355.53	359.69	10.00	12/ 31 2023	3
2016	49,948	49,574	1,379	1,682	600	359.76	48,671 ⁴⁾	246.40	274.01	10.00	12/ 31 2022	3
2015	37,671	38,535	1,066	492	1,445	361.14	37,664 ⁴⁾	293.33	326.18	10.00	12/ 31 2021	3
2014	55,451	55,185	1,188	21	17,929	372.24	38,423	219.51	244.29	10.00	12/ 31 2020	3
2013	72,378	35,908	709	—	13,594	372.17	23,023	167.90	187.33	10.00	12/ 31 2019	3
2012	120,160	35,891	816	19	8,106	383.64	28,582	109.60	122.17	10.00	12/ 31 2018	3
2011	88,959	12,530	257	16	12,222	387.85	549	127.15	141.66	10.00	12/ 31 2017	3
Total	453,049	227,623	5,415	2,560	53,896	—	205,064	—	—	—	—	—

- 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 56 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 2011-2017

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2017	Matching Options exercised in 2017	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⁾
2017	56,964	—	661	—	—	56,303 ⁴⁾	27.57	30.70	486.90	12/ 31 2023	3
2016	99,896	99,147,256	2,431	962	392.86	94,929 ⁴⁾	28.32	32.69	340.90	12/ 31 2022	3
2015	75,342	74,330	—	1,237	411.89	70,662 ⁴⁾	38.77	44.76	403.30	12/ 31 2021	3
2014	110,902	103,643	—	36,031	371.59	67,612	29.86	34.41	304.50	12/ 31 2020	3
2013	144,756	58,550	—	19,864	385.36	38,686	22.63	24.97	236.10	12/ 31 2019	3
2012	240,320	78,528	—	22,276	399.78	56,252	14.70	16.87	157.80	12/ 31 2018	3
2011	177,918	37,570	—	37,570	393.47	—	19.78	22.82	180.30	12/ 31 2017	3
Total	906,098	451,768	6,348	117,940	—	384,444	—	—	—	—	—

- 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 56 for specification of the basis of calculation.
- 3) Under certain circumstances, in conjunction with the end of employment, Matching Options can be exercised before the end of the vesting period. Matching Options that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
- 4) Matching Options not available for exercise at year-end.

Performance Shares 2011-2017

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2017	Performance Shares, forfeited in 2017	Performance Shares exercised in 2017	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)
2017	121,591	—	—	—	—	—	121,591 ³⁾	92.81	102.77	202.89	12/ 31 2023	3
2016	231,067	231,067	6,288	1,991	—	—	235,364 ³⁾	66.74	74.26	138.28	12/ 31 2022	3
2015	163,585	169,416	4,611	—	—	—	174,027 ³⁾	80.59	89.84	157.98	12/31 2021	3
2014	258,017	272,089	3,287	115,197	41,266	365.24	118,913	62.79	70.03	116.08	12/31 2020	3
2013	320,473	106,359	2,592	—	15,105	369.55	93,846	49.33	54.26	87.29	12/31 2019	3
2012	457,517	151,212	3,574	—	44,385	404.08	110,401	32.69	36.41	56.31	12/31 2018	3
2011	663,784	126,210	1,647	—	127,857	388.51	—	20.56	23.14	123.03	12/31 2017	3
Total	2,216,034	1,056,353	21,999	117,188	228,613	—	854,142	—	—	—	—	—

- 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 page 56 for specification of the basis of calculation.
- 3) Performance Shares not available for exercise at year-end.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in

accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome.

Note 9. cont'd Employees and personnel costs

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

	2017			2016		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Invest Receive B shares Strike price	405.77	405.77	405.77	284.09	284.09	284.09
Assumed volatility ¹⁾	10.00	486.90	202.89	10.00	340.90	142.05
Assumed average term ²⁾	23%	23%	23%	28%	28%	28%
Assumed percentage of dividend ³⁾	5 years	5 years	5 years	5 years	5 years	5 years
Risk-free interest	0%	3.0%	0%	0%	3.0%	0%
Expected outcome ⁴⁾	-0.17%	-0.17%	-0.17%	-0.16%	-0.16%	-0.16%
			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 participants 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 applicable 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 will consist both of instruments replicating the Stock Matching Plan in Invest Receive and instruments 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, maintains the employment with PI and keeps the Participation Shares during the Vesting Period.
- Cash-settled.
- Participants receive remuneration for dividends paid from time of grant up to the date of exercise and/or settlement. This in order for the program to be dividend neutral.

Specific performance conditions for PI Senior Management

The following performance conditions apply to the instruments under the program allocated to PI Senior Management (replicating the structure of the Performance-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 applicable compounded annual growth is between the 10-year interest on Swedish government bonds plus 2 percentage points and the 10-year interest on Swedish government bonds plus 10 percentage points, then a proportional (linear) calculation of the award shall be made.

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 government bonds plus 12 percentage points, then a proportional (linear) calculation of the award shall be made.

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

PI-BS Plan

Matching shares 2017

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2017	Matching Shares forfeited in 2017	Matching Shares exercised in 2017	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⁾
2017	4,609						4,609 ⁴⁾	355.52	395.77	10.00	12/31 2023	3
Total	4,609						4,609					

Matching options 2017

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2017	Number of Matching Options exercised in 2017	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⁾
2017	9,218					9,218 ⁴⁾	31.51	44.00	486.90	12/ 31 2023	3
Total	9,218					9,218					

1) The value of Matching Shares and Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See page 57 for specification of the basis of calculation.

3) Under certain circumstances, in conjunction with the end of employment, Matching Shares and Matching Options can be exercised before the end of the vesting period. Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.

4) Matching Shares and Matching Options not available for exercise at year-end.

Note 9. cont'd Employees and personnel costs

Performance Shares 2017

Year issued	Number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2017	Performance Shares forfeited in 2017	Performance Shares exercised in 2017	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⁾
2017	23,899						23,899 ⁴⁾	92.81	106.11	202.89	12/31 2023	3
Total	23,899						23,899					

1) The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.

3) Under certain circumstances, in conjunction with the end of employment, Performance Shares can be exercised before the end of the vesting period. Performance Shares that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.

4) Performance Shares not available for exercise at year-end.

PI-NA Plan

Matching shares 2017

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2017	Matching Shares forfeited in 2017	Matching Shares exercised in 2017	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⁾
2017	10,430						10,430 ⁴⁾	356.31	396.95	10.00	12/31 2023	3
Total	10,430						10,430					

Matching options 2017

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2017	Number of Matching Options exercised in 2017	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⁾
2017	20,860					20,860 ⁴⁾	29.85	39.19	486.90	12/31 2023	3
Total	20,860					20,860					

Performance Shares 2017

Year issued	Number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2017	Performance Shares forfeited in 2017	Performance Shares exercised in 2017	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⁾
2017	67,237						67,237 ⁴⁾	99.89	114.75	202.89	12/31 2023	3
Total	67,237						67,237					

1) The value of Matching Shares, Matching Options and Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.

2) The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.

3) Under certain circumstances, in conjunction with the end of employment, Matching Shares, Matching Options and Performance Shares can be exercised before the end of the vesting period.

Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.

4) Matching Shares, Matching Options and Performance Shares not available for exercise at year-end.

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

	PI-BS Plan			PI-NA Plan		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Invest Receive B shares	405.77	405.77	405.77	405.77	405.77	405.77
Strike price	10.00	486.90	202.89	10.00	486.90	202.89
Assumed volatility ¹⁾	23%	23%	23%	23%	23%	23%
Assumed average term ²⁾	5 years	5 years	5 years	5 years	5 years	5 years
Assumed percentage of dividend ³⁾	0%	2.3%	0%	0%	4.0%	0%
Risk-free interest	-0.17%	-0.17%	-0.17%	1.79%	1.79%	1.79%
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.

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 profit-sharing. For more information regarding the programs see note 31, Related party transactions.

Management Participation Programs

Board members and senior executives in unlisted investments, including Mölnlycke, Aleris, Permobil, Vectura, BraunAbility and Laborie are offered the opportunity to invest in the companies through management participation programs. For more information regarding the programs see note 31, Related party transactions.

Note 9. cont'd Employees and personnel costs

Remuneration to the Board of the Parent Company

At the 2017 Annual General Meeting (AGM), it was decided that Board remuneration should total SEK 10,230 t. (9,995), of which SEK 9,110 t. (8,910) would be in the form of cash and synthetic shares and SEK 1,120 t. (1,085) would be distributed as cash remuneration for committee work done by the Board of Directors.

Synthetic shares 2008-2017

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 2017 is essentially identical to the decision of the AGM 2016. In 2017, Board Members were entitled to receive 50 percent of the proposed remuneration before tax, excluding remuneration for committee work, in the form of synthetic shares and 50 percent in cash (instead of receiving 100 percent of the remuneration in cash). A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, just like for class B shares, is dependent upon value fluctuations as well as the amount of dividends during the five-year period until 2022, 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 2017 the Board approved, as in 2016, 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 remuneration for board work, before taxes and excluding remuneration for committee work.

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

Expensed remuneration to the Board 2017

Total remuneration for 2017 (SEK t.)	Cash Board fee	Value of Synthetic Shares as at grant date	Commit-tee 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 2017	Effect from Synthetic Shares exercised 2017	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2017 ¹⁾	Adjust-ment for dividend	Exercised Synthetic Shares, 2017	Number of Synthetic Shares on December 31, 2017
Jacob Wallenberg ²⁾	2,450		340	2,790			544	3,334	8,463		228	8,691	–
Marcus Wallenberg ²⁾	1,420			1,420				1,420					
Josef Ackermann Gunnar Brock ³⁾	328	328		655	221	–27	127	976	7,042	802	190	2,028	6,006
Sune Carlsson ⁴⁾	328	328	175	830	221	–27	145	1,169	7,324	802	197	2,317	6,006
Johan Forssell							145	145	2,257		61	2,317	–
Magdalena Gerger Tom	328	328	175	830	148	–27		950	3,383	802	91		4,276
Johnstone, CBE Carola Lemne ⁵⁾	328	328	85	740	221	–27	145	1,079	7,324	802	197	2,317	6,006
					74		145	219	3,941		106	2,317	1,730
Grace Reksten Skaugen	655		260	915				915					
Hans Stråberg	328	328		655	221	–27	145	994	7,324	802	197	2,317	6,006
Lena Treschow Torell	328	328	85	740	221	–27	145	1,079	7,324	802	197	2,317	6,006
Peter Wallenberg Jr. ⁴⁾					128		145	273	5,177		139	2,317	2,999
Sara Öhrvall	328	328		655	94	–27		721	2,147	802	58		3,008
Total	6,818	2,293	1,120	10,230	1,549	–191	1,687	13,275	61,705	5,616	1,663	26,941	42,044

1) Based on weighted average stock price for Invest Receive B in the period May 5 to May 11 2017: SEK 408.20.

2) Remunerations including pertinent statutory social charges and VAT are invoiced through a company. This procedure is not affecting the cost for Invest Receive.

3) Additional remunerations of SEK 1,040 t. to Gunnar Brock have been expensed in the subsidiaries.

4) Member of the Board until 5/12 2015.

5) Member of the Board until 5/6 2014.

Expensed remuneration to the Board 2016

Total remuneration for 2016 (SEK t.)	Cash Board fee	Value of Synthetic Shares as at grant date	Commit-tee 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 2016	Effect from Synthetic Shares exercised 2016	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2016 ¹⁾	Adjust-ment for dividend	Exercised Synthetic Shares, 2016	Number of Synthetic Shares on December 31, 2016
Jacob Wallenberg ²⁾	2,400		330	2,730	329		25	3,084	15,612		569	7,718	8,463
Marcus Wallenberg ²⁾	1,390			1,390				1,390					
Josef Ackermann Gunnar Brock ³⁾	320	320		640	229	77		946	5,668	1,167	207		7,042
Sune Carlsson ⁴⁾	320	320	170	810	240	77	7	1,134	7,926	1,167	289	2,058	7,324
Johan Forssell					88		7	94	4,163		152	2,058	2,257
Magdalena Gerger Tom	320	320	170	810	87	77		974	2,138	1,167	78		3,383
Johnstone, CBE Carola Lemne ⁵⁾	320	320	80	720	240	77	7	1,044	7,926	1,167	289	2,058	7,324
					153		7	160	5,788		211	2,058	3,941
Grace Reksten Skaugen	640		255	895				895					
Hans Stråberg	320	320		640	240	77	7	964	7,926	1,167	289	2,058	7,324
Lena Treschow Torell	320	320	80	720	240	77	7	1,044	7,926	1,167	289	2,058	7,324
Peter Wallenberg Jr. ⁴⁾					201		7	208	6,980		255	2,058	5,177
Sara Öhrvall	320	320		640	38	77		756	946	1,167	34		2,147
Total	6,670	2,240	1,085	9,995	2,083	542	72	12,692	72,997	8,170	2,662	22,124	61,705

1) Based on weighted average stock price for Invest Receive B in the period May 12 to May 18 2016: SEK 274.17.

2) Remunerations including pertinent statutory social charges and VAT are invoiced through a company. This procedure is not affecting the cost for Invest Receive.

3) Additional remunerations of SEK 1,174 t. to Gunnar Brock have been expensed in the subsidiaries.

4) Member of the Board until 5/12 2015.

5) Member of the Board until 5/6 2014.

Note 9. cont'd Employees and personnel costs

Accounting effects of share-based payment transactions

Costs relating to share-based payment transactions, SEK m.	2017	2016
<i>Group</i>		
Costs relating to equity-settled share-based payment transactions	76	56
Costs relating to cash-settled share-based payment transactions	18	5
Social security relating to share-based payment transactions	23	21
Total	117	82
<i>Parent Company</i>		
Costs relating to equity-settled share-based payment transactions	23	23
Costs relating to cash-settled share-based payment transactions	7	5
Social security relating to share-based payment transactions	22	20
Total	52	48

Other effects of share-based payment transactions, SEK m.	2017	2016
<i>Group</i>		
Effect on equity relating to Stock-Options exercised by employees	52	312
Carrying amount of liability relating to cash-settled instruments	51	33
<i>Parent Company</i>		
Effect on equity relating to Stock-Options exercised by employees	52	312
Carrying amount of liability relating to cash-settled instruments	22	27

Note 10. Auditor's fees and expenses

	2017	2016
<i>Auditor in charge</i>	<i>Deloitte</i>	<i>Deloitte</i>
Auditing assignment	36	25
Other audit activities	1	2
Tax advice	4	5
Other assignments	3	3
Total Auditor in charge	44	35
<i>Other auditors</i>		
Auditing assignment	1	4
Total other auditors	1	4
Total	45	39

Note 11. Operating leases

Accounting policies

Costs related to operating leases are recognized in the Income Statement on a straight-line basis over the lease term.

Operating leases mainly consist of rent of premises, leasing of company cars and office furniture.

Non-cancellable future lease payments

	2017	2016
Less than 1 year from balance sheet date 1-5 years from balance sheet date	-892	-797
More than 5 years from balance sheet date	-1,597	-1,539
Total	-3,523	-3,403

Note 11. cont'd Operating leases

<i>Costs for the year</i>		
Minimum lease payments	-985	-829
Contingent rent	0	0
Total	-985	-829

Non-cancellable future lease revenue

	2017	2016
Less than 1 year from balance sheet date 1-5 years from balance sheet date	21	21
More than 5 years from balance sheet date	33	26
Total	76	71

<i>Revenue for the year</i>		
Minimum lease revenue	22	21
Contingent rent	1	2
Total	24	22

Note 12. 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 monitors 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 associates are controlled and monitored based on fair value and are accounted for as financial instruments at fair value through profit/loss, according to IAS 39 and IAS 28 p.18-19.

