

THE
NOBEL
PRIZE

THE NOBEL FOUNDATION
ANNUAL REPORT

.

2023

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 administered 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 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 2023 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 elect 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 Foundation has its registered office in Stockholm but also carries out administrative activities in Oslo.

The Nobel Prize

The 2023 Nobel Prize laureates

Since 1901, the Nobel Prize and the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel have been awarded to 1,000 laureates. Because some laureates have been awarded the prize twice or three times, a total of 964 individuals and 27 organisations have received a Nobel Prize, including 93 recipients of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. During 2023 the following prizes were awarded:

THE NOBEL PRIZE IN PHYSICS was awarded to Pierre Agostini, Ferenc Krausz and Anne L’Huillier *“for experimental methods that generate attosecond pulses of light for the study of electron dynamics in matter”*.

THE NOBEL PRIZE IN CHEMISTRY was awarded to Mounqi Bawendi, Louis Brus and Aleksey Yekimov *“for the discovery and synthesis of quantum dots”*.

THE NOBEL PRIZE IN PHYSIOLOGY OR MEDICINE was awarded to Katalin Karikó and Drew Weissman *“for their discoveries concerning nucleoside base modifications that enabled the development of effective mRNA vaccines against COVID-19”*.

THE NOBEL PRIZE IN LITERATURE was awarded to Jon Fosse *“for his innovative plays and prose which give voice to the unsayable”*.

THE NOBEL PEACE PRIZE was awarded to Narges Mohammadi *“for her fight against the oppression of women in Iran and her fight to promote human rights and freedom for all”*.

THE SVERIGES RIKSBANK PRIZE IN ECONOMIC SCIENCES IN MEMORY OF ALFRED NOBEL was awarded to Claudia Goldin *“for having advanced our understanding of women’s labour market outcomes”*.

The Nobel Prize announcement week

On the first Monday of October, the announcements of the 2023 Nobel Prizes began. The achievements that were awarded attracted extensive publicity, as did the fact that two of the laureates are active in Norway and Sweden. Thanks to close collaboration between the Nobel Prize awarding institutions and the Nobel sphere's public entities, the laureates and their achievements were presented at the same time as they were announced, and we were able to demonstrate that the digital ecosystem around the Nobel Prize is the primary and most credible source of information about the prize. This was especially important in 2023, when large quantities of false information and conspiracy theories about both the medicine and peace prizes were being spread via social media channels.

For the seventh year in a row, the Nobel Prize Museum arranged topical public programmes under the banner of Nobel Calling Stockholm. All the Nobel Prizes were celebrated with live streamed announcements at the museum, where school classes could ask their questions and receive replies from experts. Representatives from the Nobel Committees participated in this year's Crash Course at Södra Teatern to explain the 2023 scientific prizes to a large audience. Together with the City of Stockholm, Stockholm University, the Royal Institute of Technology, Karolinska Institutet, the Riksbank (Sweden's central bank) and other organisations, about 30 public events were presented around Stockholm.

Some 350 teachers participated in the international Nobel Prize Teacher Summit together with scientists, peace activists and the two Nobel Peace Prize laureates Tawakkol Karman and Dmitry Muratov, who were both in Stockholm.

Just in time for the prize announcement week, the exhibition *Fungi – In Art and Science* also opened. In line with the museum's strategic goals, the exhibition did attract a large local audience to the Stock Exchange Building in Stockholm's Old Town.

The Nobel Week

The 2023 Nobel Prize laureates were 11 in number, of whom 10 travelled to Stockholm to receive their prize. In addition, a number of earlier laureates were among the speakers at the Nobel Week Dialogue, a full-day seminar on the theme of *The Future of Migration* which took place in Gothenburg, Sweden.

