



Invitation to acquire shares in Linc AB (publ)

SE|B
Global Coordinator
and Joint Bookrunner

ABG
SUNDAL COLLIER
Joint Bookrunner

AVANZA 
Retail Distributor

Linc 

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the "**Prospectus**") has been prepared in connection with the offering to the general public in Sweden to acquire new shares in Linc AB (publ), reg.no.556232-0811, ("**Linc**" or the "**Company**") and the admission to trading of the shares on the regulated market provided by Nasdaq Stockholm AB ("**Nasdaq Stockholm**"). The principal owner is Bengt Julander ("**Principal Owner**").

Skandinaviska Enskilda Banken AB (publ) ("**SEB**") is global coordinator and joint bookrunner ("**Global Coordinator**") and ABG Sundal Collier AB ("**ABGSC**") is joint bookrunner (together with SEB, "**Joint Bookrunners**") in connection with the offering to the general public and some institutional investors in Sweden and abroad, as well as the admission to trading of the Company's shares on Nasdaq Stockholm (the "**Offering**"). For further definitions of these and other terms in the Prospectus, please see "**Definitions**".

A separate prospectus in the Swedish language (the "**Swedish Prospectus**") has been approved by the Swedish Financial Supervisory Authority (the "**SFSA**") as competent authority in accordance with the Prospectus Regulation (EU) 2017/1129 as of 14 June 2017, regarding prospectuses that are to be made public when shares are offered to the public or are admitted to trading on a regulated market (the "**Prospectus Regulation**"). The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of Linc, nor should it be considered as an endorsement of the quality of the securities that are the subject of the Swedish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Offering and this Prospectus are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Offering or this Prospectus.

The Offering is not being made to persons resident in any other jurisdiction other than Sweden. The Offering is not being made to persons for which additional prospectuses, registration or measures besides those required by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden, that would allow any offer of the shares to the public or allow possession or distribution of the Prospectus or any other documents pertaining to the Company or the shares in such a jurisdiction. Subscription of shares and other acquisitions of securities in violation of the restrictions described above may be void. Recipients of this Prospectus are imposed by the Company and the Joint Bookrunners to inform themselves about, and comply with, such restrictions. Neither the Company nor the Joint Bookrunners bear any legal responsibility if any person, whether they are an investor or not, fails to comply with the restrictions described. The shares in the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States, for offer or sale as part of their distribution and may not be offered, pledged, sold, or otherwise transferred within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The shares in the Offering are not being offered to investors in the United States. Any reproduction or distribution of the Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. The shares in the Offering have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence under the laws of the United States. The prospectus is only being distributed to and is only directed at (i) persons not in the UK or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net-worth bodies and other persons this document legally can be distributed to, which is regulated within Articles 49(2)(a) – (d) of the Order (all persons in (i), (ii) and (iii) above have together been deemed ""). This Offering Memorandum is only directed at Relevant Persons and is not to be used or invoked by persons who are not relevant. The shares in the Offering are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, Relevant Persons.

STABILISATION

In connection with the Offering, SEB may carry out transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilisation transactions may be conducted on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. SEB is, however, not required to undertake any stabilisation and there is no assurance that stabilisation will be undertaken.

Stabilisation, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be conducted at levels above the price in the Offering. Not later than by the end of the seventh trading day after stabilisation transactions have been undertaken, SEB shall disclose that stabilisation transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation (EU) 596/2014. Within one week of the end of the stabilisation period, SEB will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

FORWARD-LOOKING INFORMATION

This Prospectus contains various forward-looking statements which reflect Linc's current view on future events and anticipated financial, operational and other performance. Forward-looking statements as a general matter are all statements other than statements as to historical fact or present facts or circumstances. The words "may", "shall", "expect", "believe", "estimates", "plans", "prepares", "calculates", "intends", "predicts", "attempts", "could" or, in each case, their negative or similar expressions or comparable terminology, identify certain of these forward-looking statements. These forward-looking statements speak only as of the date of this Prospectus. Linc and the Principal Owner expressly undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Although Linc believes that the expectations reflected in these forward-looking statements are reasonable, Linc can give no assurance that they will materialise or prove to be correct. Accordingly, prospective investors are cautioned not to place undue reliance on any of the forward-looking statements herein.