Reporting of associates in accordance with the equity method Associates are reported in the consolidated financial statements as of the date when significant influence was obtained. When applying the equity method, the carrying amount of the investments in associates that is reported in the consolidated financial statements, corresponds to the Group's share of the associates' equity, consolidated goodwill, and any consolidated surpluses/deficits.

In the consolidated Income Statement, the Group's share of the associates' profit/loss that is attributable to the owners of the Parent Company (adjusted for any depreciation, impairment losses or reversals of acquired surpluses/ deficits) is recognized as "share of results of 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 goodwill corresponding to principles for acquisition of subsidiaries.

If the Group's share of reported losses in the associate exceeds the carrying amount of the participations in the Group, the value of the participations is reduced to zero. Losses are also offset against long-term financial receivables without collateral, the economic substance of which is comprised of part of the 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 2017	12/31 2016
At the beginning of the year	3,875	3,336
Acquisitions	20	2
Divestments	-	-30
Share of results of associates	390	516
Exchange rate differences, etc.	55	51
BS Carrying amount at year-end	4,340	3,875

Note 12. *cont'd Shares and participations in associates*

Information about material associates *Hi3G*

Holdings AB, Stockholm, 556619-6647

3 Scandinavia is an operator providing mobile voice and broadband services in Sweden and Denmark. Invest Receive's share of votes are 40 percent and the investment is included in Patricia Industries.

3 Scandinavia is consolidated using the equity method and no dividends were distributed to Invest Receive for 2016 or 2017. However during 2017, SEK 1,714 m. was distributed to Patricia Industries as repayment of shareholder loans (774). Invest Receive guarantees SEK 0.7 bn of 3 Scandinavia's external debt.

Summarized financial information for associates using the equity method Hi3G

Holdings AB

	Total	
	12/31 2017	12/31 2016
Ownership capital/votes, %	40/40	40/40
Net sales	11,444	11,480
Profit/loss for the year	952	1,282
Total other comprehensive income for the year	189	174
Total comprehensive income for the year	1,141	1,456
Invest Receive's share of total comprehensive income for the year	456	582
Total share of total comprehensive income	456	582

Non-material associates

Share of profit/loss for the year	9	3
Share of total other comprehensive income	-21	-19
Share of total comprehensive income for the year	-11	-15
Total share of total comprehensive income	445	567

Hi3G Holdings AB

Total non-current assets	14,611	14,954
Total current assets	4,579	12,112
Total non-current liabilities	-283	-4,564
Total current liabilities	-8,413	-13,150
Total net assets (100 %)	10,493	9,352
Invest Receive's share of total net assets	4,197	3,741
Carrying amount of Hi3G Holdings AB	4,197	3,741
Carrying amount of non-material associates	143	134

BS Carrying amount of associates at year-end valued using the equity method

4,340 3,875

Summarized financial information for material associates valued at fair value

12/31 2017	Ownership capital/votes (%)	Invest Receive's share of		100% of reported values of the associate					
		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
Company, Registered office, Registration number									
SEB, Stockholm, 502032-9081	21/21	43,705	2,509	45,609	16,244	-1,036	15,208	2,559,596	2,415,671
Atlas Copco, Stockholm, 556014-2720	17/22	72,877	1,412	116,421	16,693	-609	16,084	125,738	65,015
Ericsson, Stockholm, 556016-0680	7/22	11,737	196	201,303	-35,063	-2,799	-37,862	260,544	160,368
Electrolux, Stockholm, 556009-4178	16/30	12,613	359	122,060	5,745	-365	5,380	89,679	69,083
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	40/40	12,051	-	6,511	1,149	148 9		10,903	4,201
Saab, Linköping, 556036-0793	30/40	13,033	1721,394		1,438	0	1,297	44,677	30,300
Husqvarna, Jönköping, 556000-5331	17/33	7,542	1829,394		2,660	-99	1,528	35,418	19,751
Total participations in material associates valued at fair value		173,558	4,837	562,692	8,866	-4,670	4,196	3,126,555	2,764,389

12/31 2016		Invest Receive's share of		100% of reported values of the associate					
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	43,725	2,395	43,251	10,618	-946	9,672	2,620,646	2,479,670
Atlas Copco, Stockholm, 556014-2720	17/22	57,437	1,308	101,356	11,948	2,785	14,733	115,892	62,715
Ericsson, Stockholm, 556016-0680	6/22	10,380	648	222,608	1,895	2,619	4,514	283,347	142,855
Electrolux, Stockholm, 556009-4178	16/30	10,846	311	121,093	4,493	77	4,570	85,848	68,110
Swedish Orphan Biovitrum AB, Stockholm, 556038-9321	40/40	11,480	-	5,204	801	-170	631	9,974	4,608
Saab, Linköping, 556036-0793	30/40	11,181	1648,631		1,175	-309	866	41,211	27,910
Husqvarna, Jönköping, 556000-5331	17/33	6,883	1605,982		2,104	171	2,275	32,978	18,613
Total participations in material associates valued at fair value		151,933	4,986	558,125	33,034	4,227	37,261	3,189,896	2,804,481

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

Note 12. cont'd Shares and participations in associates

3 Scandinavia is through its operational companies in Sweden and in Denmark involved in discussions with the Swedish Tax Authorities (STA) and with the Danish Tax Authorities (DTA), respectively, with regards to the interpretation of the underlying and applicable Swedish, Danish and EU law associated with the application of taxes on sales. These discussions have been ongoing for some time in both countries and a dispute arose in December 2016 in Sweden and in October 2017 in Denmark.

3 Sweden decided to challenge the STA's decision in the administrative court. Despite this, in order to adopt a prudent approach, a risk analysis has been produced and 3 Sweden has decided to record an accrual of SEK 500 m. on the balance sheet, representing 31.5 percent of the overall uncertainty. This reflects the risk according to the Company's best estimate of the final financial position in this matter.

3 Denmark decided to challenge the DTA's decision in the Danish National Tax Tribunal. Due to local legislation, 3 Denmark has during the fourth quarter paid SEK 563 m. to the DTA.

The assessment made by the management of 3 Scandinavia is that the pro-cess is in line with current legislation.

Note 13. Net financial items

Accounting policies

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

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

	2017	2016
Interest		
Interest income	55	40
Interest expense	-1,531	-1,470
Total interest	-1,476	-1,430
Other financial items		
Changes in value, gains	-	25
Changes in value, losses	-75	-36
Realized results from loans/swaps	-	16
Exchange gain	-	1
Exchange loss	-	1
Other items	-1,269	348
	-71	-448
Total other financial items	-1,415	-338
IS Net financial items	-2,891	-862

Other financial items consists of unrealized market value changes and real-ized results of financial items excluding interest. Net financial items include the changes in value attributable to long-term share-based remuneration SEK -17 m. (-15) and revaluations of financial assets and liabilities established with valuation techniques totaling SEK -75 m. (-11). Liabilities accounted for as hedges have been revalued by SEK 392 m. (-371) and the associated hedging instruments have been revalued by SEK -522 m. (325). Derivatives included in cash flow hedges are not recognized in the Income Statement but have affected Other Comprehensive income by SEK 19 m. (17). For more information see note 29, Financial instruments.

Note 14. Income tax

Accounting policies

The amount reported as the Group's total income tax for the year consists of current tax and deferred tax. Current tax is tax that must be paid or refunds that will be received for the current year and adjustments to current tax attributable to earlier periods. Deferred tax is based on the temporary differences between the tax base of an asset or liability and its carrying amount. Temporary differences attributable to goodwill are not recognized. 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 component of equity. In such cases, the associated tax effect is also reported as part of Other Comprehensive income or as a component of equity.

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

For a description of matters relating to tax contingencies, see note 30, Pledged assets and contingent liabilities.

Income tax for the year in Other Comprehensive income

	2017	2016
Income tax for the year in Other Comprehensive income	-130	10
Total	-130	10

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

	2017 (%)	2017	2016 (%)	2016
Reported loss/profit before taxes Tax according to applicable tax rate	22.0	44,542	22.0	34,118
		-9,799		-7,506
Effect of other tax rates for foreign subsidiaries	0.0	11	-0.1	46
Tax from previous years	0.0	-16	0.0	-7
Tax effect of non-taxable income Tax effect status as an industrial holding company ¹⁾	-25.2	11,239	-28.4	9,700
		-1.2		517
Tax effect of non-deductible expenses	4.8	-2,121	10.4	-3,560
Controlled Foreign Company taxation	0.0	-9	0.0	-5
Standard interest on tax allocation reserve	0.0	0	0.0	96
Tax effect of not recognized losses or temporary differences	0.9	-386	-0.3	318
Tax effect of recognized losses or temporary differences	-0.3	150	-0.9	
Other	0.1	-56	0.1	-42
Current tax expense	1.1	-471	1.2	-423
Tax effect of recognition and derecognition of tax losses or temporary differences	0.2	-70	0.5	-167
Tax effect of not recognized losses or temporary differences	-0.1	50	0.1	-31
Tax effect of changed tax rates	-0.6	64 ²⁾	-0.5	159
Tax effect impairment of goodwill Other	0.0	-	0.0	-2
	0.0	-16	0.0	11
Deferred tax expense	-0.5	227	0.1	-30
IS Reported tax expense	0.5	-244	1.3	-453

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

2) Tax effect of changed tax rates was SEK 264 m., whereof SEK 260 m. was related to the lowered US corporate tax rate.

Note 14. cont'd Income tax

Deferred taxes

Deferred taxes refer to the following assets and liabilities

	12/31 2017			12/31 2016		
	Asset	Liability	Net	Asset	Liability	Net
Intangible assets ¹⁾	85	-3,386	-3,301	130	-4,061	-3,931
Property, plant and equipment	99	-837	-738	12	-755	-743
Financial assets	-	-169	-169	-	-335	-335
Inventory	155	-9	146	225	-	225
Interest-bearing liabilities	7	-6	1	10	-6	4
Pension provisions	223	-	22	220	0	220
Provisions	51	-1	3	21	-1	20
Losses carry-forward ¹⁾	282	-	282	463	-2	461
Tax allocation reserves	1	-31	-29	2	-28	-26
Other	93	-97	-4	114	-94	20
Total deferred tax assets and liabilities Net of	997	-4,535	-3,538	1,197	-5,283	-4,085
deferred tax assets and liabilities ²⁾	-294	294	-	-290	290	-
BS Net deferred tax	703	-4,241	-3,538	907	-4,992	-4,085

1) The amounts as per 12/31 2016 have been amended slightly compared to the annual report for 2016. This is mainly due to a finalization of analysis of local tax consequences as a result of the acquisition of Laborie.

2) Deferred tax assets and tax liabilities are offset if a legal right exists for this.

Unrecognized deferred tax assets

Taxes relating to temporary differences for which deferred tax assets have not been recognized amounted to SEK 224 m. on December 31, 2017 (584). The amount 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.

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

12/31 2017	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in Other Comprehensive income	Amount at year-end
Intangible assets	-3,931	394	212	24	-3,301
Property, plant and equipment	-743	0	100	-95	-738
Financial assets	-335	-	138	29	-169
Inventory	225	-	-79	0	146
Interest-bearing liabilities	4	-	3	-7	1
Pension provisions	220	-	10	1	223
Provisions	20	-	29	-23	50
Losses carry-forward	461	-	156	0	282
Tax allocation reserves	-26	-1	-2	-2	-29
Other	20	0	-21	-	-4
Total	-4,085	394	227	-74	-3,538

12/31 2016	Amount at the beginning of the year	Business combinations	Recognized in the Income Statement	Recognized in Other Comprehensive income	Amount at year-end
Intangible assets ¹⁾	-2,697	-1,145	44	-132	-3,931
Property, plant and equipment	-561	-9	-43	-130	-743
Financial assets	-472	-	168	-31	-335
Inventory	145	-	69	11	225
Interest-bearing liabilities	8	-2	-2	0	4
Pension provisions	208	-1	-2	15	220
Provisions	27	7	-5	-8	20
Losses carry-forward ¹⁾	593	170	-32	18	461
Tax allocation reserves	-90	-	0	0	-26
Other	4	6	-1	12	20
Total	-2,836	-975	-30	-244	-4,085


1) The amounts as per 12/31 2016 have been amended slightly compared to the annual report for 2016. This is mainly due to a finalization of analysis of local tax consequences as a result of the acquisition of Laborie.

Note 15. Earnings per share


Accounting policies

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

Basic earnings per share

	2017	2016
Profit/loss for the year attributable to the holders of ordinary shares in the Parent Company, SEK m.	44,318	33,665
Weighted average number of ordinary shares outstanding during the year, millions	764.6	763.5
 Basic earnings per share, SEK	57.96	44.09
Change in the number of outstanding shares, before dilution	2017	2016
Total number of outstanding shares at beginning of the year, millions	764.4	761.9
Repurchase of own shares during the year, millions	0.0	0.0
Sales own shares during the year, millions	0.4	2.5
Total number of outstanding shares at year-end, millions	764.8	764.4

Diluted earnings per share

	2017	2016
Profit for the year attributable to the holders of ordinary shares in the Parent Company, diluted, SEK m.	44,318	33,665
Weighted average number of outstanding ordinary shares, millions	764.6	763.5
Effect of issued:		
Employee share and stock option programs, millions	0.8	1.3
Number of shares used for the calculation of diluted earnings per share, millions	765.4	764.8
 Diluted earnings per share, SEK	57.90	44.02

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 401.15) compared to exercise price and potential value per option to be expensed in accordance to IFRS 2. Finally there are Performance Shares for which performance terms and conditions are to be met before they can be dilutive. There have been no changes in the number of outstanding shares after the balance sheet date. See note 9, 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 trademarks with indefinite life, are reported at cost after a deduction for accumulated amortization or any impairment losses. Goodwill and the majority of the Groups trademarks 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.

Trademarks

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

Capitalized development expenditure

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

Proprietary technology

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

Customer contracts and relations

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

Software

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

Amortizations

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

Estimated useful lives:

Trademarks	6-8 years
Capitalized development expenditure	1-8 years
Proprietary technology	3-20 years
Customer contracts and relations	4-18 years
Software 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 whenever the carrying amount of an asset exceeds its recoverable amount. The loss is reported in the Income Statement.

