

THE  
NOBEL  
PRIZE

THE NOBEL FOUNDATION  
ANNUAL REPORT

.

2021

# The Nobel Foundation

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# REPORT OF THE DIRECTORS

## Tasks and organisation

The Nobel Foundation is a private foundation established in 1900 on the basis of the will of Alfred Nobel and the founding statutes promulgated in connection with the will. Its primary purpose is to ensure that the intentions of the will of Alfred Nobel are fulfilled.

The Foundation is responsible for ensuring that the assets made available for awarding the Nobel Prize are managed in such a way as to safeguard the economic base of the prize and guarantee the independence of the prize-awarding institutions in their work of selecting laureates. The Nobel Foundation is also entrusted with managing and carefully developing the trademarks and intangible assets that have been built up during the more than century-long history of the Nobel Prize.

Another central task of the Foundation is to protect the common interests of the prize-awarding institutions and represent all the Nobel institutions externally. This includes, for instance, broad informational activities aimed at disseminating knowledge about the Nobel Prize. The Nobel Foundation is also ultimately responsible for the Nobel Symposia, which are being organised by the Royal Swedish Academy of Sciences and the Norwegian Nobel Committee, respectively, starting in 2019.

Over the past 20–25 years, the Nobel Foundation has expanded its informational activities to such an extent that it has become necessary to form new organisations to run and develop these activities, which are not defrayed by funds from the Nobel Foundation.

The Alfred Nobel Memorial Foundation has an overall function as the umbrella organisation for the following entities: the wholly owned limited liability companies Nobel Group Interests AB, Nobel Prize Outreach AB, Nobelmuseet AB (Nobel Prize Museum) and Nobelhuset AB in Stockholm. Stiftelsen Nobels Fredssenter (the Nobel Peace Center Foundation) is responsible for the Nobel Peace Center in Oslo, and Stiftelsen Nobel Center (the Nobel Center Foundation) is responsible for the activities carried out by the Nobel Prize Museum in Stockholm. Via licensing agreements, these foundations are connected to the umbrella organisation. The

foremost task of these public entities is to disseminate information and knowledge about the Nobel Prize and the contributions of the Nobel Prize laureates and to stimulate interest in science, humanism and peace efforts. For detailed presentations of the organisations and their activities, see the printed publication *The Nobel Foundation 2021 Annual Review*.

The Nobel Prize-awarding institutions – the Royal Swedish Academy of Sciences, the Nobel Assembly at Karolinska Institutet, the Swedish Academy and the Norwegian Nobel Committee – appoint fifteen members to the Trustees of the Nobel Foundation for two calendar years at a time. Of these, the Academy of Sciences elects six representatives, and the other prize-awarding institutions three each. In addition to these members, the Academy of Sciences appoints four deputy members and each of the other prize-awarding institutions two. The Trustees elect a Chairman from among their own number. The most important task of the Trustees is to appoint the Board of Directors of the Nobel Foundation.

The Nobel Foundation is represented by a Board of Directors, which consists of seven members and two deputy members. The Board members and deputy members are selected for a period of two years at a time. From among its own members, the Board elects a Chairman, a Vice Chairman and an Executive Director. The Trustees decide whether to discharge the members of the Board from personal liability for the preceding financial year.

The Nobel Foundation's administration and accounts are examined annually by six auditors, who work together in the Council of Auditors. The Trustees elects one of the Foundation's auditors, who is to be an authorised public accountant. The other auditors are elected by the prize-awarding institutions, except that their Chairman is appointed by the Swedish Government. All auditors are elected for a period of one year at a time.

The Nobel Foundation owns two properties, respectively located at Sturegatan 14 in Stockholm and Henrik Ibsens gate 51 in Oslo. The Foundation has its registered office in Stockholm but also carries out administrative activities in Oslo.

# The Nobel Prize

## The 2021 Nobel Prize laureates

Since 1901, the Nobel Prize and the Prize in Economic Sciences have been awarded 609 times to 975 laureates. Because some have been awarded the prize two or three times, a total of 854 individuals and 25 organisations have been awarded a Nobel Prize and 89 have been awarded the Swedish Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. During 2021 the following prizes were awarded:

THE NOBEL PRIZE IN PHYSICS was awarded with one half jointly to Syukuro Manabe and Klaus Hasselmann *“for the physical modelling of Earth’s climate, quantifying variability and reliably predicting global warming”* and the other half to Giorgio Parisi *“for the discovery of the interplay of disorder and fluctuations in physical systems from atomic to planetary scales”*.

THE NOBEL PRIZE IN CHEMISTRY was awarded jointly to Benjamin List and David W.C. MacMillan *“for the development of asymmetric organo-catalysis”*.

THE NOBEL PRIZE IN PHYSIOLOGY OR MEDICINE was awarded jointly to David Julius and Ardem Patapoutian *“for their discoveries of receptors for temperature and touch”*.

THE NOBEL PRIZE IN LITERATURE was awarded to Abdulrazak Gurnah *“for his uncompromising and compassionate penetration of the effects of colonialism and the fate of the refugee in the gulf between cultures and continents”*.

THE NOBEL PEACE PRIZE was awarded to Maria Ressa and Dmitry Muratov *“for their efforts to safeguard freedom of expression, which is a precondition for democracy and lasting peace”*.