BUSINESS AND MARKET DATA

The section "Risk factors" of this Prospectus includes a description, although not complete, of risk factors that may cause actual results and performance to deviate significantly from historical information and forward-looking statements. This Prospectus includes historical market data and industry forecasts. Some information is based on third party sources and have been correctly referred to in the Prospectus. Even if the Company considers such information to be reliable, no independent verification has been done, and the accuracy or completeness of the information cannot be guaranteed. Business and market data are inherently subject to uncertainty and do not necessarily reflect actual market conditions. The value of comparisons of statistics for different markets is limited for various reasons. Among such reasons are that markets may have been defined differently and that information may have been gathered by different methods and on the basis of different assumptions. Some of the statistics in the Prospectus has been compiled by Linc, in some cases on the basis of different assumptions. Even if the Company considers the assumptions and methods for which the information has been gathered reasonable, these have only been confirmed or verified by third parties to a limited extent. Hence, all readers of this Prospectus should be aware that the accuracy and reliability of the market data presented in this Prospectus cannot be guaranteed. Information provided from third parties has been accurately reproduced, and, as far as Linc is aware from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise stated herein, no financial information in this Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in this Prospectus, and that is not part of the information that has been audited or reviewed by the Company's auditor as stated herein, has been collected from the Company's internal accounting and reporting system. Some of the key performance measures presented in the Prospectus are alternative performance measures or financial measures that are not defined under IFRS. Alternative performance measures that are not defined under IFRS are defined as performance measures that measure historical or future financial results, financial position or cash flows but exclude or include amounts or items that would not be adjusted for in the same way if done in accordance with IFRS. These alternative performance measures should not be considered separately from, or as a substitute for, the Company's financial information that has been prepared in accordance with IFRS. Furthermore, the presentation of the alternative performance measures may not necessarily be comparable to similarly entitled measures of other companies.

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown in totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. For example, this may be the case when figures are presented in thousands and millions as in the following sections; "Selected financial information", "Comments on financial developments" and "Capital structure and other financial information", as well as in the historical financial information that is presented in the Prospectus.

IMPORTANT INFORMATION REGARDING THE POSSIBILITY TO SELL ALLOCATED SHARES

Trading in the Company's shares on Nasdaq Stockholm is expected to commence on or about 28 May 2021. After payments for the allocated shares have been processed by the Joint Global Coordinators, the duly paid shares will be transferred to the securities depository account, investment savings account ("**ISK**") or the securities account specified by the acquirer. The time required to transfer payments and transfer duly paid shares to such acquirer means that the acquirer will not have shares available in the specified securities depository account, ISK or the securities account until on or about 1 June 2021.

If shares are not available in an acquirer's securities account, ISK or securities depository account until on or around 1 June 2021, the acquirer may not be able to sell these shares on Nasdaq Stockholm as from the first day of trading, which is expected to commence on or about 28 May 2021, but first when the shares are available in the securities account, ISK or the securities depository account.

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The Offering in summary

PRICE RANGE

SEK 56–73 per share

REGISTRATION PERIOD FOR THE PUBLIC

20 May 2021–27 May 2021

REGISTRATION PERIOD FOR INSTITUTIONAL INVESTORS

20 May 2021–27 May 2021

PUBLICATION OF THE PRICE IN THE OFFERING

The final price in the Offering is expected to be announced through a press release on or about 27 May 2021