The Nobel Week in Stockholm featured an extensive programme, in which one of the most important elements was the laureates' Nobel Prize lectures and the lecture in economic sciences – the only task in exchange for the prize mandated by the Statutes of the Nobel Foundation. Like many other programme points, these lectures were live streamed on the Nobel Prize digital channels, where the number of viewers is continuing to grow over time. The Nobel Prize awarding institutions hosted the lectures as well as the press conferences in which the laureates participated. The Nobel Foundation was responsible for carrying out the Nobel Prize award ceremony at Konserthuset Stockholm and the Nobel Prize banquet at the Stockholm City Hall on 10 December. Before that, on 6 December, the laureates had been welcomed to the Nobel Prize Museum.

Most laureates attended the annual Nobel Prize Concert on the evening of 8 December. There were also various meetings with research colleagues and visits to the laureates' respective embassies and to schools during the week. On 9 December the TV programme *Nobel Minds* was recorded at the Bernadotte Library in the Royal Palace, and later the same day the Nobel Foundation and the Royal Swedish Academy of Sciences jointly organised a reception at Münchenbryggeriet. On 10 December, earlier Nobel Prize laureates attended a “Nobel Center Talks” meeting about their expectations for a future building at Slussen in Stockholm that will be dedicated to science, culture and dialogue. This discussion provided valuable insights and represented an activation of the *Nobel Prize Laureate Network*, whose purpose is to nurture relations with the laureates in a more active, structured way and build further on their contributions. This network is being made possible by the Marcus and Amalia Wallenberg Memorial Fund, which made a donation to the Nobel Foundation to build up the network.

The Nobel Week Lights festival also took place during the Nobel Week and attracted a large audience to take a stroll in the December darkness to experience 17 artistic lighting installations – all inspired by the Nobel Prize.

The Nobel Week ended on 12 December with a reception at the Nobel Foundation. Also attending this reception were the family members who had represented the 2023 peace prize laureate in Oslo during the previous days.

The Nobel Days in Oslo

The 2023 Nobel Peace Prize laureate Narges Mohammadi is imprisoned in Iran and was unable to receive her prize in Oslo. Her husband and two children were present in her place and participated in an extensive programme. Her Nobel Prize lecture was delivered by her children Ali and Kiana Rahmani at the ceremony at Oslo City Hall on 10 December, which was followed by a banquet at the Grand Hotel.

A press conference was held at the Norwegian Nobel Institute, and on 11 December, the Nobel Peace Prize Forum conference on the struggle for democracy and human rights in Iran was held at Oslo University. The Norwegian Nobel Institute also hosted a Peace Prize Talkshow in collaboration with the Norwegian Broadcasting Corporation (NRK).

At the Nobel Peace Center, the exhibition *Woman – Life – Freedom* was inaugurated about this year's peace prize. Also held at the center was a Peace Party in collaboration with Save the Children and the event *Songs that changed the world*.

Nobel Prize Summit in Washington DC

A Nobel Prize Summit was carried out 24–26 May in Washington DC which brought together Nobel Prize laureates, leading experts and the public in a conversation on how we can combat misinformation, restore trust in science and create a hopeful future. The event was held in partnership with the National Academy of Sciences.

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, in a responsible fashion, to maintain the financial base of the Nobel Prize and guarantee the independence of the work of the 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, create underlying cost pressure.

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 strategic asset allocation 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 strategic 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).

To ensure good asset management, the Board of Directors has appointed an Investment Committee. 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 asset 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).

The Foundation has continued its work with responsible investments, mainly via its asset managers. A few examples are Generation Investment Management, which joined the Science Based Targets Initiative (SBTi) during 2023; Stewart Investors, which noted successes in the Conflict Minerals initiative; and Öhmans, which joined Nature 100 and the Net Zero Engagement Initiative. The Nobel Foundation again implemented a screening of its equity 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.