Note **16.** *cont'd Intangible assets*

12/31 2017	Goodwill	Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total
<i>Accumulated costs</i>							
Opening balance	35,792	7,262	850	3,267	9,706	1,457	58,333
Business combinations	-17	62	26		279	17	367
Internally generated intangible assets			75				75
Acquisitions			85	12	2	116	215
Disposals			-193			-14	-207
Reclassifications			45	-9		18	53
Exchange rate differences	-12	100	-4	-19	-222	-88	-244
At year-end	35,763	7,424	883	3,251	9,765	1,506	58,592
<i>Accumulated amortization and impairment losses</i>							
Opening balance	-940	-18	-335	-727	-4,664	-373	-7,058
Disposals			146		14	0	160
Impairment loss	-964						-964
Amortizations		-16	-121	-228	-405	-60	-831
Reclassifications			-22			21	-1
Exchange rate differences		2	-1	-13	-63	2	-73
At year-end	-1,904	-32	-333	-969	-5,119	-410	-8,767
BS Carrying amount at year-end	33,859	7,392	550	2,282	4,646	1,097	49,825
<i>Allocation of amortization and impairment in Income Statement</i>							
Costs of goods and services sold		0	-9		-58	-16	-83
Sales and marketing costs Administrative, research and development				-116	-32	0	-148
and other operating costs Management costs	-964	-15	-113	-112	-31	-43	-1,562
					5	-1	-1
Total	-964	-16	-121	-228	-405	-60	-1,795
12/31 2016	Goodwill	Trademarks	Capitalized development expenditure	Proprietary technology	Customer contracts and relations	Software and other	Total
<i>Accumulated costs</i>							
Opening balance	30,002	6,818	686	1,954	7,741	456	47,657
Business combinations	4,222	162		1,150	1,537	872	7,943
Internally generated intangible assets			52		8		60
Acquisitions			96	12		37	145
Disposals			-2			-8	-10
Reclassifications	-44		14	1	-1	22	-8
Exchange rate differences	1,611	282	4	150	421	79	2,546
At year-end	35,792	7,262	850	3,267	9,706	1,457	58,333
<i>Accumulated amortization and impairment losses</i>							
Opening balance	-940	-7	-216	-528	-4,242	-276	-6,209
Disposals						8	8
Impairment loss			-8				-8
Amortizations		-10	-110	-172	-287	-91	-670
Reclassifications					33	-8	25
Exchange rate differences		-1	-1	-28	-168	-5	-204
At year-end	-940	-18	-335	-727	-4,664	-373	-7,058
BS Carrying amount at year-end	34,852	7,243	515	2,540	5,041	1,084	51,275
<i>Allocation of amortization and impairment in Income Statement</i>							
Costs of goods and services sold		0			-58	-16	-74
Sales and marketing costs Administrative, research and development				-106	-32	0	-138
and other operating costs Management costs		-10	-110	-66	-19	-74	-456
					6	-1	-1
Total		-10	-110	-172	-287	-91	-670

Impairment testing

Goodwill and other intangible assets with an indefinite useful life originating from acquisitions are divided between five cash-generating entities; Möln-lycke, Aleris, Permobil, BraunAbility and Laborie. 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.

Note 16. cont'd Intangible assets

Value in use

Value in use is calculated as Investors 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 market-able assessments of the time value of money. The base for calculation of the discount rate is the company's weighted average cost of capital, where the assumption of the risk free interest rate, market risk premium, leverage, cost of debt and relevant tax rate are important components. The ambition is to use a discount rate which is not dependent on short term market sentiment, but instead reflects a long-term cost of capital corresponding to Invest Receive's long-term investment horizon.

Mölnlycke

Impairment testing of goodwill and trade names for Mölnlycke is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget for 2018 and financial forecasts until year-end 2022. A growth rate of 1.8 percent has been used to extrapolate the cash flows for the years beyond 2022 (1.8), which is considered reasonable given the company's historical growth, geographical positioning and industry fundamentals. Estimated cash flows have been discounted using a discount rate of 10.1 percent pre tax (10.0). No impairment requirement has been identified since the carrying value is lower than calculated value in use. 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. Trademarks of SEK 5,348 m. is included in intangible assets (5,195). Mölnlycke's trademarks, which have a long history, have an indefinite useful life as Mölnlycke has a strong position on all its core markets and will continue to actively use them, expecting continued growth with increased net profit margins. Consolidated goodwill attributable to Mölnlycke amounts to SEK 21,647 m. (21,041).

Aleris

Impairment testing of goodwill for Aleris 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 2018 budget and financial forecasts until year-end 2027. The relatively long forecast period is justified given the restructuring phase the company will be facing the coming years and the forecast period thereafter being the best projection of the future long-term profitability. A growth rate of 1.4 percent has been used to extrapolate the cash flows for the years beyond 2027 (0.4¹⁾, which is based on the company's historical growth and the sector's long term growth drivers, such as demographics and lifestyle aspects. Estimated cash flows have been discounted using a discount rate of 9.8 (10.1) percent before tax.

Parts of Aleris' businesses are performing well, delivering high-quality services to customers in a cost efficient manner. Some areas, however, are not performing in line with expectations. To sustainably improve the profitability, management has developed a plan with focus on stability and operational improvements. The plan comprises a more decentralized organization with clearer focus on Care and Healthcare respectively, contract reviews and closure of unprofitable business. These actions, in combination with some profitable contracts coming under pressure, will have a negative impact on profitability short- to medium-term. Our view of the company's long-term potential remains intact. As a consequence of the revised short- to medium-term forecast, a write-down of SEK 964 m. has been made. The impairment loss is reported in the Income Statement as an administrative, research and development costs within the operating segment Patricia Industries. Consolidated goodwill attributable to Aleris amounts to SEK 4,991 m (5,904).

Permobil

Impairment testing of goodwill for Permobil is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget for 2018 and financial forecasts until year-end 2022. A growth rate of 1.7 percent has been used to extrapolate the cash flows for the years beyond 2022 (1.2), which is considered reasonable given the company's historical growth, the market structure and industry fundamentals. Estimated cash flows have been discounted using a discount rate of 10.6 percent pre tax (10.6). No impairment requirement has been identified since the carrying value is lower than calculated value in use. 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. Consolidated goodwill attributable to Permobil amounts to SEK 3,084 m. (3,084).

1) Based on a ten year forecast period.

Note 16. cont'd Intangible assets

BraunAbility

Impairment testing of goodwill for BraunAbility is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget for 2018 and financial forecasts until year-end 2022. A growth rate of 1.9 percent has been used to extrapolate the cash flows for the years beyond 2022 (1.1), which is considered reasonable given the company's historical growth, the underlying market fundamentals and the company's market position. Estimated cash flows have been discounted using a discount rate of 12.2 percent pre tax (11.7). No impairment requirement has been identified since the carrying value is lower than calculated value in use. Consolidated goodwill attributable to BraunAbility amounts to SEK 1,449 m. (1,458).

Laborie

Impairment testing of goodwill for Laborie is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The estimated value is based on the budget for 2018 and financial forecasts until year-end 2022. A growth rate of 3.0 percent has been used to extrapolate the cash flows for the years beyond 2022 (2.2), which is considered reasonable given the company's historical growth, the underlying market fundamentals and the company's market position. Estimated cash flows have been discounted using a discount rate of 10.5 percent pre tax (11.1). No impairment requirement has been identified since the carrying value is lower than calculated value in use. The assessment is that it is not very likely that a reasonably change in a key assumption will lead to a calculated recoverable amount that is lower than the carrying amount. Consolidated goodwill attributable to Laborie amounts to SEK 2,674 m. (3,351).

Note 17. Buildings and land

Accounting policies

The majority of owner-occupied property within the Group is reported according to the revaluation model less accumulated depreciation and revaluation adjustments. Industrial property is reported at cost less accumulated depreciation and any impairment losses.

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

Cost includes the original purchase price and directly attributable costs, including borrowing costs, required to bring the asset to working condition for its intended use. Property consist of parts with different useful lives (such as the framework, 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 unappreciated carrying amount of replaced components, or parts of components, are retired and expensed in connection with the exchange. Repairs are expensed as incurred.

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

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

Note 17. cont'd Buildings and land

Depreciation

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

Estimated useful lives:

Frameworks	20-100 years
Land improvements	15-40 years
Building components	5-40 years

Impairment

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

Valuation of owner-occupied property recognized with the revaluation model
Owner-occupied property recognized with the revaluation model is classified in level 3, according to the definition in IFRS 13. Property valuations are regularly conducted by external appraisers. Fair value has been determined based on current market prices for comparable 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 5.5-7.65 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 estimated long-term yield. The long-term yield requirement has been assessed to be in a span of 3.6 percent to 7.40 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 management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and actual outcome may differ from the estimates and judgments that were made. The valuation of owner-occupied property recognized with the revaluation model is dependent on the level of the discount rate and the long-term yield requirement. A 0.5 percent change of the discount rate would have an effect on the value of the owner-occupied property recognized with the revaluation model of approximately SEK 177 m. Respectively a 0.5 percent change of the long-term yield requirement would have an effect on the value of approximately SEK 372 m.

The majority of the properties was revalued during 2017. The Hotel proper-ties and some Office properties have been revalued by December 31, 2017.

	12/31 2017					12/31 2016				
	Revaluation model		Cost model		Total	Revaluation model		Cost model		Total
	Buildings	Land	Buildings	Land		Buildings	Land	Buildings	Land	
<i>Revalued cost</i>										
Opening balance	2,893	1,847	1,517	89	6,345	2,503	1,310	1,104	86	5,003
Business Combinations	57	5	2		64			3		3
Other acquisitions	301	57	77	1	435	413	60	359	0	833
Sales and disposals	-7		-5		-11	-2		-14	-3	-19
Reclassifications	0		-		-65	-92	0	1		-91
Effect of revaluations on revaluation reserve	570	-84	6		485	710	476	-4		543
Exchange rate differences	5	1	4	-2	9			67	4	71
At year-end	3,818	1,825	1,532	87	7,262	2,893	1,847	1,517	89	6,345
<i>Accumulated depreciation</i>										
Opening balance	-534		-253	0	-787	-676		-204	0	-881
Sales and disposals	0		5		5	0		7	1	8
Depreciation for the year	-98			0	-152	-103		-42	0	-146
Reclassifications Exchange rate differences	23		-54		23	246		0	0	246
	0			0	0	0		-13	0	-14
At year-end	-609		-302	0	-912	-534		-253	0	-787
BS Carrying amount at year-end	3,209	1,825	1,229	87	6,350	2,359	1,847	1,263	89	5,558
Carrying amount if acquisition cost model had been used	1,919	459	1,229	87	3,695	1,641	406	1,263	89	3,399

Note 18. Long-term receivables and other receivables

	12/31 2017	12/31 2016
<i>Non-current receivables</i>		
Receivables from associates ¹⁾	1	1,705
Derivatives	1,894	2,402
Other	320	311
BS Total	2,215	4,419
	12/31 2017	12/31 2016
<i>Other receivables</i>		
Derivatives	14	10
Incoming payments	30	25
Other	218	268
BS Total	262	303

1) Refers to shareholder loans including capitalized interest. Shareholder loans are valued at amortized cost.

Note 19. Inventories

Accounting policies

Inventory is valued at the lower of net realizable value (NRV) and cost. The cost of finished goods and work-in-progress includes a reasonable portion of the indirect costs based on normal capacity utilization. The cost of inventories is calculated using the FIFO (first in, first out) method.

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 2017	12/31 2016
Raw materials and consumables	1,488	1,423
Work in progress	117	118
Finished goods	1,690	1,490
Supplies	48	55
BS Total	3,343	3,086

Note 20. Machinery and equipment

Accounting policies

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

Depreciation is made linearly over the assets estimated useful life:

Machinery	3-15	years
Furniture, fixtures and fittings	3-10	years
Expenditure on leased property	3-28 years or over the remaining lease period if shorter	

	12/31 2017				12/31 2016			
	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Total	Machinery	Furniture, fixtures and fittings	Expenditure on leased property	Total
<i>Accumulated costs</i>								
Opening balance Business combinations	1,557	2,666	517	4,740	1,338	2,198	393	3,929
Other acquisitions	22	11	5	38	5	238	50	294
Sales and disposals	137	519	76	732	117	564	82	762
Reclassifications	-17	-183	-35	-235	-	-131	-16	-173
Exchange rate differences	333	-348	25	10	2	-336	-14	-294
At year-end	-6	-86	-11	-104	7	132	21	222
	2,027	2,579	576	5,182	1,557	2,666	517	4,740
<i>Accumulated depreciation and impairment</i>								
Opening balance	-570	-1,104	-280	-1,954	-432	-905	-232	-1,569
Sales and disposals	4	134	30	168	20	99	15	135
Reclassifications	-5	3	0	-3	0	123	-7	116
Depreciation	-150	-399	-68	-617	-133	-357	-42	-532
Exchange rate differences	-8	46	7		-25	-65	-13	-103
At year-end	-729	-1,320	-312	-2,361	-570	-1,104	-280	-1,954
BS Carrying amount at year-end	1,298	1,258	265	2,821	988	1,561	237	2,787

Note 21. Prepaid expenses and accrued income

	12/31 2017	12/31 2016
Accrued interest income	306	369
Other financial receivables	12	2
Customer income	212	222
Other	397	290
BS Total	927	882

Note 22. Other financial investments, short-term investments and cash and cash equivalents

Accounting policies

Other financial investments and short-term investments consist of interest-bearing securities which are recognized at fair value through profit/loss.

Short-term investments with a maturity of three months or less from the date of acquisition have been classified as cash and cash equivalents provided that:

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

For more information regarding accounting policies, see note 29, 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.

	0-3 months	4-6 months	7-12 months	13-24 months	Total carrying amount
12/31 2017					
Short-term investments Cash and bank	4,153	788	3,402		8,343
Other financial investments	12,107				12,107
BS Total	16,260	788	3,402	5,389	25,839
12/31 2016					
Short-term investments Cash and bank	3,513	4,365	729		8,608
Other financial investments	7,737				7,737
BS Total	11,250	4,365	729	3,709	20,054

Of the total carrying amount, SEK 18,899 m. is readily available for investments (16,710).

Cash and bank include an amount of SEK 64 m. that is only available for use within China (-). An application has been submitted to SAFE for regulatory approval to transfer the funds out of China.

Note 23. Equity

Share capital Share capital in the Parent Company. Other contributed equity

Refers to equity contributed by shareholders. It also includes premiums paid in connection with new stock issues.

Translation reserve

The translation reserve includes all foreign exchange differences arising on the translation of financial statements from foreign operations reported in a currency different from the reporting currency of the Group. The translation reserve also comprises exchange rate differences arising in conjunction with the translation of swap contracts reported as hedging instruments of a net investment in a foreign operation. Changes in translation reserve 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.

Specification of reserves in equity	12/31 2017	12/31 2016
Translation reserve		
Opening balance	2,649	1,152
Translation differences for the year, subsidiaries	-334	1,410
Change for the year, associates	75	87
	2,390	2,649
Revaluation reserve		
Opening balance	1,638	1,229
Revaluation of non-current assets for the year Tax	513	531
relating to revaluations for the year Release of	-113	-98
revaluation reserve due to		
depreciation of revalued amount	-17	-24
	2,022	1,638
Hedging reserve		
Opening balance	465	440
Cash flow hedges:		
Change in fair value of cash flow hedges for the year	-	-
Recycled to Income Statement	15 19	
Tax relating to changes in fair value of	32	
cash flow hedges for the year Change for the year,		
associates	-	5 0
	485	465
Total reserves		
Opening balance	4,752	2,821
Change in reserves for the year:		
Translation reserve	-258	1,497
Revaluation reserve	383	409
Hedging reserve	20	25
Carrying amount at year-end	4,897	4,752

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

	Number of shares		Amounts affecting equity, SEK m.	
	2017	2016	2017	2016
Opening balance, repurchased				
own shares	2,793,387	5,270,322	-526	-838
Sales/repurchases for the year	-400,449	-2,476,935	521)	312)
Balance at year-end,				
repurchased own shares	2,392,938	2,793,387	-474	-526

1) In connection with transfer of shares and options within Investors' long-term variable remuneration program, the payment of 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, 2017 the Group held 2,392,938 of its own shares (2,793,387). 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 (SEK m.):

Retained earnings Net	223,358
profit for the year	37,056
Total	260,414

To be allocated as follows (SEK m.):

Dividend to shareholders, SEK 12.00 per share	9,206 ¹⁾
Funds to be carried forward	251,208
Total	260,414

1) Calculated on the total number of registered shares.

For more information, see the Administration Report page 38. The dividend is subject to the approval of the Annual General Meeting on May 8, 2018.