THE SVERIGES RIKSBANK PRIZE IN ECONOMIC SCIENCES IN MEMORY OF ALFRED NOBEL was divided, one half awarded to David Card *“for his empirical contributions to labour economics”*, the other half jointly to Joshua D. Angrist and Guido W. Imbens *“for their methodological contributions to the analysis of causal relationships”*.

## The Nobel Week

As in 2020, the prize-awarding institutions decided that despite the ongoing COVID-19 pandemic, they were able to carry out their customary high-quality prize adjudication work and thereby also able to select new Nobel Prize laureates. However, uncertainty about the course of the pandemic was very challenging to the planning and implementation of the 2021 Nobel Prize ceremonies and programme points.

Many of the Nobel Week programme points in Stockholm were implemented in new formats, with the laureates participating remotely. The Nobel Lectures, which were recorded in advance and broadcast during the week, reached a large audience on the official Nobel Prize channels. Thanks to close collaboration with Swedish diplomatic missions abroad and local scientific institutions, all laureates were able to receive their medals and diplomas under safe conditions in their countries of residence. The ceremonial presentations were filmed and woven together with presentation speeches by members of the respective Nobel Committees and musical interludes in a Nobel Prize Award Ceremony that was recorded on 10 December with a limited live audience in the Blue Hall of Stockholm City Hall in collaboration with Swedish Television (SVT).

The Nobel Peace Prize Award Ceremony took place at Oslo City Hall on 10 December, and the 2020 and 2021 peace prize laureates participated in the ceremony. No foreign guests, aside from those who accompanied the laureates, were invited. The laureates participated in various other activities in Oslo during their visit, such as the opening of the Nobel Peace Prize exhibition at the Nobel Peace Center.

The Nobel Week programmes in Stockholm and Oslo, which also included seminars, exhibitions, concerts and a tribute to the year's laureates in the form of artistic light installations, were made available digitally and reached a daily average audience of more than one million on Facebook and one million on Twitter.

# Financial management

## Organisation and strategy of financial management

The objective of the Nobel Foundation's investment activities is to achieve a sufficiently high return over time to maintain the financial base of the Nobel Prize and guarantee the independence of the work of the Nobel Prize Committees in selecting the laureates. The Foundation's asset management must take into account the various risks that exist in financial markets.

The Foundation aims to deliver a total inflation-adjusted return of at least 3 per cent annually. This return shall be achieved while maintaining well-balanced overall financial management risks. Given a return at this level, the Foundation believes that it will be possible to cover its future expenses. The rising expectations imposed on a global actor like the Nobel Foundation, with its overall responsibility for the Nobel Prize and a high proportion of labour costs, creates underlying cost pressure.

The Foundation's asset management follows well-known principles in such contexts. The Board of Directors establishes the asset management framework. This includes deciding on the overall principles for asset management with respect to oversight and responsible investments. Based on an assessment of risk and return, the Board sets intervals for how large the Foundation's holdings of equities, fixed income assets, alternative assets and property funds should normally be. This has resulted in a normal portfolio strategy of 55 per cent with an interval of -15 to +10 percentage points invested in equities, 10 per cent with an interval of -5 to +45 points in fixed income assets, 10 per cent ±10 points in properties and 25 per cent ± 20 points in alternative assets. These intervals normally apply, but they can be changed by the Board of Directors.

In addition to its 3 per cent return target, the Nobel Foundation uses a benchmark index resembling its normal portfolio to evaluate short-term outcomes. In a longer perspective, the Foundation also compares its returns with those of other public, primarily Nordic asset managers. However, it is not an explicit objective of the Foundation to generate higher returns than the benchmark index or its peer group. Instead, these comparisons are a tool for evaluating the Foundation's asset management. When making comparisons to other asset management organisations, it is important to take into account various financial conditions, which may imply both advantages and disadvantages for the Foundation's asset management.

The benchmark index consists of 55 per cent equities (44 per cent MSCI All Country World Index and 11 per cent SIX Return Index, both including dividends), 10 per cent bonds (Handelsbanken All Bond Index), 10 per cent properties (the return on the Nobel Foundation's own property portfolio) and 25 per cent alternative assets (HFRI Fund of Funds Composite Index).

The principles and mandates established by the Board of Directors constitute the starting point of the work of the Nobel Foundation's Investment Committee. The Committee is responsible for regularly re-assessing the principles and rules that govern asset management operations and submitting proposals for changes. In addition, the Committee makes decisions on how the intervals that the Board has set for various asset classes shall be utilised over time – so-called tactical asset allocation decisions. The Committee also decides how to apportion the Foundation's assets between continents and countries as well as currency, interest rate and credit risks.

The choice of managers for each asset class is also made by the Committee. In choosing managers, the Committee attaches importance to such factors as investment philosophy, investment process, historically achieved asset management outcomes, risk control systems, management organisation, the manager's approach to responsible investments and fees.

The ambition of the Nobel Foundation is to carry out asset management that contributes to long-term sustainable development and also in other respects to follow good ethical principles in its investment activities. For this reason, the Foundation has established special guidelines for responsible investments, which are published separately. Since 2016 the Foundation is a signatory of the United Nations Principles for Responsible Investments (PRI).

During 2021, the Nobel Foundation continued its work with responsible investments, mainly by reducing holdings related to fossil fuels via its asset managers and in the public equity portfolio completely divesting companies that produce oil. In the credit portfolio, we have replaced one of our funds with an alternative one that integrates ESG into its choice of companies and excludes companies based on various sustainability criteria. The Nobel Foundation again implemented a screening of its equities portfolio in collaboration with Impact-Cubed for the purpose of examining the total sustainability footprint of the portfolio. The resulting report is used as a tool for dialogue with our asset managers.

