



SÖDERBERG & PARTNERS HOLDING AB

Annual Report

2021



Söderberg
& Partners





Söderberg
& Partners

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A Message from the Chairman

Söderberg & Partners Continue to Lead the Way

Söderberg & Partners has now produced its 18th annual report. It has been a long time since we began our journey, and it feels as if most things are yet to be done. The guiding principle of the company has always been to be an “innovator”, to always be at least one step ahead. Thank you to all our clients and employees, who I believe choose us for that reason.

From a historical perspective, in 2004 we were pioneers with our analysis and transparency about the various market players. It was something liberating and novel then. We are now resolutely committed to sustainability and digital transformation. Tomorrow, new areas will be in focus.

Terrible events have marked our environment in recent years. The Covid-19 pandemic continued to shape the year, which in my opinion, was marked by unpredictability. We still cannot be sure what the underlying causes of this pandemic were. The West has, after all, succeeded well in combating the virus, but it is appalling to look back on how many people have lost their lives or become ill as a result of Covid-19.

Russia's absolutely horrifying aggression against Ukraine in early 2022 has affected all of us. The war must end and it should never happen again. It is extremely important to be critical of sources. Unfortunately, criminality, gang crime and corruption continue to impact us all. If we do not see reality as it is, we will not overcome the problems either.

Without powerful measures against these terrible things, our way of life is under threat. As entrepreneurs, we can sharpen our skills and ensure that ethics and morals are always valued highly. Always endeavouring to curb immoral and criminal behaviour. That is mine and our joint responsibility.

People who claim to know it all, have judged our advisory role as old-fashioned and obsolescent; perhaps they even see it as an unwelcome added cost. We think differently. In fact, it is precisely our role that in many ways develop our industry. We create enormous value and our function is definitely necessary. The knowledge and experience that we bring, combined with the transparency and competition that we create, drives the entire industry forward and creates great customer value. We have most of what our competitors or challengers claim is unique to them. If we can make things simpler or more efficient, we will do so, but personal advice will always be one of our cornerstones.

In our corporate culture, only people create value. I am extremely proud of the efforts of all our employees. Our teams are super sharp. We develop new solutions, enter new markets and grow from year to year, also in terms of profitability. In other words, the future is with us at Söderberg & Partners. The historical figures speak for themselves, and I can assure you that the enthusiasm and creativity that permeate the company are at the same level as 18 years ago – at least.

In our own way, we will continue to contribute to a just, safe and sustainable society.

Per-Olof Söderberg, *Chairman of the Board*



A Message from the Group CEO

2021 – A Year of Strong Growth and Customer Satisfaction

2021 was a year of strong growth, the Group's net revenue increased by 22 percent and earnings before interest and tax by as much as 31 percent. Our long-term target is an annual growth in profit by 20 percent, evenly divided between organic and acquisition-driven growth. The surpassed target was partly helped by the strong development in the capital markets. To sum up, our financial performance was on track.

During the year, some changes to the Group's strategic focus were made, shifting away from managing the business based on a multitude of key performance indicators, to focusing on those we consider most important - (i) ability to attract and retain the best advisors in the industry, (ii) dedication to customers and (iii) improving the *Söderberg & Partners platform*. This shift in focus, which has been implemented throughout the organisation, has proven successful. In the Nordic region alone, we saw an addition of 211 net new advisors.

In terms of customers, Söderberg & Partners was awarded with having Sweden's most satisfied customers for the tenth year in a row by *Svenskt Kvalitetsindex* (insurance broker-category), which of course is a great honour.

To keep advisors and customers satisfied, continuous development of the platform is essential. During 2021, the Group's full volume of approximately SEK 30 billion in annual insurance premiums and more than SEK 650 billion was leveraged in favour to procure better pricing, terms and conditions for our customers' benefit.

Working with market-leading suppliers and matching their offerings to customers' individual preferences is not entirely a question of price, it is also a question of quality. In 2021, the Non-Life insurance business area added a sustainability dimension to its analyses to make sure it's taken into account in dialogues with customers.

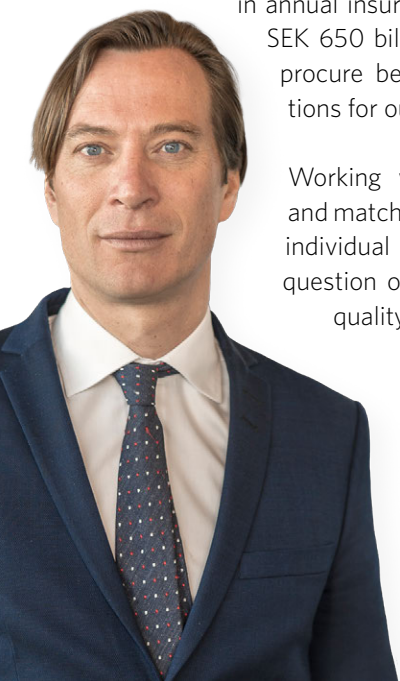
In June 2021, Söderberg & Partners welcomed TA Associates ("TA") back as minority owners (after exiting their 2014 investment to KKR in 2019). TA's acquisition of shares was made in part via existing shareholders and two targeted new share issues, where SEK 1 billion and a further SEK 1.5 billion will follow in connection with a new share issue in early 2022. This puts Söderberg & Partners in a good position to continue our acquisition agenda. The control (voting rights) of Söderberg & Partners is still held by Founders and Management.

Significant investments were made into the Group's digital transformation – for example process-related projects, where the rationale is to increase internal efficiency while maintaining rigorous quality and control of operational activities.

Across the Group a range of interesting innovation projects were initiated, some which will come into fruition during the first half of 2022. In regards to Söderberg & Partners' innovation agenda, we value and believe in human interaction and personal advice. We will continue to prioritise these areas as our digital transformation continues.

Söderberg & Partners' digital journey is not entirely about robots, it is about finding ways to leverage technical know-how and market-leading purchasing power to create better solutions for advisors and customers. One particularly interesting area for example is developing sustainability solutions that consider the Group's customer-specific preferences around sustainability. It's the continuous drive to be proactive today in favour of the customer's tomorrow that differentiates us and will continue to do so for years to come.

Gustaf Rentzhog, *President and Group CEO*



Highlights 2021

NO. 1
IN CUSTOMER
SATISFACTION

SKI's annual analysis of the intermediary sector shows that Söderberg & Partners has the largest number of satisfied customers – for the tenth year in a row.

Söderberg & Partners raises SEK 2.5 billion when former investor TA Associates returns through a new share issue with the goal of supporting Söderberg & Partners' continued Nordic and European expansion.

Throughout the year, Söderberg & Partners engaged in 119 dialogues with suppliers of financial products aimed at improving their sustainability work.

Sustainability Week was held during the autumn of 2021 and employees in all countries were invited to devote one hour per working day to completing sustainability challenges. The week was also filled with informative lectures and inspiring interviews.

Söderberg & Partners Wealth Management stepped up its commitment to analysing funds in terms of their sustainability.

We released a report entitled "Pensionssprickan" ("The Pension Gap"), which includes the results of a survey by Novus, commissioned by Söderberg & Partners. The report shows Swedish people's pension objectives, in relation to the pension level that they actually believe to be achievable.



In 2021, our Dutch operations continued to experience high growth with an increase in annual turnover of more than 250 MSEK in our subsidiaries and associated companies.



Söderberg & Partners Wealth Management Norway debuted in second place in Prospera's Private Banking survey.



Söderberg & Partners Norway strengthened its position as a market leader in advising on insurance products for Real Estate Agents, by increasing its market share to over 70%.



Söderberg & Partners Finland successfully merged five former insurance brokerage companies into Söderberg & Partners Oy.

Söderberg & Partners released the second sustainability analysis for Non-Life insurance companies. A total of 21 companies were analysed.

We launched the OnTrack service, a new dimension of our pension advice. We start by defining pension objectives together with the individual. We then review the available options for individuals to be able to supplement their pension solutions themselves, in order to achieve their ultimate objective.

Söderberg & Partners Holding AB
Corp. ID no. 559193-0788

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Directors' Report

The Board of Directors and Chief Executive Officer (CEO) of Söderberg & Partners Holding AB hereby present the company's annual report and consolidated financial statements for the financial year 2021-01-01 – 2021-12-31.

Söderberg & Partners Holding AB is the Parent Company in Söderberg & Partners Group ("Söderberg & Partners"). The Group operates in four main business areas as well as in a few, minor adjacent units.

- **Life & Pension:** offers financial advisory services, including analysis and administration, within the pension area. The service is primarily sold to corporate clients, however, providing occupational pension advice to the companies' employees is often included as well.
- **Wealth Management:** offers wealth management services mostly to high-net-worth individuals, and to a lesser extent institutional investors.
- **Asset Management:** offers asset management services.
- **Non-Life Insurance:** offers advice-, analysis- and administration services regarding corporate insurance and other non-life insurance.
- **Other Business Units:** is divided into two smaller units; Financial Technology which develops and sells IT systems used for financial advice, and Payroll & Benefits which operates within payroll and benefits management and provides HR systems and consulting services within HR.

Ownership

Söderberg & Partners is substantially owned, directly or indirectly, by Per-Olof Söderberg and current and previous employees in the Group. In addition, a significant share of the equity is owned by funds managed by Kohlberg Kravis Roberts & Co. L.P. ("KKR") and funds managed by TA Associates Management L.P. ("TA Associates").

Significant Events During the Financial Year

The year 2021 was just like 2020 marked by the Covid-19 pandemic, so also for Söderberg & Partners where the societal effects of the pandemic have impacted the business areas in different ways and to varying extents. In 2020, certain negative financial effects of the pandemic arose in the Wealth Management- and Asset Management business areas, which however ceased later in 2020 as a result of the recovery in the financial markets. The business areas were not negatively affected by the pandemic in 2021. The Life & Pension business area was negatively affected by the pandemic, especially in the second half of 2020, however, during the beginning of 2021 most of these negative effects had ceased. During the remainder of 2021, no effects have remained to affect the business area negatively. The Non-Life Insurance business area has not seen any significant, negative effects by the pandemic in either 2020 or 2021.

During the year, the Group's international expansion continued through both acquisitions and organic growth. Larger acquisitions in the Group were Van Campen & Dijkstra Holding B.V., as well as the acquisitions of associate companies Central Volmachtbedrijf B.V, Van Loon & Van Loon Beheer B.V, VDF

Holding & Partners B.V, and Zekerheuts Holding B.V, all of which operate in the Non-Life Insurance business area in the Netherlands. In Denmark, the Group acquired the Wealth Management company Formue- og Investeringspleije A/S, as well as TimeRisk A/S Forsikringsmægler and TimePension A/S, which operate in both Life & Pension and Non-Life Insurance. The Group also acquired the associate company Hansson & Partners A/S, which operates in Non-Life Insurance, and additional shares were acquired in the former associate company FPR Forsikringsmægler A/S.

Söderberg & Partners continuously tests the values of the Group's assets and recognises an impairment loss if the recoverable amount is less than the carrying amount. The Covid-19 pandemic has not led to a need for any significant write-downs of the carrying amounts of tangible nor intangible assets. There have also not been significant effects of the Covid-19 pandemic that have affected the carrying amounts of financial assets. There have been no significant credit losses due to the Covid-19 pandemic, nor have any restructurings been planned or implemented as a result of the pandemic.

During the financial year, TA Associates, KKR and Söderberg & Partners Holding AB entered into an agreement stating that funds controlled by TA Associates would acquire shares in Söderberg & Partners Holding AB from funds controlled by KKR, and that Söderberg & Partners Holding AB would carry out two directed new share issues of SEK 1,000 million and SEK 1,500 million respectively, subscribed by funds controlled by TA Associates. TA Associates' acquisition of shares and the

first new share issue of 1,000 million were finalised in 2021. After deductions for transaction costs, the Parent Company received SEK 989 million from the transaction. The second, directed new share issue was complete in January 2022 and raised SEK 1,484 million after deductions for transaction costs. Following the transactions, funds managed by KKR and funds managed by TA Associates own a significant share of the equity in the Parent Company. However, the Parent Company remains to be controlled by Per-Olof Söderberg and several employees in the Group.

Significant Events After the End of the Financial Year

After year end, a directed new share issue of SEK 1,484 million was carried out in accordance with what was described in the previous section. In February 2022, the Group acquired 100% of the shares in the Dutch company Summa Holding B.V. The company will operate in the Non-Life Insurance business area.

Sustainability Report

In accordance with Chapter 6, §11 of the Swedish Annual Accounts Act, Söderberg & Partners Holding AB has chosen to present its sustainability report separately from the annual report. The sustainability report was submitted to the auditor together with the annual report for Söderberg & Partners Holding AB. The report is available on the Group's website, www.soderbergpartners.se/om-oss/organisation/koncern/.

Five Year Summary – Group

Key Performance Indicators	2021-01-01 2021-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31	2017-01-01 2017-12-31
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Amounts in millions of Swedish kronor (MSEK)

Earnings

Net revenue	5,743	4,688	4,107	3,405	2,960
Operating profit	1,047	799	705	542	424
Profit before tax	921	713	647	509	413
Profit for the year	677	536	489	387	305

Financial Position

Total assets	10,580	8,061	5,929	4,769	3,685
Equity	4,158	2,398	2,033	1,493	980
Equity-to-assets ratio, %	39	30	34	31	27

Financial Performance During the Year

The Group's net revenue increased by SEK 1,054 million to SEK 5,743 million (4,688), an increase of 22% compared to the previous year. EBITDA amounted to SEK 1,335 million (1,020), which increased the EBITDA margin from 22% to 23% compared to the previous year. Operating profit increased by 31% to SEK 1,047 million (799) and the operating margin was 18% (17).

In the business area Life & Pension, net revenue increased to SEK 1,457 million (1,348), an increase of 8% compared to the previous year. Growth in the business area was in the beginning of the year negatively impacted by the Covid-19 pandemic but was nevertheless positive throughout the year.

The Wealth Management business area, which operates in Sweden, Norway and since January 2021 also in Denmark (through the acquisition of Formue- og Investeringspleije A/S), increased its net revenue by 47% to SEK 1,562 million (1,064) as a result of strong growth in the Norwegian and Swedish operations, as well as in the Danish acquisition.

Within the business area Asset Management, net revenue was SEK 1,114 million (1,086). The operating margin was stable.

Non-Life Insurance increased its net revenue to SEK 1,685 million (1,338), resulting in a growth rate of 26%. Approximately 50% of the growth was related to the Dutch operations. However, all countries showed strong growth and the business area's profitability improved.

Other Business Units increased its net revenue by 23% to SEK 185 million (151) while maintaining the operating margin. The item "Central Functions" consists primarily of costs for management and administration of the Group and the Parent Company, costs for acquisition-related activities (M&A) and other centralised Group activities as well as amortisation of consolidated surplus values.

Net Revenue (MSEK)	2021	2020
Life & Pension	1,457	1,348
Asset Management	1,114	1,086
Non-Life Insurance	1,685	1,338
Wealth Management	1,562	1,064
Other Business Units	185	151
Central Functions	7	4
Elimination of internal sales	-267	-302
Total Group	5,743	4,688

Financing and Liquidity

For the year 2021, the Group reported a cash flow of SEK 355 million (-43). Cash flow from operating activities amounted to SEK 851 million (681). A total of SEK -386 million (-420) was paid during the year as consideration for acquisitions of shares in subsidiaries (net after deductions for acquired cash and cash equivalents) and SEK -584 million (-596) for investments in associate companies. Net inflows from changes in interest-bearing liabilities to credit institutions amounted to SEK -48 million (869).

During the year, the Parent Company received SEK 1,484 million, after deductions of transaction costs, through a directed new share issue subscribed by TA Associates. The Parent Company's Annual General Meeting decided in 2021 to distribute SEK 125 million to the shareholders.

At year end, the Group's cash and cash equivalents amounted to SEK 1,634 million (1,262). The Group's interest-bearing liabilities to credit institutions amounted to SEK 1,798 million (1,843). Deposits from the public in trading accounts totalled SEK 384 million (392) by year end.

Financial Risk Management

The Group's financial risk is relatively low as its operations mainly comprise advisory services, asset management, insurance intermediary services and custody services. The Group has no in-house trading business and holds no financial instruments for trading purposes. This follows strategic decisions made when the Group was newly formed, and the Board expects that the same principles will be adhered to going forward since the Group's aim is to remain a stable, reliable and long-term partner for its clients in the foreseeable future. For further information on the Group's financial risk management, see [Note 3](#) below.

The Covid-19 pandemic has not significantly affected the Group's financial risk. The Group's business areas have largely managed to maintain their profitability even after the pandemic broke out.

Number of Employees

The Group had an average of 2,277 full-time employees in 2021, an increase from 1,921 the previous year. If also including personnel which are employed by partner firms that are not yet subsidiaries and still operate under franchise agreements with the Group, the total number of people working on behalf of the Group amounts to 2,608 (2,330) by year end.

Outlook

Strong organic growth in several business areas and a continued high acquisition rate are combined expected to continue to drive growth in the Group at a rapid pace. The Group intends to continuously exploit the synergies that arise from combining different business areas' offerings to deliver a broad and value-creating complete solution to the Group's clients.

The Work of the Board

The company's Board of Directors consists by year end of seven Board members, including the Chairman. The Board holds meetings according to a schedule that runs from one Annual General Meeting (AGM) to the next. The Board has the overall responsibility for the company's management and organisation in accordance with an agenda that applies annually. The Board of Directors receives continuous information on the company's financial position, operational decisions and events that affect or may affect the company through written reports from the Chief Executive Officer.

Parent Company

The Parent Company's sole function is to manage the shares of its subsidiaries.

The following earnings in SEK are at the disposal of the AGM:

Share premium reserve	11,884,567,300
Retained earnings	-7,447,428,000
Profit for the year	322,858,600
	4,759,997,500

The Board of Directors and Chief Executive Officer propose the following appropriation of disposable earnings:

Dividends to the shareholders	282,019,889
To be carried forward	4,477,977,611
	4,759,997,500

Board Statement on Dividend Proposal

The proposed dividend reduces the equity/assets ratio of the company. However, the equity/assets ratio is reassuring since the company's operations remain profitable. The company's liquidity is furthermore judged to be maintained at an equally satisfactory level. The Board's view is that the proposed dividend does not prevent the company from fulfilling its obligations in the short and long term, nor does it prevent the company from making requisite investments. Therefore, the proposed dividend can be defended with reference to the requirements in the Swedish Companies Act Chapter 17, Paragraph 3, Section 2.

The company is the Parent company of the Söderberg & Partners Group and the Board of Directors' assessment is that the dividend is defensible also on the basis of what is stated in the Swedish Companies Act Chapter 17, Paragraph 3, Section 3 regarding the need to take into account the requirements that the Group's operations, scope and risks put on the Group's equity and the Group's needs for consolidation, liquidity and position in general.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Amounts in millions Swedish kronor (MSEK)	Note	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Operating revenue			
Net revenue	5	5,743	4,688
Other operating income	6	88	43
Total operating revenue		5,830	4,731
Operating expenses			
Direct external expenses		-1,245	-1,233
Other external expenses	7, 16	-824	-662
Personnel expenses	8	-2,460	-1,864
Depreciation, amortisation and impairment of tangible and intangible assets	11-16	-287	-222
Other operating expenses		-6	-3
Total operating expenses		-4,822	-3,983
Share of profit or loss of joint ventures and associates	18	39	50
Operating profit		1,047	799
Financial income	9	15	7
Financial expenses	9	-142	-92
Net financial items		-127	-85
Profit before tax		921	713
Income tax	10	-244	-177
Profit for the year		677	536
Consolidated statement of other comprehensive income			
Profit for the year		677	536
Other comprehensive income for the year			
Translation differences		70	-84
Other comprehensive income for the period, net after tax		70	-84
Total comprehensive income for the year		747	452
Profit for the year attributable to:			
Shareholders of the Parent Company		584	477
Non-controlling interests		93	59
Total comprehensive income attributable to:			
Shareholders of the Parent Company		647	395
Non-controlling interests		99	57

Consolidated Statement of Financial Position

Amounts in millions Swedish kronor (MSEK)	Note	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Intangible assets			
Acquired customer contracts/customer relationships	11	684	518
Other acquired rights	12	15	21
Capitalised software development costs	13	116	81
Goodwill	14	3,450	2,930
Total intangible assets		4,266	3,550
Tangible assets			
Equipment	15	50	33
Right-of-use assets	16	301	239
Total tangible assets		351	271
Financial fixed assets			
Investments in joint ventures and associates	18	1,300	688
Other non-current securities		39	32
Deferred tax assets	24	59	52
Receivables from joint ventures and associates		90	68
Other non-current receivables		278	142
Total financial fixed assets		1,765	982
Total fixed assets		6,383	4,803
Current assets			
Client receivables		427	381
Trade receivables	19	388	309
Receivables from joint ventures and associates		8	5
Lending to the public		67	43
Current tax assets		70	54
Other receivables		95	64
Prepaid shares not yet accessed		13	4
Prepaid expenses and accrued income	20	830	539
Client money		663	597
Cash and cash equivalents		1,634	1,262
Total current assets		4,197	3,258
TOTAL ASSETS		10,580	8,061

Consolidated Statement of Financial Position, cont.