The dividend for 2016 amounted to SEK 8,411 m. (SEK 11.00 per share) and the dividend for 2015 amounted to 7,635 m. (SEK 10.00 per share). Dividends paid out per share for 2016 and 2015 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 leverage at the beginning of the year was 5.3 percent and at the end of the year 3.5 percent. The change is mainly due to cash flows arising from dividends from Listed Core Investments, proceeds from EQT and Patricia Industries, investments in Ericsson and EQT funds and dividends paid to shareholders. For more information, see the Administration Report page 4-5.

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 2017 was 13 percent. Capital is defined as total recognized equity.

Equity	12/31 2017	12/31 2016
Attributable to shareholders of the Parent Company	336,262	300,077
Attributable to non-controlling interest	64	64
BS Total	336,326	300,141

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 P5, Participation in Group companies.

Put options to non-controlling interests

Agreements with non-controlling interests exists, that obliges Invest Receive to purchase equity instruments in subsidiaries if the counterpart 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 27, 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 24. Interest-bearing liabilities

Accounting policies

For more information relating to accounting policies for financial liabilities see note 29, Financial instruments.

Leasing

In the consolidated financial statements, leases are classified as either finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Assets that are classified as financial leases are reported as assets in the consolidated Balance Sheet. Obligations to pay future lease payments are reported as a liability. Leased assets are depreciated according to plan, whereas the leasing payments are apportioned between the finance charge and a reduction of the outstanding liability.

Interest-bearing liabilities

	12/31 2017	12/31 2016
Long-term interest-bearing liabilities		
Bond loans	45,057	43,191
Bank loans	9,570	9,383
Interest rate derivatives with negative value	567	570
Finance lease liabilities	109	148
Other long-term interest-bearing liabilities	—	21
BS Total	55,303	53,313
Short-term interest-bearing liabilities		
Bond loans	1,969	1,500
Bank loans	83	91
Interest rate derivatives with negative value	16	19
Finance lease liabilities	19	16
Other short-term interest-bearing liabilities	5	8
BS Total	2,092	1,634
Total interest-bearing liabilities and derivatives	57,396	54,946
Long-term interest rate derivatives positive value	—	—
Short-term interest rate derivatives positive value	—	—
Total	—	—
Total interest-bearing liabilities and derivatives	55,502	52,545

Finance lease liabilities

Maturity, 12/31 2017	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year from balance sheet date	25	—6	19
1-5 years from balance sheet date	49	—19	31
More than 5 years from balance sheet date	102	—24	78
Total	176	—48	128
Maturity, 12/31 2016	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year from balance sheet date	22	—7	16
1-5 years from balance sheet date	77	—21	56
More than 5 years from balance sheet date	123	—31	92
Total	222	—59	163

Note 25. Provisions for pensions and similar obligations

Accounting policies *Defined contribution plans*

Defined contribution plans are plans under which the company's obligations are limited to the premium of fixed contributions. In such cases, the size of the employee's pension depends on the contributions the company makes to the plan, or to an insurance company, along with the return that the capital contributions generate. Consequently, the employee carries both the actuarial risk (i.e. the risk that benefits will be lower than expected) and the investment risk (i.e. the risk that invested assets will be insufficient for providing the expected benefits). The company's obligations to pay contributions to defined contribution plans are recognized as an expense in the Income Statement at the rate that employees provide services to the company during a period.

Defined benefit plans

In defined benefit pension plans, payments are made to employees and former employees based on their salary at the time of retirement and the number of years of service. The Group carries the risk for making the payments. The net obligation under defined benefit plans is measured separately for each plan, by estimating the future benefits earned, including taxes, by the employees, in current and prior periods.

This benefit is discounted to a present value with a discount rate representing the closing day rate on high quality corporate bonds, mortgage backed bonds or government bonds with a life corresponding to the duration of the pension obligations. The measurement is made by a qualified actuary using the projected unit credit method. The fair value of any plan assets is calculated on the closing date.

When determining the present value of the obligation and the fair value of plan assets, actuarial gains and losses may arise. This is either because the actual outcome differs from the previous assumption or because the assumptions have changed. Re-measurements of defined benefit obligations are recognized as income or expenses in other comprehensive income.

The value presented in the Balance Sheet for pensions and similar commitments corresponds to the obligation's present value at year-end, less the fair value of plan assets. When the calculation results in a Group asset, the carrying amount of the asset is limited to the present value of future repayments from the plan or decreased future payments to the plan (asset ceiling).

The net of the interest on pension liabilities and the yield on adherent management assets is recognized in net financial items. Other components are recognized in operating profit/loss.

Risks associated with the defined benefit plan *Investment risks*

The defined benefit obligation is calculated using discount rates with references to, for example, corporate bond yields. If assets in funded plans underperform this yield, it will increase the amount of deficit. Allocation of assets among different categories is important to reduce the portfolio risk. The time horizon for the investments is also an important factor.

Interest risks

A decrease in corporate bond yields will increase the value of the defined benefit obligation for accounting purposes.

Longevity risk

The majority of the obligations are to provide benefits for the life of the plan member, so increases in life expectancy will result in an increase in the defined benefit obligation.

Salary risk

The majority of the obligations are to provide benefits for plan members based on annual salaries. If salaries increase faster than has been assumed, this will result in an increase in the defined benefit obligation.

Note **25.** *cont'd Provisions for pensions and similar obligations*

Pension benefits

Employees in Group companies have various kinds of pension benefits. These benefits are either defined contribution plans or defined benefit plans. In Sweden the total retirement benefit package is often a mixed solution with some parts being defined contribution pension plans and others being defined benefit pension plans. Salaried employees' plans comprise of the defined benefit plan ITP and the additional defined contribution plan ITPK.

The ITP plan is secured with the insurance company Alecta. Since the information provided by Alecta is not sufficient to be able to account for as a defined benefit plan, the Alecta plan has been reported as a defined contribution plan (multi-employer plan).

The ITP plan has contracts with a premium, where benefits continue unchanged until retirement. This means that premiums can not be changed to the policyholder's or the insured's disadvantage.

The Group operates defined contribution plans in Sweden, Australia, Canada, the Czech Republic, Denmark, Finland, Malaysia and the UK. The plans imply that the Group obtains pension insurances or makes payments to foundations.

59 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, Norway, France and Austria. The plans in Belgium, the U.S. and the Netherlands are funded. In Sweden and Norway there are funded and unfunded plans and the plans in other countries are unfunded.

Components of defined benefit cost (gain –)	2017	2016
Current service cost	84	98
Past service cost and gains/losses from settlements	–13	–
Additional pension obligations	3	4
Other values	–1	–
Total operating cost	73	95
Net interest expense	23	27
Exchange rate differences	–5	–8
Total financial cost	18	34
Components recognized in profit/loss	91	129
Remeasurement on the net defined benefit liability (gain –)	2017	2016
Return on plan assets (<i>excl. amounts in interest income</i>)	–6	–17
Actuarial gains/losses, demographic assumptions	–6	–7
Actuarial gains/losses, financial assumptions	20	41
Experience adjustments	–30	31
Components in Other Comprehensive income	–22	49

Provision for defined benefit plans

The amount included in the consolidated Balance Sheet arising from defined benefit plans	12/31 2017	12/31 2016
Present value of funded or partly funded obligations	835	817
Present value of unfunded obligations	597	564
Total present value of defined benefit obligations Fair value of plan assets	1,432	1,380
NPV of obligations and fair value of plan assets	865	838
Restriction on asset ceiling recognized	–	–
BS Net liability arising from defined benefit obligations	865	838

Changes in the obligations for defined benefit plans recognized during the year	12/31 2017	12/31 2016
Defined benefit plan obligations, opening balance	1,380	1,200
Current service cost	87	78
Interest cost	31	33
<i>Remeasurement of defined benefit obligations</i>		
Actuarial gains/losses, demographic assumptions	–6	–7
Actuarial gains/losses, financial assumptions	20	41
Actuarial gains/losses, experience adjustments	–30	31
Contributions to the plan from the employer	–1	–2
Past service cost and gains/losses from curtailments	–13	–33
Liabilities extinguished on settlements	–	89
Liabilities assumed in a business combination Benefit paid	16	–14
Other	0	–7
Exchange rate difference	20	58
Obligations for defined benefit plans at year-end	1,432	1,380

Changes in fair value of plan assets during the year	12/31 2017	12/31 2016
Fair value of plan assets, opening balance	543	457
Interest income	11	10
<i>Remeasurement of fair value plan assets</i>		
Return on plan assets (<i>excl. amounts in interest income</i>)	6	17
Contributions from the employer	36	36
Contributions from plan participants	1	4
Assets distributed on settlements	–9	–80
Assets acquired in a business combination	–	68
Exchange differences on foreign plans	2	27
Benefit paid	1	–3
Other	–3	–3
Exchange rate difference	0	10
Fair value of plan assets at year-end	567	543

The fair value of the plan asset at the end of the reporting period for each category are as follows	12/31 2017	12/31 2016
Cash and cash equivalents	30	26
Equity investments	100	88
Debt investments ¹⁾	246	226
Properties	22	35
Other values ²⁾	169	167
Total fair value of plan assets	567	543

- 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 2017	12/31 2016
Restriction asset ceiling, opening balance	–	–
Interest net	–	–
Changes asset ceiling, OCI	–	–
Restriction asset ceiling at year-end	–	–

The Group estimates that SEK 48 m. will be paid to defined benefit plans during 2018 (57).

Note 25. cont'd Provisions for pensions and similar obligations

Assumptions

Assumptions for defined benefit obligations 2017	Sweden	Norway	Other (weighted average)
Discount rate	2.5	2.3	2.1
Future salary growth	1.8	2.3	2.4
Future pension growth	2.0-2.4	1.5	1.2
Mortality assumptions used	DUS14, PRI	K2013, K2013BE	Local mortality tables

Assumptions for defined benefit obligations 2016	Sweden	Norway	Other (weighted average)
Discount rate	2.5	2.3	1.7
Future salary growth	2.4	2.4	2.6
Future pension growth	2.0-2.4	1.2-2.3	1.1
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 mar-ke-t 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 and Norwegian mortgage backed bonds is considered to be deep and thereby fulfills the requirements of high quality corporate bonds according to IAS 19. Swedish and Norwegian mortgage backed bonds have therefore served as reference when determining the discount rate used for the calculation of the defined benefit obligations in Sweden and Norway. In coun-tries where there is no deep market for high quality corporate bonds, govern-ment 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	57	80	296	1,474	1,907 ¹⁾

1) Based on 87 percent of the Groups total defined benefit obligation.

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 2017 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 rec-ognized 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 2018, the I nvestor Group expect to pay SEK 140 m. for premiums to Alecta (139). Alecta's total premi-ums per year for defined benefit pensions is about SEK 15 bn. (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 155 percent, with a target level of 140 percent. The assets that exceed the insur-ance undertaking are a surplus to policyholders' behalf. Surplus can be used to increase future pensions, reduce future premiums or reimbursement for already-made premium payments. The collective funding ratio in Alecta was 154 percent December 31, 2017 (149).

Defined contribution plans

Defined contribution plans	2017	2016
Expenses for defined contribution plans	550	336

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 impact of discount rate changes, from the current rate used.

Discount rate	1 percent- age point increase	1 percent- age point decrease
Present value of defined benefit obligations	1,291	1,516
Current service cost	31	56
Interest expense	23	15

Note 26. 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 2017	12/31 2016
<i>Provisions expected to be paid after more than 12 months</i>		
Restructuring reserve	—	—
Provision for social security contributions for LTVR	13	64
Other	161	212
BS Total non-current other provisions	174	276
<i>Provisions expected to be paid within 12 months</i>		
Reserve related to business combinations	—	—
Restructuring reserve	113	41
Provision for social security contributions for LTVR	40	0
Other	106	133
BS Total current other provisions	258	174
Total other provisions	432	450

Restructuring reserve

Relates mainly to the discontinuation of the rental model for negative pressure wound therapy pumps within Mölnlycke.

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 2018-2024.

Other

In the category Other a provision of SEK 46 m. for potential additional compensation to be paid related to sold associated company is included. The provision is expected to be settled in 2019 at the earliest. The remaining part of Other comprises mainly of provisions for guarantees, but also other provi-sions that have been considered immaterial to specify. These provisions intend to be settled with SEK 106 m. in 2018, SEK 100 m. in 2019 and SEK 15 m. in 2020 or later.

	Reserve related to business combinations	Restruc- turing reserve	Social security LTVR	Other	Total other provi- sions
12/31 2017					
Opening balance	—	41	64	345	450
Provisions for the year	—	84	30	147	261
Reversals for the year	—	-12	-41	-226	-279
Carrying amount at year-end	—	113	53	266	432
12/31 2016					
Opening balance	30	38	176	225	469
Provisions for the year	—	15	6	254	275
Reversals for the year	-30	-12	-118	-134	-294
Carrying amount at year-end	—	41	64	345	450

Note 27. Other long-term and short-term liabilities

	12/31 2017	12/31 2016
Acquisition related liabilities	321	406
Non controlling interest ¹⁾	1,294	1,296
Other	332	250
BS Total other long-term liabilities	1,947	1,952
1) Fair value of issued put options' over non-controlling interest.		
Derivatives	41	8
Shares on loan	247	13
Incoming payments	4	9
VAT	178	165
Vehicle Floorplan liabilities	455	161
Personnel-related	365	328
Other	290	230
BS Total other current liabilities	1,608	915

Note 28. Accrued expenses and deferred income

	12/31 2017	12/31 2016
Accrued interest expenses	895	842
Personnel-related expenses	1,597	1,829
Customer bonuses	224	77
Other	866	832
BS Total	3,583	3,579

Note 29. Financial instruments

Accounting policies

Financial instruments recognized in the consolidated Balance Sheet include assets such as the following: shares and participations recognized at fair value, other financial investments, loan receivables, trade receivables, short-term investments, cash and cash equivalents, and derivatives. Liabilities recognized in the Balance Sheet include the following: loans, shares on loan, trade pay-ables and derivatives.

A financial asset or financial liability is recognized in the Balance Sheet when the Group becomes party to the instrument's contractual terms.

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 rights in the agreement have been realized, upon maturity, or when the Group loses control over them. A financial liability or part thereof is derecognized in the Balance Sheet when the obligations in the contract have been fulfilled or no longer exist for some other reason.

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. A financial instrument is classified upon initial recognition based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below.

Financial instruments belonging to the category, "Financial assets recognized at fair value through profit/loss", are initially recognized at fair value (excluding transaction costs). Other financial instruments are initially recognized at cost, which corresponds to the instrument's fair value (including transaction costs).

Cash and cash equivalents consists of cash and demand deposits in banks and similar institutions and short-term investments with a maturity of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

Financial assets Financial assets at fair value through profit/loss

This category consists of two subcategories: financial assets that are initially placed in this category (via the fair value option) and held-for-trading financial assets. Financial assets in this category are continuously measured at fair value and value changes are reported in the Income Statement.

Financial assets recognized in accordance with the fair value option
This category primarily includes short-term investments, other financial assets and shares/participations recognized at fair value. In this category, the Group has chosen, on initial recognition, to designate financial assets that are managed and measured on the basis of fair values, in accordance with the risk management and investment strategies.

Financial assets held for trading

Shares and participations belonging to the trading operation are recognized as held-for-trading financial assets. The same applies to derivatives with a positive fair value (except for derivatives identified as effective hedging instruments).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized at amortized cost. Trade receivables are recognized at net realizable value less any deductions for bad debts, which are assessed on an individual basis. Trade receivables are short term in nature, which is why they are reported at nominal amounts without any discounting.