FIRST DAY FOR TRADING IN THE COMPANY'S SHARES ON NASDAQ STOCKHOLM

28 May 2021

SETTLEMENT DAY

1 June 2021

Other information

Short name (ticker): LINC

ISIN code: SE0015949433

LEI code: 549300UFJU04UGB49K16

Financial calendar

Interim report for the period January 2021–June 2021:
2 August 2021

Interim report for the period January 2021–September 2021:
29 October 2021

Year-end report for the financial year of 2021: 7 February 2022

Summary

INTRODUCTION AND WARNINGS											
<i>Introduction and warnings</i>	<p>This summary should be understood as an introduction to the Prospectus. Any decision to invest in securities should be based on an assessment by the investor of the entire Prospectus.</p> <p>Any decision to invest in the securities entails risk and an investor may lose all or part of the invested capital. In the event of a lawsuit in court regarding the information in the Prospectus, an investor who is a plaintiff under national law will have to bear the costs of translation of the Prospectus prior to the commencement of legal proceedings. Civil liability can only be imposed on the persons who submitted the summary, including translations thereof, and only if the summary is misleading, incorrect or incompatible with the other parts of the Prospectus or if, together with the other parts of the Prospectus, it does not provide key information to assist investors when they consider investing in such securities.</p>										
<i>The issuer</i>	Linc AB (publ), corporate identity number 556232-0811, Birger Jarlsgatan 36, 114 29 Stockholm. Telephone: +46 (0)70 935 85 74. LEI code: 549300UFJU04UGB49K16. Short name (ticker): LINC. ISIN code: SE0015949433.										
<i>Information about the offeror</i>	Bengt Julander, c/o Linc AB (publ), Birger Jarlsgatan 36, 114 29 Stockholm.										
<i>Competent authority</i>	The SFSA is the competent authority and responsible for approving the Swedish Prospectus. The visiting address of the SFSA is Brunnsgatan 3, 111 38 Stockholm. The postal address of the SFSA is Box 7821, 103 97 Stockholm, telephone number +46 (0) 8 408 980 00 and web address www.fi.se. The Swedish Prospectus was approved by the SFSA on 19 May 2021.										
KEY INFORMATION ABOUT THE ISSUER											
Who is the issuer of the securities?											
<i>The issuer</i>	The issuer of the securities is Linc AB (publ), corporate identity number 556232-0811. The Company is a Swedish public limited company founded in Sweden under Swedish law and the Company's operations are conducted in accordance with Swedish law. The Company's form of association is regulated by the Swedish Companies Act. The Company's LEI code is 549300UFJU04UGB49K16.										
<i>The Issuer's principal activities</i>	<p>Linc is an investment company focusing on long-term share ownership in the Nordic life science market. The Company primarily invests in, and develops, small and medium-sized product-oriented life science companies within medical technology and the pharmaceutical industries.</p> <p>Investments are made in both private and public companies and in research and business companies respectively. Typically, investments in pharmaceutical companies are made at an earlier stage than investments in medical technology companies.</p> <p>Linc is an active, long-term owner with a broad industrial network to support the portfolio companies and their development. Linc works together with management, founders and Board to realise the inherent potential which exists in each portfolio company, and as an owner Linc has ambitious plans for further development and expansion of the portfolio companies. Linc actively participates in nomination committee work and participates in the appointment of competent management personnel and Board representatives in the portfolio companies.</p>										
<i>The issuer's major shareholders</i>	<p>As far as the Company is aware, as of the date of this Prospectus, no people, in addition to what is stated in the table below, have a direct or indirect holding corresponding to five per cent or more of the number of shares or votes in the Company for this Prospectus.</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>Number of shares and votes</th> <th>Percentage of shares and votes</th> </tr> </thead> <tbody> <tr> <td>Bengt Julander</td> <td>24,000,000</td> <td>60%</td> </tr> <tr> <td>Cronhamn Invest AB¹</td> <td>16,000,000</td> <td>40%</td> </tr> </tbody> </table> <p>¹ Cronhamn Invest AB is 100 per cent owned by Bengt Julander.</p>		Shareholders	Number of shares and votes	Percentage of shares and votes	Bengt Julander	24,000,000	60%	Cronhamn Invest AB ¹	16,000,000	40%
Shareholders	Number of shares and votes	Percentage of shares and votes									
Bengt Julander	24,000,000	60%									
Cronhamn Invest AB ¹	16,000,000	40%									