Amounts in millions Swedish kronor (MSEK)	Note	2021-12-31	2020-12-31
EQUITY	21		
Equity attributable to shareholders of the Parent Company			
Share capital		33	31
Additional paid-in capital		2,270	1,068
Reserves		-1	-65
Retained earnings including profit for the year		1,514	1,191
Total equity attributable to shareholders of the Parent Company		3,816	2,226
Non-controlling interests		343	172
Total equity		4,158	2,398
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	22	1,625	1,544
Lease liabilities	16	185	141
Non-current liability for additional purchase price	23	834	683
Other non-current liabilities		30	13
Deferred tax liabilities	24	141	106
Total non-current liabilities		2,815	2,487
Current liabilities			
Liabilities to credit institutions	22	173	299
Trade payables		109	74
Current tax liabilities		136	81
Liabilities to joint ventures and associated companies		23	17
Liabilities for client assets		1,090	977
Deposits from the public		384	392
Lease liabilities	16	122	101
Current liability for additional purchase price	23	373	272
Other liabilities		357	315
Accrued expenses and deferred income	25	841	648
Total current liabilities		3,607	3,175
TOTAL EQUITY AND LIABILITIES		10,580	8,061

Consolidated Statement of Changes in Equity

Amounts in millions Swedish kronor (MSEK)	Attributable to Shareholders of the Parent Company					Non-controlling interests	Total equity
	Share capital	Additional paid-in capital	Reserves	Retained earnings incl. profit for the year	Total		
Opening balance 2020-01-01	31	1,010	18	901	1,958	75	2,033
Comprehensive income							
Profit for the year				477	477	59	536
Other comprehensive income							
Translation differences in foreign operations			-82		-82	-2	-84
Total comprehensive income	—	—	-82	477	395	57	452
Transactions with shareholders							
New share issues	1	59		0	59		59
Warrants		50			50		50
Dividends				-165	-165	-56	-221
Non-controlling interests on acquisition of subsidiaries					—	100	100
Transactions with minority				-22	-22	-3	-25
Total transactions with shareholders	1	59	—	-187	-128	41	-87
Closing balance 2020-12-31	31	1,068	-65	1,191	2,226	172	2,398
Opening balance 2021-01-01	31	1,068	-65	1,191	2,226	172	2,398
Comprehensive income							
Profit for the year				584	584	93	677
Other comprehensive income							
Translation differences in foreign operations			63		63	6	70
Total comprehensive income	—	—	63	584	647	99	746
Transactions with shareholders							
Reclassifications		139		-139	0		0
New share issues	2	1,048			1,049		1,049
Warrants		14			14		14
Dividends				-125	-125	-69	-194
Non-controlling interests on acquisition of subsidiaries					—	-7	-7
Transactions with minority				4	4	147	151
Total transactions with shareholders	2	1,062	—	-121	942	71	1,013
Closing balance 2021-12-31	33	2,270	-1	1,514	3,816	343	4,158

For further information on share capital and additional paid-in capital, see [Note 21](#).

Consolidated Statement of Cash Flows

Amounts in millions Swedish kronor (MSEK)	Note	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Cash flow from operating activities			
Operating profit		1,047	799
Adjustment for non-cash items	27	253	154
Interest received		6	4
Interest paid		-58	-39
Dividends from associates and other investments		51	13
Paid tax		-227	-216
Cash flow from operating activities before changes in working capital		1,073	715
Changes in working capital			
Increase/decrease in current receivables		-329	-42
Increase/decrease in current liabilities		138	61
Increase/decrease in lending to the public		-24	-16
Increase/decrease in deposits from the public		-7	-37
Total changes in working capital		-222	-33
Cash flow from operating activities		851	681
Cash flow from investing activities			
Acquisition of subsidiaries, net of acquired cash and cash equivalents	29	-386	-420
Investments in joint ventures and associates	18	-584	-596
Investments/disposals of intangible assets	11-14	-81	-50
Investments/disposals of tangible assets	15	-27	-16
Changes in other financial fixed assets		-41	-41
Cash flow from investing activities		-1,119	-1,122
Cash flow from financing activities			
Borrowings		1,011	953
Repayment of borrowings		-1,059	-84
Change in other non-current liabilities		-114	-101
Paid option debt		-68	-107
New share issue		989	4
Warrants		14	0
Acquisition of shares in subsidiaries from non-controlling interest		-46	-58
Divestment of shares in subsidiaries to non-controlling interest		90	12
Dividends to non-controlling shareholders		-69	-56
Dividends to shareholders of the Parent Company		-125	-165
Cash flow from financing activities		624	398
Cash flow for the period		355	-43
Cash and cash equivalents at the beginning of the period		1,262	1,326
Translation differences in cash and cash equivalents		17	-22
Cash and cash equivalents at the end of the period		1,634	1,262

Parent Company Statement of Profit and Loss and Other Comprehensive Income

Amounts in millions Swedish kronor (MSEK)	Note	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Operating revenue			
Net revenue		0	0
Other operating income		0	0
Total operating revenue		0	0
Operating expenses			
Other external expenses	7	-5	-2
Personnel expenses	8	-2	-1
Other operating expenses		0	0
Total operating expenses		-7	-3
Operating profit		-7	-3
Profit from shares in subsidiaries	9	275	262
Profit from shares in joint ventures and associated companies	9	49	—
Profit from shares in other holdings	9	0	—
Interest income and similar items	9	1	19
Interest expenses and similar items	9	-48	-41
Net financial items		277	240
Received Group contributions		265	190
Paid Group contributions		-207	-149
Profit before tax		329	278
Income tax	10	-6	-12
Profit for the year		323	266
Parent Company statement of other comprehensive income			
Profit for the year		323	266
Other comprehensive income, net after tax		—	—
Total comprehensive income for the year		323	266

Parent Company Statement of Financial Position

Amounts in millions Swedish kronor (MSEK)	Note	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in subsidiaries	17	4,469	4,325
Shares in joint ventures and associated companies	18	411	173
Shares in other holdings		4	—
Receivables from Group companies		19	213
Deferred tax assets		—	1
Other non-current receivables		44	4
Total financial fixed assets		4,947	4,717
Total fixed assets		4,947	4,717
Current assets			
Trade receivables		0	0
Receivables from Group companies		2,074	1,187
Prepaid shares not yet accessed		0	0
Other receivables		1	1
Prepaid expenses and accrued income		9	1
Cash and cash equivalents		102	24
Total current assets		2,186	1,214
TOTAL ASSETS		7,133	5,930

Parent Company Statement of Financial Position, cont.

Amounts in millions Swedish kronor (MSEK)	Note	2021-12-31	2020-12-31
EQUITY			
Restricted equity			
Share capital	21	33	31
Total restricted equity		33	31
Non-restricted equity			
Share premium reserve		11,885	10,683
Retained earnings including profit for the year		-7,125	-7,183
Total non-restricted equity		4,760	3,500
Total equity		4,793	3,531
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	22	1,613	1,525
Non-current liability for additional purchase price		35	22
Total non-current liabilities		1,647	1,548
Current liabilities			
Liabilities to credit institutions	22	155	284
Trade payables		2	0
Current tax liabilities		15	12
Liabilities to Group companies		503	534
Non-current liability for additional purchase price		0	19
Prepaid income and accrued expenses		16	0
Other liabilities		3	1
Total current liabilities		693	851
TOTAL EQUITY AND LIABILITIES		7,133	5,930

Parent Company Statement of Changes in Equity

Amounts in millions Swedish kronor (MSEK)	Share capital	Share premium	Retained earnings incl. profit for the year	Total
Opening balance 2020-01-01	31	10,625	176	10,832
Comprehensive income				
Profit for the year			266	266
Total comprehensive income	0	0	266	266
Transactions with shareholders				
New share issue	1	59	0	59
Merger			-7,461	-7,461
Dividends			-165	-165
Total transactions with shareholders	1	59	-7,626	-7,566
Closing balance 2020-12-31	31	10,683	-7,183	3,531
Opening balance 2021-01-01	31	10,683	-7,183	3,531
Comprehensive income				
Profit for the year			323	323
Total comprehensive income	0	0	323	323
Transactions with shareholders				
Reclassifications		139	-139	0
New share issue	2	1,048		1,049
Warrants		14		14
Dividends			-125	-125
Total transactions with shareholders	2	1,201	-264	939
Closing balance 2021-12-31	33	11,885	-7,125	4,793

Parent Company Statement of Cash Flows

Amounts in millions Swedish kronor (MSEK)	2021-01-01 2021-12-31	2020-01-30 2020-12-31
Cash flow from operating activities		
Operating profit	-7	-3
Received interest	1	0
Paid interest	-47	-39
Received dividends	79	262
Cash flow from operating activities before changes in working capital	26	220
Changes in working capital		
Increase/decrease in current receivables	-498	-232
Increase/decrease in current liabilities	-264	-522
Total changes in working capital	-762	-754
Cash flow from operating activities	-736	-535
Acquisition of subsidiaries	-117	-54
Paid shareholder contributions to subsidiaries	-11	-47
Divestments subsidiaries	78	—
Investments in joint ventures and associates	-174	-140
Changes in other financial fixed assets	-9	12
Cash flow from investing activities	-233	-230
Cash flow from financing activities		
New share issue	989	4
Warrants	14	—
Borrowings	1,006	956
Received shareholder contributions	190	—
Paid shareholder contributions	-154	—
Repayment of borrowings	-900	-58
Change in non-current receivables from subsidiaries	27	—
Dividends to shareholders of the Parent Company	-125	165
Cash flow from financing activities	1,047	738
Cash flow for the period	78	-26
Cash and cash equivalents at the beginning of the period	24	50
Cash and cash equivalents at the end of the period	102	24

Accounting Policies and Notes to the Accounts

Note 1

General information

Söderberg & Partners Holding AB and its subsidiaries ("the Group" or "Söderberg & Partners") operate in the business areas Life & Pension, Wealth Management, Asset Management, Non-Life Insurance and Other Business Units.

Söderberg & Partners Holding AB is a limited company with registered office in Stockholm, Sweden. The visiting address is Stureplan 8, Stockholm.

The consolidated financial statements and annual accounts were approved for publication by the Board of Directors on May 30, 2022. Unless otherwise stated, all amounts are presented in millions of Swedish kronor (MSEK). Figures in parentheses refer to the previous year.

Note 2

Summary of Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The consolidated financial statements of Söderberg & Partners have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared using the cost method. Assets and liabilities are stated at historical cost, net of any depreciation, amortisation and impairment, except in respect of the restatement of financial assets and liabilities at fair value through profit and loss.

Significant accounting policies applied in preparing these consolidated financial statements are described below. Unless otherwise stated, these policies have been applied consistently for all the years presented.

The annual accounts of the Parent Company have been prepared in accordance with Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. In cases where the Parent Company applies other accounting policies than the Group, this is stated separately at the end of this accounting policy section.

The preparation of financial statements in compliance with IFRS requires the use of critical accounting estimates. Management is also required to make certain assessments in applying the Group's accounting policies. Areas which involve a high degree of judgement, are complex, or where assumptions and estimates have a material impact on the consolidated financial statements are described in [Note 4](#). The total sum in tables and calculations does not always sum up due to rounding differences. Rounding differences occur in order for the partial sums to match their source of origin.

2.1.1 New and Amended Standards Applied by the Group

When preparing the consolidated financial statements as of 31 December 2021, no new standards and interpretations that are applicable to the Group have entered into force.

2.1.2 New and Amended Standards that have not Yet Become Effective

There are no new standards or interpretations which have been published but not yet come into force on the closing date that are expected to have material impact on the Group's financial reports.

2.2 Consolidation

2.2.1 Subsidiaries

All entities (including structured entities) over which the Group has control are classified as subsidiaries. The Group controls an entity when it is exposed to or has the right to variable returns on its involvement in the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

All acquisitions of subsidiaries are reported according to the acquisition method. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the acquisition date. For each acquisition, the Group determines whether non-controlling interests in the acquired company are reported at fair value or at the holding's proportionate share of the acquired company's net assets. Acquisition-related expenses are recognised as they are incurred.

The amount by which the purchase price, any non-controlling interest and the fair value of the acquisition date on previous holdings exceed the fair value of the Group's share of identifiable acquired net assets, is reported as goodwill.

Contingent considerations that arise from business combinations is reported at fair value and any changes of the liability is reported in net financials in the Group's consolidated income statement. In connection with the Group's business combinations, it is sometimes also agreed on a right and an obligation to acquire additional shares at a future date. Any considerations that may be paid when exercising such an option is reported as a liability in connection with the business combination. Changes in the value of the liability attributable to the options are reported in the Group's equity as a transaction with minority.

If the business combination is carried out in several stages, the previously held equity share in the acquired entity is revaluated at their fair value at the acquisition date. Any gain or loss resulting from the revaluation is recognised in profit or loss.

2.2.2 *Changes in Ownership in a Subsidiary Without Change in Control*

Transactions with non-controlling interests which do not lead to a loss of control are reported as equity transactions, i.e. transactions with owners in their role as owners. In case of acquisitions from non-controlling interests, the difference between the fair value of the consideration transferred and the actual acquired portion of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses on divestments to non-controlling interests are also recognised in equity.

2.2.3 *Sale of Subsidiaries*

When the Group no longer has control or significant influence, each remaining interest is revaluated at fair value as of the date when control is ceased. The change in the carrying amount is recognised in profit and loss. The fair value is used as the first carrying amount in the continued accounting of the remaining holding as an associate, joint venture or financial asset. Any amounts previously recognised in other comprehensive income in respect of the divested entity are accounted for as if the Group had directly disposed the related assets or liabilities. This may imply that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.4 *Associates*

Associates are all entities over which the Group has significant influence but no controlling interest, which normally applies for shareholdings representing between 20 and 50 percent of the voting rights.

Investments in associates are accounted for using the equity method and are initially recognised at historical cost and the carrying amount is subsequently increased or decreased to recognise the Group's share of the profit or loss of the associate after the date of acquisition. The Group's carrying amount of investments in associates includes goodwill identified upon acquisition, net after any impairment. Acquisition-related expenses attributable to associated companies are included in the acquisition value.

The Group's share of earnings that arose in the associated company after the acquisition is reported in the operating profit in the income statement when the holdings are deemed to be business related. The Group's share of changes in other comprehensive income after the acquisition is reported in other comprehensive income. Accumulated changes post acquisition are reported as changes in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its holdings in the associate, including any other unsecured receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associated company. Any revaluation effects that arise when measured at fair value, for example in incremental investments, are reported in the line item Shares of profit or loss of joint ventures and associates in operating profit.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated, unless the transaction is an indication of necessary impairment of the transferred asset. Applied accounting policies in associates have been changed when deemed necessary to ensure consistent application of the Group's accounting principles. Dilutive gains and losses arising from participations in associates are recognised in profit and loss.

At the end of each reporting period, the Group assesses whether there is an objective evidence of impairment for the investment in the associated company. If so, the Group calculates the impairment as the difference between the associate's recoverable amount and carrying value and recognises the amount in Shares of profit or loss of joint ventures and associates in the income statement.

2.2.5 *Joint Arrangements*

The Group applies IFRS 11 "Joint Arrangements". According to IFRS 11, interest in a joint arrangement shall be classified either as a joint operation or a joint venture depending on the contractual rights and obligations of each investor. The Group has assessed its joint arrangements and determined that they are joint ventures. Joint ventures are reported according the equity method, see [2.2.4](#).

2.3 Segment Reporting

As the company is not a listed company IFRS 8 is not applied. In accordance with the Swedish Annual Accounts Act, information is presented on the breakdown of net revenue by business segment and geographic market, see [Note 5](#).

2.4 Translation of Foreign Currency

2.4.1 Functional Currency and Reporting Currency

Items included in the financial statements of the various units for the Group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). Swedish kronor (SEK), the functional and reporting currency of the Parent Company, is used in the consolidated financial statements.

2.4.2 Transactions and Balances

Transactions are translated to the functional currency at the exchange rates prevailing on the transaction date. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currency at the closing date are recognised in the income statement. Foreign exchange differences on lending and borrowing are reported in net financial items, while other foreign exchange differences are included in operating profit.

2.4.3 Subsidiaries

Earnings and financial position for all subsidiaries (none of which has a high-inflation currency as functional currency) that have different functional currency than the reporting currency are translated to the Group's reporting currency as follows:

- Assets and liabilities for each of the balance sheets are translated at the closing rate,
- Income and expenses for each of the income statements are translated at the average rate, and
- All foreign-exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising upon the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. Foreign exchange differences are recognised in other comprehensive income.

2.5 Intangible Assets

2.5.1 Acquired Customer Contracts/Customer Relationships

Acquired customer relationships are reported at cost. Customer relationships have an estimated useful life and are reported at cost less accumulated amortisation. Amortisation is made on a straight-line basis to distribute the cost of the customer relationships over its estimated useful life (5–10 years).

2.5.2 Acquired Rights

Acquired rights are reported at cost and mainly comprise licenses and franchise agreements. The rights have an estimated useful life and are reported at cost less accumulated amortisation. Amortisation is made on straight-line basis to distribute the cost of the acquired rights over its estimated useful life (5–15 years).

2.5.3 Goodwill

Goodwill is the amount by which the cost of acquisition exceeds the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the time of acquisition. Goodwill arising on the acquisition of subsidiaries is recognised as an intangible asset.

Separately recognised goodwill is tested annually to identify any impairment needs or more frequently if events or changes in circumstances indicate a possible impairment and is reported at cost less accumulated impairment losses. Impairment of goodwill is never reversed. Gains or losses on the divestment of a unit include the remaining carrying amount of goodwill relating to the divested unit.

Goodwill is allocated to cash-generating units when considering any need for impairment. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Each unit or group of units to which goodwill has been allocated represents the lowest level in the Group at which the goodwill is monitored for internal management control. The Group allocates goodwill to the operating segments that existed at the time when the original goodwill arose. Additional goodwill is allocated to those units which are judged to benefit from the business combination.

2.5.4 Capitalised Expenditure for In-House Developed Software

Development costs that are directly attributable to the development and testing of identifiable and unique software products which are controlled by the Group are recognised as intangible assets when all the following criteria are met:

- a) It is technically feasible to complete the software so that it will be available for use.
- b) The company intends to complete the software and use or sell it.
- c) The company can use or sell the software.
- d) It can be demonstrated how the software will generate probable future economic benefits, either through cost savings or through additional revenue.
- e) Adequate technical, financial and other resources are available to complete the development, and
- f) Expenditure attributable to the development of the software can be reliably measured.

Directly attributable expenditure that is capitalised as part of the software include expenditure for personnel, and a reasonable portion of indirect costs. Other development expenses which do not meet these criteria are expensed as incurred.