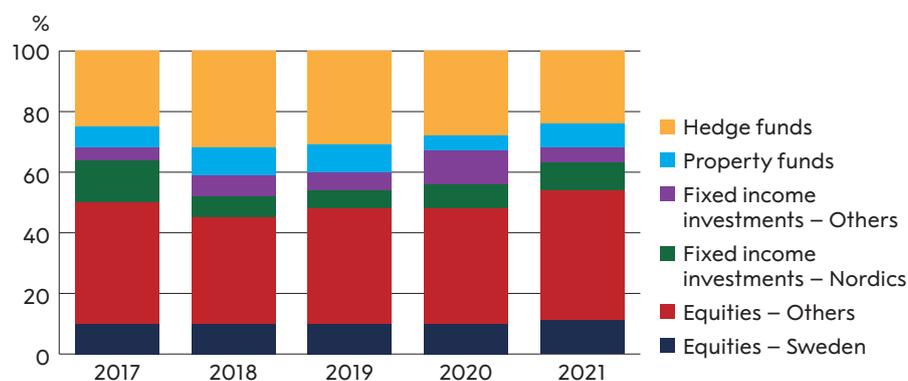
The Investment Committee itself determines what decisions it wishes to delegate to the executive management of the Foundation. Asset management is carried out with a small organisation. The Chief Investment Officer is responsible for preparing matters for decisions by the Committee, following up and executing these decisions, procuring fund managers and providing the necessary analytical and preparatory materials. The Investment Committee works without remuneration.

## Overall position and profit

The market value of the Nobel Foundation's total invested capital amounted to SEK 6,103 m (5,176) at the end of 2021. Excluding the value of the Foundation's directly owned properties, investment capital amounted to SEK 5,720 m (4,882) at the end of the year. Investment capital exposure was 55 (48) per cent equity funds, 8 (5) per cent property funds, 16 (15) per cent fixed income assets and cash, 24 (28) per cent alternative assets and -2 (4) per cent accrued currency hedging gains.

The allocation of investment capital by asset classes diverges from reported book value because only indirectly owned properties are included under the heading "Properties" and because the allocation includes exposure from derivatives.

### Allocation of capital exposures



Total return on equity including directly owned properties (growth in Foundation assets after the reversal of the overall sum of all Nobel Prizes and operating expenses) amounted to +19.1 (+7.9) per cent. The year's return on investment capital was +18.4 (+8.5) per cent.

## Outflow and expenses

During 2021, the overall sum of all Nobel Prizes and operating expenses was SEK 103.5 m (96.6). This was divided among four main categories: the Prizes, SEK 50 m (50); compensation to the Prize Committees, SEK 22.9 m (22.2); the Nobel Week in Stockholm and Oslo, SEK 10.5 m (5.8); plus administration etc., SEK 20.1 m (18.6).

The Nobel Prize Committees are, to some extent, entitled to allocate approved compensation between years, and minor natural fluctuations may thus occur.

The Nobel Foundation has received a bequest from the late Danish senior lecturer Niels Christian Thostrup, who left more than half of his remaining assets to the Foundation. Mr Thostrup was born into a family of Danish entrepreneurs. In his teens, he already showed a great interest in physics and mathematics. He studied at the University of Copenhagen and later became a lecturer at Ordrup Gymnasium, a high school in Charlottelund near Copenhagen. His lifelong interest in mathematical physics led to his decision to bequeath part of his estate to the Nobel Foundation. The bequest to the Foundation totals SEK 41.7 m, of which SEK 21.3 m was disbursed during 2021 and the remainder early in 2022.

## The investment portfolio

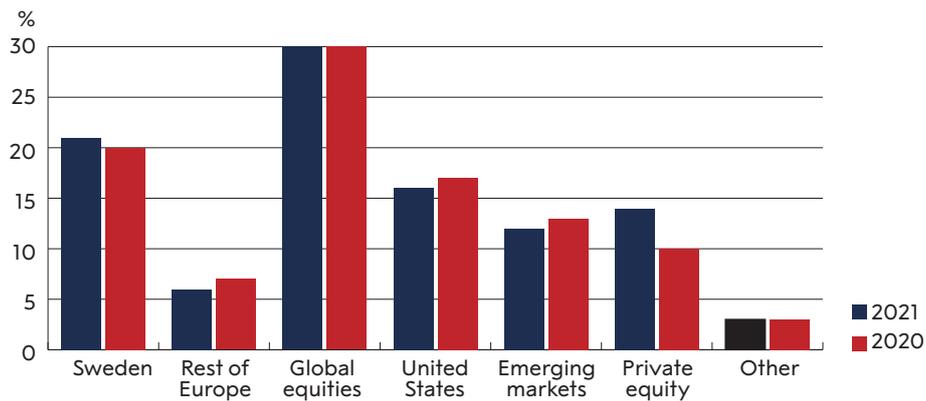
The total market value of investment capital (total invested capital excluding directly owned properties) amounted to SEK 5,720 m (4,882). Return on investment capital was +18.4 per cent, compared to +19.1 per cent for benchmark indices. During the past five years, investment capital rose by 59 per cent, compared to 61 per cent for benchmark indices. The Nobel Foundation also compares itself to a group of long-term Swedish investors, many of them pension companies.