<i>The most important administrating directors</i>	<p>The Company's Board consist of Bengt Julander (Chairman), Anders Hansen, Ulrika Dellby and Marianne Dicander Alexandersson.</p> <p>The Company's senior executives are Karl Tobieson (CEO), Thomas Bergh (CFO) and Johan Hähnel (responsible for investor relations).</p>
<i>Auditor</i>	<p>At the 2021 annual general meeting, PwC was elected as the Company's auditor for the period until the end of the 2022 annual general meeting. Leonard Daun, authorised public accountant and member of FAR (the Swedish Association of Certified Public Accountants), is lead auditor. PwC has been the Company's auditor since 2020. PwC's office address is Torsgatan 21, 113 97 Stockholm.</p> <p>Rådek was the Company's auditor until the end of the extraordinary general meeting which was held on 2 November 2020, with Johan Rudengren, authorised public accountant and member of FAR, as lead auditor. Rådek's office address is Rademachergatan 6, Box 4082, 630 04 Eskilstuna.</p>

Key financial information about the issuer						
<i>Selected historical key financial information</i>	<i>Selected income statement items Million SEK</i>					
	2020	2019	2018	Jan–March 2021	Jan–March 2020	
Profit from investment activities	974.4	603.1	304.7	-47.9	35.7	
Operating profit	970.1	602.2	304.1	-56.3	35.6	
Comprehensive income for the period	833.2	596.2	315.9	-34.4	13.5	
Earnings per share (SEK) ¹	20.8	14.9	7.9	-0.9	0.3	
¹ The number of shares has been retroactively adjusted to reflect a share split that was decided upon on 12 April 2021 (a 40,000:1 split).						
	<i>Selected balance sheet items Million SEK</i>					
	31 December 2020	31 December 2019	31 December 2018	31 March 2021		
Total assets	2,638.4	1,666.1	1,067.0	2,709.0		
Total equity	2,494.2	1,661.0	1,064.9	2,459.8		
	<i>Selected cash flow items Million SEK</i>					
	2020	2019	2018	Jan–March 2021	Jan–March 2020	
Cash flow from operating activities	-14.6	1.2	2.7	-124.5	-14.0	
Cash flow from Investment activities	-	-	-	-	-	
Cash flow from financing activities	-	-	-5.2	124.7	-	

Specific key risks for the issuer

Significant risk factors specific to the issuer

- Linc owns shares, the price of which may vary over time, and Linc is thus exposed to the portfolio companies' share prices. The concentration of the share price exposure is primarily within the listed portfolio companies. A negative change in the portfolio companies' share prices can thus affect Linc's net asset value in a negative direction. In addition, Linc may also be affected adversely if lack of liquidity makes divestment of Linc's listed portfolio companies difficult, or if disposal of part of a listed portfolio company reduces the value of the remaining holding.
- Linc has a relatively small organisation and thus has significant dependence on a few existing key persons. In the event that Linc fails to retain such persons and / or fails to recruit suitable replacements for them or new competent key persons in the future, it may thus have a significant adverse effect on Linc's operations, which in the long run could adversely affect Linc's results.
- As a result of Linc investing in companies in the life sciences sector, Linc is subject to specific risks related to that sector. These specific risks include risks connected to licencing and registration obligations, acceptance of new products on the market, the high degree of competition, political risks and risks related to the protection of intellectual property.
- A weakened economy or a long economic downturn could adversely affect the value of Linc's investment portfolio and thus also affect the price of Linc's share in the same direction. In addition to directly affecting the listed portfolio companies' share prices, a weakened economy or a long economic downturn may also reduce demand for the portfolio companies' products, which in turn may have a negative impact on the value of Linc's holdings.
- In addition to its listed holdings, Linc also owns shares that are not listed. Unlisted holdings may entail a higher liquidity risk than listed holdings, as shares in these companies are not traded on a marketplace. In valuing unlisted holdings, Linc makes assumptions regarding such things as the portfolio companies' earning capacity, volatility, operational risk, exposure to the fixed income market, valuation of similar companies and return requirements, which also entails a risk that the valuation is based on assessments, estimates and assumptions that are faulty or that change.
- There is a risk that Linc or one or more of Linc's portfolio companies may be involved in legal proceedings related to its operations. Legal proceedings for the portfolio companies in the life sciences sector may in particular involve disputes on infringement of intellectual property rights or the validity of patents, but may also involve other kinds of commercial disputes. Such disputes and claims may be time consuming, they may disrupt day-to-day operations, involve significant sums or matters of great importance in principle, and may involve significant costs.
- There is a risk that the tax authorities in the countries in which Linc is present, or will be present, may actively make assessments and make decisions that differ from Linc's assessment or interpretation of relevant tax laws, agreements and regulations. Linc holds listed shares that fulfil the requirements to be deemed as business-related. These can be disposed of tax-free when Linc has held at least ten per cent of the votes in the company in question for one year or more. If Linc's ownership falls below ten per cent of the votes in a holding, the remaining shares are therefore no longer business-related. The new taxable acquisition value of the participations consists of the market value at the time when the participation in question ceased to be business-related. If Linc's assessment of the tax value of assets and liabilities is incorrect or its tax position changes, this may have a material adverse effect on Linc's results and financial position.
- Linc is subject to both direct and indirect liquidity risks and financing risks. The direct risks consist of the risk that the Company will not, if needed, be able to raise new capital from the capital market, or will not be able to meet its payment obligations at a certain time. The indirect risks consist of the risk that the portfolio companies may not be able to satisfy their obligations at a certain point in time, which in turn may adversely affect the value of the respective portfolio companies.