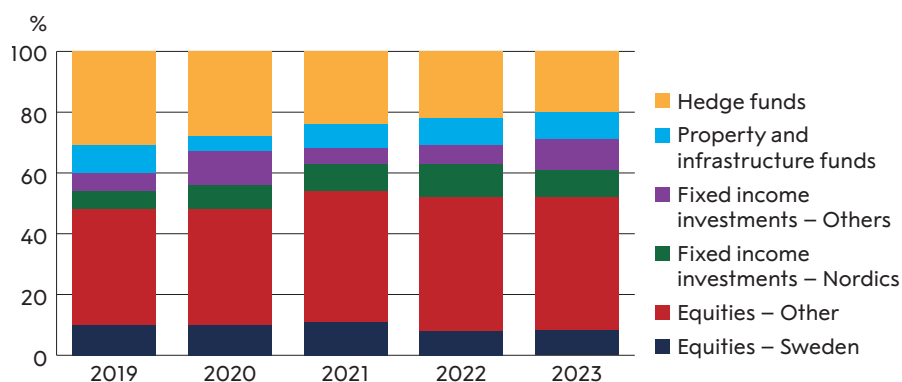
The Investment Committee itself determines what decisions it wishes to delegate to the Executive Director of the Foundation. Asset management is carried out with a small organisation. The Chief Investment Officer is responsible for preparing matters for decisions by the Committee, following up and executing 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 6,233 m (5,799) at the end of 2023. Excluding the value of the Foundation’s directly owned properties, the market value of its investment capital amounted to SEK 6,041 m (5,515) at the end of the year. Investment capital exposure was 52 (53) per cent equity funds, 9 (9) per cent property and infrastructure funds, 17 (17) per cent fixed income assets and cash, 20 (22) per cent alternative assets and 2 (0) 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. A list of asset managers utilised by the Foundation within each asset class is available upon request.

Asset Class Exposure (%)



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 10.3 (–3.8) per cent. The year’s return on investment capital was +10.7 (–2.0) per cent. See the Properties section for an explanation of why the return on equity diverges from return on invested capital in 2022.

Outflow and expenses

During 2023, the overall sum of all Nobel Prizes and operating expenses was SEK 126.1 m (118.5). This was divided among four main categories: the prizes, SEK 55 m (50); compensation to the Prize Committees, SEK 28.2 m (25.3); the Nobel Week in Stockholm and Oslo, SEK 22.9 m (25.5); plus administration etc., SEK 20.0 m (17.6).

In 2023 the Nobel Prizes were raised from SEK 10 m to SEK 11 m per prize.

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

The investment portfolio

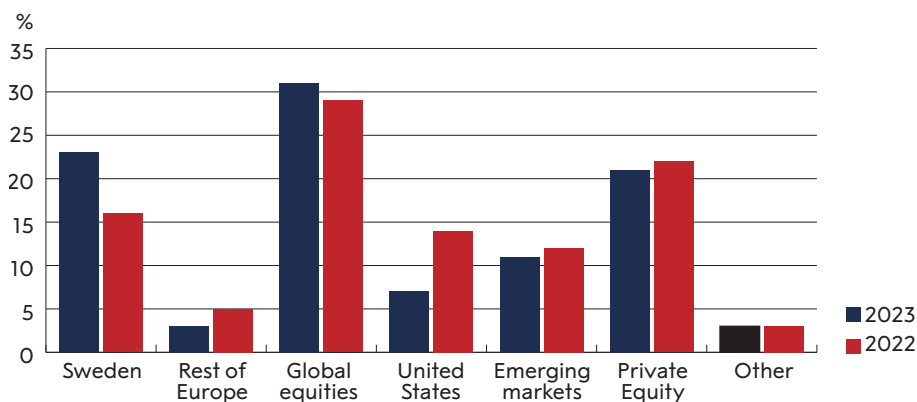
The total market value of investment capital (total invested capital excluding directly owned properties) amounted to SEK 6,041 m (5,515). Return on investment capital was +10.7 per cent, compared to +12.3 per cent for benchmark indices. During the past five years, investment capital rose by 10.2 per cent annually, compared to 10.1 per cent for benchmark indices.