Available-for-sale financial assets

To the available-for-sale financial assets category, Invest Receivehas allocated a few financial assets that do not belong to any of the other categories.

Note 29. *cont'd Financial instruments*

Financial liabilities

Financial liabilities at fair value through profit/loss
This category includes financial liabilities held for trading. For example, this includes shares on loan in the trading operation. When shares on loan are sold, an amount corresponding to the fair value of the shares is recorded as a liability. The category also includes any derivatives with a negative fair value (except for identified derivatives that are effective hedge instruments).

Other financial liabilities

This category includes loans and other financial liabilities. Loans are recognized at amortized cost, except when they are used for fair value hedging. For more information, see the heading below, "Hedging of the Group's interest rate exposures – fair value hedges". 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.

Derivatives

Derivatives, such as forwards, options and swaps, are used to offset the risks associated with fluctuations in exchange rates and share prices, as well as the exposure to interest rate risks. Derivatives are initially recognized at fair value through profit/loss, which means that transaction costs are charged to profit/loss for the period. In the following periods, the derivative instrument is recognized at fair value and changes in the value are recognized in the Income Statement as income or expense (part of operating profit) or as part of net financial items. Where they are reported is based on the purpose of the derivative and whether its use is related to an operating item or a financial item. The interest rate coupon from an interest rate swap is recognized as interest and value changes are recognized as other financial items as a component of financial net, provided that the interest rate swap is not part of a cash flow hedge, which is accounted for according to the description below.

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 receivable or liability at the closing rate and the hedge instrument at fair value in the Income Statement.

Forecast transactions in foreign currency – cash flow hedges

In order to hedge currency risks from forecast transactions, derivatives are used. These derivatives are often subject to hedge accounting. The derivatives are recognized at fair value in the Balance Sheet. Changes in value for the period are recognized in Other Comprehensive income and the accumulated changes in value are recognized in the Hedging Reserve until the hedged cash flow affects profit for the period, whereas the accumulated value changes of the hedging instrument are recycled to profit/loss for the period.

Hedging the Group's interest rate risk – cash flow hedges

The Group uses interest rate swaps to control the uncertainty 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. The gain/loss attributable to the ineffective component of the unrealized value changes on interest rate swaps is recognized 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 recognized 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 currency risk in foreign net investments

In the consolidated Balance Sheet, investments in foreign operations are reported as net assets in subsidiaries. To a certain extent, currency risks associated with such investments are reduced by entering into forward contracts in the same currency as the net investments. In order to match the translation differences relating to the net investments in the hedged foreign operations, the effective component of the period's exchange rate fluctuations for hedging instruments is reported under Other Comprehensive income, and the cumulative changes are reported under Translation reserve. The amount in the Translation reserve, which is related to currency changes in both the net investment and the hedging instrument is reversed and recognized in the Income Statement when a foreign operation is divested. When hedging has not been effective, the ineffective component is recognized in the Income Statement.

Impairment testing of financial assets

On each reporting date, an assessment of the need for impairment of a financial asset or group of assets is performed. Since the majority of the Group's assets are included in the category "Financial assets at fair value through profit/loss", most negative changes in value affect the Income Statement on an on-going basis. If any event has occurred that might have a negative impact on the collectability of assets belonging to the category "Loans and Receivables", the recoverable amount is calculated. The recoverable amount is calculated as the present value of future cash flows discounted at the effective interest rate upon initial recognition of the asset. Assets with short maturities are not discounted. Impairment losses are reported in the Income Statement.

Impairment losses on loans and trade receivables (which are recognized at amortized cost) are reversed if the prior reasons for the impairment no longer exist and full payment is expected.

Financial guarantees

Financial guarantee contracts commit the Group to reimburse the holder of a debt instrument for the losses incurred when a specified debtor fails to make payment when due, in accordance with the contract terms. Financial guarantee contracts are initially recognized at fair value less the fair value of contracted guarantee fees. However, an asset will not be reported in the Balance Sheet if the difference is positive.

Subsequent to initial recognition, financial guarantee contracts are continuously recognized at the higher of:

- the best estimate of the present value of anticipated net fees to settle the guarantee commitment less the present value of future guarantee fees, and
- the original amount booked as a liability less reversed cumulative straight line amortization over the contracted guarantee period.

Note 29. *cont'd Financial instruments*

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 the market rate of interest for similar instruments with different durations.

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 companies, with deduction for individually determined adjustments as a consequence of the size difference between the company being valued and the sample of comparable companies. 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 assessment is that the fund manager's valuation does not sufficiently take into account factors that affect the value of the underlying holdings, or if the valuation is considered to deviate considerably from IFRS principles, the value is adjusted.

When estimating the fair value market conditions, liquidity, financial condition, purchase multiples paid in other comparable third-party transactions, the price of securities of other companies comparable to the portfolio company, and operating results and other financial data of the portfolio company are taken in consideration as applicable. Representatives from Invest Receive's management participate 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 conditions 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.

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		Valuation technique	Input	Range	
	12/31 2017	12/31 2016			12/31 2017	12/31 2016
Shares and participations	21,383	19,367	Last round of financing	N/A	N/A	N/A
			Comparable companies	EBITDA multiples	N/A	N/A
			Comparable companies	Sales multiples	1.6–7.6	1.5–3.6
			Comparable transactions	Sales multiples	0.4–5.5	0.4–5.7
			NAV	N/A	N/A	N/A
Long-term receivables	1,509	1,948	Discounted cash flow	Market interest rate	N/A	N/A
Long-term interest bearing liabilities	45	47	Discounted cash flow	Market interest rate	N/A	N/A
Other long-term liabilities	1,700	1,624	Discounted cash flow		N/A	N/A

All valuations in level 3 are based on assumptions and judgments that management consider to be reasonable based on the circumstances prevailing at the time. Changes in assumptions may result in adjustments to reported values and the actual outcome may differ from the estimates and judgments that were made.

The unlisted part of Financial Investments portfolio companies, corresponds to 73 percent of the portfolio value (52). Part of the unlisted portfolio is valued based on comparable companies, and the value is dependent on the level

of the multiples. The multiple ranges provided in the note show the minimum and maximum value of the actual multiples applied in these valuations. A 10 percent change of the multiples would have an effect on the Financial Investments portfolio value of approximately SEK 200 m. (200).

For the derivatives, a parallel shift of the interest rate curve upwards by one percentage point would affect the value positively by approximately SEK 1,000 m. (1,100).

Note 29. *cont'd Financial instruments*

Financial assets and liabilities by valuation category

	Financial assets and liabilities measured at fair value through profit/loss							
	Fair value option	Held for trading	Derivatives used in hedge accounting	Loans and receivables	Financial assets available-for-sale	Other financial liabilities	Total carrying amount	Fair value
12/31 2017								
Financial assets								
Shares and participations recognized at fair value	307,520			14	2		307,535	307,535
Other financial investments	5,286			104			5,389	5,389
Long-term receivables			1,894	321			2,215	2,215
Accrued interest income				318			318	318
Trade receivables				4,004			4,004	4,004
Other receivables		14		248			262	262
Shares and participations in trading operation		266					266	266
Short-term investments	4,190						4,190	4,190
Cash and cash equivalents	16,260						16,260	16,260
Total	333,255	279	1,894	5,009	2		340,439	340,439
Financial liabilities								
Long-term interest-bearing liabilities		444	123			54,736	55,303	60,207 ¹⁾
Other long-term liabilities		1,689				258	1,947	1,947
Current interest-bearing liabilities		16				2,076	2,092	2,144 ¹⁾
Trade payables						1,849	1,849	1,849
Other current liabilities		316				1,292	1,608	1,608
Accrued interest expenses						895	895	895
Total	—	2,465	123	—	—	61,106	63,695	68,650
	Financial assets and liabilities measured at fair value through profit/loss							
	Fair value option	Held for trading	Derivatives used in hedge accounting	Loans and receivables	Financial assets available-for-sale	Other financial liabilities	Total carrying amount	Fair value
12/31 2016								
Financial assets								
Shares and participations recognized at fair value	272,863			5	2		272,869	272,869
Other financial investments	3,656			53			3,709	3,709
Long-term receivables			2,402	2,017			4,419	4,419
Accrued interest income				371			371	371
Trade receivables				3,813			3,813	3,813
Other receivables		10		293			303	303
Shares and participations in trading operation		46					46	46
Short-term investments	5,094						5,094	5,094
Cash and cash equivalents	11,250						11,250	11,250
Total	292,863	56	2,402	6,551	2	—	301,874	301,874
Financial liabilities								
Long-term interest-bearing liabilities		526	44			52,743	53,313	58,464 ¹⁾
Other long-term liabilities		1,624				328	1,952	1,952
Current interest-bearing liabilities			19			1,615	1,634	1,643 ¹⁾
Trade payables						1,954	1,954	1,954
Other current liabilities		21				894	915	915
Accrued interest expenses						842	842	842
Total	—	2,171	63	—	—	58,375	60,609	65,770

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 carrying amount and fair value.

Note **29.** *cont'd Financial instruments*

Result from financial assets and liabilities by valuation category

2017	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
	Fair value option	Held for trading				
<i>Operating profit/loss</i>						
Dividends	8,405	-1				8,404
Changes in value, including currency	36,526	29				36,555
Cost of sales, distribution expenses		-1		33		32
<i>Net financial items</i>						
Interest	55	-107	436	6	-1,867	-1,476
Changes in value	-15	132	-489	-2	299	-75
Exchange rate differences	-212	-101	-73	-46	-783	-1,215
Total	44,760	-49	-126	-9	-2,351	42,226

2016	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
	Fair value option	Held for trading				
<i>Operating profit/loss</i>						
Dividends	8,350	1				8,351
Other operating income				40		40
Changes in value, including currency	22,311	-6				22,305
Cost of sales, distribution expenses		19		-2		17
<i>Net financial items</i>						
Interest	29	-	417	15	-1,773	-1,430
Changes in value	2	1	325		-373	-11
Exchange rate differences	-38	1	311	643	-106	900
Total	30,654	21 ⁸ ₃	1,052	696	-2,251	30,172

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

2017	Level 1	Level 2	Level 3	Other ¹⁾	Total
<i>Financial assets</i>					
Shares and participations recognized at fair value	283,423	2,714	21,383	16	307,535
Other financial instruments	5,286			104	5,389
Long-term receivables		385	1,509	321	2,215
Other receivables		14		248	262
Shares and participations in trading operation Short-term investments	266				266
Cash and cash equivalents	4,190				4,190
	16,260				16,260
Total	309,424	3,112	22,893	688	336,117
<i>Financial liabilities</i>					
Long-term interest-bearing liabilities		523	45	54,736	55,303
Other long-term liabilities			1,700	247	1,947
Short-term interest-bearing liabilities		16		2,076	2,092
Other current liabilities	274	38		1,296	1,608
Total	274	577	1,745	58,354	60,951

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.

Note **29.** *cont'd Financial instruments*

Financial assets and liabilities by level 12/31

2016	Level 1	Level 2	Level 3	Other ¹⁾	Total
<i>Financial assets</i>					
Shares and participations recognized at fair value	251,164	2,332	19,367	6	272,869
Other financial instruments	3,656			53	3,709
Long-term receivables		454	1,948	2,017	4,419
Other receivables		10		293	303
Shares and participations in trading operation Short-term investments	46				46
	5,094				5,094
Cash and cash equivalents	11,250				11,250
Total	271,210	2,796	21,314	2,369	297,689
<i>Financial liabilities</i>					
Long-term interest-bearing liabilities		523	47	52,743	53,313
Other long-term liabilities			1,624	328	1,952
Short-term interest-bearing liabilities		19		1,615	1,634
Other current liabilities	13	9		894	915
Total	13	551	1,671	55,579	57,813

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 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 2017	Shares and participations recognized at fair value	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Other long-term liabilities	Total financial liabilities
Opening balance	19,367	1,948	21,314	47	1,624	1,671
Total gains or losses						
in profit/loss	3,742	-438	3,304	-2	60	58
in other comprehensive income	78		78		-10	-10
Acquisitions	3,714		3,714		26	26
Divestments	-5,542		-5,542			
Transfers into level 3	24		24			
Carrying amount at year-end	21,383	1,509	22,893	45	1,700	1,745
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>						
Changes in value	1,489	-438	1,051	-2		-2
Net financial items					-23	-23
Total	1,489	-438	1,051	-2	-23	-25

12/31 2016	Shares and participations recognized at fair value	Long-term receivables	Total financial assets	Long-term interest-bearing liabilities	Other long-term liabilities	Total financial liabilities
Opening balance	19,406	1,640	21,046	38	1,194	1,232
Total gains or losses						
in profit/loss	1,121	308	1,429	9	219	228
in other comprehensive income	1,067		1,067		53	53
Acquisitions	3,047		3,047		272	272
Divestments	-5,187		-5,187		-115	-115
Transfers from level 3	-87		-87			
Carrying amount at year-end	19,367	1,948	21,314	47	1,624	1,671
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>						
Changes in value	-1,028		-1,028		0	0
Net financial items	2	308	310	-9	-232	-239
Total	-1,026	308	-718	-9	-232	-240

Note 29. *cont'd Financial instruments*

Net amounts of financial assets and liabilities

No financial assets and liabilities have been set off in the Balance Sheet.

	12/31 2017		12/31 2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Gross and net amount	2,623	880	2,608	581
Not set off in the balance sheet	-832	-831	-561	-561
Cash collateral received/pledged	—	—	—	—
Net amounts	1,790 ¹⁾	49 ²⁾	2,047 ¹⁾	21 ²⁾

1) Shares SEK 449 m. (183) and Derivatives SEK 1,341 m. (1,864).

2) Derivatives SEK 40 m. (21) and Security lending SEK 9 m. (—).

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 30. 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 must be 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 2017	12/31 2016
<i>In the form of pledged securities for liabilities and provisions</i>		
Real estate mortgages	391	391
Shares etc. ¹⁾	9,018	9,434
<i>Other pledged and equivalent collateral</i>		
Real estate mortgages	24	39
Total pledged assets	9,432	9,864

1) Pledged shares for loans in subsidiaries.

Contingent liabilities	12/31 2017	12/31 2016
Guarantee commitments to FPG/PRI	1	1
Guarantees on behalf of associates	700	700
Other contingent liabilities	2,567	2,372
Total contingent liabilities	3,268	3,073

Other contingent liabilities consist of warranties within the wholly-owned subsidiaries and appeals regarding deducted interest expenses. Three of Invest Receive AB's subsidiaries have historically claimed deduction for certain interest expenses which has been denied by the tax authorities and the Swedish Administrative Court. Invest Receive believes that these deductions have been claimed rightfully and has appealed the denial. No provision has been made. If the appeals would not be successful, it would result in an additional tax expense of SEK 740 m. (530). This amount is reported as an other contingent liability.

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

In addition, the Group's share of contingent liabilities related to the associated companies amounts to SEK – m. (—).

Note 31. 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 with significant influence

The Wallenberg foundations have significant influence over Invest Receive (in accordance with the definition in IAS 24 Related Party Disclosures). The largest of these foundations are the Knut and Alice Wallenberg Foundation, the Marianne and Marcus Wallenberg Foundation and the Marcus and Amalia Wallenberg Memorial Fund.

Invest Receive's support functions provide a limited scope of services for FAM AB and Foundation Administration Management Sweden AB, which are owned by the Wallenberg foundations. Transactions with these companies are priced according to market terms.

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. Information has not been provided in this note because these situations are either not considered to involve influence of the type described in IAS 24, or the transactions refer to non material amounts.

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 persons

See note 9, 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 commitment to analysis and investment work since the result is directly connected to the financial performance of the business.