KEY INFORMATION ON THE SECURITIES	
The most important characteristics of the securities	
<i>The offered securities</i>	Shares in Linc AB (publ), corporate identity number 556232-0811 and ISIN code: SE0015949433. The shares are denominated in Swedish kronor (SEK).
<i>Number of securities issued</i>	Prior to the completion of the Offering, the Company's registered share capital amounts to SEK 4,000,000 divided into a total of 40,000,000 shares. The Offering refers to a maximum of 21,428,571 newly issued shares. After the Offering, the Company's share capital will amount to a maximum of SEK 6,142,857 divided into a maximum of 61,428,571 shares. There is one class of share in the Company, and each share has a nominal value of SEK 0.1. The shares are denominated in Swedish kronor (SEK). All issued shares are fully paid up.
<i>Rights related to the securities</i>	<p>Each share in the Company entitles the holder to one vote at the annual general meeting. Shareholders have the right to vote for all shares that the shareholder in question holds in the Company.</p> <p>If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, as a main rule the shareholders have preferential right to subscribe for such securities in relation to the number of shares held prior to the issue. Linc's articles of association do not limit the Company's ability to issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights pursuant to the Swedish Companies Act.</p> <p>All shares in the Company will have equal rights to dividends and to the Company's assets and any surpluses in the event of dissolution of the Company. All shareholders registered in the share register kept by Euroclear Sweden on the record date are entitled to a dividend decided by the general meeting.</p> <p>Subject to the Principal Owner's, the members of the board of directors', and the senior executives' undertakings not to transfer shares in the Company during the Lock-up Period, the shares in the Company are freely transferable pursuant to applicable law.</p> <p>The rights associated with the shares issued by the Company, including those as stated in the articles of association, may be amended in accordance with what is stated in the Swedish Companies Act.</p>
<i>Dividend policy</i>	It is intended that the Company's cash flow shall primarily be reinvested in the business in order to finance future growth, and therefore Linc does not intend to pay any annual dividend in the short term.

Where will the securities be traded

<i>Admission to trading</i>	Nasdaq Stockholm's Listing Committee decided on 6 May 2021 that the Company meets the current listing requirements on Nasdaq Stockholm. Nasdaq Stockholm will approve the Company's application for admission to trading of the Company's shares on Nasdaq Stockholm, given certain conditions, including that the Company submits such application and that the distribution requirement for the Company's shares is satisfied. The estimated first day for trading in the Company's shares on Nasdaq Stockholm is 28 May 2021.
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What key risks are specific to the securities?

<i>Significant risk factors specific to the securities</i>	<ul style="list-style-type: none"> • The Offering Price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares after the Offering and admission to trading. • In the event that Linc's market capitalisation falls below the net asset value, i.e. the net of the market value of Linc's assets less any liabilities, Linc's share will be traded at a net asset discount. • The sale of large quantities of the Company's shares, by the Principal Owner, or a perception that such sale will occur, could cause the market price of Linc's share to fall. • The Principal Owner can exercise a significant influence over the Company. The Principal Owner's interests could differ significantly from the interests of other shareholders, or compete with them.
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KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND / OR ADMISSION TO TRADING IN A REGULATED MARKET

On what terms and according to what timetable can I invest in this security?