The main reason why the Foundation's profit was weaker than benchmark indices during 2023 was lower exposure to listed shares. Equity funds contributed +6.7 per cent to overall profit, fixed income investments +1.0 per cent, property funds +0.3 per cent and alternative investments +2.6 per cent (calculated including currency hedging for the asset classes where it is used).

Investments in equities

The market value of the Foundation's investments in equities totalled SEK 3,144 m (2,904). Investments in equities accounted for 52 (53) per cent of investment capital at year-end 2023. The market value of private equity funds amounted to SEK 666 m (631).

Allocation of equity exposure

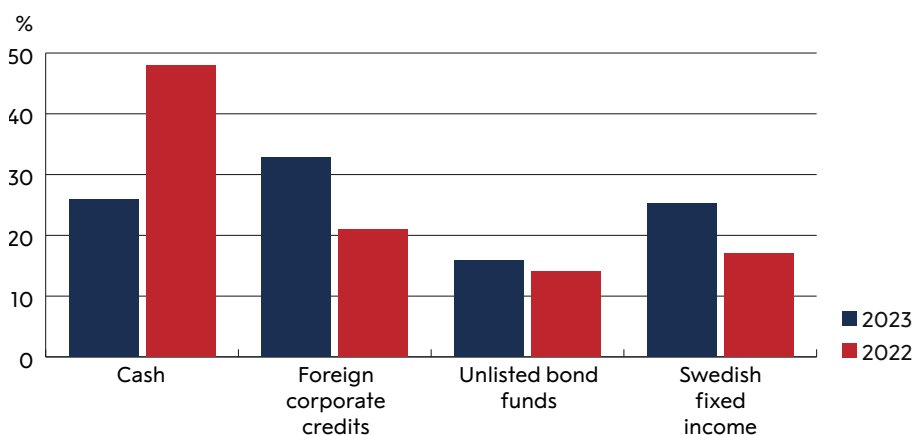


The value of the Nobel Foundation's total portfolio of equities, including currency hedges, increased by 12.8 per cent (−9.2). This was 5.9 per cent worse than the benchmark indices, which rose by 18.6 per cent (−9.5). The return on the listed equities portfolio was in line with that of the benchmark index, but the year's return on private equity funds was −6.2 (+28.4) per cent in Swedish kronor. The latest valuation of these funds was made on September 30, 2023.

Fixed income investments

The market value of the Foundation's fixed income assets amounted to SEK 1,048 m (930). Liquid assets amounted to SEK 263 m (445). In addition, there was an accrued positive outcome from currency hedging.

Allocation of fixed income securities



The return on the Foundation's fixed income investments (including currency hedging) amounted to +6.6 (-4.4) per cent during the year. This was higher than the benchmark index, which rose by 5.4 (-7.9) per cent. The return on fixed income securities calculated before currency hedging was +5.5 per cent. The year's return on unlisted bond funds was +5.0 (+9.2) 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 1,207 m (1,201). Hedge funds accounted for 20 (22) per cent of total investment capital at year-end. During 2023, the hedge fund portfolio including currency hedging rose in value by 10.9 (11.0) per cent, while the corresponding figure for the benchmark index was +5.0 (-6.4) per cent in Swedish kronor. The hedge fund portfolio before currency hedging rose by 8.2 (+26.1) per cent in terms of Swedish kronor.

Properties

The market value of the Foundation's holdings in property and infrastructure funds amounted to SEK 527 m (487). This accounted for 9 (9) per cent of its investment capital. During 2023, the value of property fund holdings including currency hedging rose by 5.0 (+12.4) per cent in Swedish kronor. The market value of directly owned properties amounted to SEK 192 m (284 including the property in Oslo). This refers to a property in Stockholm which the Foundation owns directly. The property was appraised at 3.1 (4.9) per cent of total capital.