Carried interest plans are linked to realized growth in the value of holdings, after deduction for costs, seen as a portfolio. This means that when an investment 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 16 percent that can be given to parallel investors, which is in line with practice in the venture capital market.

During the year, a total of SEK 40 m. was paid out from these programs (35). The provision (not paid out) on unrealized gains amounted to SEK 458 m. at year-end (680). 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 participate 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.

Options agreement with Börje Ekholm

During 2016 Invest Receive entered into an option agreement with former Head of Patricia Industries Börje Ekholm. The option agreement was entered into on market terms and Invest Receive has issued 1,000,000 call options in the Ericsson Class B share. Each option initially entitled the purchase of one Ericsson B share at a strike price of SEK 80 per share during one year after a seven-year period. At exercise the strike price will be adjusted if dividends deviate from market expectations at the time of entering the contract, in order to ensure that the option is dividend neutral. The valuation has been conducted, using the Black & Scholes model, by an independent third party. At year-end the liability of the option amounted to SEK 3 m. and is included in Other liabilities (2).

Note 31. cont'd Related party transactions

Management Participation Programs

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

Related party transactions

	Associates		Other related party	
	2017	2016	2017	2016
Sales of products/services	23	37	2 ¹⁾	2 ¹⁾
Purchase of products/services	8	11		
Financial expenses	130	89		
Financial income	10	168		
Dividends/redemptions Capital contributions Receivables	4,855	5,024		
Liabilities	7,201	4,519		
	4,118	3,714	3	2

1) Wallenberg foundations

Note 32. Subsequent events

Changes in Invest Receive's Management Group

On January 8, 2018, Invest Receive announced that Stefan Stern will leave Invest Receive and its management group to assume advisory assignments, among others for the Wallenberg Foundations AB.

Acquisition of Sarnova

On March 12, 2018, Patricia Industries, a part of Invest Receive AB, signed an agreement to acquire Sarnova Holdings Inc., the leading U.S. specialty distributor of healthcare products in the emergency preparedness and acute care markets. The acquisition is subject to approval by the relevant competition authorities. Closing is expected during the second quarter 2018.

Parent Company Income Statement

SEK m.	Note	2017	2016
Dividends		7,657	7,731
Changes in value	P6, P9	30,242	19,388
Net sales		13	11
Operating costs	P2	-365	-334
Result from participations in Group companies		-	2,628
Operating profit/loss		37,548	29,425
Profit/loss from financial items			
Results from other receivables that are non-current assets	P3	1,173	3,573
Interest income and similar items		7	21
Interest expenses and similar items	P4	-1,672	-3,744
Profit/loss after financial items		37,056	29,275
Tax	P1	-	-
Profit/loss for the year		37,056	29,275

Parent Company Statement of Comprehensive Income

SEK m.	2017	2016
Profit/loss for the year	37,056	29,275
Other Comprehensive income for the year, net taxes		
<i>Items that will not be recycled to profit/loss for the year</i>		
Remeasurements of defined benefit plans	3	-14
Total Other Comprehensive income for the year	3	-14
Total Comprehensive income for the year	37,060	29,261

Parent Company Balance Sheet

SEK m.	Note	12/31 2017	12/31 2016
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for software	P7	6	3
Property, plant and equipment			
Equipment	P8	11	12
Financial assets			
Participations in Group companies	P5	45,607	53,797
Participations in associates	P6	173,560	151,933
Other long-term holdings of securities	P9	80,197	70,327
Receivables from Group companies	P10	24,600	30,560
Total non-current assets		323,981	306,633
Current assets			
Trade receivables		1	3
Receivables from Group companies			
Receivables from associates		481	526
Tax assets		1	2
Other receivables		9	24
Prepaid expenses and accrued income		0	0
Cash and cash equivalents	P11	56	44
		–	–
Total current assets		548	599
TOTAL ASSETS		324,529	307,232

SEK m.	Note	12/31 2017	12/31 2016
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		4,795	4,795
Statutory reserve		13,935	13,935
Reserve for development expenditures		5	2
		18,735	18,732
Unrestricted equity			
Accumulated profit/loss		223,358	202,397
Profit/loss for the year		37,056	29,275
		260,414	231,673
Total equity		279,149	250,404
Provisions			
Provisions for pensions and similar obligations	P12	92	99
Other provisions	P13	77	233
Total provisions		169	332
Non-current liabilities			
Interest-bearing liabilities			
Liabilities to Group companies	P14	28,274	31,231
		13,339	14,158
Total non-current liabilities		41,613	45,389
Current liabilities			
Interest-bearing liabilities			
Trade payables		1,969	1,500
		9	12
Liabilities to Group companies		889	8,888
Liabilities to associates		1	0
Tax liabilities		–	1
Other liabilities		21	26
Accrued expenses and deferred income	P15	669	680
Other provisions	P13	40	–
Total current liabilities		3,598	11,107
TOTAL EQUITY AND LIABILITIES		324,529	307,232

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			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Reserve for development expenditures	Accumulated profit/loss	Profit/loss for the year	
Opening balance 1/1 2017	4,795	13,935	2	231,672		250,404
Profit/loss for the year					37,056	37,056
Other Comprehensive income for the year				3		3
Total Comprehensive income for the year				3	37,056	37,060
Dividend				-8,411		-8,411
Stock options exercised by employees				52		52
Equity-settled share-based payment transactions				43		43
Reclassification			3	-3		-
Closing balance 12/31 2017	4,795	13,935	5	223,358	37,056	279,149

SEK m.	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Reserve for development expenditures	Accumulated profit/loss	Profit/loss for the year	
Opening balance 1/1 2016	4,795	13,935	-	209,703		228,433
Profit/loss for the year					29,275	29,275
Other Comprehensive income for the year				-14		-14
Total Comprehensive income for the year				-14	29,275	29,261
Dividend				-7,635		-7,635
Stock options exercised by employees				312		312
Equity-settled share-based payment transactions				33		33
Reclassification			2	-2		-
Closing balance 12/31 2016	4,795	13,935	2	202,397	29,275	250,404

Distribution of share capital

The Parent Company's share capital on December 31, 2017, as well as on December 31, 2016, 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	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 the Administration Report page 24.

Dividend

For the Board of Director's proposed Disposition of Earnings, see note 23, Equity.

Parent Company Statement of Cash Flow

SEK m.	2017	2016
Operating activities		
Dividends received	7,657	7,731
Cash payments to suppliers and employees	–404	–96
Cash flow from operating activities before net interest and income tax	7,253	7,635
Interest received	1,734	1,987
Interest paid	–929	–1,707
Income tax paid	20	–11
Cash flow from operating activities	8,078	7,904
Investing activities		
Share portfolio		
Acquisitions	–1,268	–1,211
Divestments	15	65
Other items		
Capital contributions to/from subsidiaries	8,190	5,800
Acquisitions of property, plant and equipment/intangible assets	–5	–3
Net cash used in investing activities	6,932	4,652
Financing activities		
Repayment of borrowings	–2,797	–2,281
Change, intra-group balances Dividends paid	–3,802	–2,640
	–8,411	–7,635
Net cash used in financing activities	–15,010	–12,556
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.

Changes in liabilities arising from financing activities

12/31 2017	Opening balance	Cash flows	Acquisitions	Non-cash changes			Amount at year-end
				Foreign exchange movements	Fair value changes	Other	
Long-term interest-bearing liabilities	31,231	–1,301		284	–94	–1,846	28,274 ¹⁾
Current interest-bearing liabilities	1,500	–1,496		126		1,840	1,969 ²⁾
Total liabilities from financing activities	32,730	–2,797	–	410	–94	–6	30,243

1) Included in Consolidated Balance Sheet item Long-term interest-bearing liabilities.

2) Included in Consolidated Balance Sheet item Current interest-bearing liabilities.

Notes to the Parent Company's financial statements

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 ReceiveAB is able to exert a controlling influence. Controlling influence is the power to, either directly or indirectly, govern the financial and operating policies of an entity in order to obtain economic benefits from its activities.

In the Parent Company, participations in Group companies are recognized in accordance with the cost method and in legal entities, transaction costs attributable to business combinations will be included in the acquisition cost.

Contingent consideration is valued based on the likelihood that the consideration will be paid. Any changes to the provision/receivable result in an increase/decrease in the cost of acquisition. On each balance sheet date, the carrying amounts are reviewed to determine if there are any indications of impairment. Dividends from subsidiaries are included in the Parent Company's operating profit/loss.

Shareholders' contribution

Shareholders' contributions are recognized directly in equity by the receiver and are capitalized in participations 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 IAS 39. For further information see note 12, 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 IAS 39 item 2, to account for financial guarantee contracts issued on behalf of associates, which is somewhat more lenient than the rules in IAS 39, 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 re-allocations of its holdings without tax consequences. To be eligible for these rules, the company should, almost exclusively, manage an equity portfolio providing the shareholders risk allocation. The regulations for industrial holding companies imply that capital gains on shares are not taxable and corresponding capital losses are non-deductible. Dividends received and interest income are both taxable items, while administrative costs, interest expenses and dividend paid are all deductible. Moreover, the Parent Company declares a standard income of 1.5 percent on the market value of listed shares when the voting rights at the beginning of the year are less than 10 percent, or when they exceed 10 percent but, at the beginning of the year, had been owned for less than one year. As a consequence of these tax regulations, the Parent Company typically does not pay income tax. For the same reason, the Parent Company does not report deferred tax attributable to temporary differences. The regulations for industrial holding companies also imply that the Parent Company may neither give nor receive Group contributions.

Note P2. Operating costs

Depreciation

Operating costs includes amortizations and depreciation of SEK 3 m. (4) of which SEK 2 m. relates to property, plant and equipment (3) and SEK 1 m. to other intangible assets (1).

Personnel

Expensed wages, salaries and other remunerations amounted to SEK 213 m. (208), of which social costs SEK 46 m. (44).

The average number of employees 2017 was 71 (71). For more information see note 9, Employees and personnel costs.

Auditor's fees and expenses

	2017	2016
<i>Auditor in charge</i>	<i>Deloitte</i>	<i>Deloitte</i>
Auditing assignment	1	1
Other audit activities	0	0
Total	2	2

Operating leases

	2017	2016
Non-cancellable future lease payments		
Less than 1 year from balance sheet date	11	11
years from balance sheet date	1	–
Total	11	11

Costs for the year

Minimum lease payments	–14	–15
Total	–14	–15

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

	2017	2016
Interest income from Group companies	1,645	1,873
Changes in value	–398	437
Other interest income	41	46
Exchange rate differences	–115	1,217
IS Total	1,173	3,573

Note P4. Interest expenses and similar items

	2017	2016
Interest expenses to Group companies	–418	–500
Changes in value	286	–423
Changes in value attributable to long-term share-based remuneration	–17	–15
Net financial items, internal bank	–2	0
Interest expenses, other borrowings Exchange rate differences	–1,331	–1,366
Other	–164	–1,412
IS Total	–26	–29
	–1 672	–3,744

Note P5. Participations in Group companies

Specification of the Parent Company's direct holdings of participations in Group companies

Subsidiary, Registered office, Registration number	Number of participations	Ownership interest in % ¹⁾		Carrying amount	
		12/31 2017	12/31 2016	12/31 2017	12/31 2016
Invest Receive Holding AB, Stockholm, 556554-1538	1,000	100.0	100.0	5,793	13,793
Patricia Industries AB, Stockholm, 556752-6057 Invaw	100,000	100.0	100.0	23,239	23,239
Invest AB, Stockholm, 556270-6308	10,000	100.0	100.0	12,099	12,099
Patricia Industries II AB, Stockholm, 556619-6811 Innax	1,000	100.0	100.0	1,682	1,682
AB, Stockholm, 556619-6753	1,000	100.0	100.0	2,379	2,569
AB Invest Receive Group Finance, Stockholm, 5571-9987 ²⁾	100,000	100.0	100.0	416	416
BS Carrying amount				45,607	53,797

1) Refers to share of equity, which also corresponds to the share of voting power.

2) The Group's internal bank.

Other material indirect holdings in subsidiaries

Subsidiary, Registered office	Ownership interest in % ¹⁾		Changes in participations in Group companies		12/31 2017	12/31 2016
	12/31 2017	12/31 2016				
Aleris Group AB, Stockholm	100.0	100.0	Accumulated costs			
Braun Holdings Inc., Indiana	94.9	94.6	Opening balance		54,938	58,107
Invest Receive Growth Capital AB, Stockholm ²⁾	100.0	100.0	Acquisitions and capital contributions		–	3,962
Invest Receive Investment Holding AB, Stockholm ³⁾	100.0	100.0	Liquidation of Group company Divestments and repaid capital contributions		–	2,619
Laborie, Toronto	97.1	97.1	At year-end		–8,190	–9,750
Mölnlycke AB, Gothenburg	98.8	98.8			46,748	54,938
Permobil Holding AB, Timrå	88.0	87.6	Accumulated impairment losses			
The Grand Group AB, Stockholm	100.0	100.0	Opening balance		–1,140	–1,140
Vectura Fastigheter AB, Stockholm	100.0	100.0	Impairment losses		–	–
			At year-end		–1,140	–1,140
			BS Carrying amount at year-end		45,607	53,797

1) Refers to share of equity.

2) Holding company of Invest Receive Growth Capital Inc.

3) Holding company of EQT.

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, BraunAbility 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 assessment 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 identified.

Note P6. Participations in associates

Specification of participations in associates

			12/31 2017			12/31 2016		
			Invest Receive's share of			Invest Receive's share of		
Company, Registered office, Registration number	Number of shares	Ownership capital/votes (%)	Carrying amount ^{1,2)}	Equity ³⁾	Profit/loss for the year ⁴⁾	Carrying amount ^{1,2)}	Equity ³⁾	Profit/loss for the year ⁴⁾
Listed Core Investments:								
SEB, Stockholm, 502032-9081	456,198,927	21/21	43,705	29,936	3,379	43,725	29,323	2,209
Atlas Copco, Stockholm, 556014-2720	207,645,611	17/22	72,877	10,262	2,821	57,437	8,934	2,207
Ericsson, Stockholm, 556016-0680	220,347,348	7/22	11,740	6,612	–2,314	10,380	8,289	112
Electrolux, Stockholm, 556009-4178	47,866,133	16/30	12,613	3,192	890	10,846	2,749	696
Swedish Orphan Biovitrum, Stockholm, 556038-9321	107,594,165	40/40	12,051	2,647	454	11,480	2,120	253
Saab, Linköping, 556036-0793	32,778,098	30/40	13,033	4,313	431	11,181	3,990	353
Husqvarna, Jönköping, 556000-5331	97,052,157	17/33	7,542	2,632	447	6,883	2,413	353
BS Total participations in associates			173,560			151,933		

1) Carrying amount includes acquisition cost, additional investments and divestments for the period and value changes due to write-downs to correspond with the fair value of the investments valued at cost and fair value for participations in associates valued at fair value, respectively.

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

3) Equity refers to the ownership interest in the equity of a company including the equity component in untaxed reserves and after adjustments to Invest Receive's accounting policies.

4) 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 after adjustments to Invest Receive's accounting policies.