The estimated useful life is 3-10 years and the assets are amortised on a straight-line basis from the date when they are ready for use

2.6 Tangible Assets

All tangible assets are recognised at cost less depreciation. The acquisition value includes expenditure that is directly attributable to the acquisition of the asset.

Any additional expenditure is added to the asset's carrying amount or recognised as a separate asset. Whichever is appropriate, only when it is probable that the future economic benefits associated with the item will benefit the Group and the asset's acquisition value can be measured reliably. The carrying amount of the replaced asset is removed from the balance sheet. All other forms of repairs and maintenance are expensed in the income statement in the periods in which they are incurred.

The acquisition value is depreciated over the estimated useful life, which for the Group is a depreciation period for equipment of 3-10 years.

Residual values and useful lives of assets are tested each closing date and adjusted when required. An asset's carrying amount is immediately impaired to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the sale proceeds and carrying amount. The difference is recognised in Other operating income or Other operating expenses in the income statement.

2.7 Impairment of Non-Financial Fixed Assets

Assets with indefinite useful lives, such as goodwill, are not amortised but are tested annually for any impairment. Tangible assets and amortisable intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The difference between the carrying amount and recoverable amount is recognised as an impairment loss. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. When testing for impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For tangible and intangible assets that have previously been written down, an impairment test is made on each balance sheet date to determine whether a reversal is required.

2.8 Financial Instruments

Financial assets and liabilities are classified into the following categories:

2.8.1 Financial Assets and Liabilities Valued at Amortised Cost

Financial assets valued at amortised cost mainly comprise trade receivables, financial receivables and cash and cash equivalents. Financial liabilities mainly comprise trade payables and loans. The assets or liabilities are initially valued at cost plus any transaction costs and thereafter at amortised cost.

2.8.2 Financial Assets at Fair Value through Other Comprehensive Income

As of the balance sheet date, the Group has no financial assets in this category.

2.8.3 Financial Assets and Liabilities Measured at Fair Value through Profit and Loss

Financial assets and liabilities that are not recognised in any of the other categories are measured at fair value through profit and loss. Financial assets and liabilities in this category are initially recognised at fair value. Transaction costs attributable to

financial assets and liabilities that are recognised in this category are expensed directly in profit and loss. On the balance sheet date, this category comprises shares and participations, derivatives, contingent considerations from business combinations and other non-current securities. The Group's derivatives include for example options. The fair value of financial instruments that are not traded in an active market is determined using various valuation techniques. Primarily, the price previously known to approximate fair value is used, but equivalent representative prices may also be used. The Group chooses between different methods and makes assumptions based mainly on market terms that are known in each reporting period. The Group's derivatives are deemed to be market based, which is why these items have not been assigned any value in the Group.

2.8.4 Impairment of Financial Assets

The Group applies the simplified approach in IFRS 9 to determine a provision of expected credit losses on trade receivables. The provision is calculated by grouping the trade receivables' due dates and provisions for expected credit losses are made for as long as the trade receivables remain outstanding. The provision of expected credit losses on outstanding trade receivables is mainly based on realised credit losses in the past few years.

Of the Group's other financial assets, Lending to the public is an important item to assess under IFRS 9. However, lending and loan commitments within the Group's securities operations are relatively limited. Assumptions for risk of default and expected losses are used to calculate the loss provision in regard to the lending. Impairment of other financial assets has not had any significant impact on the Group.

2.9 Trade Receivables

Trade receivables are classified as current assets if the payment is expected to be made within one year or earlier, otherwise the trade receivables are classified as fixed assets. All trade receivables in the Group are considered to be current assets. Trade receivables are initially recognised at fair value and expected credit losses are measured in accordance with IFRS 9, see 2.8 above.

2.10 Client Funds

Client funds arise as part of the insurance- and wealth management business, mainly in the handling of insurance premiums on behalf of clients and some clients' deposits to trading accounts. The item Liability for client assets consists not only of reported client funds since there are outstanding customer invoices and received supplier invoices that are managed on behalf of customers (mainly with regard to customers' insurance premiums). Client funds are recognised as assets in

the balance sheet to the extent that they are considered to meet the IFRS definition of an asset. Client funds relating to the insurance business are considered to meet these criteria and are recognised as client funds in the balance sheet. Client funds that arise in the wealth management business are considered to not meet the IFRS definition of an asset and they are therefore not recognised in the balance sheet.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise, in the balance sheet as well as in the statement of cash flows, cash, bank deposits and other current investments traded on an open market and which are exposed to an insignificant risk of value fluctuations and are maturing within three months of the balance sheet date.

2.12 Share Capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are recognised, net of tax, in equity as a deduction from the proceeds of the issue.

2.13 Trade Payables

Trade payables are classified as current liabilities if they fall due within one year. If not, they are accounted for as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method. The carrying amount of trade payables is assumed to be equal their fair value, as this item is of short-term nature.

2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently recognised at amortised cost and the difference between the proceeds (net of transaction costs) and the repayment amount is recognised in profit and loss over the loan period using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised in profit and loss in the period to which they refer.

2.15 Current and Deferred Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except when the tax refers to items which are recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity.

The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance sheet date in those countries where the Parent Company's subsidiaries operate and generate taxable revenue. Management regularly evaluates claims made in tax returns which relate to situations where the applicable tax rules are subject to interpretation and, where this is deemed appropriate, makes provisions for amounts which will probably be payable to the tax authority.

Deferred tax is recognised in its entirety, according to the balance sheet method, on all temporary differences that arise between the carrying amounts and the tax base of assets and liabilities in the consolidated financial statements. However, deferred tax is not recognised if it is incurred as a result of a transaction that constitutes the initial recognition of an asset or liability that is not a business combination and which at the time of the transaction affects neither the reported nor the fiscal profit or loss. Deferred income tax is calculated by applying tax rates (and tax laws) that have been enacted or announced at the balance sheet date and that are expected to apply when the deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

Deferred tax is calculated on temporary differences arising on participations in subsidiaries, except where the timing of reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in a foreseeable future.

2.16 Employee Benefits

2.16.1 Pension Obligations

The Group companies only have defined contribution plans.

In a defined contribution pension plan, the Group pays contributions to public or privately managed pension schemes on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as personnel costs when they fall due for payment. Prepaid contributions are recognised as an asset to the extent that cash repayments or reductions of future payments may benefit the Group.

2.16.2 Termination Benefits

Termination benefits are paid when an employee's employment has been terminated by the company before the normal time of retirement or when an employee accepts voluntary resignation in exchange for such remuneration. The Group

recognises severance pay when it is demonstrably obliged either to give notice to employees under a detailed formal plan without possibility of revocation, or to provide compensation on termination as a result of an offer to encourage voluntary resignation. Benefits expiring more than 12 months after the balance sheet date are discounted to present value in cases where the time value is considered significant.

2.16.3 Profit-Sharing and Bonus Plans

The Group recognises a liability and a cost for bonuses and profit-sharing attributable to work performed during the current financial year.

2.17 Provisions

Provisions are recognised when the Group has a legal or informal obligation arising from past events, when it is probable that an outflow of resources will be required to settle the obligation, and the amount can be measured reliably.

Provisions are valued at the present value of the amount that is expected to be required to settle the obligation. A pre-tax discount rate is used for that valuation, which reflects current market assessments of the time value of money and the risks associated with the provision. The increase in the provision due to passage of time is recognised as an interest expense. If an outflow is expected to occur more than 12 months after the balance sheet date, the provision is classified as a non-current liability and if the outflow is expected to occur within 12 months the provision is classified as a current liability.

2.18 Lending to the Public

In the Wealth Management business area, the Group offers lending to the public against collateral in the form of securities held in trading accounts in the Group. The issued lending is recognised at amortised cost on the settlement date and is subsequently tested for impairment based on valuation in accordance with IFRS 9, see [2.8](#) above.

2.19 Deposits from the Public

The Group recognises liabilities that arise when customers lend money to the Group through deposits in trading accounts within the Wealth Management business area as Deposits from the public.

2.20 Revenue Recognition

The Group's revenue consists partly of fees and partly of payments from providers of financial products that are sold by companies in the Group (commissions).

The Group uses the five-step model described in IFRS 15

to determine when revenue from contracts with customers should be recognised. Revenue shall be recognised when performance obligations are satisfied and when the customer obtains control, which can be done at a point in time or over time. The five steps in the model are to identify the customer contract, identify performance obligations, determine the transaction price, allocate the transaction price and recognise the revenue for each performance obligation. The Group has assessed its customer contracts in the various business areas and business segments and determined that the majority of the Group's performance obligations are satisfied over time.

Commission expenses (mainly retrocessions in the form of a portion of the income received) and similar direct costs are not recognised as deductions in Operating revenue but in the line item Direct external expenses.

The pricing applied in transactions between subsidiaries is normally based on commercial principles and in line with market prices. However, certain centralised Group services are expensed by one subsidiary but are then rebilled to other subsidiaries. All intercompany revenue and expenses have been eliminated in the consolidated financial statements.

2.20.1 Interest Income

Interest income is recognised as revenue over the term of the loan using the effective interest method.

2.21 Direct External Expenses

Direct external expenses include commission expenses and other direct expenses. Commission expenses mainly consist of retrocessions to financial institutions and remuneration to franchisees in accordance with franchise agreements.

2.22 Leases

The Group reports leasing agreements in accordance with IFRS 16, which entails that all leasing contracts are recognised as right-of-use assets with a corresponding financial liability.

The Group's lease contracts mainly comprise office premises and cars. The fixed lease period varies from a few months to 12 years, where some contracts also include an option to extend the lease.

The lease liability arising as a result of a lease agreements shall at the time of the acquisition be valued at present value of future lease fees, which include:

- fixed fees after deduction of any benefits in connection with signing the lease,
- variable lease payments that depend on an index,

- amounts that are expected to be paid by the lessee according to residual value guarantees
- the exercise price for an option to buy if the lessee is reasonably certain to exercise such an opportunity, and
- penalty fees that are payable upon termination of the lease, if the lease period reflects that the lessee will exercise the opportunity to terminate the lease.

Lease fees are discounted with the implicit interest rate in the contract. If the interest rate cannot be clearly defined, the lessee's incremental borrowing rate shall be used. For the majority of the Group's lease contracts, the incremental borrowing rate has been used. The interest expense on the lease liability is distributed over the lease period and is reported on an ongoing basis in Net financial items in the consolidated income statement.

The Group has several lease contracts, mainly attributable to office premises, where the fee is based on indices, which may lead to an increase in future lease payments. The Group reassesses the lease liability when the index increase comes into force. The revaluation of the lease liability is reported against the value of the right-of-use asset.

The right-of-use is initially valued at cost which includes the following:

- initial valuation of the lease debt,
- all lease payments paid on or before the date of commencement of the contract, after deduction of any benefits received upon signing the lease,
- initial direct costs, and
- an estimate of the lessee's restoration costs and underlying asset.

The right-of-use assets are depreciated over the shortest period of the asset's life and the lease term.

The Group applies the rule for exemption of inclusion in the balance sheet for lease agreements with a lease term of no more than 12 months and for leases of low value. Instead, these are expensed on a straight-line basis in the income statement.

2.23 Dividends

Dividend payments to the shareholders of the Parent Company are recognised as a liability in the consolidated financial statements in the period in which the payment is approved by the shareholders of the Parent Company.

2.24 Parent Company Accounting Principles

The Parent Company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. According to RFR 2, the Parent Company must apply the same accounting principles as the Group to the extent possible under the Annual Accounts Act and with regard to the relationship between accounting and taxation.

The Parent Company applies other accounting principles than the Group in the cases stated below.

2.24.1 Presentation of the Income Statement and the Balance Sheet

The Parent Company uses the formats prescribed in the Swedish Annual Accounts Act, which for example means that equity is presented differently and that provisions are presented under a separate heading in the balance sheet.

2.24.2 Shares in Subsidiaries

Shares in subsidiaries are recognised at historical cost less any impairment losses. Dividends received are recognised as income, after which an assessment is made of whether the carrying amount of investments in subsidiaries needs to be impaired. When there is an indication that shares in subsidiaries might be impaired, the recoverable amount is determined. If the recoverable amount is less than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the line item Income from investments in subsidiaries.

2.24.3 Group Contributions and Shareholder Contributions

Given shareholder contributions are reported as an increase in the value of shares. An assessment is then made of whether there is a need to write down the value of the shares.

The Parent Company uses RFR 2's alternative rule for accounting for Group contributions, which means that received and paid group contributions are recognised as appropriations in the income statement. The tax effect is reported in accordance with IAS 12 in the income statement.

Note 3

Financial Risk Management

3.1 Risk Management and Financial Risk Factors

The Group's overall risk management focuses on the unpredictability of the financial markets and the inherent risk in complex organisations and operations. The risk management strives to minimise potential adverse effects on the Group's financial outcome.

The Group is primarily exposed to operational risk, market risk, credit risk and liquidity risk. These are described more in detail in the sections below. In addition, the Group is exposed to business risks, which are elaborated on in the following paragraph.

One of the Group's main business risks is the risk that fluctuations in the equity markets affect clients' financial capital, which in turn correlates with revenue in those of the Group's business areas that are remunerated as a percentage of customers' assets under management/advice (primarily in Wealth Management and Asset Management).

3.1.1 Operational Risk

Operational risk is defined as the risk of loss as a result of incorrect or inappropriate internal processes and routines, human errors, incorrect systems or external events that have an impact on the business. The Group's organisation, systems and internal regulations must be structured in a way that minimises operational risks in the business. The purpose of the Group's risk management is to reduce the likelihood of the risk being realised and/or the consequence of a realised risk. The ultimate risk-mitigating measure that the Group applies to manage the consequence of a realised risk is the Group's insurance coverage, which provides an income statement- and balance-sheet protection.

3.1.2 Market Risk

i) Currency Risk

The Group is exposed to currency risks arising from various currency exposures.

The Group's financial statements are presented in Swedish kronor, but the Group also has subsidiaries in Denmark, Finland, Luxembourg, the Netherlands, Norway, Spain and the United Kingdom. The subsidiaries in Denmark, Finland, the Netherlands and Norway conduct business activities focused on clients in their respective countries. The operations of the subsidiary in Luxembourg are primarily aimed at clients in Sweden and its functional currency is considered to be Swedish kronor. Consequently, both the translation- and transaction exposure (as defined below) are considered to be very limited for the operations in Luxembourg. The Group's foreign subsidiaries in the United Kingdom had non-existent operations in 2021 and Spain had limited operations. The foreign subsidiaries expose the Group to currency risks arising from unfavourable changes in exchange rates, which can have negative impacts on earnings and equity.

The Group's exposure to currency changes can be described as translation exposure and transaction exposure, described below.

Translation Exposure

The foreign subsidiaries' assets less liabilities constitute a net investment in foreign currency, which on consolidation causes a translation difference.

Transaction Exposure

Transactions in foreign currency causes translation differences when currency is exchanged. However, the transaction exposure is limited and cannot materially impact the Group's financial position and earnings.

ii) Cash Flow Interest Rate Risk and Fair Value Interest Rate Risk

The Group's interest-bearing financial liabilities at the end of the year amounted to SEK 1,798 million and comprised of bank loans with mainly three months interest periods. Interest-bearing financial assets mainly comprise unrestricted cash and cash equivalents.

3.1.3 Credit Risk

Credit risk is defined as the risk that a counterparty cannot fulfil its payment obligations to the Group. The Group's credit risk is mainly attributable to the Group's deposits with banks. The Group's credit risk is also to a certain extent caused by the subsidiaries' credits to customers. The commercial credit risk includes the solvency of customers of Söderberg & Partners and of financial institutions with which the Group's cash and cash equivalents are deposited. Regarding counterparties that are financial institutions, these are almost exclusively larger financial institutions that are carefully monitored by Swedish and foreign authorities, such as the Swedish Financial Supervisory Authority. Many of these institutions are continuously analysed by Söderberg & Partners, which thus has a good capacity to detect problems related to this category of counterparties at an early stage. Regarding exposure from clients to Söderberg & Partners, the credit risk is considered low due to the low concentration of these receivables and historically low credit losses.

3.1.4 Liquidity Risk

The Group's liquidity risk arises from the risk that the Group will lack available liquid funds to meet its obligations, or that it will incur higher costs due to a need to access liquid assets through other channels than normally used. The Group manages the risk by ensuring there is sufficient liquid assets and, if necessary, available financing through agreed credit facilities.

By December 31, 2021 the Group had cash and cash equivalents, excluding client money, of SEK 1,634 million (1,262) which is considered to cover the Group's needs by a good margin. However, it should be noted that due to regulatory requirements, liquidity that is available in a company in the Group may not always be available for use by other companies in the Group. A need for external financing in a specific

subsidiary can therefore arise even in a situation where the Group's total liquidity is adequate in relation to the Group's overall liquidity requirements.

Financial liabilities consist of liabilities to credit institutions, liabilities related to business combinations, trade payables, other liabilities and accrued expenses. Liabilities related to business combinations mainly have maturities of 1-5 years (see [Note 29](#)), and liabilities to credit institutions have maturities of up to five years. Other liabilities essentially mature within one year and the amount due is equal to the carrying amount.

Note 4

Significant Estimates and Judgements

Estimates and judgements are evaluated on an ongoing basis, and are based on historical experiences and other factors, including expectations of future events that are deemed reasonable under prevailing circumstances.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes will, by definition, rarely correspond to the related actual results. The estimates and assumptions that pose a significant risk of material adjustments in the carrying amounts of assets and liabilities in the next financial year is briefly described below.

4.1 Goodwill Impairment Testing

Every year, the Group conducts an impairment test of goodwill in accordance with the accounting policy described in [2.7 Impairment of Non-Financial Fixed Assets](#). Recoverable amounts for cash-generating units have been determined by calculating value in use. For these calculations, certain estimates must be made.

Reported values at the balance sheet date for goodwill distributed among cash-generating units are shown in [Note 14](#).

Sensitivity analyses have been performed to assess the sensitivity to reasonable changes in the critical parameters, such as discount rates and growth beyond the forecast period. The analyses indicate a relatively moderate sensitivity to changes in these parameters.

4.2 Liability for Contingent Considerations

In several of its business combinations, Söderberg & Partners has agreed on contingent considerations that will be paid if certain conditions are met.

The Group has a standard model for acquisitions of so-called partner firms, i.e. companies that work for the Group's subsi-

diaries under a franchise agreement. The model entails that partner firms normally first operate under the Söderberg & Partners brand for a number of years as a franchisee. If Söderberg & Partners and the partner firm then agree to deepen the partnership, Söderberg & Partners offers to acquire 51 percent of the shares of the partner firm. In addition to above-mentioned shares, Söderberg & Partners also receives a call option with the right to acquire the remaining 49 percent of the shares in the partner firm after a period of approximately three years from the initial acquisition, based on market terms determined in accordance with the same principles as for the acquisition of the first 51 percent of the shares. The sellers also receive a put option for the remaining 49 percent of the shares in the partner firm to Söderberg & Partners on essentially the same terms as under the call option agreement. Söderberg & Partners does not always use this model but can choose to acquire partner firms in other ways, however the model has been used in a large majority of acquisitions of partner firms that have been carried out so far.

In accordance with IFRS 3, an acquisition of a partner firm made according to the standard model is accounted for as an acquisition of 100 percent of the shares. A liability is therefore recognised partly for the unpaid portion of the consideration for the first 51 percent of the shares and partly for an estimated consideration for the remaining 49 percent stake in accordance with the option agreements. The consideration for the first 51 percent is partially based on the company's future sales and profit but can also include a contingent consideration that depends on Söderberg & Partners Group's general growth. The Group makes assessments of what amounts are assumed to be paid to the sellers. Regarding the acquisition of the remaining 49 percent of the shares of the companies, an assessment has been made in respect of the estimated acquisition price, which is essentially based on the assumptions made at the time of acquiring the first 51 percent.