<i>General Terms and Conditions</i>	<p>The Offering comprises a minimum of 16,438,356 and a maximum of 21,428,571 shares, of which a minimum of 16,438,356 and a maximum of 21,428,571 are newly issued shares offered by the Company. The number of new shares depends on the Offering Price and will be determined so that through the new issue Linc will raise approximately SEK 1,200 million before deduction of costs related to the Offering. The Offering is divided into two parts:</p> <ul style="list-style-type: none"> • The offering to the public in Sweden.¹⁾ • The offering to institutional investors in Sweden and abroad.²⁾ <p>To cover a possible over-subscription in the Offering, the Principal Owner will issue an option to SEB to acquire not more than an additional 2,678,571 shares corresponding to a maximum of 12.5 per cent of the total number of shares in the Offering.</p> <p>The Offering Price is expected to be determined within the Price Range of SEK 56–73 per share and at a premium in relation to Linc’s net asset value as per 26 May 2021 that is not less than 5 per cent and not more than 10 per cent. The Offering Price will not exceed SEK 73 per share. The Price Range has been determined by the Company’s Board and the Principal Owner in consultation with SEB, based on expectations of investment interest by institutional investors. Brokerage will not be paid. The final Offering Price will be determined by the Company’s Board and the Principal Owner in consultation with SEB and is expected to be announced through a press release on or about 27 May 2021.</p> <p>Decisions on the allotment of shares within the framework of the Offering are made by the Company’s board of directors and the Principal Owner in consultation with SEB, where the aim is to achieve a good institutional ownership base and a wide distribution of the shares among the public to enable regular and liquid trading of the shares on Nasdaq Stockholm.</p> <p>Nasdaq Stockholm’s Listing Committee decided on 6 May 2021 that the Company meets the current listing requirements on Nasdaq Stockholm. Nasdaq Stockholm will approve the Company’s application for admission to trading of the Company’s shares on Nasdaq Stockholm, given certain conditions, including that the Company submits such application and that the distribution requirement for the Company’s shares is satisfied. The estimated first day of trading in the Company’s shares on Nasdaq Stockholm is 28 May 2021.</p> <p><small>¹⁾The public includes private individuals and legal persons who register for the acquisition of a maximum of 16,000 shares. ²⁾Institutional investors include private individuals and legal entities who register for the acquisition of more than 16,000 shares.</small></p>
<i>Expected timetable for the Offering</i>	<p>Registration period for the public: 20 May 2021–27 May 2021.</p> <p>Registration period for institutional investors: 20 May 2021–27 May 2021.</p> <p>Announcement of the price in the Offering: The final price in the Offering is expected to be announced through a press release on or about 27 May 2021.</p> <p>First day of trading in the Company’s shares: 28 May 2021.</p> <p>Settlement Date: 1 June 2021.</p>
<i>Dilution due to the Offering</i>	<p>The new issue in the Offering will result in an increase in the number of shares in the Company of a maximum of 21,428,571 shares, corresponding to a dilution of a maximum of 35 per cent.</p>
<i>Costs</i>	<p>The Company’s costs attributable to admission to trading on Nasdaq Stockholm and the Offering, including payment to advisors and other estimated issuing costs, are estimated to total a maximum of SEK 64 million. Of the total costs, SEK 6.0 Million are included in the Company’s financial reports up to and including 31 March 2021.</p> <p>Investors will not be charged any costs. No brokerage will be charged.</p>