Note **P6.** *cont'd Participations in associates*

Specification of carrying amount for participations in associates valued at fair value

	12/31 2017	12/31 2016
Opening balance	151,933	136,350
Acquisitions	1,246	1,135
Revaluations disclosed in Income Statement	20,381	14,448
BS Carrying amount at year-end	173,560	151,933

Note **P7.** Intangible assets

Capitalized expenditure for software	12/31 2017	12/31 2016
<i>Accumulated costs</i>		
Opening balance	32	30
Acquisitions	4	2
At year-end	36	32
<i>Accumulated amortization and impairment losses</i>		
Opening balance	-29	-28
Amortizations	-1	-1
At year-end	-30	-29
BS Carrying amount at year-end	6	3
<i>Allocation of amortizations in Income Statement</i>		
Operating costs	-1	-1
Total	-1	-1

Note **P8.** Property, plant and equipment

Equipment	12/31 2017	12/31 2016
<i>Accumulated costs</i>		
Opening balance	37	37
Acquisitions	1	2
Sales and disposals	-	-2
At year-end	38	37
<i>Accumulated depreciation and impairment</i>		
Opening balance	-25	-24
Sales and disposals	-	2
Depreciation for the year	-2	-3
At year-end	-28	-25
BS Carrying amount at year-end	11	12

Note **P9.** Other long-term holdings of securities

	12/31 2017	12/31 2016
Opening balance	70,327	65,295
Acquisitions	17	67
Divestments	-15	-65
Revaluations disclosed in Income Statement	9,869	5,031
BS Carrying amount at year-end	80,197	70,327

Note **P10.** Receivables from Group companies

	12/31 2017	12/31 2016
Opening balance	30,560	31,679
New lending Divestments/	1,184	1,023
due/redeemed Unrealized	-5,738	-3,414
change in value	-1,406	1,272
BS Carrying amount at year-end	24,600	30,560

Note **P11.** Prepaid expenses and accrued income

	12/31 2017	12/31 2016
Interest	32	34
Other financial receivables	12	1
Other	12	9
BS Total	56	44

Note P12. Provisions for pensions and similar obligations

For more information see note 25, 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 –)	2017	2016
Net interest expense	2	3
Total financial cost	2	3
Components recognized in profit or loss	2	3
Remeasurement on the net defined benefit liability (gain –)	2017	2016
Actuarial gains/losses, financial assumptions	–6	10
Actuarial gains/losses, experience adjustments	2	4
Components in Other Comprehensive income	–4	14

Provision for defined benefit plans

The amount included in the Balance Sheet arising from defined benefit plan	12/31 2017	12/31 2016
Present value of unfunded obligations	92	99
Total present value of defined benefit obligations	92	99
BS Net liability arising from defined benefit obligations	92	99

Changes in the obligations for defined benefit plans during the year	12/31 2017	12/31 2016
Defined benefit plan obligations, opening balance	99	85
Interest cost	2	3
Remeasurement of defined benefit obligations		
Actuarial gains/losses, financial assumptions	–6	10
Actuarial gains/losses, experience adjustments	2	4
Exchange difference on foreign plans	0	0
Benefit paid	–3	–3
Other	–2	0
Obligations for defined benefit plans at year-end	92	99

Assumptions

Assumptions for defined benefit obligations	12/31 2017	12/31 2016
Discount rate	2.2	2.4
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	2017	2016
Expenses for defined contribution plans	25	23

Note P13. Other provisions

	12/31 2017	12/31 2016
<i>Provisions expected to be paid after more than 12 months</i>		
Provision for social security contributions for LTVR	10	9
Other	67	160
BS Total non-current other provisions	77	169
<i>Provisions expected to be paid within 12 months</i>		
Provision for social security contributions for LTVR	40	50
Other	–	14
BS Total current provisions	40	64
Total other provisions	117	233

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 2018-2024.

Other

In the category Other a provision of SEK 46 m. for potential additional compensation to be paid related to sold associated company is included. The provision is expected to be settled in 2019 at the earliest. Other provisions are considered immaterial to specify and intend to be settled with SEK 21 m. in 2019.

	Social security LTVR	Other	Total other provisions
12/31 2017			
Opening balance	59	174	233
Provisions for the year	29	8	37
Reversals for the year	–38	–115	–153
Carrying amount at year-end 12/31	50	67	117
2016			
Opening balance	171	100	271
Provisions for the year	41	80	121
Reversals for the year	–153	–6	–159
Carrying amount at year-end	59	174	233

Note P14. Interest-bearing liabilities

	12/31 2017	12/31 2016
<i>Interest-bearing liabilities</i>		
Long-term interest-bearing liabilities	28,035	31,043
Related interest rate derivatives with negative value	239	188
BS Total	28,274	31,231
<i>Carrying amounts</i>		
Maturity, 1-5 years from balance sheet date	7,950	5,429
Maturity, more than 5 years from balance sheet date	20,324	25,802
BS Total	28,274	31,231

Note P15. Accrued expenses and deferred income

	12/31 2017	12/31 2016
Interest	572	583
Other financial receivables	75	84
Other	21	13
BS Total	669	680

Note **P16.** Financial instruments

Accounting policies

For accounting policies see note 29, Financial instruments.

Financial assets and liabilities by valuation category

12/31 2017	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other assets and liabilities	Total carrying amount	Fair value
	Fair value option	Held for trading					
<i>Financial assets</i>							
Other long-term holdings of securities Participations in associates	80,197					80,197	80,197
Receivables from Group companies (non-current)	173,560		537	24,063		173,560	173,560
Accrued interest income				44		44	44
Trade receivables				1		1	1
Receivables from Group companies (current)				481		481	481
Receivables from associates				1		1	1
Other receivables				0		0	0
Total	253,757	—	537	24,590	—	278,884	278,884
<i>Financial liabilities</i>							
Loans (non-current)		239			28,035	28,274	34,793 ¹⁾
Liabilities to Group companies (non-current)			1,443		11,896	13,339	13,339
Loans (current)					1,969	1,969	2,021 ¹⁾
Trade payables					9	9	9
Liabilities to Group companies (current)					889	889	889
Liabilities to associates (current)					1	1	1
Accrued interest expenses					572	572	572
Other liabilities		3			18	21	21
Total	—	242	1,443	—	43,389	45,074	51,645

	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other assets and liabilities	Total carrying amount	Fair value
12/31 2016	Fair value option	Held for trading					
<i>Financial assets</i>							
Other long-term holdings of securities Participations in associates	70,327					70,327	70,327
Receivables from Group companies (non-current)	151,933		912	29,648		151,933	151,933
Accrued interest income				35		35	35
Trade receivables				3		3	3
Receivables from Group companies (current)				526		526	526
Receivables from associates				2		2	2
Other receivables				0		0	0
Total	222,260	—	912	30,213	—	253,386	253,386
<i>Financial liabilities</i>							
Loans (non-current)		188			31,043	31,231	38,590 ¹⁾
Liabilities to Group companies (non-current)			1,876		12,282	14,158	14,158
Loans (current)					1,500	1,500	1,509 ¹⁾
Trade payables					12	12	12
Liabilities to Group companies (current)					8,888	8,888	8,888
Liabilities to associates (current)					0	0	0
Accrued interest expenses					583	583	583
Other liabilities		2			24	26	26
Total	—	190	1,876	—	54,332	56,398	63,767

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 **P16.** *cont'd Financial instruments*

Result from financial assets and liabilities by valuation category

	Financial assets and liabilities measured at fair value through profit/loss		Derivatives used in hedge accounting	Loans and receivables	Other financial liabilities	Total
	Fair value option	Held for trading				
2017						
<i>Operating profit/loss</i>						
Dividends	7,657					7,657
Changes in value, including currency	30,249	–1				30,248
<i>Net financial items</i>						
Interest		9	–37	1,538	–1,609	–99
Changes in value		12	58	–162	56	–36
Exchange rate differences		–63		32	–240	–271
Total	37,906	–43	21	1,408	–1,793	37,500
2016						
<i>Operating profit/loss</i>						
Dividends	7,731					7,731
Changes in value, including currency	19,389	–1				19,388
<i>Net financial items</i>						
Interest		14	–38	1,779	–1,722	33
Changes in value		–13	–3	200	–184	0
Exchange rate differences		29		965	–1,189	–195
Total	27,120	29	–41	2,944	–3,096	26,956

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

	Level 1	Level 2	Level 3	Other ¹⁾	Total
12/31 2017					
<i>Financial assets</i>					
Participations associates	170,846	2,714			173,560
Receivables from Group companies (non-current)			537	24,063	24,600
Other long-term holdings of securities	80,192		5		80,197
Total	251,038	2,714	542	24,063	278,357
<i>Financial liabilities</i>					
Liabilities to Group companies (non-current)			1,443	11,896	13,339
Interest-bearing liabilities (non-current) Other		239		28,035	28,274
current liabilities		3		18	21
Total	–	242	1,443	39,949	41,634
12/31 2016					
<i>Financial assets</i>					
Participations associates	149,601	2,332			151,933
Receivables from Group companies (non-current)			912	29,648	30,560
Other long-term holdings of securities	70,324		3		70,327
Total	219,925	2,332	915	29,648	252,820
<i>Financial liabilities</i>					
Liabilities to Group companies (non-current)			1,876	12,282	14,158
Interest-bearing liabilities (non-current) Other		188		31,043	31,231
current liabilities		2		24	26
Total	–	190	1,876	43,349	45,415

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.

Note **P16.** *cont'd 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

<i>12/31 2017</i>	Other long-term holdings of securities	Long-term receivables	Total financial assets	Long-term interest- bearing liabilities	Total financial liabilities
<i>Financial assets and liabilities</i>					
Opening balance	3	912	915	1,876	1,876
Total gains or losses in profit/loss Acquisitions		-375	-375	-433	-433
Divestments	2		2		
Carrying amount at year-end	5	537	542	1,443	1,443
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>					
Changes in value	-	-375	-375	-433	-433
Total	-	-375	-375	-433	-433
<i>12/31 2016</i>					
<i>Financial assets and liabilities</i>					
Opening balance	2	423	425	1,384	1,384
Total gains or losses in profit/loss Acquisitions		489	489	492	492
Divestments	1		1		
Carrying amount at year-end	3	912	915	1,876	1,876
<i>Total gains or losses for the period included in profit/loss for assets and liabilities held at the end of the period (unrealized results)</i>					
Changes in value	-	489	489	492	492
Total	-	489	489	492	492

Note **P17.** Pledged assets and contingent liabilities

	12/31 2017	12/31 2016
<i>Pledged assets</i>		
<i>In the form of pledged securities for liabilities and provisions</i>		
Shares	287	22
Total pledged assets	287	22
<i>Contingent liabilities</i>		
Guarantees on behalf of Group companies	101	101
Guarantees on behalf of associates	700	700
Total contingent liabilities	801	801

Note **P18.** Related party transactions

The Parent Company is related with its subsidiaries and associated companies see note P5, Participations in Group companies and note P6, Participations in associates.

For related party transactions with other related party, see note 31, Related party transactions.

Related party transactions

	Group companies		Associates		Other related party	
	2017	2016	2017	2016	2017	2016
Sales of products/services	6	3	6	8	2 ¹⁾	2 ¹⁾
Purchase of products/ services Financial	10	9	5	8		
expenses Financial	418	500	17	21		
income Dividends/ redemptions Capital	1,645	1,873	4,837	4,986		
contributions	8,190	5,800				
Receivables	25,081	31,086	1	2		
Liabilities	14,228	23,046			3	2

1) Wallenberg foundations

In addition to the above stated information, guarantees on behalf on the associate 3 Scandinavia amounts to SEK 0.7 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, 2017 – December 31, 2017 except for the corporate governance statement on pages 27-33 and the statutory sustainability report on pages 10-13, 26, 28 and 48. The annual accounts and consolidated accounts of the company are included on pages 4-6, 10-13 and 24-90 in this document. In our opinion, the annual accounts have been prepared in accordance with

the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2017 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 2017 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 27-33 and the statutory sustainability report on pages 10-13, 26, 28, 48. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

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

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

Key Audit Matters

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

Governance over financial reporting

With Invest Receive's focus on high quality financial reporting a well-controlled financial reporting process is important. The investments within Patricia Industries are independent with separate internal control systems in place for their operating activities as well as processes for financial reporting.

Our audit focused on the governance over financial reporting for several reasons. Firstly, it is important to ensure that the information reported by each entity is prepared in accordance with IFRS. Secondly, it is important to have well established procedures to ensure timely and correct financial reporting. Thirdly, monitoring controls are important to ensure high quality reporting.

Invest Receive AB's information regarding consolidation principles are included in Note 1 Significant accounting policies and Note 12 Shares and participation in associates on pages 44 and 59 respectively, providing further explanation on the method for accounting for associates.

Our audit procedures included, but were not limited to:

- We obtained an understanding of Invest 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 of 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 21,383 million as of December 31, 2017.

Invest Receive's valuation policy is based on IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines. Inappropriate judgements made in the assessment of fair value, in particular, in respect of selection of valuation multiples could have a significant impact on the value of the unlisted investment.

We focused on the unlisted investments since the carrying value is material, the investment portfolio comprises a large number of unlisted securities and since the assessments made to arrive at the fair value is sensitive to judgements and estimates made.

Invest Receive AB's principles for accounting for unlisted investments are described in note 29 on page 72 and detailed disclosures regarding these investments are included in Note 29 Financial instruments on page 72-78, 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 confirmed the reported valuations as of December 31, 2017 to audited financial statements of the funds of EQT.
- 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.

- We recomputed the calculation of the enterprise value for a selection of portfolio companies in Patricia Industries including agreeing currency rates to independent sources.
- We assessed the relevance of multiples used in Patricia Industries' portfolio companies' enterprise value calculations against market multiples from precedent transactions or traded data.

Valuation of listed investments

There is a lower degree of judgment involved in the valuation process for listed investments compared to unlisted investments. However, a substantial portion of Invest Receive's total assets is embedded in the holdings in listed investments. The total carrying value of listed investments amounted to SEK 283,423 million as of December 31, 2017.

We focused on the listed investments since the carrying value is significant, there is a risk that changes in ownership might not be properly recognized, and effects of dividend received might not properly be reflected in the fair value.

Invest Receive AB's principles for accounting for listed investments are described in note 29 on page 72 and detailed disclosures regarding listed investments are included in Note 29 Financial instruments on page 72-78, see detailed description in section Measurement of financial instruments in level 1.

Our audit procedures included, but were not limited to:

- We obtained an understanding of the valuation process and tested key controls.
- We validated the holdings towards external statements.
- We tested the fair value calculation arithmetically and compared values to official share prices.
- We reviewed disclosures relating to valuation of listed investments to ensure compliance with IFRS.

Intangible assets

Invest Receive's acquisitions of Mölnlycke, Aleris, Permobil, BraunAbility and Laborie have led to a portion of the purchase price being allocated to intangible assets including goodwill. Changes in economic conditions or lower than expected improvement in performance may be indicators of potential impairment of the recoverable amount of these assets and hence the consolidated net asset value of Invest Receive. The total carrying amount of goodwill relating to these holdings amounted to SEK 33,859 million as of December 31, 2017.

We focused on the assessments of the carrying value for the holdings above since the carrying value of intangible assets are material and as the assessment may be sensitive to changes in assumptions.

Invest Receive disclosures regarding intangible assets are included in Note 16 Intangible assets on page 63-65, which specifically explains key assumptions used in the assessment of the recoverable amounts.

Our audit procedures included, but were not limited to:

- We obtained an understanding of management's annual impairment testing process and controls for assessing impairment triggers and tested key controls.
- We reviewed the valuation and financial development of each entity and discussed historical performance with management.
- We analyzed the assumptions made in the impairment tests for each entity and compared to historical performance, external and other benchmark data.
- We evaluated the sensitivity of key assumptions.
- We reviewed the disclosures related to valuation of intangible assets and assessed whether the disclosures are in line with IFRS.

Treasury and hedge accounting

Invest Receive manages its foreign currency exchange rate and interest rate exposures with derivatives such as forward contracts, options and swaps.