Business combinations of other companies that are not franchisees, i.e. acquisitions that do not follow the standard model, may also include an agreement of contingent considerations and the right to acquire additional shares in the company. For each acquisition, an assessment is made of the extent to which the agreed conditions are expected to be fulfilled and thus how much of the additional consideration is expected to be paid and at what point in time the payments are expected to be made.

The liability for contingent considerations is calculated at present value with a discount rate. The Group makes an assessment of which discount rate is to be used based on how much uncertainty it is judged to exist in potential outflows.

The liability for contingent considerations comprises several different acquisitions and the Group continuously reviews its assumptions regarding target fulfilment, growth and risks associated with the purchase price. During the financial year, there have been no significant changes due to revaluation of the liability for contingent considerations.

4.3 Deferred Tax Assets on Tax Losses

Deferred tax assets have been capitalised for tax losses based on the assessment that these can be utilised against future taxable profits. For further information, see [Note 24](#).

4.4 Important Estimates and Assessments Regarding the Duration of a Lease Contract

When determining the duration of a lease, management considers all available information that provides a financial incentive to exercise an extension option, or not to exercise an option to terminate an agreement. The possibility of extending an agreement is only included in the duration of a lease if it is reasonable to assume that the agreement will be extended. In the Group, most extension options have not been included in the lease liability as the Group has assessed that they can replace the asset without significant costs or impact on the business operations. The assessment is reconsidered if there is any significant event or change in circumstances that affect this assessment and that it is within the Group's control. During the current fiscal year, no significant change has occurred as a result of reassessing the lease periods.

Note 5**Breakdown of Net Revenue**

Breakdown of net revenue by business area:

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Life & Pension	1,457	1,348
Asset Management	1,114	1,086
Non-Life Insurance	1,685	1,338
Wealth Management	1,562	1,064
Other Business Units	185	151
Central Functions	7	4
Eliminations of internal sales	-267	-302
Total net revenue by business area	5,743	4,688

Breakdown of net revenue by geographic market:

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Sweden	3,945	3,371
Norway	829	575
Denmark	443	328
Finland	91	55
The Netherlands	435	359
Total net revenue by geographic market	5,743	4,688

The breakdown by geographic market is based on where the clients are located.

Note 6**Other Operating Income**

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Re-invoiced rents, office expenses and other expenses	45	34
Gain from disposal of fixed assets	28	5
Other	15	4
Total operating income	88	43

Note 7**Remuneration to Auditors**

The audit engagement refers to fees for the statutory audit, i.e. such work that has been necessary to submit the auditor's report, as well as advisory services provided in connection with the audit engagement. The amounts partially include value-added tax (VAT).

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
PricewaterhouseCoopers AB		
Audit engagement	7	6
Auditing activities in addition to the audit engagement	1	0
Tax advice	0	1
Other advisory services	2	3
	10	10
Other auditors		
Audit engagement	4	3
Auditing activities in addition to the audit engagement	2	1
Tax advice	1	0
Other advisory services	1	1
	8	5
Total	18	16

Parent Company	2021-01-01 2021-12-31	2020-01-30 2020-12-31
PricewaterhouseCoopers AB		
Audit engagement	1	0
Auditing activities in addition to the audit engagement	0	—
Other advisory services	0	0
	1	0
Other		
Auditing activities in addition to the audit engagement	0	0
	0	0
Total	2	0

Note 8

Employee Benefits

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Salaries and benefits	1,741	1,303
Social security contributions	427	318
Retirement benefit costs – defined contribution plans	209	178
Total	2,377	1,799

Group	2021-01-01 2021-12-31		2020-01-01 2020-12-31	
	Salaries and other benefits	Pension expenses	Salaries and other benefits	Pension expenses
Board members, Chief Executive Officer and other senior executives	36	11	30	6
(of which bonuses)	21	8	10	3
Other employees	1,705	198	1,275	171
Total	1,741	209	1,304	178

The Group had a few employees with pensions in the form of endowment policies. The endowment policies are considered to meet the requirements for plan assets and are reported net against the pension obligations in the consolidated balance sheet. The market value of the endowment policies by year end 2021 amounted to SEK 77 million (66) and is in its entirety met by a corresponding pension obligation.

Parent Company	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Salaries and benefits	1	1
Social security contributions	0	0
Retirement benefit costs – defined contribution plans	—	—
Total	1	1

Parent Company	2021-01-01 2021-12-31		2020-01-01 2020-12-31	
	Salaries and other benefits	Pension expenses	Salaries and other benefits	Pension expenses
Board members, Chief Executive Officer and other senior executives	1	—	1	—
(of which bonuses)	—	—	—	—
Other employees	—	—	—	—
Total	1	—	1	—

Salaries and benefits in the Parent Company refer to board fees.

Average Number of Employees

	2021-01-01 2021-12-31			2020-01-01 2020-12-31		
	Average no. of employees	Of which men, %	Of which women, %	Average no. of employees	Of which men, %	Of which women, %
Parent Company						
Sweden	—	—	—	—	—	—
Total Parent Company	—	—	—	—	—	—
Subsidiaries						
Sweden	1,308	60	40	1,170	60	40
Norway	420	61	39	332	59	41
Denmark	154	53	47	78	45	55
Finland	66	56	44	56	50	50
Luxembourg	6	67	33	7	71	29
Spain	47	79	21	27	78	22
The Netherlands	276	56	44	251	49	51
Total subsidiaries	2,277	60	40	1,921	58	42
Total Group	2,277	60	40	1,921	58	42

Gender Distribution of Board Members and Other Senior Executives

	2021-01-01 2021-12-31			2020-01-01 2020-12-31		
	No. at balance sheet date	Of which men, %	Of which women, %	No. at balance sheet date	Of which men, %	Of which women, %
Group						
Board members ¹⁾	6	83	17	5	100	—
Chief Executive Officer and other senior executives	13	69	31	13	69	31
Total Group	19	74	26	18	78	22
Parent Company						
Board members ¹⁾	6	83	17	5	100	—
Chief Executive Officer and other senior executives	1	100	—	1	100	—
Total Parent Company	7	86	14	6	100	—

¹⁾ The Chief Executive Officer, Gustaf Rentzhog, is in the note included as "Chief Executive Officer and other senior executives" both for the Group and the Parent Company. In addition, he is also a member of the Group's and the Parent Company's Board.

Note 9**Net Financial Items**

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Financial income		
Income from other financial fixed assets	1	0
Interest income	14	7
Total financial income	15	7
Financial expenses		
Foreign exchange losses	-2	-4
Interest expenses on liabilities to credit institutions	-49	-41
Resolution of discounting effects for provision of contingent considerations	-76	-39
Interest expenses attributable to lease liabilities (IFRS 16)	-9	-6
Revaluation of contingent considerations	-4	—
Other interest expenses	-3	-2
Total financial expenses	-142	-92
Net financial items	-127	-85

Parent Company	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Financial income		
Foreign exchange gains	—	18
Profit from sale of shares in subsidiaries	29	0
Dividends on shares in associated companies	47	0
Income from other financial fixed assets	1	0
Interest income	1	1
Total financial income	79	19
Financial expenses		
Foreign exchange losses	-1	—
Interest expenses on liabilities to credit institutions	-44	-38
Other interest expenses	-3	-3
Total financial expenses	-48	-41
Net financial items	30	-22

During the year, the Parent Company's holdings in subsidiaries contributed with the following effects on the profit and loss:

Parent Company	2021-12-31	2020-12-31
Dividends on shares in subsidiaries	247	262
Closing carrying amount	247	262

Note 10**Income Tax**

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Current tax for the year	-256	-207
Current tax attributable to previous years	-3	-4
Increase/decrease in deferred tax assets	24	15
Increase/decrease in deferred tax liabilities	-9	20
Other taxes	0	-1
Total income tax	-244	-177

The differences between the reported tax expense and an estimated tax expense based on the applicable tax rate are as follows:

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Profit before tax	921	713
Income tax at Parent Company's applicable tax rate (20.6%)	-190	-153
Non-taxable income and non-deductible expenses	-11	-12
Tax losses for which no deferred tax asset has been recognised	-11	-4
Utilisation of tax losses previously not recognised	1	10
Effect of foreign tax rates	-22	-16
Non-deductible/non-taxable income from associated companies	7	11
Other differences ¹⁾	-17	-9
Adjustment of current tax for previous years	-3	-4
Tax effect due to changed tax rate	0	0
Income tax	-244	-177
Weighted average tax rate in the Group, %	26.5	24.8

¹⁾ Other differences mainly consists of Group adjustments for revaluation of contingent considerations and discount rates for non-current liabilities for additional purchase price.

Parent Company	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Profit before tax	329	278
Income tax calculated at the applicable tax rate	-68	-59
Non-taxable income and non-deductible expenses	62	50
Adjustment of current tax for previous years	0	-3
Total income tax	-6	-12

Note 11**Acquired Customer Contracts/Customer Relationships**

Group	2021-12-31	2020-12-31
Opening accumulated cost	828	574
Investments	49	16
Increase through business combinations (Note 30)	221	270
Divestments and disposals	-3	—
Reclassifications	0	-11
Translation differences	18	-22
Closing accumulated cost	1,112	828
Opening accumulated amortisation	-309	-237
Amortisation	-113	-88
Increase through business combinations (Note 30)	—	-4
Divestments and disposals	1	—
Reclassifications	0	11
Translation differences	-5	9
Closing accumulated amortisation	-427	-309
Closing carrying amount	684	518

Note 12**Other Acquired Rights**

Group	2021-12-31	2020-12-31
Opening accumulated cost	68	57
Investments	1	7
Increase through business combinations (Note 30)	0	—
Reclassifications	0	4
Translation differences	0	0
Closing accumulated cost	69	68
Opening accumulated amortisation	-47	-41
Amortisation	-7	-6
Increase through business combinations (Note 30)	0	—
Reclassifications	0	0
Translation differences	0	0
Closing accumulated amortisation	-53	-47
Closing carrying amount	15	21

Note 13**Capitalised Software Development Costs**

Group	2021-12-31	2020-12-31
Opening accumulated cost	140	72
Capitalised expenses for the year	30	26
Increase through business combination (Note 30)	23	52
Divestments and disposals	-19	-1
Reclassifications	0	-3
Translation differences	6	-6
Closing accumulated cost	181	140
Opening accumulated amortisation	-58	-41
Amortisation	-22	-15
Increase through business combinations (Note 30)	-2	-5
Divestments and disposals	19	1
Reclassifications	0	0
Translation differences	-2	2
Closing accumulated amortisation	-65	-58
Opening accumulated impairment	-1	0
Divestments and disposals	1	—
Impairment	0	-1
Closing accumulated impairment	0	-1
Closing carrying amount	116	81

Note 14**Goodwill**

Group	2021-12-31	2020-12-31
Opening accumulated cost	2,930	1,875
Increase through business combinations (Note 30)	497	1,042
Change regarding previous years' business combinations	-24	64
Divestments and disposals	-1	-2
Reclassifications	5	0
Translation differences	43	-48
Closing carrying amount	3,450	2,930

Goodwill Impairment Testing

Goodwill is allocated to the Group's cash-generating units (CGU), which are identified as the Group's operating business segments. Goodwill has been allocated as follows:

Group	2021-12-31	2020-12-31
Life & Pension	1,578	1,408
Asset Management	—	—
Non-Life Insurance	1,125	846
Wealth Management	642	609
Other Business Units	105	67
Central Functions	—	—
Closing carrying amount	3,450	2,930

The recoverable amount for a CGU is determined based on calculations of value in use. Calculations are based on estimated future cash flows before tax based on a five-year financial budget that has been approved by management. Cash flows beyond the five-year period are extrapolated using an estimated growth rate as stated below.

The weighted average growth rate used to extrapolate cash flows beyond the budget period amounts to 2.0%.

The discount rate before tax used in calculating the present value of estimated future cash flows amounts to 7.8% (7.5) for all the above-mentioned CGUs.

Note 15

Equipment

Group	2021-12-31	2020-12-31
Opening accumulated cost	82	52
Investments	27	16
Increase through business combinations (Note 30)	8	19
Divestments and disposals	-2	-1
Reclassifications	2	0
Translation differences	3	-3
Closing accumulated cost	120	82
Opening accumulated depreciation	-49	-32
Depreciation	-15	-10
Increase through business combinations (Note 30)	-4	-8
Divestments and disposals	2	1
Reclassifications	-2	0
Translation differences	-2	1
Closing accumulated depreciation	-70	-49
Closing carrying amount	50	33

Note 16

Leases

The following amounts relating to lease agreements are reported in the balance sheet:

Group	2021-12-31	2020-12-31
Right-of-use assets		
Office premises	275	199
Vehicles	23	31
Equipment etc.	3	9
Closing carrying amount	301	239
Lease liabilities		
Current	122	101
Non-current	185	141
Closing carrying amount	307	241

Additional right-of-use assets during the year amounted to SEK 202 million (173).

Depreciation for the year of right-of-use assets is distributed as follows:

	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Depreciation of rights of use		
Office premises	-108	-76
Vehicles	-18	-19
Equipment etc.	-7	-6
Closing accumulated depreciation of rights of use	-132	-101

The following amounts related to lease agreements are reported in the statement of profit and loss:

	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Recognised values in profit and loss		
Depreciation	-132	-101
Interest expenses (included in financial expenses)	-9	-6
Costs attributable to short-term leases (included in Other external costs)	-6	-9
Costs attributable to leases of low-value assets (included in Other external costs)	-9	-8
Costs attributable to variable lease costs (included in Other external costs)	-17	—
Total reported values in profit and loss	-173	-125

The total cash outflow for lease agreements for the year amounts to SEK 146 million (123).

Note 17

Shares in Subsidiaries

Parent Company	2021-12-31	2020-12-31
Opening carrying amount	4,325	10,794
Investments	143	1,160
Changes from mergers	—	-7,629
Closing carrying amount	4,469	4,325

During the previous year, PO Söderberg & Partner Holding AB was merged into Söderberg & Partners Holding AB.

The Parent Company has direct shareholdings in the following subsidiaries:

Name	Corp. ID no.	Registered office	Equity interest, %	Voting interest, %	No. of shares	Carrying amount	
						2021-12-31	2020-12-31
PO Söderberg & Partner AB	556659-9964	Stockholm	100	100	5,385,653	2,689	2,689
S&P Insurance Advisory AB	556768-2207	Stockholm	100	100	100,000	314	314
S&P Asset Management SA	B184421	Luxembourg	100	100	7,620,866	302	302
Söderberg & Partners Wealth Management AB	556674-7456	Stockholm	100	100	452,000	180	134
FH Kapital Holding AS	921365888	Oslo	61	61	95,963,805	167	149
WBSP Norden AB	559016-4173	Stockholm	100	100	392,435	141	141
Wassum Värdepapper Klientervice AB	559156-3217	Stockholm	100	100	500	119	119
Other shareholdings						556	477
Total						4,469	4,325

The Parent Company also has a number of indirect holdings in subsidiaries. The following list presents the most significant operating shareholdings in the Group:

Name	Corp. ID no	Registered office	Equity interest, %	No. of shares	External net revenue
Söderberg & Partners Insurance Consulting AB	556707-7648	Stockholm	100	25,049,999	1,631
Söderberg & Partners Wealth Management AB	556674-7456	Stockholm	100	452,000	1,149
Söderberg & Partners Asset Management S.A.	B184421	Luxembourg	100	7,620,866	1,114
Söderberg & Partners Wealth Management AS	990317844	Oslo	55	19,792,914	272
S&P Insurance Advisory AB	556768-2207	Stockholm	100	100,000	250
Claims Link AS	980449785	Oslo	97	97,307	193
Söderberg & Partners AS ¹⁾	965575162	Oslo	97	97,305	182
S&P Montae & Partners B.V.	27331677	Rijswijk	88	18,000	150
Söderberg & Partners Danmark II Forsikringsmæglervirksomhed A/S	36413190	Copenhagen	55	275,000	139
Söderberg & Partners Danmark Forsikringsmæglervirksomhed A/S	35836160	Copenhagen	86	432,050	106

¹⁾ During the year, Söderberg & Partners AS changed names from S&P Norwegian Broker AS.

Note 18

Investments in Joint Ventures and Associates

Group	2021-12-31	2020-12-31
Opening carrying amount	688	335
Share of profit or loss in associates ¹⁾	39	50
Investments	715	541
Increase/decrease through changed Group structure	-76	-205
Disposals	-7	-1
Dividends from associates	-69	-13
Translation differences	10	-20
Closing carrying amount	1,300	688

¹⁾ SEK 31 million (59) refers to gains on revaluation of existing holdings at fair value on acquisition of controlling influence.

Effects in the cash flow statement regarding investments in joint ventures and associates paid in cash:

Group	2021-12-31	2020-12-31
Consideration paid for acquisitions	-461	-455
Consideration paid for future acquisitions	-15	—
Paid/received shareholders' contributions	-87	-67
Payment of non-current loans	-21	-73
Net effect on cash flow	-584	-596

The below table shows total financial information for the joint ventures and associates that are deemed significant for the Group as of December 31, 2021:

2021-12-31	Assets	Liabilities	Profit/loss	Share of profit/loss
Borgo AB	2,291	2,034	-46	-14
APC HoldCo III ApS	458	484	-20	-11
JRS Asset Management AB	302	237	33	14
Van Loon & Van Loon Beheer B.V.	121	55	33	8
Zekerheuts Holding B.V.	87	43	16	5
VDF Holding & Partners B.V.	78	57	6	1
Suomen Sijoittapalvelut Oy	65	5	9	0
Centraal Volmachtbedrijf B.V.	52	49	1	0
IISÅ Holdco AB	40	0	0	0
InsClear Holding AB	36	14	-30	-5
Söderberg & Partners Bolån AB	12	7	-22	-11
Herenvest Groep B.V.	6	3	3	2

2020-12-31	Assets	Liabilities	Profit/loss	Share of profit/loss
APC HoldCo III ApS	464	473	-9	-4
JRS Asset Management AB	210	157	7	3
Herenvest Groep B.V.	33	12	10	3
InsClear Holding AB	26	7	-12	-7
Söderberg & Partners Bolån AB	3	2	-11	-6
IISÅ Holdco AB	129	59	-6	-1

Investments in joint ventures and associates that are significant to the Group are presented below:

Name	Corp. ID no	Registered office	Share of equity, %	No. of shares	Carrying amount	
					2021-12-31	2020-12-31
APC HoldCo III ApS	41244623	Copenhagen	49	49,900	210	216
Van Loon & Van Loon Beheer B.V.	24420817	Dordrecht	33	6,300	192	—
Zekerheuts Holding B.V.	14063013	Nuth	33	35,000	134	—
JRS Asset Management AB	556734-9070	Stockholm	49	3,920	108	119
Borgo AB	559153-2303	Stockholm	23	500,232	95	—
Suomen Sijoittapalvelut Oy	2360622-4	Helsinki	42	8,064	54	—
VDF Holding & Partners B.V.	80696619	Berlicum	33	35	52	—
Herenvest Groep B.V.	32090592	Haarlem	40	88,960	49	52
Centraal Volmachtbedrijf B.V.	80700349	Rijswijk	47	400	45	—
InsClear Holding AB	556929-0645	Stockholm	50	25,000	31	25
Söderberg & Partners Bolån AB	556875-2264	Stockholm	50	285	20	19
IISÅ Holdco AB	559217-9203	Stockholm	25	12,500	-10	25
Other shareholdings					320	232
Closing carrying amount					1,300	688

The table below shows the reported amounts in the financial statements for each of the Parent Company's associated companies and joint ventures:

Parent Company	2021-12-31	2020-12-31
Opening carrying amount	173	—
Investments	197	145
Decrease through changed Group structure	48	-31
Divestments	-7	—
Changes from mergers	—	59
Closing carrying amount	411	173

The Parent Company's direct holdings in joint ventures and associated companies are reported below:

Name	Corp. ID no.	Registered office	Share of equity, %	No. of shares	Carrying amount
					2021-12-31
JRS Asset Management AB	556734-9070	Stockholm	49	3,920	115
Borgo AB	559153-2303	Stockholm	23	500,232	109
Suomen Sijoittajapalvelut Oy	2360622-4	Helsinki	42	8,064	53
S.P. HBAF Stockholm AB	559104-4663	Stockholm	46	23,000	11
IISÄ Holdco AB	559217-9203	Stockholm	25	12,500	10
S.P. HMSO Göteborg AB	559192-1084	Gothenburg	40	20,000	8
S.P. JPJP Växjö AB	559252-5074	Växjö	31	15,500	6
S.P. BSA Stockholm AB	559227-6140	Stockholm	31	15,500	6
Stjärnviken Invest AB	556785-1109	Gothenburg	39	39,000	5
S.P. BASE Stockholm AB	559254-2640	Stockholm	39	19,420	5
Other shareholdings					83
Closing carrying amount					411

Note 19

Trade Receivables

The Group applies a simplified calculation model for trade receivables in accordance with IFRS 9, which estimates expected future losses. The calculation is based on historical information and adjusted with a forward-looking analysis.