Who is the offeror?	
<i>Offeror of shares within the Overallotment Option</i>	Bengt Julander offers shares within the Overallotment Option. Bengt Julander is a natural person domiciled in Sweden.
Why has this Prospectus been prepared?	
<i>Motives and use of proceeds of issuance</i>	<p>Linc's board of directors and Company management, together with the Principal Owner, consider that the Offering and listing of Linc is a logical and important step in the development of the Company. A listing will broaden the Company's shareholder base and provide access to the Swedish and international capital markets, which is expected to promote the continued growth and development of the Company and its portfolio companies. The Company also assesses that a listing of the Company's shares on Nasdaq Stockholm will increase awareness of the Company and strengthen the Company's brand.</p> <p>Of the net proceeds Linc intends to use approximately SEK 180 million for the repayment of drawn amounts relating to a credit facility agreement and up to approximately SEK 19 million to finance guarantee and subscription commitments in certain companies.¹ Linc intends to use the remainder of the net proceeds for investments in new portfolio companies as well as further investments in current portfolio companies. Apart from what has been described above, Linc has not decided on, or made any commitments regarding, the order of priority, distribution or how the net proceeds will be split between investments into existing or new portfolio companies. Thus, the Company's deployment of the net proceeds will be determined based on where Linc sees future financing needs and investment opportunities as they occur.</p>
<i>Proceeds of issuance</i>	<p>The Company will make a new issue in connection with the Offering. The new issue is expected to raise approximately SEK 1,200 million before deductions for transaction costs, which are estimated to amount to a total of maximum SEK 64 million. Of the total costs, SEK 6.0 Million are included in the Company's reports up to and including 31 March 2021.</p> <p>The Company will not receive any proceeds from the sale of existing shares offered by the Principal Owner within the Overallotment Option in the Offering.</p>
<i>Conflicts of interest</i>	<p>SEB and ABGSC provide financial advice and other services to the Company and the Principal Owner in connection with the Offering and admission to trading of the Company's shares on Nasdaq Stockholm, for which services they will receive customary compensation. From time to time, SEB and ABGSC may also provide services, within the ordinary operations and in connection with other transactions, to the Company and to the Principal Owner, for which services they may receive compensation.</p>

¹ As a consequence of the drawn amounts under the credit facility agreement are due to payment within the next twelve months, as well as the guarantee and subscription commitments, Linc has a working capital deficit for the next twelve months amounting to approximately SEK 206 million. In the event that the Offering is not realised or would not be fully subscribed, the Company may have to seek alternative financing options in the form of, for example, new bank financing, rights issue, directed new issue or long-term loan financing from existing or new shareholders. An alternative refinancing route is to sell shares held in one of Linc's portfolio companies.

Risk factors

This section describes the risk factors and important circumstances that are considered significant for Linc's operations and future development. The risk factors are attributable to Linc's operations, industry and markets, and also include operational risks, legal risks, tax risks, financial risks and risk factors attributable to the securities. The assessment of the significance of each risk factor is based on the probability of its occurrence and the expected extent of its adverse effects. Pursuant to the Prospectus Regulation, the risk factors listed below are limited to risks that are specific to the Company and / or the securities and are significant for making an informed investment decision.

The presentation given below is based on information available as per the day of the Prospectus. The risk factors that are currently considered to be most significant are first presented in each category, and after that the risk factors are presented without special ranking.

RISKS RELATED TO LINC'S OPERATIONS AND THE MARKET IN WHICH LINC OPERATES

Share price risk related to Linc's listed portfolio companies may affect Linc's net asset value in a negative direction

Linc owns shares, the price of which may vary over time, and Linc is thus exposed to the portfolio companies' share prices. The concentration of the share price exposure is primarily within the listed portfolio companies. As long-term commitment forms the basis for Linc's strategic actions, there may be a large share price risk exposure in one or more of Linc's investments. The long-term ownership philosophy means that no target is defined for share price risks which are affected by short-term fluctuations. Furthermore, the share price risk for the listed portfolio companies is not hedged. A negative change in the portfolio companies' share prices can thus affect Linc's net asset value in a negative direction. In addition, Linc may also be affected adversely if lack of liquidity makes divestment of Linc's listed portfolio companies difficult, or if disposal of part of a listed portfolio company reduces the value of the remaining holding. If the portfolio companies' share prices fall, or if holdings are disposed of at a loss, this can have a material adverse effect on Linc's results, financial position and operations.