We focused on the treasury and hedge accounting since the risk mitigating relationships and contracts can be complex and it is essential to understand the financial effects of these instruments and that they are accurately presented.

Invest Receive's disclosures regarding treasury and hedge accounting are included in Note 3 Risks and risk management on page 45-48, see detailed description in section Exchange rate risk and Interest rate risk and in Note 29 on page 72-78.

Our audit procedures included, but were not limited to:

- We obtained an understanding of the treasury process and tested key controls.
- We assessed the company's procedures to ensure adequate segregation of duties within the treasury function.
- We reviewed the assumptions, calculation, classification and documentation for hedge accounting including hedge effectiveness and compliance with disclosure requirements also with the support of internal specialists.
- We reviewed new hedge relationships entered into and validated the process around ensuring compliance with internal guidelines as well as external rules.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-3, 7-9, 14-23 and 94-97. The Board of Directors and the Managing Director are responsible for this other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially mis-stated.

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

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Invest Receive AB (publ) for the financial year January 1, 2017 – December 31, 2017 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 requirements.

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

Responsibilities of the Board of Directors and the Managing Director The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the

Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted audit-ing 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 that the corporate governance statement on pages 27-33 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditors opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 10-13, 26, 28 and 48, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s audit-ing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared. Deloitte AB, was appointed auditor of Invest Receive AB (publ) by the general meeting of the shareholders on the 2017-05-03 and has been the company's auditor since 2013-04-15. Stockholm March 23, 2018 Deloitte AB



Thomas Strömberg Authorized
Public Accountant

Five-year summary

Invest Receive Group

SEK m.	2013	2014		2015	2016	2017	Annual average growth 5 years, %
Net asset value ¹⁾			Net asset value ²⁾				
Core Investments			Listed Core Investments Patricia Industries	224,143	248,354	284,030	
Listed	175,174	218,396	Industries	51,095	54,806	48,614	
Subsidiaries	29,531	31,922	EQT	13,021	13,996	16,165	
Financial Investments	32,256	35,506	Other assets & liabilities	-565	-327	-323	
Other assets and liabilities Total	1,560	-29	Total assets	287,695	316,829	348,486	
assets	238,521	285,795	Net cash (+) / Net debt (-)	-15,892	-16,752	-12,224	
Net debt (-)/Net cash (+)	-23,104	-24,832	Of which Patricia Industries cash	14,616	14,389	19,368	
Net asset value	215,417	260,963	Net asset value	271,801	300,077	336,262	
Change in net asset value with dividend added back, %	26	24	Change in net asset value with dividend added back, %	7	13	15	17
Condensed Balance Sheet			Condensed Balance Sheet				
Shares and participations	202,859	246,891	Shares and participations	254,054	276,790	312,141	
Other	64,291	76,596	Other	82,536	93,183	96,426	
Balance Sheet total	267,150	323,487	Balance Sheet total	336,590	369,973	408,567	
Profit and loss			Profit and loss				
Profit/loss for the year attributable to Parent Company shareholders	45,165	50,656	Profit/loss for the year attributable to Parent Company shareholders	17,433	33,665	44,318	
Comprehensive income	46,161	52,657	Comprehensive income	17,604	35,545	44,473	
Dividends			Dividends				
Dividends received	6,052	7,228	Dividends received	7,821	8,351	8,404	
of which from Core Investments Listed	5,441	6,227	of which from Listed Core Investments	7,681	8,307	8,319	12
Contribution to NAV ³⁾			Contribution to NAV ²⁾				
Contribution to NAV, Core Investments Listed Total return, Core Investments Listed, %Contribution to NAV, Core Investments Subsidiaries Contribution to NAV, Financial Investments, Partner-owned	38,433	41,311	Contribution to NAV, Listed Core Investments	8,804	30,936	42,636	
Contribution to NAV, IGC and EQT	27	24	Total return, Listed Core Investments, %	4	14	17	
	668	2,386	Contribution to NAV, Patricia Industries	4,855	4,438	766	
	4,109	4,221	Contribution to NAV, EQT	3,995	1,986	3,144	
	3,788	6,543					
Transactions ³⁾			Transactions ²⁾				
Investments, Core Investments Listed Divestments & redemptions, Listed Core Investments Investments, Core Investments Subsidiaries Divestments, Core Investments Subsidiaries Investments, Partner-owned financial investments Divestments, Partner-owned financial investments Investments, IGC and EQT	719	8,233	Investments, Listed Core Investments Divestments & redemptions, Listed Core Investments Investments, Patricia Industries	5,783	1,488	1,245	
Divestments, IGC and EQT	-	101	Divestments, Patricia Industries	1,241	-	-	
	7,558	1,121	Distributions to Patricia Industries	4,176	6,127	406	
	-	1,197	Draw-downs, EQT	2,896	2,360	1,725	
	15	3,011	Proceeds, EQT	5,089	4,763	6,014	
	7,646	8,712		1,590	2,864	3,781	
	1,914	2,389		6,086	3,874	4,757	
	5,005	5,737					
Key figures per share			Key figures per share				
Net asset value, SEK	283	343	Net asset value, SEK	357	393	440	
Basic earnings, SEK	59.35	66.55	Basic earnings, SEK	22.89	44.09	57.96	
Diluted earnings, SEK	59.25	66.40	Diluted earnings, SEK	22.82	44.02	57.90	
Equity, SEK	284	343	Equity, SEK	357	393	440	
Key ratios			Key ratios				
Leverage, %	10	9	Leverage, %	6	5	4	
Equity/assets ratio, %	81	81	Equity/assets ratio, %	81	81	82	
Return on equity, %	23	21	Return on equity, %	7	12	14	
Discount to reported net asset value, %	23	17	Discount to reported net asset value, %	13	14	16	
Management costs, % of net asset value	0.2	0.1	Management costs, % of net asset value	0.2	0.2	0.1	
Share data			Share data				
Total number of shares, million	767.2	767.2	Total number of shares, million	767.2	767.2	767.2	
Holding of own shares, million	6.3	5.8	Holding of own shares, million	5.3	2.8	2.4	
Share price on December 31, SEK ³⁾	221.3	284.7	Share price on December 31, SEK ³⁾	312.6	340.5	374.1	17
Market capitalization on December 31 Dividend paid to Parent Company shareholders Dividend per share, SEK	166,451	215,705	Market capitalization on December 31 Dividend paid to Parent Company shareholders Dividend per share, SEK	236,301	259,119	284,048	
Dividend payout ratio, %	8.00	9.00	Dividend payout ratio, %	7.635	8.411	9,206 ⁴⁾	
Dividend yield, % ³⁾	112	110	Dividend yield, % ³⁾	10.00	11.00	12.00 ⁵⁾	11
Total annual turnover rate, Invest Receive shares, % ³⁾	3.6	3.2	Total annual turnover rate, Invest Receive shares, % ³⁾	99	101	111 ⁵⁾	
Total return, Invest Receive shares, % ³⁾	62	58	Total return, Invest Receive shares, % ³⁾	3.2	3.2	3.2 ⁵⁾	
SIXRX (return index), %	35	33	SIXRX (return index), %	66	64	57	
OMXS30 index, %	28	16	OMXS30 index, %	13	13	13	21
Foreign ownership, capital, %	21	10	Foreign ownership, capital, %	10	10	9	14
	34	34		-1	5	4	7
				35	30	32	

1) This business area reporting was implemented in 2011.

2) New business area reporting as of 2015.

3) Pertains to class B shares.

4) Based on the total number of registered shares.

5) Proposed dividend of SEK 12.00/share.

Definitions and Alternative Performance Measures

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. For Invest 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 26 in the Year-End Report 2017 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 Parent Company's shareholders in relation to the weighted average number of shares outstanding.

Capital expenditures

Acquisitions of tangible and intangible assets during the period.

Change in net asset value

Change in the carrying value of total assets less net debt for a period.

Contribution to net asset value

Changes in the carrying value of total assets less net debt (corresponds to the group's change in equity attributable to shareholders of the Parent Company).

Diluted earnings per share

Profit/loss for the year attributable to the Parent Company's shareholders, in relation to the weighted average number of shares outstanding after full conversion and adjusted for the effect of share-based payments.

Discount to net asset value

The difference between net asset value and market capitalization as a percentage of net asset value. If market capitalization is lower than net asset value, the share is traded at a discount. If market capitalization is higher, it is traded at a premium.

Distribution

Repayment of shareholder loans.

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 amortizations.

EBITA margin

Earnings before interest, taxes and amortizations divided by sales (%).

EBITDA

Earnings before interest, taxes, depreciations and amortizations.

Equity per share

Shareholders' equity as a percentage of the weighted average number of shares outstanding.

Equity/assets ratio

Shareholders' equity as a percentage of the balance sheet total.

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 possibility to spread their risks and get attractive returns through long-term ownership of a well-distributed holdings of securities. Its shares are typically owned by a large number of individuals.

Investments

Acquisitions of financial assets.

Investments, net of proceeds

Acquisitions of financial assets net of sales proceeds received.

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 Parent 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 liabilities, including pension liabilities, less 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.

Operating cash flow

Cash flow from operating activities.

Proceeds

Cash payments obtained from sale of investments plus cash proceeds from distributions.

Reported value

Net asset value per investment.

Reported value change

The sum of realized and unrealized result from long-term and short-term holdings in shares and participations, net of transaction costs, profit-sharing costs and management fees for fund investments.

Return on equity

Profit/loss for the rolling 12 months as a percentage of average shareholders' equity.

Risk premium

The surplus yield above the risk-free interest rate that an 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 government bonds. In calculations, Invest Receive has used SSVX 90 days.

SIX's Return Index, SIXRX

A Swedish all shares total return index calculated on share price change and reinvested dividends.

Total assets

The net of all assets 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

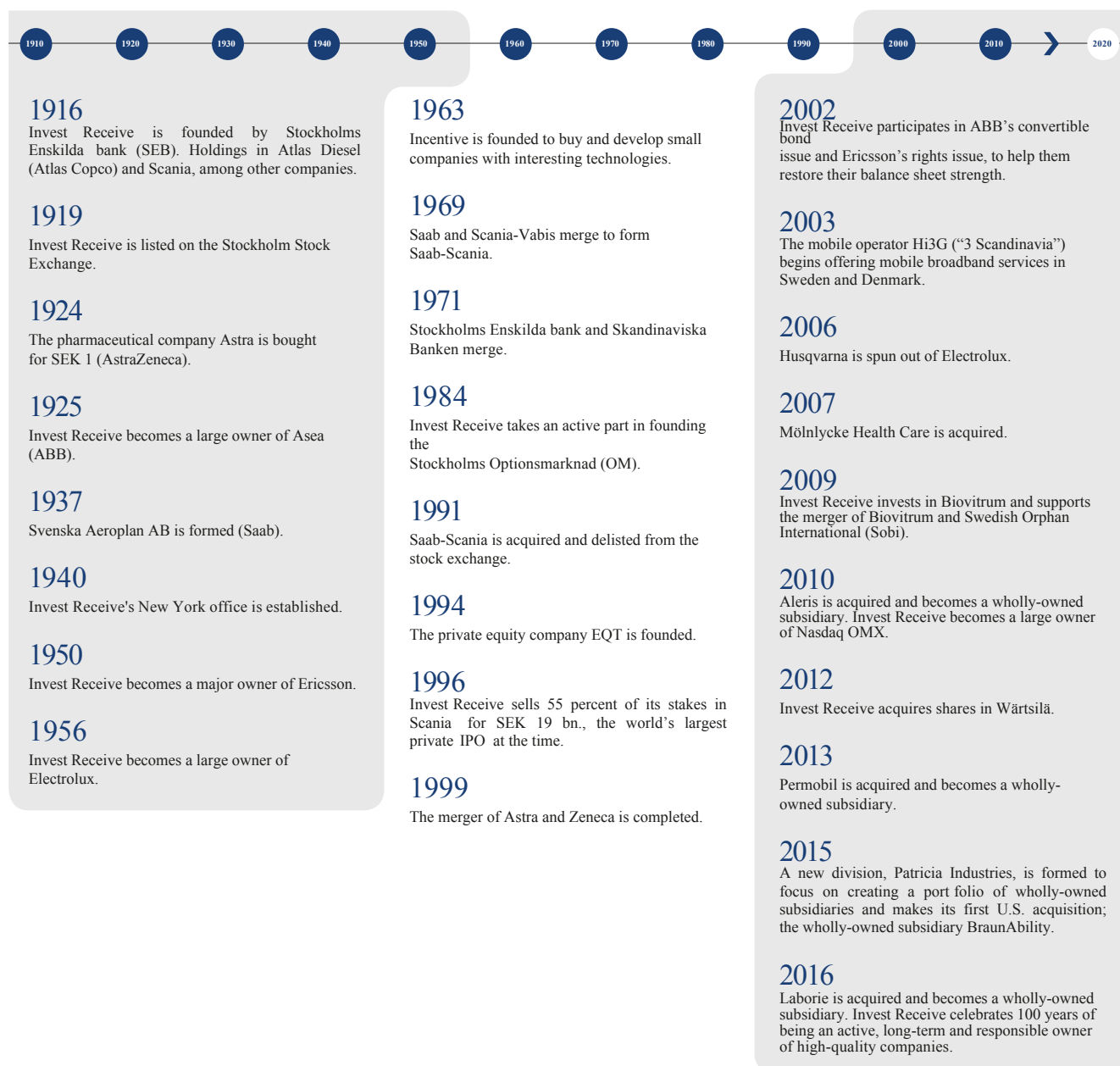
Reported value in relation to the number of shares outstanding on the Balance Sheet date.

Wholly-owned subsidiaries

Majority-owned companies within Patricia Industries, for ownership stake see page 4.

Our history

Invest Receive has operated with the same business philosophy since the company was founded in 1916 – to invest in companies and actively contribute as a leading shareholder to their long-term success. Over the years, we have steadily evolved in step with boom times, depressions and recessions, with globalization trends and with constantly changing capital markets, all to capture new opportunities and create value. For more information about our history, visit www.investreceive.com.



Shareholder information

Calendar of events 2018

- Interim Management Statement, January-March: April 20
- Annual General Meeting: May 8
- Interim Report, January-June: July 17
- Interim Management Statement, January-September: October 17
- Year-End Report: January 24, 2019

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 8 614 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.

Invest Receive relations

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Annual General Meeting

Invest Receive AB invites shareholders to participate in the Annual General Meeting on Tuesday, May 8, 2018, 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 Wednesday, May 2, 2018, and must notify the company of their intention to attend the Meeting no later than Wednesday, May 2, 2018.

Shareholders can give their notice of participation by:

- registering on Invest Receive AB's website, www.investreceive.com or
- calling +46 8 611 2910, weekdays, between 9:00 a.m. and 5:00 p.m. CET or
- writing to Invest Receive AB, Annual General Meeting, SE-103 32 Stockholm

Notice convening the Annual General Meeting and proxy forms are available on Invest Receive's website, www.investreceive.com.

DIVIDEND

The Board of Directors proposes a dividend to the shareholders of SEK 12.00 per share for fiscal year 2017 (11.00). To better reflect Invest Receive's cash flow profile, as of this year, the dividend is proposed to be paid in two installments, SEK 8.00 per share with record date May 11, 2018, and SEK 4.00 per share with record date November 12, 2018. If the proposal is approved by the Annual General Meeting, the dividend is expected to be distributed by Euroclear Sweden AB on Wednesday, May 16, 2018 and Thursday, November 15, 2018.



As a long-term owner, we actively support the building and development of best-in-class companies.