The Group had as of December 31, 2021 trade receivables which were due of SEK 53 million (51), which was primarily because of a number of independent customers without previous payment difficulties. The analysis of trade receivables is as follows:

Analysis of credit risk exposure in trade receivables	2021-12-31	2020-12-31
Trade receivables not overdue nor impaired	336	258
<i>Trade receivables overdue but not impaired</i>		
Less than 3 months	45	40
3-6 months	2	6
More than 6 months	5	5
Total overdue	53	51
Closing carrying amount trade receivables	388	309

The Group's provision for bad debt was at December 31, 2021 SEK 4 million (6) which is included in the carrying amount for trade receivables.

Provision for bad debt	2021	2020
Opening provision	-6	-4
Acquisitions	—	0
New provisions for the year	-7	-4
Reversal of provisions from previous years	8	1
Bad debt losses	1	0
Provision for bad debt	-4	-6

Note 20

Prepaid Expenses and Accrued Income

Group	2021-12-31	2020-12-31
Accrued fee and commission income	640	414
Other accrued income	91	54
Prepaid rent	25	20
Other prepaid expenses	75	51
Total prepaid expenses and accrued income	830	539

Note 21

Share Capital and Additional Paid-In Capital

	No. of shares	Share capital	Additional paid-in capital	Total
Closing balance 2019-12-31	30,556,569	31	1,010	1,040
New share issue	170,525	1	59	59
Closing balance 2020-12-31	30,727,094	31	1,068	1,099
New share issue	1,670,447	2	1,048	1,050
Warrants			14	14
Reclassifications			139	139
Closing balance 2021-12-31	32,397,541	33	2,270	2,303

2021

As of December 31, 2021 the number of shares in Söderberg & Partners Holding AB was 32,397,541. All shares registered on the balance sheet date were paid in full. The quotient value was SEK 1.01 per share.

The following table shows the shares distributed by type of share:

Share class	No. of shares	Votes per share
Class A shares	9,773,808	10
Class B shares	22,623,733	1
Total outstanding shares	32,397,541	

All shares have a quotient value of SEK 1.01 and are equally entitled to a share in the company's assets and earnings. All shares are entitled to dividends. Each Class A share carries ten votes and each Class B share carries one vote. All issued shares are paid in full.

2020

As of December 31, 2020 the number of shares in Söderberg & Partners Holding AB was 30,727,094. All shares registered on the balance sheet date were paid in full. The quotient value was SEK 1.01 per share.

New Share Issues

2021

On December 23, 2020, it was decided on a new incentive program aimed at employees in Group companies. The issue was not completed until 2021.

In the first part (2020:1), a total of 287,243 warrants were subscribed for Class B shares, which upon full exercise entails an increase in share capital of a maximum of SEK 1 per share. The employees paid 41.45 per warrant, which corresponds to the fair value determined using the Black-Scholes valuation model. The subscription price was SEK 536.50 per share. A total of SEK 12 million was paid for the warrants.

In the second part (2020:2), a total of 31,916 warrants were subscribed for Class B shares, which upon full exercise entails an increase in share capital of a maximum of SEK 1 per share. The employees paid SEK 64.79 per warrant, which corresponds to the fair value determined using the Black-Scholes valuation model. The subscription price was SEK 429.20 per share. A total of SEK 2 million was paid for the warrants.

The warrant holders shall have the right to subscribe for one new share for each warrant during the period 1 January 2026 to 31 January 2026.

On June 21, 2021, a cash issue of 1,509,776 Class B shares with a quota value of SEK 1 was carried out. The fair value of the issued shares amounted to SEK 1,000 million.

On June 24, 2021, a directed non-cash issue of 80,311 Class B shares with a quota value of SEK 1 was carried out to pay consideration for business combinations carried out during the year through issuing equity instruments. The fair value of the issued shares amounted to SEK 28 million.

On June 24, 2021, an offset issue of 80,360 Class B shares with a quota value of SEK 1 was carried out to pay consideration for business combinations carried out during the year through issuing equity instruments. The fair value of the issued shares amounted to SEK 28 million.

2020

On May 6, 2020, a cash issue of 10,233 Class B shares with a quotient value of SEK 1 was carried out. The fair value of the issued shares amounted to SEK 4 million.

On August 25, 2020, a cash issue of 2,019 Class B shares with a quotient value of SEK 1 was carried out. The fair value of the issued shares amounted to SEK 1 million.

On August 25, 2020, a directed non-cash issue of 122,329 Class B shares with a quotient value of SEK 1 was carried out by issuing equity instruments in order to regulate business combinations made during the year. The fair value of the issued shares amounted to SEK 43 million.

On August 25, 2020, a directed offset issue of 35,944 Class B shares with a quotient value of SEK 1 was carried out by issuing equity instruments in order to regulate business combinations made during the year. The fair value of the issued shares amounted to SEK 13 million.

On October 22, 2020, the share capital was reduced by redeeming 392,435 Class B shares with a quotient value of SEK 1. The fair value of the shares amounted to SEK 140 million. At the same time, a bonus issue was carried out to restore the share capital by adding funds from unrestricted equity.

On October 22, 2020, a directed non-cash issue of 392,435 Class B shares with a quotient value of SEK 1.01 was carried out by issuing equity instruments in order to regulate business combinations made during the year. The fair value of the issued shares amounted to SEK 138 million.

Note 22**Liabilities to Credit Institutions**

Group	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Non-current		
Bank loans	1,625	1,544
Total non-current portion	1,625	1,544
Current		
Bank loans	168	148
Overdraft facility	6	151
Total current portion	173	299
Total liabilities to credit institutions	1,798	1,843

The Group's bank loans consisted of a number of credit facilities with different maturities. SEK 153 million matures within one year, SEK 141 million matures within two, and the remaining part of the loan matures in full in 2024. The loans have related loan terms and covenants. The Group monitors the loans on an ongoing basis and met all loan terms for the reporting periods. The Group had unutilised credit on overdraft facilities amounting to SEK 150 million and unused acquisition credit of SEK 577 million. Other bank loans were fully utilised. Pledged assets linked to bank loans amounted to SEK 20 million, see [Note 26](#).

Parent Company	2021-12-31	2020-12-31
Non-current		
Bank loans	1,613	1,525
Total non-current portion	1,613	1,525
Current		
Bank loans	155	133
Overdraft facility	0	150
Total current portion	155	284
Total liabilities to credit institutions	1,767	1,809

Note 23**Liabilities for Contingent Considerations**

Group	2021-12-31	2020-12-31
Opening balance	955	456
Recognised in income statement		
Reversal of discounting effects	77	39
Increase through acquisitions	364	623
Revaluation of contingent considerations	9	-3
Settled during the year	-212	-132
Translation differences	14	-26
Closing balance	1,207	955

The liability primarily consists of additional purchase price items that have arisen from business combinations, but also includes additional purchase price items for the acquisition of shareholdings from minority and customer contracts.

The liability for contingent considerations mainly includes consideration that is conditional on a future event, but can also refer to additional purchase price with amount and time already determined, however this rarely occurs. The liability also includes consideration that may lapse if contractual call and put options are exercised at a future date.

The liability for contingent considerations is continuously valued at fair value and discounted if deemed necessary. The valuation of the additional purchase price items is mainly based on input data classified to level 3 in the fair value hierarchy in accordance with IFRS 9, i.e. on input data that is not based on observable market data. See 4.2 above for significant assumptions regarding the liability for future contingent consideration.

The undiscounted value of the liability for contingent considerations as of December 31, 2021 amounts to SEK 1,498 million. SEK 414 million of the contingent consideration is estimated to be settled within one year, SEK 953 million is estimated to be settled later than one year but within five years, and the remaining SEK 131 million is estimated to be settled later than five years. To the extent that the liability is estimated to be settled through cash payments, these are included in the Group's liquidity planning.

Note 24

Deferred Tax

Group	2021-12-31	2020-12-31
Deferred tax assets		
Pension obligations	18	17
Tax losses	23	26
Tangible/intangible fixed assets	3	5
Other	16	5
Total deferred tax assets	59	52
Deferred tax liabilities		
Tangible/intangible fixed assets	123	94
Untaxed reserves	4	7
Other	15	5
Total deferred tax liabilities	141	106
Total deferred tax, net	82	53

Changes in deferred tax assets and liabilities during the year, regardless of set-offs made within the same tax jurisdiction:

Group	Tangible/intangible fixed assets	Untaxed reserves	Pension obligations	Tax losses	Other	Total
Deferred tax liabilities, net						
2019-12-31	54	11	-13	-6	4	50
Recognised in profit and loss (Note 10)	-17	-5	-4	-8	-1	-35
Increase from business combinations (Note 30)	53	0	—	-12	—	42
Translation differences	-4	—	—	1	0	-4
2020-12-31	87	7	-17	-26	3	53
Recognised in profit and loss (Note 10)	-12	-3	-1	5	-4	-15
Increase from business combinations (Note 30)	42	—	—	-1	0	42
Translation differences	3	—	0	-1	0	1
2021-12-31	120	4	-18	-23	-1	82

Deferred tax assets are recognised for tax losses to the extent that it is probable that these can be used to offset future taxable profits. The Group has not recognised deferred tax assets of SEK 9 million (21) relating to unutilised tax losses of SEK 44 million (104), since there is no convincing evidence that the tax losses can be utilised against future taxable profits.

Note 25**Accrued Expenses and Prepaid Income**

Group	2021-12-31	2020-12-31
Accrued personnel expenses	522	383
Prepaid income	83	83
Accrued commission expenses	129	117
Other	106	65
Total accrued expenses and prepaid income	841	648

Note 26**Pledged Assets and Contingent Liabilities****Pledged Assets**

Group	2021-12-31	2020-12-31
Floating charge	20	48
Restricted cash	50	26
Total pledged assets	70	74

Floating charge mainly include collateral for loans in Rivez Beheer B.V. which was raised in connection with the acquisition of customer contracts/customer relationships of SEK 18 million (30).

Contingent Liabilities

Group	2021-12-31	2020-12-31
Granted but unutilised customer credits	72	74
Other	—	2
Total contingent liabilities	72	76

The Parent Company had no pledged assets or contingent liabilities.

Note 27**Non-Cash Items**

Group	2021-12-31	2020-12-31
Depreciation, amortisation and impairment	287	222
Capital gain or loss on sale of shares	5	2
Share of profit or loss in associates	-39	-50
Change in provisions	-1	-20
Other non-cash items	0	0
Total non-cash items	253	154

Note 28**Changes in Liabilities Attributable to Financing Activities**

	Liabilities to credit institutions	Leases IFRS 16	Contingent considerations	Other non-current liabilities	Total
Opening balance 2020-01-01	956	182	456	6	1,600
Cash flow effects reported in					
Financing activities	869	-99	-105	-4	661
Investment activities			-20		-20
New/cancelled leases IFRS 16		167			167
Additions from business combinations	10		623	1	634
Translation differences	-2	-7	-26		-36
Other non-cash items	10		27	10	47
Closing balance 2020-12-31	1,843	243	955	13	3,053
Opening balance 2021-01-01	1,843	243	955	13	3,053
Cash flow effects reported in					
Financing activities	-48	-130	-54	2	-230
Investment activities			-74		-74
New/cancelled leases IFRS 16		185			185
Additions from business combinations	0		364	8	372
Translation differences	1	9	11		21
Other non-cash items	2	0	4	8	14
Closing balance 2021-12-31	1,798	307	1,207	30	3,342

Regarding the contingent considerations, the line item Additions from business combinations also include additional liabilities when acquiring for example shareholdings from minority. Other non-cash items mainly consists of revaluation effects and reversal of discount rates.

Note 29**Business Combinations**

The Group's strategy is to expand both its Insurance and Wealth Management business. It is intended that some of this growth will come from business combinations, in Sweden as well as in other parts of Europe. During the year, several businesses were acquired as part of this strategy. The Group's business combinations are presented on an aggregated level, since not one of the acquired companies individually had a significant impact on the financial statements or changed the Group's risk assessment.

Acquisitions in 2021

The total consideration for the business combinations during 2021 amounted to SEK 830 million, which exceeded the fair value of net assets by SEK 497 million. Surplus values from business combinations amounted to a total of SEK 697 million and are attributed to customer relationships and goodwill, where the surplus value for goodwill consists of non-identifiable intangible assets and to synergy effects that are expected to arise from the business combination.

The business combinations in 2021 contributed to the Group's sales of SEK 237 million and profit after financial items of SEK 82 million. If all business combinations had taken place as of January 1, 2021, the Group's net sales would amount to SEK 5,935 million and the consolidated income statement would show an operating profit of SEK 1,107 million.

Information on consideration transferred, acquired net assets and goodwill as of each acquisition date is shown below:

Consideration	2021
Cash and cash equivalents	386
Advance considerations prior years	1
Issue of equity instruments	92
Acquisition debt	265
Fair value of shareholdings before business combination	86
Total consideration	830
Acquired identifiable net assets	333
Goodwill	497

The assets and liabilities that are reported as a result of the business combination on each acquisition date are as follows:

Carrying amounts of identifiable acquired assets and liabilities	Fair value
Cash and cash equivalents	73
Acquired customer contracts/customer relationships	221
Capitalised software development expenses	22
Goodwill	1
Tangible fixed assets	4
Financial fixed assets	114
Client receivables	14
Trade receivables and other receivables	78
Client money	10
Deferred taxes, net	-42
Other non-current liabilities	-8
Liabilities for client assets	-22
Trade payables and other liabilities	-116
Total identifiable net assets	348
Non-controlling interests	-15
Group's share of total identifiable net assets	333
Goodwill	497
Total consideration	830
Consideration paid in cash	386
Cash and cash equivalents in subsidiaries	73
Change in consolidated cash and cash equivalents from acquisitions	459

Effects in the cash flow analysis regarding cash-settled considerations from business combinations:

Group	2021-12-31	2020-12-31
Consideration paid for business combinations	-386	-566
Cash and cash equivalents in subsidiaries acquired during the year	73	170
Consideration paid for future business combinations	0	-4
Paid considerations for business combinations in previous years	-73	-20
Net cash flow effect from business combinations	-386	-420

Acquisitions in 2020

The total consideration transferred for the year's business combinations amounted to SEK 1,488 million, which exceeded the fair value of net assets by SEK 977 million. Surplus values from business combinations amounted to SEK 1,188 million and are attributed to customer relationships and goodwill, where the surplus value of goodwill consist of non-identifiable intangible assets and synergies that are expected to arise through the acquisition.

The business combinations in 2020 contributed to the Group's sales by SEK 188 million and profit after financial items by SEK 45 million. If all business combinations had taken place as of January 1, 2020, the Group's net sales would have amounted to SEK 4,897 million and the consolidated income statement would show an operating profit of SEK 808 million.

Information on consideration transferred, acquired net assets and goodwill as of each acquisition date is shown below:

Consideration	2020
Cash and cash equivalents	566
Advance considerations prior years	2
Issue of equity instruments	141
Acquisition debt	566
Fair value of shareholdings before business combination	214
Total consideration	1,488
Acquired identifiable net assets	511
Goodwill	977

The assets and liabilities that are reported as a result of the business combination on each acquisition date are as follows:

Carrying amounts of identifiable acquired assets and liabilities	Fair value
Cash and cash equivalents	170
Acquired customer contracts/customer relationships	266
Capitalised software development expenses	47
Goodwill	65
Tangible fixed assets	10
Financial fixed assets	16
Trade receivables and other receivables	283
Client money	9
Borrowings	-10
Deferred taxes, net	-42
Other non-current liabilities	-1
Liabilities for client assets	-9
Trade payables and other liabilities	-210
Total identifiable net assets	593
Non-controlling interests	-82
Group's share of total identifiable net assets	511
Goodwill	977
Total consideration	1,488
Consideration paid in cash	-566
Cash and cash equivalents in subsidiaries	170
Change in consolidated cash and cash equivalents from acquisitions	-396

Note 30

Related Party Transactions

Transactions with Associated Companies

Breakdown of the Group's transactions with associates:

Group	2021-12-31	2020-12-31
Sale of goods and services	50	58
Purchase of goods and services	166	229
Dividend income	71	12

There are options to acquire the remaining shares in a number of the Group's associated companies. The purchase price, which will be paid if the options are exercised, is deemed to be market-based why they are not assigned any value in the Group.

Board Members and Senior Executives

The Group has not provided any guarantee- or surety commitments for the benefit of the Board members, senior executives or the auditors in the Group.

During the year, one of the Board members performed consulting services on behalf of the Group corresponding to a value of SEK 0.5 million. The compensation is market-based.

Warrants

2021

Eleven senior executives were included in the share-related incentive program decided in 2020 regarding a new share issue that took place in 2021. A total of 319,159 warrants were subscribed, of which 74,300 were by senior executives. They paid market-based consideration for the warrants. See also Note 21 for further information.

During the year, no warrants issued in previous years were exercised.

2020

None of the options issued in 2019 were exercised in 2020.

Note 31

Events after the Balance Sheet Date

After year end, a directed new share issue of SEK 1,484 million was carried out in accordance with what is described in the Directors' Report. In February 2022, the Group acquired 100% of the shares in the Dutch company Summa Holding B.V. The company will operate in the Non-Life Insurance business area.

Note 32

Appropriation of Retained Earnings

The following earnings in SEK are at the disposal of the AGM:

Share premium reserve	11,884,567,300
Retained earnings	-7,447,428,400
Profit for the year	322,858,600
	4,759,997,500

The Board of Directors and Chief Executive Officer propose the following appropriation of disposable earnings:

Dividends to the shareholders	282,019,889
To be carried forward	4,477,977,611
	4,759,997,500

Board Statement on Dividend Proposal

The proposed dividend reduces the equity/assets ratio of the company. However, the equity/assets ratio is reassuring since the company's operations remain profitable. The company's liquidity is furthermore judged to be maintained at an equally satisfactory level. The Board's view is that the proposed dividend does not prevent the company from fulfilling its obligations in the short and long term, nor does it prevent the company from making requisite investments. Therefore, the proposed dividend can be defended with reference to the requirements in the Swedish Companies Act Chapter 17, Paragraph 3, Section 2.

The company is the Parent Company of the Söderberg & Partners Group and the board of directors' assessment is that the dividend is defensible also on the basis of what is stated in the Swedish Companies Act Chapter 17, Paragraph 3, Section 3 regarding the need to take into account the requirements that the Group's operations, scope and risks put on the Group's equity and the Group's needs for consolidation, liquidity and position in general.

Signatures

The Parent Company's and the Group's consolidated income statements and balance sheets will be submitted for approval to the Annual General Meeting 2022.