The reason why the return on investment capital was somewhat weaker than benchmark indices during 2021 was the Nobel Foundation's tactical allocation, which represented somewhat lower exposure to risky assets such as equities and properties. Selection effects – the fact that the Foundation's asset managers surpassed their benchmark indices on an overall basis – had a positive impact on the portfolio as a whole. Including currency hedging, equity funds contributed +16.3 per cent to overall profit, fixed income investments +0.2 per cent, property funds +1.5 per cent and alternative investments +0.3 per cent.

## Investments in equities

The market value of the Foundation's investments in equities totalled SEK 3,122 m (2,323). Investments in equities accounted for 55 (48) per cent of investment capital at year-end 2021. The market value of private equity funds amounted to SEK 426 m (224).

### Allocation of equity exposure

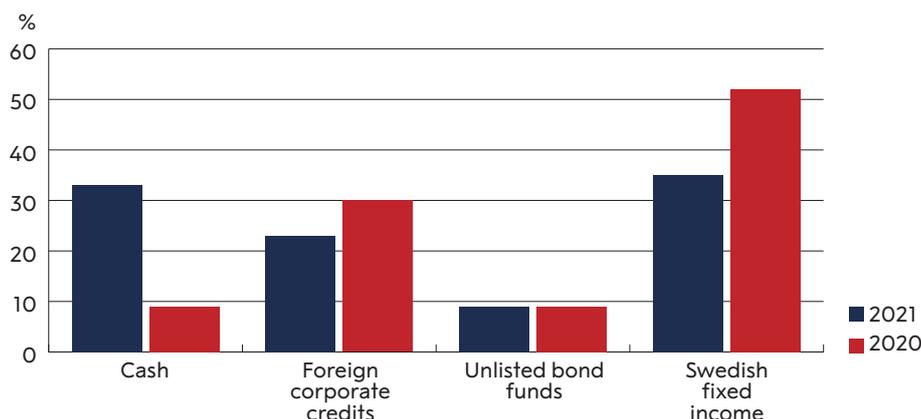


The value of the Nobel Foundation's total equities portfolio including currency hedges increased by 33.7 (+8.4) per cent. This was +5.2 per cent better than the benchmark indices, which rose by 28.5 (+9.4) per cent. Before currency hedging the equities portfolio rose by 34.1 (+5.7) per cent, compared to +32.5 (+4.5) for its benchmark indices, in terms of Swedish kronor. The year's return on private equity funds was +50.7 (+7.0) per cent in Swedish kronor. The latest valuation of these funds was made on September 30, 2021.

## Fixed income investments

The market value of the Foundation's fixed income assets amounted to SEK 898 m (726). Liquid assets amounted to SEK 300 m (65). In addition, there was an accrued negative outcome from currency hedging.

### Allocation of fixed income securities



The return on the Foundation's fixed income investments amounted to +1.3 (+1.9) per cent during the year. This was higher than the benchmark index, which changed by -1.0 (+1.4) per cent. The main reason for this higher return was that the Foundation had a higher percentage of corporate bonds and lower duration than the benchmark index. The return on fixed income securities before currency hedging was +1.9 per cent. The year's return on unlisted bond funds was +11 (-1.2) per cent in Swedish kronor (before currency hedging).

## Alternative investments

The market value of the Foundation's alternative investments, of which 100 per cent consisted of hedge funds, amounted to SEK 1,349 m (1,382). Hedge funds accounted for 24 (28) per cent of total investment capital at year-end. The Foundation had holdings in five hedge funds with different strategies. There were also two holdings that were in the process of final redemption. During 2021, the hedge fund portfolio including currency hedging rose in value by 1.4 (+13.7) per cent, while the corresponding figure for the benchmark index was +6.4 (+10.2) per cent in Swedish kronor. The hedge fund portfolio, before currency hedging, rose by 12.0 (+2.8) per cent in terms of Swedish kronor.

## Properties

The market value of the Foundation's holdings in property and infrastructure funds amounted to SEK 445 m (258). This accounted for 8 (5) per cent of its investment capital. The Foundation has holdings in 10 property and infrastructure funds that invest globally. During 2021, the value of property fund holdings including currency hedges rose by 24.1 (-0.5) per cent in Swedish kronor. The property fund portfolio, before currency hedging, rose by 32.8 (-9.8) per cent in terms of Swedish kronor.

The market value of directly owned properties amounted to SEK 384 m (295). This refers to the two properties in Stockholm and Oslo which the Foundation owns. They were appraised at 6.3 (5.7) per cent of total capital.

## Currency hedging

At year-end 2021, the Foundation's net investment capital was allocated among SEK 3,437 m (3,354), USD 153 m (111), EUR 34 m (17) and SEK 423 m (449) worth of other currencies. Most foreign fixed income and alternative investments and about one fourth of exposure to equities during the year are normally currency hedged.

At year-end 2021, the amount of underlying currency forward contracts was USD 202 m (188) and EUR 49 m (55). At year-end, the value of these contracts was SEK -94.3 (+192.3) or -1.6 (4.2) per cent of investment capital.