Late in 2022, the Nobel Foundation decided to sell its property in Oslo to the Norwegian Nobel Institute. The building is of historical value and could not be sold or pledged as collateral by the Norwegian Nobel Institute without the approval of the Nobel Foundation. Meanwhile, the Storting (the Norwegian Parliament) allocated NOK 300 m to pay for the purchase of the property and to provide the initial capital for the newly established Alfred Nobel Norwegian Memorial Foundation. The new foundation manages this capital and will use the returns to pay for the operations of the Norwegian Nobel Institute and future maintenance needs of the property. The divestment took place in early 2023 and the property was sold for SEK 73 m.

Currency hedging

At year-end 2023, the Foundation's net investment capital was allocated among SEK 3,434 m (2,972), USD 162 m (160), EUR 32 m (33) and SEK 619 m (513) worth of other currencies. Most foreign fixed income, property and alternative investments are normally currency hedged.

At year-end 2023, the amount of underlying currency forward contracts was USD 178 m (171) and EUR 40 m (39). At year-end, the value of these contracts was SEK +113.5 m (-6.5) or +1.9 (-0.1) per cent of investment capital.

Allocation of profit for the year

Profit for the year before appropriations totalled SEK 150.0 m (56.8), of which SEK 102.4 m (102.9) consisted of realised change in value. In accordance with its Statutes, the Foundation is adding SEK 491.3 m (507.2) 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 2023 provision. The above allocation has been taken into account in preparing the balance sheet.

Change in equity (SEK 000)

	Restricted equity	Unrestricted equity	Total
Amount on 1 January	3,121,511	875,530	3,997,041
Capitalisation	491,273	-491,273	-
Reported income for the year		150,039	150,039
The year's Nobel Prizes		<u>-55,000</u>	<u>-55,000</u>
Amount on 31 December	3,612,784	479,296	4,092,081

Financial report

Income statement (amounts in SEK 000)

	Note	2023	2022
<i>Asset management</i>			
Interest income		10,718	4,041
Dividends		61,181	23,768
Realised change in value		102,409	102,856
Less direct external asset management costs	1	<u>-29,351</u>	<u>-25,998</u>
Reported profit/loss, asset management		144,957	104,667
<i>Operating profit/loss</i>			
Donations received		2,519	20,627
Divestment of owner-occupied property		73,700	-
Compensation to Prize Committees		-28,220	-25,295
The Nobel Week in Stockholm and Oslo		-22,907	-25,532
Central administration	2	<u>-20,010</u>	<u>-17,630</u>
Reported operating profit/loss	3	5,082	-47,830
Reported book profit/loss for the year before appropriations		150,039	56,837

Allocation of profit/loss for the year

Capitalisation, restricted equity	491,273	507,164
Capitalisation, unrestricted equity	<u>-341,234</u>	<u>-450,327</u>
	150,039	56,837
The year's Nobel Prizes	<u>-55,000</u>	<u>-50,000</u>
The year's change in book value of equity	95,039	6,837

Balance sheet (amounts in SEK 000)

	Note	31 Dec 2023	31 Dec 2022
Assets			
Fixed assets			
<i>Intangible fixed assets</i>			
	4		
Capitalised development expenses		<u>11,975</u>	<u>6,947</u>
		11,975	6,947
<i>Tangible fixed assets</i>			
	4		
Buildings and land		1,396	1,396
Equipment		<u>662</u>	<u>595</u>
		2,058	1,991
<i>Financial fixed assets</i>			
Long-term holdings of securities		<u>3,870,653</u>	<u>3,602,722</u>
		3,870,653	3,602,722
Total fixed assets		3,884,686	3,611,660
Current assets			
<i>Current receivables</i>			
Prepaid expenses and accrued income		6,768	4,706
Other current receivables	5	<u>150,274</u>	<u>304,458</u>
		157,042	309,164
<i>Cash and bank balances</i>		113,044	142,418
Total current assets		270,086	451,582
Total assets		4,154,772	4,063,242