Stockholm, 28 May 2022

Per-Olof Söderberg
Chairman of the Board

Håkan Wersäll

David Bellamy

Gustaf Rentzhog
Chief Executive Officer

Hans Årstad

Daniël Knottenbelt

Elisabeth Fahle Gårdebäck

Our auditor's report was submitted on 2 May 2022

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Chartered Accountant

Auditor's Report

Unofficial translation

To the general meeting of the shareholders of Söderberg & Partners Holding AB, corporate identity number 559193-0788

Report on the Annual Accounts and Consolidated Accounts

Opinions

We have audited the annual accounts and consolidated accounts of Söderberg & Partners Holding AB for the year 2021.

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 and the group as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. 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.

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 Responsibility 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 and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and for them giving 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 not applied, however, if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on Other Legal and Regulatory Requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Söderberg & Partners Holding AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility 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 organisation 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 organisation 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 must manage the ongoing administration according to the Board of Directors' guidelines

and instructions and, among other matters, take measures that are necessary to fulfil 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 a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm, 2 May 2022

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson

Chartered Accountant

The unofficial translation of the auditor's report covers the statutory annual accounts and consolidated accounts on pages 8-57 in this document and is a copy of the auditor's report that was released on 2022-05-02. By that time, there was no final version of the other information prepared, hence the auditor's report does not cover any other information than the annual accounts and consolidated accounts.

The Sustainability Report in Brief

This is Söderberg & Partners' sixth Sustainability Report in which we aim to describe how we are making a difference and working to achieve our sustainability goals. We believe having a sustainable strategy is crucial for our continued value creation, for our clients as well as for our employees and for society as a whole. A Sustainability Report is published annually and covers Söderberg & Partners Holding AB and all legal entities within the Group where Söderberg & Partners Holding AB is the parent company. The entire Group will be referred to as "Söderberg & Partners" in this report. Söderberg & Partners' Sustainability Report 2021 has been prepared in accordance with the GRI Standards: Core level, and covers the fiscal year 2021. During 2021, TA Associates returned as a minority shareholder in Söderberg & Partners Holding AB by subscribing to the company's new share issue of SEK 2.5 billion. Post transaction, the chairman of the board and current and previous employees still control the Group and KKR remains a minority owner. In addition, the organisation continues to grow and the main structure and suppliers remain without any major changes.

If you have any questions about the Sustainability Report, you are welcome to address them to esg@soderbergpartners.se

Highlights in Brief

2021

Sustainable portfolio

Mandates offered by Söderberg & Partners Wealth Management follow the SFDR Article 8 standard and contribute to both environmental and social sustainability.



3,378

The number of financial and non-life insurance products covered by the Sustainability analysis.



119

Dialogues with suppliers of financial products aimed at improving their sustainability work.

Aktiv Påverkan

Is a fund strategy that utilises the power of an active ownership profile to achieve long-term sustainability goals that are relevant to our clients. The fund now has three commitment themes, the most recent being circular economy.

Read more about this on [72](#).

Sustainability Week

Was held during the autumn of 2021, and employees in all countries were invited to devote one hour per working day to complete sustainability challenges. The week was also filled with informative lectures and inspiring interviews.



139 tonnes

The amount of CO2 saved by all our employees during the Sustainability Week.

Sustainability is Foundational to Realising our Vision

Ever since 2004, when Söderberg & Partners was founded, our vision has been to “be proactive today, for you to enjoy a richer and more secure life tomorrow”. Being proactive inherently means looking ahead. Our ambition is to be a sustainability leader within the financial sector.

The security of humankind is now threatened by the changing climate and global warming. As the UN IPCC concludes in its latest scientific summary report, extreme weather events are more severe and more frequent. We have seen this change manifested in many parts of the world. Nonetheless, the floods in southern Sweden are examples of the consequences of extreme weather and our non-life insurance intermediary business has been helping clients in vulnerable places to identify the most suitable insurance solutions for them to secure properties and other assets against these physical risks. Climate change also evokes transition risks where the value of assets may change due to the necessary transition we are facing. As financial advisors, we need to identify potential risks faced by our retail and institutional clients' investment portfolios and pension savings. When applicable, we help clients reduce unnecessary exposure to sustainability risks by recommending funds that have a higher sustainability rating in our analysis. Wealth in a broader sense means the abundance of something desirable. We believe that a rich life for our clients also means having access to nature, quality time with family and friends, and resources that are reliant on our Mother Earth. In other words, we are more likely to realise our vision if we also take responsibility for our impact on the environment, and care for society at large.

Being proactive inherently means looking ahead. Our ambition is to be a sustainability leader within the financial sector. As long ago as 2014, we established the sustainability analysis of life-insurance companies, making us the first player in Sweden to give pension companies sustainability ratings. We were also pioneers in proceeding to rate funds, unit-linked insurance companies and non-life insurance companies. The financial sector has a crucial role in nudging the business community and society as a whole towards carbon-neutrality and the UN Sustainable Development Goals. For this reason, we invest the most effort where we have the greatest impact: in our advisory, insurance intermediary and asset management services. At the same time, the environmental footprint produced in day-to-day operations is inevitable but we can do our best to reduce our impact. While doing so, we recognise that time is limited and climate change is happening now, which is why we engage in carbon-positive projects, such as offsetting our business' carbon footprint.

Söderberg & Partners joined the UN Global Compact this year, thereby taking a firm stand on issues related to human rights, social conditions, the environment, labor and anti-corruption, thus following their ten principles for driving progress in a more sustainable direction.



Gustaf Rentzhog, CEO



We believe having a sustainable strategy is crucial for our continued value creation, for our clients as well as for our employees and for society as a whole.

Sustainability Goals and Results 2019-2021

Our sustainability goals are set every three years and the targets are updated so that we continually advance our sustainability efforts. Presented below is an overview of our sustainability goals and targets, and of how well we have delivered on these targets.

SDG	Our sustainability goals and how our efforts align with the SDGs	How we reach our goals and what we have achieved
	Sustainability Analyses, Advisory Services and Responsible Investments As a player in the financial sector, the best way to make a positive contribution to sustainability is by helping our clients to invest with the environment and society in mind, choosing sustainable products.	The ESG team works closely with each business area to develop relevant analyses and integrate sustainability into our advisory tools. During 2021, the ESG team completed an updated version of the analysis model for fund assessments to take account of the EU SFDR regulations as well as the EU Taxonomy framework.
	Dialogue and Engagement According to research, one of the most effective strategies asset owners or managers can apply to create a change in companies they have a stake in is by engaging with the company management and collaborating with like-minded investors.	During 2021 we had 119 individual meetings with our product suppliers to discuss their methods of integrating sustainability information into their investment decisions. We are members of several collaborations in sustainable investment, where our Head of Sustainability is a board member of Swesif, and co-leads two working groups.
	Promote a Healthy Lifestyle Our ambition is that our employees possess a strong level of commitment and enjoy good physical and mental health. We aim to facilitate healthy habits to increase well-being, health, and high energy levels.	Our employees are encouraged to use their yearly wellness allowance to encourage physical activities. We also have insurance policies which can be used proactively or, in the event of illness, when experiencing diminishing health.
	Development and Learning We want to utilise and develop our employees' knowledge in a business environment that values openness and proactivity.	Everyone at Söderberg & Partners has at least one employee interview per year where the manager and employee discuss goals and direction, training needs and the purpose of the goals. The dialogue will result in an action plan for the development going forward.
	Equal Treatment Our aim is that we should have a working climate that is characterised by a positive view of people and mutual respect. No one should be harassed or subjected to bullying in the workplace.	We have taken the strategic decision to work more proactively for risk mitigation against all kinds of discrimination by developing our processes and educating the organisation on this topic. In 2021, there were no identified cases that could be linked to grounds of discrimination.

8 DECENT WORK AND ECONOMIC GROWTH 	Work Environment and Health The goal for our work environment is to create a physically, mentally, and socially healthy workplace for all employees, where risks of work injuries and work-related ill-health are prevented.	We regularly examine the social and organisational work environment and regularly follow up on sickness statistics and deal with health issues on an ongoing basis. We undertake regular work environment inventories, and all our offices have an office manager with special responsibility for the work environment.
10 REDUCED INEQUALITIES 	Social Responsibility Söderberg & Partners will contribute to sustainable development by actively promoting children's health and education through our own initiatives and projects, as well as donations to charity. Our commitment to corporate social responsibility (CSR) is important in our organisation, and children and young people are a common theme in our CSR work.	In 2021, we entered a new partnership with Ung Företagsamhet Sverige (the Swedish division of Junior Achievement Worldwide). We also started working on co-producing a report about the role of the financial services industry in the green transformation process together with Klimatagendan, an NGO working to help facilitate Sweden's green transformation.
4 QUALITY EDUCATION 	Training and Awareness Our employees' awareness about overall sustainability issues and responsible investing is fundamental to our overall sustainability strategy, advisory services and sustainability work.	In Sweden, newly recruited employees receive information about our sustainability work. In the autumn of 2021, we had a Sustainability Week in which employees from all countries participated. The purpose of the Sustainability Week was to raise the level of knowledge and make all employees aware of Söderberg & Partners' sustainability work.
11 SUSTAINABLE CITIES AND COMMUNITIES 	Transportation and Meetings To deliver good services, we need to understand our clients, which is often easier through face-to-face meetings. Our largest source of direct impact on the environment is business travel. We aim to utilise technology for business meetings as much as possible and travel only when necessary for delivering the service quality that our clients and stakeholders expect.	We promote and encourage our employees to choose environmentally friendly modes of transport and aim to increase utilisation of video conferencing. The use of video conferencing continued to increase in 2021, something we hope will continue even after the pandemic.
7 AFFORDABLE AND CLEAN ENERGY  12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Energy and Resource Consumption Although our direct impact on the environment is relatively low compared to other industries, we believe each player has a responsibility to contribute to reducing energy consumption and increasing the percentage of renewable energy in the energy systems.	We work to reduce energy consumption and the use of office paper. We make efforts to reduce our consumption of energy and resources, including by purchasing green electricity and recycling scrapped IT products. Since the pandemic, we have significantly reduced paper consumption.

Governance for Greater Material Impact

As a service company within the financial sector, our greatest opportunities to make a positive contribution to our environment and society are through our core business – our financial advisory, asset management, insurance intermediary and other HR-related services. We have identified the sustainability issues that are material for our business through an environmental assessment and a stakeholder analysis, resulting in the materiality map shown below.

We consider our clients, employees, owners, and suppliers as primary stakeholders because they are directly or indirectly affected, or may be affected, by our business operations. Through surveys and dialogues, we have gathered these stakeholders' expectations on our sustainability efforts and the topics that they value the most.

Clients:

Our clients expect us to deliver sustainable advice and investment alternatives that facilitate choosing sustainable investments.

Employees:

Taking responsibility for the organisation's direct environmental impact as well as contributing to society at large through our services and CSR projects are most important to our employees.

Owners:

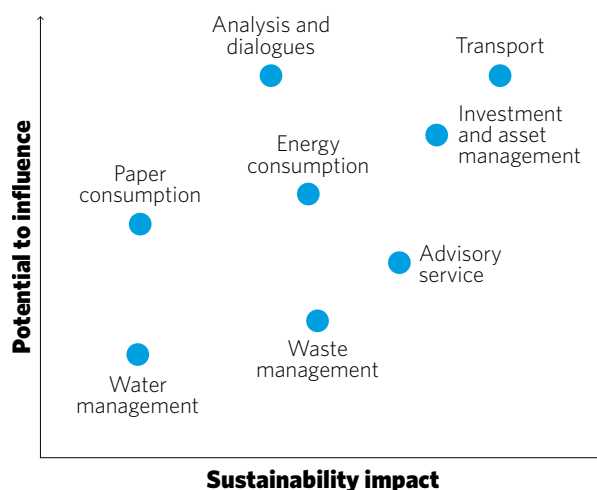
Our owners highlight the importance of our employees having appropriate working conditions, and for Söderberg & Partners to be societally engaged and represented in local communities.

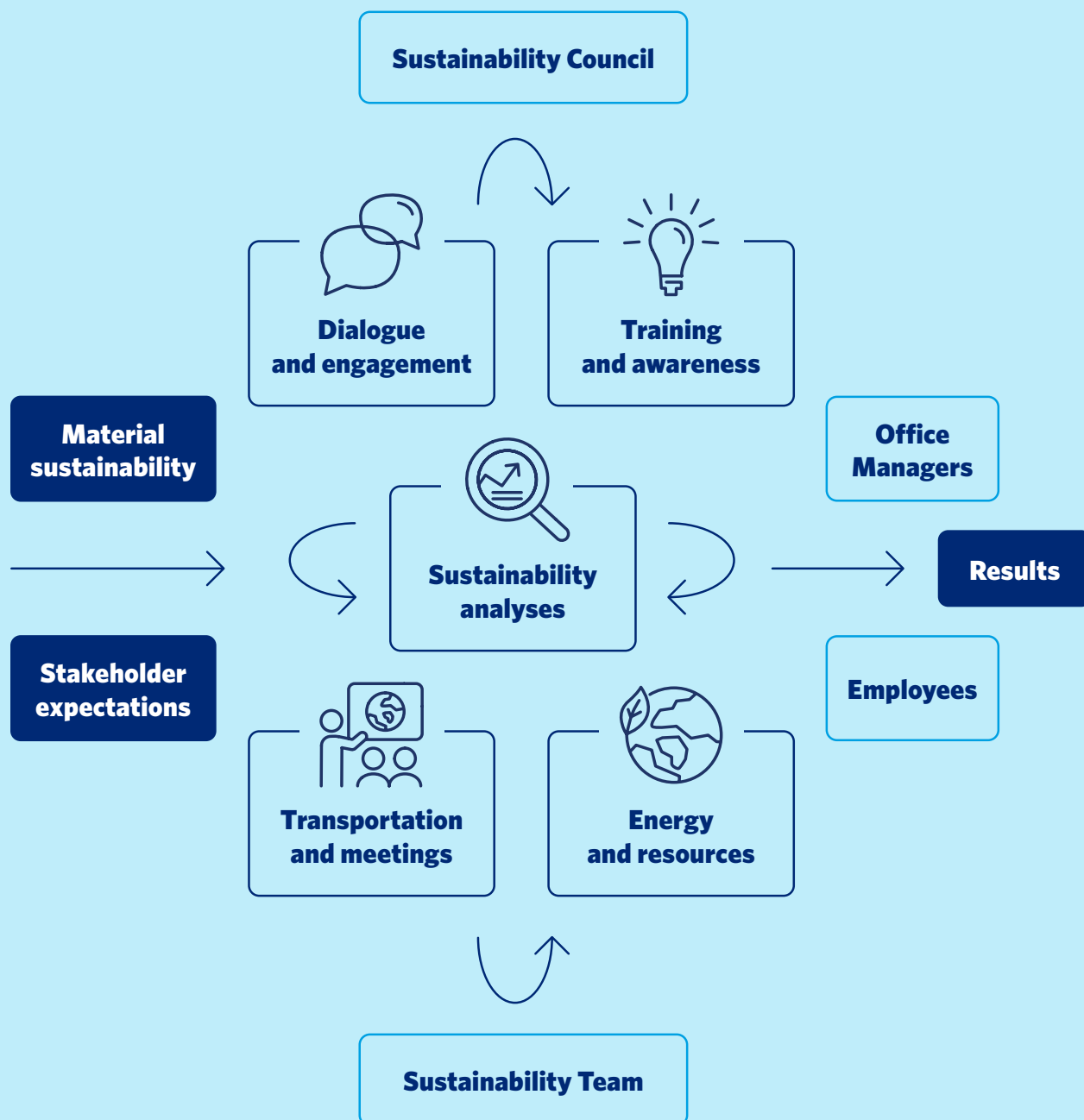
Suppliers:

Our suppliers, mostly managers of financial and insurance products, expect us to be transparent in our sustainability assessments of them and fully compliant with relevant legal regulations and business ethics.

Söderberg & Partners' President and CEO has oversight of the sustainability ambition and long-term strategy at Group level. The Sustainability Council, consisting of key players at management level and the Head of Sustainability, formulates the Group Sustainability Policy. Given the materiality map and a risks-and-opportunities analysis, the Council has determined in the Policy five focus areas to prioritise. These focus areas are translated into goals and defined by sustainability targets. Read more about our sustainability goals on [page 64](#).

The Söderberg & Partners business culture is open to diversity. For this reason, the structure of the sustainability work may vary from company to company, but the Group Sustainability Policy is an overarching policy that applies to all companies. Other policies and guidelines, such as the Employee Handbook, Travel Policy and Procurement Policy, are complementary to the Sustainability Policy. Each company in the Group should also align its operations with legal regulations applicable to the company.





Söderberg & Partners in Sweden has implemented the ISO 14001 international standard for environmental management. As part of the ISO certification, Söderberg & Partners complies with current environmental legislation. This means that we apply the Precautionary Principle as we take necessary measures to minimise any negative impact on the environment. The Head of Sustainability leads a Sustainability Team responsible for the implementation of the sustainability strategy. Apart from the Sustainability Team, each office has an Office Manager responsible for the local targets and

for raising awareness of them to colleagues. The Office Managers report back to the Sustainability Team at least once every reporting year. As the governance structure has the enabling function, we believe these efforts have the greatest impact and are most efficient when the whole organisation is engaged. Our employees are the determining factor for our success in establishing and maintaining satisfactory client relations. All employees contribute to meeting our sustainability goals in day-to-day operations.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG target 12.6

Encourage companies to adopt sustainable practices and sustainability reporting

ESG Analyses that Identify Truly Sustainable Products

Target for 2019–2021

Söderberg & Partners' ESG team will increase the scope of the ESG analyses to reach a range of 80% of funds and products within life insurance, unit-linked insurance and non-life insurance available to clients. We will continue developing both the depth and breadth of market-leading ESG analyses, reflecting best practice and covering at least three of Söderberg & Partners' business areas (Wealth Management, Asset Management and Insurance Consulting).

Metrics

- Share of products covered by the ESG analyses.
- Number of business areas covered.

The choice of an investment affects not only the return but also the environment, society and people's working conditions. The purpose of our ESG analyses is to make it easier for our clients to choose the most sustainable financial products and insurance products available on the market. In our ESG analyses, we identify how all players in the product category work with sustainable investment strategies. Most methods of analysis on the market focus on how sustainable the holdings in the product are, which does not consider owner influence or other active ownership that the company exercises. However, this is something that we assess and take into account, which makes our analyses unique. Based on a materiality analysis, we identify the most important parameters and distinct differences in asset managers' and insurance companies' sustainability work, which we then use to compare and rate the companies and products. The companies are subsequently graded according to our traffic light system, where a green rating indicates the most sustainable choice. By rating players relative to each other, we encourage companies to continuously improve.

All our analysis reports are available in Swedish [here](#).

Achievements 2021

- To date, our ESG analyses cover approximately 3,300 funds, 14 Swedish unit-linked insurance companies, 14 Swedish and 9 Danish life insurance and premium guarantee products and 41 non-life insurance companies.
- During 2021, the ESG team completed an updated version of the analysis model for fund assessments to take account of the EU SFDR regulations as well as the EU Taxonomy framework.

13 CLIMATE ACTION

**SDG target 13.2**

Integrate climate change measures into policies and planning

Advisory for Clients who Wish to Create a Sustainable Impact

Target for 2019–2021

Söderberg & Partners' sustainability ratings are easily accessible to all advisors so that they can help clients to choose products according to their potential sustainability preferences.

Metrics

- Share of advisory and investment management tools where ESG ratings are displayed.

We want to produce the best analyses and tools available for advisors and clients. We continuously follow up to ensure that sustainability is incorporated into our advisory tools, digital interfaces, and in consultations when our clients receive decision-making support. The ESG team, responsible for Söderberg & Partners' sustainability analyses, works closely with each business area to develop relevant analyses and integrate sustainability into our advisory tools.

Fund Finder is our own digital fund platform, available to all our clients. For personalised advice and to facilitate decision-making, sustainability information about each fund is presented alongside the financial information. Other easy-to-use tools are the filtering function to find funds based on exclusion criteria and the sorting function based on the sustainability rating. On each individual fund page, the client can read a description about the fund's sustainability profile and justification for its sustainability rating.