## Allocation of profit for the year

Profit for the year before appropriations totalled SEK 394.2 m (268.8), of which SEK 406.2 m (247.4) consisted of realised change in value. In accordance with its Statutes, the Foundation is adding SEK 111.4 m (31.5) to restricted equity in order to safeguard the inflation-adjusted value of its equity over time. In its accounts, the Foundation must make a provision to restricted equity either in an amount equal to the year's inflation calculated on the basis of the market value of the Foundation's equity or equal to one tenth of total annual returns. The former alternative applies to the 2021 provision. The above allocation has been taken into account in preparing the balance sheet.

## Change in equity

	Restricted equity	Unrestricted equity	Total
<b>Amount on 1 January</b>	<b>2,502,979</b>	<b>1,143,057</b>	<b>3,646,036</b>
Capitalisation	111,368	-111,368	-
<b>Reported income for the year</b>		<b>394,168</b>	<b>394,168</b>
The year's Nobel Prizes		<u>-50,000</u>	<u>-50,000</u>
<b>Amount on 31 December</b>	<b>2,614,347</b>	<b>1,375,857</b>	<b>3,990,204</b>

# Financial report

## Income statement (amounts in SEK 000)

	Note	2021	2020
<i>Asset management</i>			
Interest income		4,327	4,410
Dividends		25,368	71,130
Realised change in value		406,205	247,413
Less direct external asset management costs	1	<u>-10,190</u>	<u>-7,607</u>
<b>Reported profit, asset management</b>		<b>425,710</b>	<b>315,345</b>
<i>Operating result</i>			
Donations received		21,941	0
Compensation to Prize Committees		-22,905	-22,179
The Nobel Week in Stockholm and Oslo		-10,455	-5,817
Central administration	2	<u>-20,122</u>	<u>-18,576</u>
	3	<b>-31,542</b>	<b>-46,572</b>
<b>Reported book profit/loss for the year before appropriations</b>		<b>394,168</b>	<b>268,774</b>

## Allocation of profit/loss for the year

Capitalisation, restricted equity	111,368	31,535
Capitalisation, unrestricted equity	<u>282,800</u>	<u>237,239</u>
	<b>394,168</b>	<b>268,774</b>
The year's Nobel Prizes	<u>-50,000</u>	<u>-50,000</u>
<b>The year's change in book value of equity</b>	<b>344,168</b>	<b>218,774</b>

## Balance sheet (amounts in SEK 000)

	Note	31 Dec, 2021	31 Dec, 2020
<b>Assets</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
	4		
Capitalised development expenses		<u>1,623</u>	<u>0</u>
		<b>1,623</b>	<b>0</b>
 <i>Tangible fixed assets</i>			
	4		
Buildings and land		1,396	1,396
Equipment		<u>443</u>	<u>422</u>
		<b>1,839</b>	<b>1,818</b>
 <i>Financial fixed assets</i>			
Long-term holdings of securities	5	<u>3,731,283</u>	<u>3,598,789</u>
		<b>3,731,283</b>	<b>3,598,789</b>
<b>Total fixed assets</b>		<b>3,734,745</b>	<b>3,600,606</b>
 <b>Current assets</b>			
<i>Current receivables</i>			
Prepaid expenses and accrued income		2,875	2,924
Other current receivables		<u>1,365</u>	<u>2,811</u>
		<b>4,240</b>	<b>5,735</b>
 <i>Cash and bank balances</i>		<b>300,170</b>	<b>64,514</b>
<b>Total current assets</b>		<b>304,411</b>	<b>70,249</b>
 <b>Total assets</b>		<b>4,039,156</b>	<b>3,670,855</b>

## Balance sheet (amounts in SEK 000)

	Note	31 Dec, 2021	31 Dec, 2020
<b>Equity and liabilities</b>			
<b>Equity</b>			
<i>Restricted equity</i>		2,614,347	2,502,979
<i>Unrestricted equity</i>		<u>1,375,857</u>	<u>1,143,057</u>
<b>Total equity</b>	6	<b>3,990,204</b>	<b>3,646,036</b>
<b>Liabilities</b>			
Accounts payable		8,084	5,783
Accrued expenses and prepaid income		3,394	2,744
Other liabilities	7	<u>37,473</u>	<u>16,292</u>
<b>Total liabilities</b>		<b>48,951</b>	<b>24,819</b>
<b>Total equity and liabilities</b>		<b>4,039,156</b>	<b>3,670,855</b>

## Cash flow statement (amounts in SEK 000)

	2021	2020
Cash flow from asset management	425,710	315,345
Operating expenses, excluding depreciation	<u>-31,447</u>	<u>-46,471</u>
Cash flow from operations	394,263	268,874
Change in portfolio funds	-132,328	-205,807
Other changes in assets and liabilities	23,721	-14,699
The year's Nobel Prizes	<u>-50,000</u>	<u>-50,000</u>
<b>Cash flow for the year</b>	<b>235,656</b>	<b>-1,632</b>
Liquid funds on January 1	<u>64,514</u>	<u>66,146</u>
<b>Liquid funds on December 31</b>	<b>300,170</b>	<b>64,514</b>

## Accounting principles

The Annual Report has been drawn up in compliance with the Annual Accounts Act.

Receivables have been reported at the amount the Foundation expects to be paid. Current receivables and liabilities in foreign currencies have been valued at the year-end exchange rate. Other assets and liabilities have been reported at cost.

Depreciation is based on the original costs of property, plant and equipment and is distributed over their estimated economic life. Computers are depreciated in three years, other equipment in five years. Property write-downs occur only if the value of the properties has permanently fallen below their book value.