Balance sheet (amounts in SEK 000)

	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity			
<i>Restricted equity</i>		3,612,784	3,121,511
<i>Unrestricted equity</i>		<u>479,297</u>	<u>875,530</u>
Total equity	6	4,092,081	3,997,041
Liabilities			
Accounts payable		18,955	17,260
Accrued expenses and prepaid income		4,677	4,960
Other liabilities	7	<u>39,059</u>	<u>43,981</u>
Total liabilities		62,691	66,201
Total equity and liabilities		4,154,772	4,063,242

Cash flow statement (amounts in SEK 000)

	2023	2022
Cash flow from asset management	144,957	104,667
Operating profit/loss, excluding depreciation	<u>5,110</u>	<u>-47,665</u>
Cash flow from operations	150,067	57,002
Change in portfolio funds	-269,123	128,708
Other changes in assets and liabilities	144,682	-293,462
The year's Nobel Prizes	<u>-55,000</u>	<u>-50,000</u>
Cash flow for the year	-29,374	-157,752
Liquid funds on 1 January	<u>142,418</u>	<u>300,170</u>
Liquid funds on 31 December	113,044	142,418

Accounting principles

The Annual Report has been drawn up in compliance with the Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board (BFNAR 2016:10) on the annual reports of small companies (K2).

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.

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 private equity, private debt, properties and infrastructure 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. The year's asset management gain of 10.7 per cent is calculated after all external asset management costs.

Note 2

Central administration

	2023	2022
Salaries and pensions, including social insurance expenses	10,818	8,612
Fees, including social insurance expenses	7,124	4,939
Travel expenses	447	170
Other personnel expenses	987	332
Office administration	3,175	2,977
Expenses for premises	2,166	2,441
Depreciation	11	88
Exchange rate differences	-311	706
Other administrative expenses	<u>570</u>	<u>525</u>
	24,987	20,790
Outcome, Stockholm property	-1,327	-2,411
Outcome, Oslo property	0	1,593
Cost compensation from Sveriges Riksbank	<u>-3,650</u>	<u>-2,342</u>
	20,010	17,630

Note 3

Salaries, fees and social insurance expenses

	Board of Directors and Executive Director		Other employees	
	2023	2022	2023	2022
Salaries and fees	1,497	1,403	7,764	6,138
Social insurance expenses	868	806	3,696	3,062
– of which pension expenses	419	407	1,249	1,099

The average number of employees was 10 (9), of whom 8 (8) were women. The Board of Directors consists of 7 (7) members, of whom 2 (1) are women.

Note 4
Intangible fixed assets
Capitalised development expenses

	31 Dec 2023	31 Dec 2022
Cost, 1 January	6,947	1,623
Purchases	<u>5,028</u>	<u>5,324</u>
	11,975	6,947

Tangible fixed assets
Buildings and land

Properties

Humlegården 15, Sturegatan 14, Stockholm (tax value 98,000)

Buildings

Cost, 1 January	20,148	20,148
Divestment of Henrik Ibsens gate 51, Oslo	<u>-18,267</u>	<u>-</u>
Cost, 31 December	1,881	20,148
Depreciation and write-downs, 1 January	-19,129	-19,129
Divestment of Henrik Ibsens gate 51, Oslo	<u>18,267</u>	<u>-</u>
Cost, 31 December	-862	-19,129
	1,019	1,019

Land

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

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

Humlegården 15, Sturegatan 14, Stockholm	192,352	210,403
Henrik Ibsens gate 51, Oslo	<u>-</u>	<u>73,700</u>

Market value, directly owned properties **192,352** **284,103**

Equipment

Cost, 1 January	14,123	13,805
Purchases	<u>95</u>	<u>318</u>
Accumulated cost, 31 December	14,218	14,123

Depreciation, 1 January	-13,527	-13,362
Depreciation for the year	<u>-28</u>	<u>-165</u>
Accumulated depreciation, 31 December	-13,555	-13,527