Achievements 2021

- Sustainability analyses and tools have been integrated into customer offerings that previously did not show sustainability parameters. To date, sustainability is integrated into 79% of our advisory tools in Sweden.
- "Ethical" funds are highlighted with a mark on Fund Finder, making it easier for advisors and clients to find funds that live up a set of exclusion criteria applied by the Church of Sweden.
- Purchase of a large sustainability data package that will be rolled out to a variety of digital tools including Fund Finder. The data creates better conditions for deeper analysis of the financial products' sustainability profiles, and this information will populate interfaces used by clients.



Responsible Investments that Make a Difference

Target for 2019–2021

All financial products have an appropriate level of consideration for sustainability factors when it comes to making investment decisions.

Metrics

- Share of products offered by Söderberg & Partners Wealth Management and Söderberg & Partners Asset Management that integrate sustainability factors into investment decisions.

Two entities within the Group offer investment products to retail and institutional clients. Investment Management is responsible for managing discretionary mandates and standardised portfolio mandates offered by Söderberg & Partners Wealth Management (S&P WM). The fund managers at Söderberg & Partners Asset Management (S&P AM) are responsible for fund-of-funds. Both entities practise ESG integration. ESG, a common abbreviation for environment, social and governance, stands for the non-financial factors that managers need to consider in order to invest sustainably.

Investment Management

To select the best investments for Söderberg & Partners Wealth Management's portfolio mandates, funds are selected based on the financial analysis and sustainability analysis. This way, we ensure that all portfolios take into account the potential impact of sustainability risks on financial performance as well as the principal negative impact of investments on sustainability (defined by the EU SFDR regulation). We offer a group of Sustainable portfolio mandates consisting of one portfolio at each risk level so that clients who want to can make a positive contribution to sustainability suited to their risk tolerance level. For funds to qualify as Sustainable portfolio mandates, the fund managers must apply to them a policy that takes account of six controversial activities (production of weapons, alcohol, tobacco, adult entertainment, gambling and fossil fuels) as well as breaches of international norms. Moreover, to ensure a positive contribution to the environment and society, the funds follow SFDR Article 8 or 9 standard, and have a yellow or green rating in our sustainability analysis. These portfolios are screened quarterly and a client report is prepared to present current engagement dialogue taking place in the underlying funds. In addition, each report covers a theme to give the reader in-depth knowledge about a certain sustainability topic.

Fund Management

Söderberg & Partners Asset Management S.A. (S&P AM) offers fund-of-funds primarily to pension schemes. S&P AM is a signatory to the United Nations Principles for Responsible Investment (PRI), the leading international initiative for responsible investments. The principles encourage asset managers to integrate ESG aspects into investment decisions, engage as an active owner, and promote sustainability practices in the financial sector. S&P AM has also signed the TCFD (Taskforce on Climate-related Financial Disclosures) and The Investor Agenda – climate change agendas that focus on accelerating investor action for a net-zero emissions economy. As S&P AM mainly invests in other funds, our sustainability analysis of funds is a valuable resource for the investment process. The ESG team responsible for sustainability work within the Group and the fund managers at S&P AM work closely together to advance our sustainability efforts. Since September 2019, the Policy for responsible investments states that all funds managed by Söderberg & Partners Asset Management will exclude indirect investments in companies based on a list of criteria, if the companies are unwilling to address the problematic issues. The company does not invest in companies related to controversial weapons, pornography or tobacco, or companies for which more than 30% of sales are generated from thermal coal-mining businesses. It also excludes companies that breach international norms and conventions related to the environment, human rights, and business ethics. Although sustainability is an important investment strategy across all fund ranges of Söderberg & Partners, we developed a thematic ESG strategy in 2018 where the main focus is active engagement – in Swedish, Aktiv Påverkan.

Achievements 2021

- Sustainable portfolio mandates offered by Söderberg & Partners Wealth Management follow the SFDR Article 8 standard and contribute to both environmental and social sustainability.
- Sustainability risks and their potential impact on financial performance as well as the principle of adverse impact of investments on sustainability are all accounted for in our investment products, making them SFDR Article 6 compliant.
- S&P AM has initiated collaboration with the Swedish Environmental Institute for the purpose of engaging with two companies in the matter of reduction of carbon emissions. Read more about this on [page 72](#).

Aktiv Påverkan

The Aktiv Påverkan (Active Engagement) strategy leverages the power of an active ownership profile to reach long-term sustainability goals relevant to our clients. The engagement themes are determined through a process where investors in the fund can vote on sustainability topics that are important to them.

Mitigation of Child Labour

The initial engagement theme was inspired by a report entitled “Pensionsmakt” (Pension Power) produced by Söderberg & Partners. According to the report, the sustainability topic that most Swedish retail investors want their asset managers to actively work for is the mitigation of child labour. By doing this together with Save the Children’s expertise, we strive to contribute to the battle against child labour.

During 2020, we invested in two companies exposed to the risk of child labour in their value chains, namely Boozt and Bergman & Beving. One of the brands in Bergman & Beving’s portfolio is Guide. During the year, discussions were held regarding Guide’s Code of Conduct to strengthen the process of mitigating child labour. The Centre for Child Rights & Business (CRB), through Save the Children, sent the company a child labour remediation protocol as well as an updated Code of Conduct. Discussions are now being held internally at group level concerning whether or not they will proceed with a group-wide policy.

Together with CRB, Boozt organised an “Awareness-raising workshop on child rights” in December 2021. Several fashion brands working in collaboration with Boozt participated in the workshop. The event offered an opportunity to gain knowledge and participate in a dialogue with experts, as well as other brands within the apparel industry, about the importance of children’s rights and ways of contributing to the abolition of child labour.

Reduction in Carbon Emissions

Investments leading to reduced carbon dioxide emissions was voted as our second theme for Aktiv Påverkan, and we have partnered with Swedish Environmental Research Institute (IVL). During 2021, we invested in Stendörren Fastigheter and Diös Fastigheter. The focus was on collecting climate-relevant data and future construction plans for the companies. The data is necessary for IVL to produce a climate calculation and materiality analysis to identify which parts of the operations that can be targeted for a reduction in carbon emissions.

After several meetings, IVL reviewed the data collection that the companies had compiled. IVL arranged a performance review with Stendörren, where they went through the company’s main sources of emissions. The next step is a collaborative workshop to plan how they can further improve their climate work. The engagement is currently ongoing, and we look forward to seeing the positive developments that the companies are undergoing.

Circular Economy

Our latest theme is investments in companies working against the throwaway society, i.e. investments that contribute to the transition towards a circular economy. We are in the process of interviewing and analysing companies where we see potential for improvement. We will finalise the investment case together with an expert in the field of circular economy at the beginning of 2022.



So far, we have seen a growing interest from our clients in this strategy. With the EU Taxonomy crystallising, we believe that a fund with a thematic approach, which emphasises engagements, in combination with our internal sustainability analysis, makes this a preferred choice going forward as well.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG target 12.6

Encourage companies to adopt sustainable practices and sustainability reporting

13 CLIMATE ACTION



SDG target 13.2

Integrate climate change measures into policies and planning

SWESIF
SVERIGES FORUM FÖR
HÅLLBARA INVESTERINGAR

Dialogue and Engagement

Target for 2019–2021

Söderberg & Partners will contribute to a more sustainable financial market through engagement dialogues with product suppliers where weakness and areas for improvement are highlighted.

Söderberg & Partners will be a distinguished player and contribute by applying our expertise and ambition regarding sustainable finance.

Metrics

- Number of engagement dialogues with product suppliers.
- Number of projects dedicated to enhancing sustainable investments in the market.

The sustainability analysis is not only helpful for retail investors who want to make better sustainable choices but also for spreading knowledge and best practice among companies. Söderberg & Partners stands for openness and transparency and, by engaging in dialogue with our product suppliers about the strengths and weaknesses of their sustainability work, we can influence the market in the right direction. When we analyse and assess companies in our sustainability analysis, it also has an effect. Just as a traffic light can switch from red to amber or green, our analysis method means that everyone can always do a little bit better and become a little greener, in both senses of the word.

Achievements 2021

- The year 2021 was full of uncertainties, resulting in the cancellation of important face-to-face meetings, and transitioning to virtual meetings. We have, however, continued to engage with our product suppliers. The number of discussions with product suppliers amounted to 119 individual meetings with fund managers, representatives of pension funds, unit-linked life-insurance companies and fund companies to discuss their methods of integrating sustainability information into their investment decisions. For example, whether they gather information about the carbon footprint of holding companies and assess the climate risks of the portfolio, as well as taking these considerations into account when making investment decisions.
- Söderberg & Partners is a member of Swesif (Sweden's Sustainable Investment Forum) and our Head of Sustainability is a board member. Within this stewardship, our Head of Sustainability co-leads two working groups, one focusing on enhancing the financial sector's sustainability knowledge, the other focusing on ESG integration in fixed income management.
- Söderberg & Partners Asset Management is a member of Fondbolagens Förening (Swedish Investment Fund Association), where we participate in several working groups.

Sustainable Employees

Söderberg & Partners works continuously to create a physically, mentally, and socially healthy workplace for all employees. HR and other divisions work with matters of health and equal treatment, working conditions, development and learning, recruitment, and labour rights.

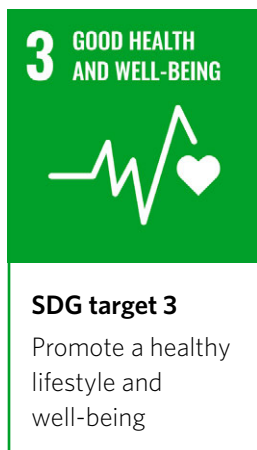


Söderberg & Partners has offices in Sweden, Finland, Norway, Denmark, the Netherlands, Luxembourg, and Spain.

We had a total of 2,277 tenured employees at the end of 2021. The organisation is, however, growing every day, so the number of employees is constantly changing.

2.6% of our employees are covered by a collective labour agreement.

The employee turnover ratio for Sweden was 8.7% in 2021.



Promote a Healthy Lifestyle

Target

Our ambition is that our employees possess a strong level of commitment and enjoy good physical and mental health. We aim to facilitate healthy habits to increase well-being, health, and high energy levels. Our employees are encouraged to use their yearly wellness allowance to encourage physical activities. We also have insurance policies which can be used proactively or, in the event of illness, when experiencing diminishing health.

Metrics

- Score at least 5.8 out of 7 on “My work situation” in our annual survey.
- Encourage our employees to conduct a heart rate boosting activity at least once a week.

Achievements 2021

- This year we added a Health survey from Söderberg & Partners Human Financial Wellness to our annual employee survey, which enables us to plan for, and implement, long-term strategies for better health among our employees. The result of the 2021 Health survey showed good overall health, with opportunities for improvements in physical activity and sleep in order to maintain optimal health and vitality. This is an important step for further development in these areas in the years ahead.
- A series of live online exercise sessions you can participate in whether you are working from the office or from home.
- Information and education about social sustainability and health during the international Sustainability Week 2021.



We aim to facilitate healthy habits to increase well-being, health, and high energy levels.

4 QUALITY EDUCATION



SDG target 4
Stimulate and engage in lifelong development and learning

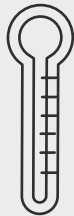
Sick leave
(%) 2021

0.57

Male

3.14

Female



Development and Learning

Target

We want to utilise and develop our employees' knowledge in a business environment that values openness and proactivity. Important components of our employees' development process are employee dialogue, goal management, targeted training, and internal hiring. All units have a special budget for education. All administrators and advisors conduct annual knowledge updates.

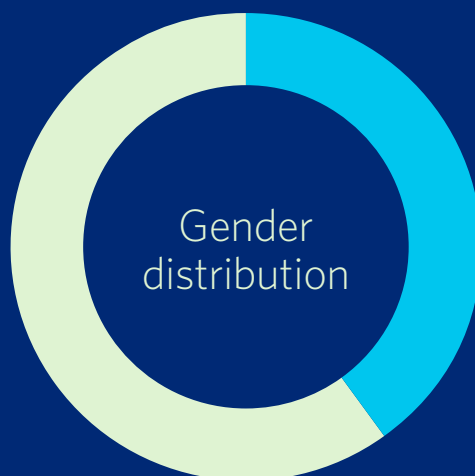
Metrics

- Everyone at Söderberg & Partners must have at least one employee interview per year where the manager and employee discuss goals and direction, training needs and the purpose of the goals.
- Continuously support the leaders in our organisation.
- The general goals break down into challenging and engaging targets for the individual employee. This is done at least once a year according to a standardised structure in an "employee dialogue" meeting between each employee and their line manager. The dialogue will result in an action plan defined for each employee's individual development going forward. The HR department has been assigned the task of developing employee training programmes and clarifying development opportunities and career paths within the organisation.
- Minimum 15 hours of education per year (advisors).



Male

60%



Female

40%

Achievements 2021

- The number of structured employee dialogues in our digital system Heartpace are increasing year by year. This year our leaders conducted 1,045 countable dialogues in Heartpace, which is 80% of the employees in Sweden.
- Four times a year, the HR department in Sweden arranges an onboarding day for new employees. During the day, new employees receive important information, meet representatives of the various business areas and can make contacts with other new employees around the country. A total of 203 people attended our onboarding days in 2021.
- We also have a digital onboarding programme providing a wide range of knowledge about Söderberg & Partners, our procedures, culture, values, GDPR, businesses, and much more, which 269 new employees attended during 2021.
- Besides offering day-to-day support to our managers, HR arranged one annual leadership conference where we met to train, educate and share experiences.
- New managers are offered two different internal full-day courses; these are put in place to provide guidance on how to think and act to create the best conditions for well-functioning leadership. The first day is called *New as a manager*, and the follow-up course is *Develop your leadership*. 34 managers went through these training courses in 2021, which were run twice.
- Some managers also participated in external leadership training, ranging from one-off courses to longer programmes.

Sick leave (%)*	2021	2020	2019
Male	0.57	0.9	0.96
Female	3.14	3.22	2.86
Total	1.71	1.83	1.73

* Data covering employees in Sweden.

96%

Feel their ability to work is very good

92%

Feel a strong interest in and dedication to their daily work

88%

Feel committed to, and work in accordance with, the organisation's values

82%

Feel confident in their capability at work

5 GENDER
EQUALITY**SDG target 5**

Equal and fair treatment, regarding gender as well as other personal differences, is an important goal in itself, as well as a prerequisite for sustainable development

Equal Treatment

Target

Our aim is that we should have a working climate that is characterised by a positive view of people and mutual respect. No one should be harassed or subjected to bullying in the workplace. Söderberg & Partners does not accept offensive treatment, and we have procedures and action plans for handling any form of discrimination, abuse, addiction, and for providing rehabilitation.

Diversity among our employees is an important factor. We believe there is great value in hiring employees with different competencies, experiences, and frames of reference. With a diversified view of recruitment, we not only succeed in attracting more women, but people with different backgrounds, different ethnicity, and even people from other industries.

Metrics

- Zero tolerance for discrimination, abusive treatment and harassment.
- Systematic mapping of remuneration regarding positions and gender.
- Education for all employees in anti-discrimination and non-tolerance of abusive treatment.
- Education for managers in remuneration design.
- Follow-up of discrimination and sexual harassment in our anonymous annual employee survey.

Achievements 2021

- We conduct systematic equal treatment work via a forum consisting of employee representatives from different companies. We have taken the strategic decision to work more proactively for risk mitigation against all kinds of discrimination by developing our processes and educating the organisation on this topic.
- In 2021, there were no identified cases that could be linked to grounds of discrimination.
- We have conducted our annual systematic mapping of remuneration. Overall, we have a good remuneration structure, although a few salaries will be adjusted in the coming year.
- We educated all employees about anti-discrimination on several occasions; during the onboarding days for new employees, during the digital introduction education and in the Sustainability Week 2021.
- We educated managers about anti-discrimination and equal treatment during our own training sessions for managers, *New as a manager* and *Develop your leadership*.
- A project for increased equality in recruitment was run for our non-life business.

8 DECENT WORK AND ECONOMIC GROWTH



SDG target 8.5

A good, safe, and stimulating work environment for all employees

Work Environment and Health

Target

A good and safe work environment is an important strategic issue for us. The goal for our work environment is to create a physically, mentally, and socially healthy workplace for all employees, where risks of work injuries and work-related ill-health are prevented.

We regularly examine the social and organisational work environment through employee interviews, employee surveys, weekly meetings, and other conversations. HR and managers regularly follow up on sickness statistics and deal with health issues on an ongoing basis.

We undertake regular work environment inventories, and all our offices have an office manager with special responsibility for the work environment.

Metrics

- Sick leave amounts to a maximum of 2.5%.
- Employee satisfaction in Sweden must reach at least 5.8 out of 7 in the following areas: My work situation, My manager, My team, Söderberg & Partners' values and Sustainability.

Achievements 2021

- Sick leave is still very low at 1.67%.
- Employee satisfaction achieved a satisfying total score of 5.9 out of 7. Most of our employees feel that collaboration is good, that the employer stands for good values, and highly values their work ability.
- We have continued our structured way of following up on and rehabilitating employees who are on long term sick leave.
- Several initiatives have been implemented to promote safety and well-being during the Covid-19 pandemic. We have provided continuous information about the pandemic, the restrictions, how to reduce the spread of infection in our offices, together with encouraging information to keep people's spirits up. We have also had meetings with managers on how to handle the situation and sent out risk assessments to managers and office managers regarding the spread of infection as well as social distancing and how to return safely to the office.



Social Responsibility

Target

Söderberg & Partners will contribute to sustainable development by actively promoting children's health and education through our own initiatives and projects, as well as donations to charity. Our commitment to corporate social responsibility (CSR) is important in our organisation, and children and young people are a common theme in our CSR work.

Employees at Söderberg & Partners in Sweden are offered the opportunity to dedicate one workday each year to a charitable cause. With the CSR day, our goal is to encourage as many employees as possible to utilise the opportunity and to get involved in our work for a sustainable future.

Metrics

- Number of CSR projects/events undertaken/participated in by Söderberg & Partners.
- Number of employees utilising their CSR day.

Achievements 2021

- In December, we arranged our annual Christmas event together with the organisation Barn till ensamma mammor for mothers and children living in socially and economically vulnerable conditions. The Christmas event is usually arranged as a big Christmas party for all mothers and their children, but due to the pandemic, we prepared and delivered Christmas bags with food, gifts and crafts so that the families could have a Christmas celebration in their homes.
- In 2021, we entered a new partnership with Ung Företagsamhet Sverige (the Swedish division of Junior Achievement Worldwide). Through our partnership, we help give young people the opportunity to train and develop their creativity and entrepreneurship. We will also act as the competition host and chairman of the jury for the 2022 Ecologically Sustainable UF company in Stockholm.
- During the year, we started working on co-producing a report about the role of the finance industry in the green transformation process together with Klimatagendan, an NGO working to help facilitate Sweden's green transformation.
- Many employees at Söderberg & Partners in Stockholm dedicated their CSR day to one of the projects mentioned above, and there have also been several other CSR activities arranged at our local offices. In addition to this, we collaborate with and support other organisations such as the Swedish Childhood Cancer Fund, Happy Child Foundation, Save the Children, FTS Säkra Varje Unge, and Our Kids' Climate.

4 QUALITY EDUCATION



SDG target 4.7
Education for sustainable development and global citizenship

40

pension advisors were certified within our proprietary Sustainable Pension Advisory training programme during 2021

Training and Awareness

Target for 2019–2021

Söderberg & Partners will be perceived by clients and employees as a sustainability leader within our industry. All employees will complete at least one sustainability course, and at least four new courses will be created and launched on our e-learning platform.

Metrics

- Number of employees completing at least one sustainability course.
- Number of courses available to employees.
- Clients' and employees' perception of Söderberg & Partners' sustainability efforts measured in annual stakeholder surveys.