In addition to the amount reported as direct external asset management costs, when it comes to the Foundation's unit trust (equity mutual fund) holdings, such costs are subtracted directly from the asset value of the holding.

Securities have been valued at cost or market value, whichever is lower, for the entire securities portfolio including administrative properties. When securities are sold, their cost is calculated according to the averaging method, i.e. at the average cost of all securities holdings of the same class. Gains and losses from the sale of securities are reported in the income statement as realised change in value.

The Foundation enters into currency forward contracts to hedge certain exchange rate changes. At maturity, the gain or loss on the forward contracts is reported.

The market value of certain alternative investments is affected by the fact that reporting from funds occurs with a certain time lag.

Interest is allocated among time periods on the basis of effective acquisition interest rate, which means that interest income for the period consists of coupon interest and change in accrued cost.

The Foundation has chosen to divide up its operating expenses by function. These sub-items are reported on a net basis.

## Notes to the financial statements

(amounts in SEK 000)

### Note 1

#### Direct external asset management costs

This item in the income statement includes certain external management costs (fixed and variable), discounts and taxes. In addition, there are indirect external management fees. This year's asset management profit of 18.4 per cent is calculated after all external asset management costs.

### Note 2

#### Central administration

	<b>2021</b>	2020
Salaries and pensions, including social insurance expenses	8,159	7,915
Fees, including social insurance expenses	4,650	2,950
Travel expenses	17	55
Other personnel expenses	229	843
Office administration	1,936	1,435
Expenses for premises	1,945	1,770
Depreciation	52	35
Exchange rate differences	250	-1,621
Other administrative expenses	<u>231</u>	<u>268</u>
	<b>17,469</b>	<b>13,650</b>
Outcome, Stockholm property	4,030	-104
Outcome, Oslo property	514	7,606
Cost compensation from Sveriges Riksbank	<u>-1,891</u>	<u>-2,576</u>
	<b>20,122</b>	<b>18,576</b>

### Note 3

#### Salaries, fees and social insurance expenses

	Board of Directors and Executive Director		Other employees	
	<b>2021</b>	2020	<b>2021</b>	2020
Salaries and fees	1,411	2,009	5,031	5,701
Social insurance expenses	786	227	2,638	2,697
– of which pension expenses	387	0	1,071	1,086

The average number of employees was 7 (9), of whom 6 (8) were women. The Board of Directors has one female member.

Note 4  
Intangible fixed assets  
Capitalised development expenses

	31 Dec 2021	31 Dec 2020
Cost, 1 January	0	0
Purchases	<u>1,623</u>	<u>0</u>
	<b>1,623</b>	<b>0</b>

Tangible fixed assets  
Buildings and land

*Properties*

Humlegården 15, Sturegatan 14, Stockholm (tax value 75,600)  
The Norwegian Nobel Institute, Henrik Ibsens gate 51, Oslo  
(no tax value due to tax exemption)

*Buildings*

Cost, 1 January/31 December	20,148	20,148
Depreciation and write-downs, 1 January/31 December	<u>-19,129</u>	<u>-19,129</u>
	<b>1,019</b>	<b>1,019</b>

*Land*

Cost, 1 January/31 December	<u>377</u>	<u>377</u>
	<b>377</b>	<b>377</b>

**Value of buildings and land, 31 December** **1,396** **1,396**

Humlegården 15, Sturegatan 14, Stockholm	233,637	166,679
Henrik Ibsens gate 51, Oslo	<u>149,957</u>	<u>127,849</u>
<b>Market value, directly owned properties</b>	<b>383,594</b>	<b>294,528</b>

**Equipment**

Cost, 1 January	13,689	13,617
Purchases	<u>116</u>	<u>72</u>
<b>Accumulated cost, 31 December</b>	<b>13,805</b>	<b>13,689</b>

Depreciation, 1 January	-13,267	-13,166
Depreciation for the year	<u>-95</u>	<u>-101</u>
<b>Accumulated depreciation, 31 December</b>	<b>-13,362</b>	<b>-13,267</b>

**Value of equipment, 31 December** **443** **422**

**The year's depreciation was apportioned as follows:**

Central administration	-52	-35
The Nobel Week in Stockholm and Oslo	<u>-43</u>	<u>-66</u>
	<b>-95</b>	<b>-101</b>

## Note 5

### Long-term holdings of securities

	ISIN	Book value	Market value
<i>Unit trusts (equity mutual funds)</i>			
Alpinvest Secondaries Fund VI		31,100	51,309
Alpinvest Secondaries Fund VII		12,386	15,507
Azelio		125	125
Bessemer Venture Partners XI		8,034	7,994
Galdana Ventures II		31,707	48,528
Galdana Ventures III		6,957	14,489
Generation IM Asia		119,958	155,063
Generation IM Global		230,688	379,503
Guard Cap Global Equity	1E00BSJCNS13	329,877	545,162
Handelsbanken Europafond Index	SE0000624421	103,996	181,791
Handelsbanken Svenska Småbolag	SE0000356065	1,036	3,180
Handelsbanken Sverige Index Criteria	SE0001466368	368,235	636,764
Innovation Endeavors III LP		38,956	89,550
Innovation Endeavors IV LP		7,589	7,501
Partners Capital Condor III		7,538	3,788
Partners Capital Condor IV		0	4,074
Sequoia Capital China Growth		15,090	17,476
Sequoia Capital China Venture		6,610	6,632
Sequoia Capital India Seed		2,400	2,400
Sequoia Capital US Growth		6,144	6,606
Sequoia Capital US Venture		4,434	5,365
Sequoia Capital US Seed		2,036	1,918
Skandia Japan Exponering	SE0000810764	65,740	81,790
Stewart Inv Asia Pac Ldrs B Acc EUR	IE00BFY85M14	102,243	206,685
TCG Crossover		13,608	14,188
The Column Group III		62,256	103,910
The Column Group IV		17,831	24,342
Vanguard ESG US Stock ETF	US9219107334	407,979	506,603
Market value, currency hedge		-	-45,809
		<b>2,004,551</b>	<b>3,076,434</b>