Value of equipment, 31 December **662** **595**

The year's depreciation was apportioned as follows:

Central administration	-11	-88
The Nobel Week in Stockholm and Oslo	<u>-17</u>	<u>-77</u>
	-28	-165

Note 5
Other current receivables

	31 Dec 2023	31 Dec 2022
Liquid funds with asset managers	147,868	302,828
Miscellaneous current receivables	<u>2,406</u>	<u>1,630</u>
	150,274	304,458

Note 6
The year's change in unrealised surplus values, securities and properties

<i>Equity</i>	31 Dec 2023	31 Dec 2022	<i>Change</i>
Market value	6,190,078	5,745,878	444,200
Less book value	<u>-4,092,081</u>	<u>-3,997,041</u>	<u>-95,040</u>
Surplus value	2,097,997	1,748,837	349,160

Note 7
Other liabilities

	31 Dec 2023	31 Dec 2022
Debts, Nobel Prize laureates	34,292	37,968
Account settlements, Prize Committees	4,221	4,806
Miscellaneous liabilities	<u>546</u>	<u>1,207</u>
	39,059	43,981

Note 8
Assets pledged and contingent liabilities

	31 Dec 2023	31 Dec 2022
Asset pledged	None	None
Contingent liabilities	928,610	826,080

Investment obligations, unlisted holdings

This is capital committed (but not yet disbursed) to property and infrastructure funds as well as private equity funds and corporate debt.

Stockholm, 9 April 2024

Astrid Söderbergh Widding
Chair

Berit Reiss-Andersen
Vice Chair

Mats Malm

Sven Nyman

Thomas Perlmann

Hans Ellegren

Vidar Helgesen

Our auditors' report was issued on 9 April 2024

David Edvardsson
Chairman

Bettina Banoun

Catharina Larsson

Sven Lidin

David Håkansson

Jonas Svensson
Authorised Public Accountant

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 2023.

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 2023 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 2023.

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, 9 April 2024

David Edvardsson
Chairman

Bettina Banoun

Catharina Larsson

Sven Lidin

David Håkansson

Jonas Svensson
Authorised Public Accountant

Organisational structure 2023

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 Hård
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
Eric M. Runesson, Attorney at Law

Elected by the Norwegian Nobel Committee

Dr Asle Toje
Ms Kristin Clemet
Ms Anne Enger

Deputy Trustees:
Professor Olav Njølstad
Mr Jørgen Watne Frydnes

Board of Directors

Regular members

Professor Astrid Söderbergh Widding, Chair

Mrs Berit Reiss-Andersen, Attorney at Law, Vice Chair
Chair of the Norwegian Nobel Committee

Professor Hans Ellegren
Secretary General of the Royal Swedish Academy of Sciences

Professor Mats Malm
Permanent Secretary of the Swedish Academy

Sven Nyman, MSc

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

Vidar Helgesen
Executive Director of the Nobel Foundation

Deputy members

Professor Peter Brzezinski
Secretary of the Nobel Committee for Chemistry

Professor Ulf Danielsson
Secretary of the Nobel Committee for Physics

Investment Committee

Mr Sven Nyman, MSc, Chairman
Ulrika Bergman, Chief Financial Officer
Professor Magnus Dahlquist
Professor Astrid Söderbergh Widding
Executive Director Vidar Helgesen
Mr Kent Janér
Mr Tomas Nicolin, MSc

Auditors

Dr David Edvardsson Chairman	appointed by the Swedish Government
Mr Jonas Svensson Authorised Public Accountant	elected by the Trustees
Professor Sven Lidin	elected by the Royal Swedish Academy of Sciences
Professor Catharina Larsson	elected by the Nobel Assembly at Karolinska Institutet
Steve Sem-Sandberg, Author	elected by the Swedish Academy
Bettina Banoun Attorney at Law	elected by the Norwegian Nobel Committee

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