Our employees' awareness of overall sustainability issues, and their knowledge of our efforts to contribute to critical topics such as climate change, social well-being, and citizenship, are fundamental to our overall sustainability work. This sets the basis for successful ESG integration in our day-to-day operations as well as in our long-term strategies including client acquisition and product development. The HR and Communications departments work closely with the Sustainability Team to regularly update existing training programmes and create new awareness-raising material for internal and external stakeholders alike.

Achievements 2021

- 203 newly recruited employees in Sweden have taken part in an onboarding day where the Head of Sustainability inspires them to take action in their daily life.
- 95% of all employees in Sweden, including those on temporary leave from work, have participated in the annual knowledge update course containing sustainability questions.
- During 2021, four courses related to sustainability have been launched on our e-learning platform. Many of the courses target audiences with specific roles, and the material is customised to suit the responsibilities held by the audience.
- Over 1,000 participants from all countries attended an international Sustainability Week held virtually during the autumn of 2021. One hour per working day was devoted to completing sustainability challenges such as coming to work by bicycle, recycling, and helping a client to find more sustainable investment alternatives. Alongside the challenges, the week was filled with informative lectures, and inspiring interviews with clients and advisors from the different countries talking about how they work with sustainability. At the end of the week, Söderberg & Partners made a donation to Save the Children's Red Alert Campaign, where the amount was based on the number of challenges and the positive carbon impact of it.
- 40 pension advisors were certified within our proprietary Sustainable Pension Advisory training programme during 2021, in addition to 11 certificated advisors enrolled in the 2020 programme. The programme includes an online course, a knowledge test and a practical training session to ensure that sufficient competence in responsible investing has been acquired.

11 SUSTAINABLE CITIES
AND COMMUNITIES**SDG target 11.2**

Affordable and
sustainable
transport systems



Video conferencing
increased by

57%

compared to 2020

Transportation and Meetings

Target for 2019–2021

Söderberg & Partners will increase the use of video conferencing tools by 10% and increase the number of train journeys per employee by 3% during the period, compared to the previous three-year period.

Metrics

- Number of meetings via video conferencing tools or similar.
- Number of train journeys per employee.

Söderberg & Partners is present in many locations and is growing rapidly. As a result of this geographical expansion, the distances travelled by our employees for work tends to increase. We promote, and encourage our employees to choose, environmentally friendly modes of transport and aim to increase utilisation of video conferencing. This is measured as the increase in the number of video conferences and train journeys compared to the number of short-distance flights. Our goal is to utilise technology for business meetings as much as possible and travel only when necessary for delivering the quality of service that our clients and stakeholders expect. Furthermore, we always promote train travel for our employees on their business trips. At our headquarter at Stureplan 8 in Stockholm, we have tickets for public transport and bicycles available for employees who want to travel in a more environmentally friendly way.

Achievements 2021

- In 2021, transportation was at similar levels to 2020, see the table with statistic on [page 84](#), still much lower than before the pandemic started. The use of video conferencing continued to increase in 2021, something we hope will continue even after the pandemic.
- In 2021, our total carbon dioxide emissions from transport, even though we included car travel from Finland in our statistics for 2021, were at similar levels as for 2020. The pandemic further increased the use of virtual conferences.
- During 2021, we became a partner in one of Sweden's leading players in benefit bicycles for employees. The company helps employers to provide their employees with benefit bicycles in a simple and safe way. The company's vision is to help more people to choose cycling instead of driving for work. It is economically beneficial to employers and employees alike, and also beneficial for the environment and the health of employees.

Our employees are encouraged to choose environmentally friendly modes of transport.

7 AFFORDABLE AND CLEAN ENERGY



SDG target 7.2

Increase global percentage of renewable energy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG target 12.2

Sustainable management and use of natural resources

SDG target 12.5

Substantially reduce waste generation



89%

of all Söderberg & Partners offices in Sweden are using renewable energy

Energy and Resource Consumption

Target for 2019–2021

Söderberg & Partners will reduce paper consumption per employee by 10% compared to the most recent three-year period. Our offices that have control over their own use of electricity must have green electricity within a two-year period from connection of start-up.

Metrics

- Proportion of offices with control over their own use of electricity powered by green electricity.
- Printed paper (kg) per person per year.

Although our direct impact on the environment is relatively low compared to other industries, we believe each player has a responsibility to contribute to reduction of waste generation, to try to use natural resources sustainably and to increase the percentage of renewable energy in the energy systems. Söderberg & Partners' procurement guidelines require all our suppliers for our Swedish business to have implemented an environmental management system that meets the requirements of ISO 14001 certification. We work to reduce energy consumption and the use of office paper. We make efforts to reduce our consumption of energy and resources, including by purchasing green electricity and recycling scrapped IT products. See the table with statistics over the consumption of office paper and energy on [page 84](#).

Achievements 2021

- In 2021, we reduced our office paper usage significantly due to the fact that the majority worked from home and the increased digitalisation.
- 89% of all Söderberg & Partners offices in Sweden are using renewable energy.

Our Direct Carbon Footprint

Paper

The tables show the paper consumption at Söderberg & Partners offices in Sweden that use a printer ordered via Söderberg & Partners' central supplier and the office in Luxembourg. The tables also show CO₂e (carbon dioxide equivalents) for the paper consumption. Both are also reported per employee.

	2021	2020	2019
Kg paper	4,047	8,805	18,713
Kg paper per employee	3.1	7.5	12.6
	2021	2020	2019
CO₂e	1,514	3,293	6,999
CO₂e per employee	1.2	2.8	4.7

Energy Consumption

The tables show the energy consumption at Söderberg & Partners offices in Sweden and Luxembourg, and the statistic have a 1-year lag. In cases where the offices have not received information about energy consumption, an estimate was made, where we have assumed that these offices have the same energy consumption per square metre as the average of all offices that reported. The tables also show CO₂e (carbon dioxide equivalents) for energy consumption. Both are also reported per employee.

	2021	2020	2019
Kilowatts	1,259,852	1,059,328	1,092,201
Kilowatts per employee	847.8*	729.6**	759
	2021	2020	2019
CO₂e	16,378	13,771	14,199
CO₂e per employee	11	9.5	9.9

*Covering 91% of our employees in Sweden and 100% of our employees in Luxembourg.

**Covering 86% of our employees in Sweden and 100% of our employees in Luxembourg. We have detected a calculation error and have therefore updated this figure.

Transportation

The tables below show the distance in km that employees at Söderberg & Partners in Sweden, Luxembourg, and Finland (car only) travelled during business trips per year, with a breakdown into flights, trains, and ground transport, as well as the total distance in km. The tables also show the emissions in respect of the different types of transport and total emissions (carbon dioxide) per year.

	2021		2020		2019	
	Distance (km)	CO ₂ (kg)	Distance (km)	CO ₂ (kg)	Distance (km)	CO ₂ (kg)
Flights (<500 km)	129,706	14,398	133,520	12,716	1,059,083	116,460
Flights (>500 km)	689,784	88,850	596,118	77,053	2,228,891	264,773
Trains	293,626	0.59	285,116*	0.57	1,293,280*	3.31
Ground transport**	3,457,185	149,991	3 094,748	164,161	349,022	450,300
Total	4,570,301	253,240	4 109,502	253,931	4,930,276	831,536

*This year, we have started to include train journeys from MTRX and therefore the figures differ from what we previously reported for 2019 and 2020.

**Ground transport covers airport bus, airport taxi, Arland Express, taxi and car.

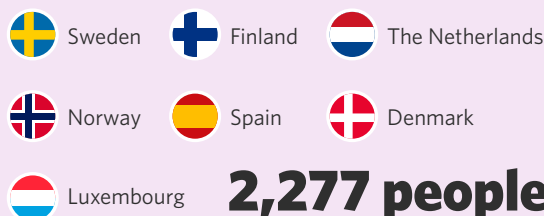
A Climate-Friendly Organisation

The aim of Söderberg & Partners' sustainability work is to be creative, innovative and to think big. We are the first company in our business sector to offset our employees' carbon emissions at work and in their spare time.

Climate offsetting is about taking responsibility for climate impact stemming from the emission of greenhouse gases (CO₂e, carbon dioxide equivalents). Based on the United Nations' statistics on the average citizen's climate impact, we have calculated Söderberg & Partners' employees' total emissions and doubled

at Söderberg & Partners. Climate offsetting allows us to supply finance that enables the development of green projects and accelerates the transition to green energy production. The system creates a win-win opportunity for our planet and the UN-regulated projects in the least developed countries, generating clean energy for sustainable development. Our climate compensation is currently financing a project in Thailand. The project has built a reactor system capturing biogas from wastewater in a cassava starch plant. It replaces fossil fuels that would previously have been emitted into the atmosphere. The result is improved air quality in the area and reduced greenhouse gas emissions, and the project has also created new training and job opportunities for local workers. During 2020, as one of the first companies in Sweden, we started to use carbon removal as an additional carbon compensation technique to compensate for all our business travel. The benefit of carbon removal compared to traditional climate offsetting is that carbon removal methods actively reduce the amount of greenhouse gases in the atmosphere. Reducing and removing carbon from the atmosphere are both crucial to reverse climate change, as we are already at a concentration that locks in several degrees of global warming. Our carbon removal removed 253,54 tonnes of CO₂e in total by supporting net-negative insulation material from

Total employees:



We have calculated Söderberg & Partners' employees' total emissions and doubled the climate offsetting per employee

the climate offsetting per employee. Our climate offsetting covers all our employees in Sweden, Finland, Denmark, Norway, the Netherlands, Spain and Luxembourg, amounting to 2,277 people. Our offsetting covers these employees' work as well as their spare time. We have been awarded the "We Don't Have Time – Climate Friendly Employees™" certification. During 2021, we acquired climate efficient projects totalling at 32,510 tonnes of CO₂e. These projects provide emission allowances, equalling the greenhouse gas emissions saved, which we obtain from the market and then nullify, securing a reduction in total emission allowances in the market. Certificated Emission Reductions (CERs) are carbon credits generated by the Clean Development Mechanism (CDM). This is the only carbon credit currently recognised by the United Nations Climate Convention and developed according to the Kyoto Protocol agreed upon by all UN member states. "The climate certification will hopefully inspire our employees to take their own initiatives to lower their day-to-day climate impact. Not least, I hope it will take the industry in a direction where business actors take responsibility and compensate for their climate impact." – Gustaf Rentzhog, CEO and Head of Group

We acquired climate efficient projects of at least:

28,638 **32,510**

tonnes of CO₂e in 2020 tonnes of CO₂e in 2021

Söderberg & Partners compensates for our employees' carbon emissions, at work as well as in their spare time

Ekovilla, Finland, as well as wooden building elements from Are Treindustrier. With our climate offsetting and contribution, we are targeting SDGs 6, 7 and 8. In addition to our climate offsetting, we want to incentivise our employees to take their own steps towards a climate-friendly lifestyle, targeting SDG 13.

Business Ethics and Compliance

Söderberg & Partners has established and implemented governance documents and ethical guidelines for each part of the business. These documents are for the purpose of governing business operations and ensuring that they are always aligned with Söderberg & Partners' internal requirements and applicable external requirements.

Internal quality control is an important part of being able to work on continuous improvement of the way business is conducted. For example, Söderberg & Partners has established policies and systems for handling customer complaints in order to manage these appropriately and objectively. There are also explicit knowledge requirements for both management and employees where the outcome and results are followed up regularly.

Another aspect of the internal quality and risk management work is the web-based system for incident reporting. Employees can report everything from irregularities and violations of internal regulations to other events that can damage the business. Anonymous reporting is also enabled. The system provides support for incident management with the long-term objective of ensuring that appropriate measures are taken to improve the business. Incident reporting provides an opportunity to verify that the risk identification framework is comprehensive and exhaustive. Söderberg & Partners also has a whistleblowing system, outsourced to an objective external party. Thus, there are various opportunities to report suspicions of irregularities and regulatory violations if these should arise.

Some business activities within some of the Söderberg & Partners companies require specific authorisation from the national supervisory authorities in the operating country. These authorised business activities within Söderberg & Partners consist of securities trading, fund management and insurance brokerage, which means that these activities are conducted under the supervision of the national supervisory authorities in accordance with applicable laws and regulations as well as general guidelines issued by the authorities.

At Söderberg & Partners, a common framework for risk identification is applied. By identifying risk areas and proposing mitigating actions, Söderberg & Partners is continuously strengthening the risk management framework and related routines. The risk management

activities are generally conducted through three lines of defence.

The risk management activities are generally conducted through three lines of defence

- 1** Risk Identification and Risk Management
- 2** Compliance Function and Risk Management Function
- 3** Internal Audit

The first line of defence is responsible for risk identification and risk management, as well as for regulatory compliance. It comprises the employees and the CEO in the respective company.

The second line of defence consists of the Compliance Function and Risk Management Function. These functions work independently and report directly to the CEOs and the Boards.

The Compliance Function is an independent control function that is responsible for assessing and verifying that the authorised business is conducted in accordance with applicable laws and regulations, market standards and internal requirements. In addition to monitoring and testing the suitability and efficiency of the authorised companies' internal routines, the function also provides support and advice on mitigating compliance risks when so required by the first line of defence. The Compliance Function continuously assesses possible impacts on business from changes in the regulatory environment.



The Risk Management Function is an independent control function that provides a common framework for Söderberg & Partners' risk identification process as well as monitoring, identifying, measuring and continuously reporting risks that the business is exposed to. If necessary, the function also supports the business in the work of setting up appropriate actions to mitigate identified risks, although the businesses themselves are responsible for the risk mitigation activities.

The third line of defence consists of Internal Audit, which is a function that reports directly to the Boards. Internal Audit evaluates and verifies that the internal control environment and current risk management within the authorised companies work satisfactorily. The function conducts its work independently of the business operations in the same way as the Compliance and Risk Management Functions.

GRI-INDEX

General Standard Disclosures

Strategy and analysis

GRI	Content	Page	Comments
G4-1	Statement from the most senior decision-maker of the organisation	—	Available in our Annual Report to be published

Organisational profile

GRI	Content	Page	Comments
G4-3	Name of the organisation	60	
G4-4	The primary brands, products, and services	—	Available in our Annual Report to be published
G4-5	The location of the organisation's headquarters	82	
G4-6	The number of countries where the organisation operates	74	
G4-7	The nature of ownership and legal form	—	Available in our Annual Report to be published
G4-8	The markets served	—	Available in our Annual Report to be published
G4-9	Scale of the organisation	74	
G4-10*	Number of employees	74	
G4-11**	The percentage of total employees covered by collective bargaining agreements	74	
G4-12	Description of the organisation's supply chain	—	Available in our Annual Report to be published
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	60	
G4-14	How the precautionary approach or principle is addressed by the organisation	67	
G4-15	Externally developed initiatives to which the organisation subscribes or which it endorses	70-71, 73 & 80	
G4-16	List memberships of associations	69-70 & 72	

* according to OECD guidelines for multinational enterprises & UNGC

** according to UN Global Compact

Material aspects and boundaries

GRI	Content	Page	Comments
G4-17	Entities covered by this report	—	Availability of statistics varies across regions. Coverage is specified for each of the metrics
G4-18	Process for defining the report content and the Aspects Boundaries explain how the organisation has implemented the Reporting Principles for Defining Report Content	65-66	
G4-19	Material Aspects identified in the process for defining report content	67	
G4-20	Aspect Boundary within the organisation	66-67	

GRI	Content	Page	Comments
G4-21	Aspect Boundary outside the organisation	66-67	
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	84	We have adjusted the reported numbers for paper consumption, energy consumption and train the years 2019 and 2020 due to changes in measurement methodology, unit and coverage
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	—	None

Stakeholder engagement

GRI	Content	Page	Comments
G4-24	List of stakeholder groups engaged by the organisation	66	
G4-25	The basis for identification and selection of stakeholders with whom to engage	66	
G4-26	The organisation's approach to stakeholder engagement	66	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	66	

Report profile

GRI	Content	Page	Comments
G4-28	Reporting period (such as fiscal or calendar year) for information provided	60	
G4-29	Date of most recent previous report	—	The latest updated Sustainability Report was published 26.02.2021
G4-30	Reporting cycle (such as annual, biennial)	60	
G4-31	The contact point for questions regarding the report or its contents	60	
G4-32	Reporting in accordance to GRI	60	
G4-33	External assurance		External assurance on ISO 14001 Environmental Management System

Governance

GRI	Content	Page	Comments
G4-34	Governance structure for sustainability work	66-67	

Ethics and integrity

GRI	Content	Page	Comments
G4-56	The organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	62, 78 & 86-87	

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Specific Standard Disclosures

Disclosures on management approach

GRI	Content	Page	Comments
G4-DMA	Governance in relation to sustainability work	66	

Economic

GRI	Content	Page	Comments
G4-EC1	Direct economic value generated and distributed	—	Available in our Annual Report to be published

Environmental

GRI	Content	Page	Comments
G4-EN3	Energy consumption within the organisation	83-84	
G4-EN30	Environmental impacts of transportation	82 & 84	

Social

GRI	Content	Page	Comments
G4-LA1	Total number and rates of new employee hires and employee turnover	74	Availability of statistics varies across regions. Coverage is specified for each of the metrics
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism etc	77	We report sick leave as this is the single relevant metrics for our operations
G4-LA11	Percentage of employees receiving regular performance and career development reviews	77	
G4-LA12	Employee diversity	76	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category	78	

Non-discrimination

GRI	Content	Page	Comments
G4-HR3	Non-discrimination	78	

Product responsibility

GRI	Content	Page	Comments
G4-PR5	Results of surveys measuring customer satisfaction	—	Available in our Annual Report to be published

Financial Services Sector Disclosures

GRI	Content	Page	Comments
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental and social issues	73	
FS11	Percentage of assets subject to positive and negative environmental or social screening	70-71	

APPENDIX

Sustainability in Söderberg & Partners Wealth Management AB

Söderberg & Partners Wealth Management AB has adopted the Group-wide Sustainability Policy, which means we take responsibility for the environmental impact that arises as a result of our decisions and actions. Our ambition is to take both the direct and indirect aspects of our actions into account over time and to create a positive structure for working with sustainability issues.

Söderberg & Partners Wealth Management AB strives to ensure that advisors always have access to relevant sustainability analyses. In our custody accounts, 80% of all funds have a sustainability rating. Dialogue with product suppliers is an important part of working with responsible investments. Upon request, we always provide the fund managers with a justification for the sustainability rating in order to facilitate improvements within the fund company. The impact of Söderberg & Partners Wealth Management AB is primarily indirect, through the decisions made in accordance with our advice and through our choice of suppliers. We educate our advisors and analysts so they will be well-informed and knowledgeable in the area of sustainability. By the end of 2021, all Söderberg & Partners Wealth Management AB advisors completed the Annual Knowledge Update Course, covering sustainability matters. Söderberg & Partners Wealth Management AB constantly strives to reduce the energy consumption of our offices and the use of consumables. In 2021, we offset the carbon footprint of our Söderberg & Partners Wealth Management AB employees, covering twice the average Swedish consumption per capita. For the company, this means a total of 2,270 tonnes of carbon dioxide equivalents for our 159 employees. Söderberg & Partners Wealth Management AB strives to choose the most environmentally friendly alternatives for passenger transport. For example, when taxi services are used, companies with a large proportion of eco-friendly cars (which are powered by electricity, biogas or ethanol) are chosen. Business travel statistics and sick leave for Söderberg & Partners Wealth Management are shown in the tables to the right.



200%

of all employees' carbon emissions are offset

Business trips 2021	Distance (km)	CO2 (kg)
Flights (>500 km)	108,091	13,553
Flights (<500 km)	43,892	4,861
Trains	31,070	0.06
Total	183,053	18,414



80%

of all funds have a sustainability rating

Sick leave (%)	2021	2020	2019
Male	1.17	1.9	0.57
Female	0.72	2.3	2.45
Total	1.03	2.03	1.2



100%

of our advisors have participated in training to update their sustainability knowledge



Söderberg
& Partners