	ISIN	Book value	Market value
<i>Property funds</i>			
Aberdeen Property Investors (Europe)		25,550	651
Carlyle Realty III (US)		0	555
Carlyle Realty IV (US)		0	380
Carlyle Realty VII (US)		19,599	25,274
EQT Infrastructure III		81,995	137,279
EQT Infrastructure V		29,312	29,356
Global Infrastructure Partners 2		683	3,150
Global Infrastructure Partners III		100,641	124,362
Global Infrastructures Partners IV		14,833	16,274
PGIM Global Select Real Estate	IE00BYM2RB15	85,718	107,319
Market value, currency hedge		-	-12,379
		<b>358,332</b>	<b>432,222</b>
<i>Hedge funds</i>			
Alternative Liquidity Fund		6,407	839
Citadel Kensington Global		127,403	159,589
Millennium International Class GG		87,742	109,310
Millennium International Class EE		108,981	318,820
Tudor BVI Global		63	94
Two Sigma Spectrum		172,538	304,987
Viking Global Equities III		192,786	359,899
Viking Global Opportunities III		82,311	95,734
Market value, currency hedge		-	-36,913
		<b>778,231</b>	<b>1,312,357</b>
<i>Fixed income investments</i>			
Arcmont Direct Lending Fund II		8,944	12,651
Arcmont Direct Lending Fund III		70,016	69,914
M&G Total Return Credit Inv.	LUO895902640	200,412	205,550
Öhman bonds		310,796	308,273
Market value, currency hedge		-	780
		<b>590,169</b>	<b>597,168</b>

## Note 6

### The year's change in unrealised surplus values, securities and properties

<i>Equity</i>	<b>31 Dec, 2021</b>	31 Dec, 2020	<i>Change</i>
Market value	6,059,302	5,155,939	903,363
Less book value	<u>-3,990,204</u>	<u>-3,646,036</u>	<u>-344,168</u>
<b>Surplus value</b>	<b>2,069,098</b>	<b>1,509,903</b>	<b>559,195</b>

## Note 7

### Other liabilities

	<b>31 Dec, 2021</b>	31 Dec, 2020
Debts, Nobel Prize laureates	34,940	15,372
Account settlements, Prize Committees	2,210	634
Miscellaneous liabilities	<u>323</u>	<u>286</u>
	<b>37,473</b>	<b>16,292</b>

## Note 8

### Assets pledged and contingent liabilities

	<b>31 Dec, 2021</b>	31 Dec, 2020
<b>Assets pledged</b>	<b>None</b>	<b>None</b>
<b>Contingent liabilities</b>		
Investment obligations, unlisted holdings	<b>853,870</b>	<b>429,090</b>
<i>This is capital committed (but not yet disbursed) to property and infrastructure funds as well as private equity funds and corporate debt</i>		

## Note 9

### Events after the balance sheet date

On February 24, Russia invaded Ukraine. It is too early to say how this will affect the activities of the Nobel Foundation in 2022.

Stockholm, 6 April 2022

Carl-Henrik Heldin  
Chairman

Göran K. Hansson  
Vice Chairman

Mats Malm

Tomas Nicolin

Thomas Perlmann

Berit Reiss-Andersen

Vidar Helgesen  
Executive Director

# Auditors' report

To the Trustees of the Nobel Foundation,  
Swedish organisation ID 802002-4462

## Report on the annual accounts

### Opinions

We have audited the accounts of the Nobel Foundation related to the year 2021.

In our judgement, 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 Foundation as of 31 December 2021 and its financial results and cash flows for the year according to the Annual Accounts Act. The Report of the Directors is consistent with the other parts of the annual accounts.

### Basis for statements

We have conducted the audit according to generally accepted auditing standards in Sweden. The responsibility of the auditors according to these standards is described in more detail in the sections entitled *The responsibility of the authorised public accountants* and *The responsibility of the unqualified auditors*. We are independent in relation to the Foundation according to generally accepted auditing standards in Sweden, and as authorised public accountants we have otherwise fulfilled our professional ethical responsibilities according to these requirements.

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

### The responsibility of the Board of Directors

The Board of Directors bears responsibility for preparing annual accounts that provide a true and fair view according to the Annual Accounts Act. The Board is also responsible for such internal controls that it deems necessary to prepare annual accounts that are free from material misstatement, whether due to fraud or mistakes.

In preparing the annual accounts, the Board is responsible for the assessment of the ability of the Foundation to continue as a going concern. It discloses, as applicable, matters that may affect the Foundation's ability to

continue as a going concern and to use the going concern basis of accounting. The going concern basis of accounting is not, however, applied if the Board intends to liquidate the Foundation, to cease operations or has no realistic alternative but to do so.

### The responsibility of the authorised public accountants

Our objective is to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or mistakes, and to submit an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted according to 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 influence the economic decisions that users make on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or mistakes, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- obtain an understanding of the Foundation's internal controls relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal controls.
- evaluate the appropriateness of accounting principles used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting in preparing the annual accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform the Board of significant audit findings, including any significant deficiencies in internal controls that we have identified.

### The responsibility of the unqualified auditors

Our responsibility is to conduct an audit in accordance with the Swedish Auditing Act and thereby according to generally accepted auditing standards in Sweden. Our objective is to achieve a reasonable degree of assurance that the annual accounts have been prepared in accordance with the Annual Accounts Act and that the annual accounts provide a fair view of the Foundation's financial results and position.

## Report on other legal and statutory requirements

### Opinion

In addition to our audit of the annual accounts, we have also audited the Board of Directors' administration of the Nobel Foundation during the year 2021.

We have not found that any member of the Board has taken any action or been guilty of any negligence that may give rise to liability to the Foundation.

### Basis for opinion

We have conducted the audit according to generally accepted auditing principles in Sweden. Our responsibility according to these standards is described in more detail in the sections entitled *The responsibility of the authorised public accountants* and *The responsibility of the unqualified auditors*. We are independent in relation to the Foundation according to generally accepted auditing standards in Sweden. We, as authorised accountants, have otherwise fulfilled our professional ethical responsibilities according to these requirements.

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

### The responsibility of the Board of Directors

The Board bears responsibility for the administration of the Nobel Foundation according to the Foundations Act and the Foundation's Statutes.

### The responsibility of the auditors

Our objective concerning our audit of the administration of the Foundation, and thereby our opinion, is to obtain audit evidence to assess, with a reasonable degree of assurance, whether any member of the Board of Directors, in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the Foundation.
- in any other way has acted in contravention of the Foundations Act, the Nobel Foundation's Statutes or the Annual Accounts Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted according to generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Foundation.

As part of an audit in accordance with generally accepted auditing standards in Sweden, the authorised accountant exercises professional judgement and maintains professional scepticism throughout the audit. The examination of the administration is based primarily on the audit of the accounts. Additional audit procedures performed are based on the authorised accountant's professional judgement, with risk and materiality as the starting point. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the Foundation's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion.

Stockholm, 6 April 2022

David Edvardsson  
Chairman

Lars Bergström

Catharina Larsson

Steve Sem-Sandberg

Bettina Banoun

Jonas Svensson  
Authorised Public Accountant

# Organisational structure

## Trustees of the Nobel Foundation

Professor Per Delsing, Chairman

### Elected by the Royal Swedish Academy of Sciences

Professor Kerstin Sahlin  
Professor Olga Botner  
Professor Per Delsing  
Professor Martin Jakobsson  
Professor Helena Edlund  
Professor Dan Larhammar

*Deputy Trustees:*  
Professor Torleif Härd  
Professor Anne L’Huillier  
Professor Carl Folke  
Professor Magnus Berggren

### Elected by the Nobel Assembly at Karolinska Institutet

Professor Gunilla Karlsson Hedestam  
Professor Christer Höög  
Professor Nils-Göran Larsson

*Deputy Trustees:*  
Professor Olle Kämpe  
Professor Juleen Zierath

### Elected by the Swedish Academy

Ellen Mattson, Author  
Anne Swärd, Author  
Ingrid Carlberg, Author

*Deputy Trustees:*  
Professor Anders Olsson  
Dr Eric M. Runesson

### Elected by the Norwegian Nobel Committee

Mr Jørgen Watne Frydnes  
Dr Asle Toje

*Deputy Trustees:*  
Ms Kristin Clemet  
Ms Anne Enger

## Board of Directors

### Regular members

Professor Carl-Henrik Heldin, Chairman

Professor Göran K. Hansson, Vice Chairman  
*Secretary General of the Royal Swedish Academy of Sciences*

Vidar Helgesen  
*Executive Director, the Nobel Foundation*

Professor Mats Malm  
*Permanent Secretary of the Swedish Academy*

Mr Tomas Nicolin, MSc

Professor Thomas Perlmann  
*Secretary of the Nobel Assembly at Karolinska Institutet  
and of the Nobel Committee for Physiology or Medicine*

Lawyer Berit Reiss-Andersen  
*Chair of the Norwegian Nobel Committee*

### Deputy members

Professor Gunnar Ingelman  
*Secretary of the Nobel Committee for Physics*

Professor Peter Brzezinski  
*Secretary of the Nobel Committee for Chemistry*

## Investment Committee

MSc Tomas Nicolin, Chairman  
Professor Magnus Dahlquist  
Executive Director Vidar Helgesen  
Professor Carl-Henrik Heldin  
Director Kent Janér  
Director Sven Nyman  
Ulrika Bergman, Chief Financial Officer

## Auditors

Dr David Edvardsson appointed by the Swedish Government  
Chairman

Authorised Public Accountant

Jonas Svensson elected by the Trustees  
Professor Lars Bergström elected by the Royal Swedish  
Academy of Sciences

Professor Catharina Larsson elected by the Nobel Assembly at  
Karolinska Institutet

Author Steve Sem-Sandberg elected by the Swedish Academy  
Lawyer Bettina Banoun elected by the Norwegian Nobel  
Committee

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