Linc is dependent on key persons

Linc has a relatively small organisation and thus has significant dependence on a few existing key persons. Consequently, Linc is dependent on successfully identifying, hiring and retaining qualified and experienced management in the future. Linc's ability to employ and retain these persons depends on a number of factors, including competition in the labour market and Linc's reputation as an employer. The loss of a key person can mean that important expertise is lost, that set objectives cannot be attained or that Linc's business strategy cannot be implemented as anticipated. In the event that Linc fails to retain such persons and / or fails to recruit suitable replacements for them or new competent key persons in the future, it may thus have a significant adverse effect on Linc's operations, which in the long run could adversely affect Linc's results.

Risks related to the portfolio companies' operations in the life science sector

As a result of Linc investing in companies in the life sciences sector, Linc is subject to specific risks related to that sector. For example, some of Linc's portfolio companies are subject to licencing and registration obligations. There is a risk that the necessary permits, especially with regard to medical regulatory requirements and environmental requirements, may not be obtained or maintained. In addition, changes in the regulations that apply to the relevant portfolio companies, entailing stricter requirements, or otherwise changed conditions, may lead to additional investments being required or to the portfolio companies' costs increasing. Regulatory requirements may also differ between different markets, increasing the complexity and thus the risk for the portfolio companies. Such additional investments or increased costs may have a material adverse effect on Linc's results and financial position.

Companies in the life science sector are, to a great extent, dependent on their products being accepted on the market, partly from a regulatory perspective and partly from a publicity point of view. Pharmaceutical companies that are at a development stage are often valued on the basis of investors' expectations of the results of the clinical studies that the companies carry out. There is a risk that other investors value the results of such studies differently than Linc, which could mean that Linc has valued the expectations of the holdings higher than other investors. If the market should value the result of a clinical study lower than Linc does, there is thus a risk that Linc may sell holdings at a value that is less than the value of the asset estimated by Linc.

The life science sector is an extremely competitive market. There is a risk that developments or market measures taken by competitors of the portfolio companies may result in a reduction of the value of Linc's portfolio companies, or that the portfolio companies' operating activities will be made more difficult, which may adversely affect the value of the relevant portfolio company. A lower valuation of one or more portfolio companies can have a material adverse effect on Linc's financial position.

Linc is exposed to political risks through its holdings in

companies in the life science sector. From a global perspective, expenditure on healthcare products and healthcare services is largely controlled by the relevant state or government. Funds can thus be made available or withdrawn from healthcare budgets as a result of various political decisions.

The portfolio companies also rely to a large extent on patent protection and protection of other intellectual property rights in their operations. This entails a risk in the event that adequate protection cannot be ensured for new products or technologies developed by the portfolio companies, or in the event that a third party has the protection annulled or revoked. Furthermore, patents and other intellectual property rights owned by competitors can impair a portfolio company's ability to develop and conduct its business. Also, monitoring intellectual property rights is complicated and costly, and the outcome of any subsequent legal action is uncertain. There is also a risk that competing actors may restrict or delay the commercialisation of products by challenging patent protection and protection of other intellectual property rights. Thus, there is a risk that the measures taken by a portfolio company will prove to be insufficient to prevent someone from making use of its technology without authorisation. Any of these risks could also adversely affect the value of the affected portfolio company, which could have a material adverse effect on Linc's financial position.

Macroeconomic conditions could affect investment activities

The general economic climate and prevailing market conditions may affect Linc and its investment activities. A weakened economy or a long economic downturn could adversely affect the value of Linc's investment portfolio and thus also affect the price of Linc's share in the same direction. In addition to directly affecting the listed portfolio companies' share prices, a weakened economy or a long economic downturn may also reduce demand for the portfolio companies' products, which in turn may have a negative impact on the value of Linc's holdings. Worsened macroeconomic conditions can thus have a material adverse effect on Linc's financial position and results.

Risks related to Linc's unlisted holdings

In addition to its listed holdings, Linc also owns shares that are not listed. Unlisted holdings may entail a higher liquidity risk than listed holdings, as shares in these companies are not traded on a marketplace. In valuing unlisted holdings, Linc makes assumptions regarding such things as the portfolio companies' earning capacity, volatility, operational risk, exposure to the fixed income market, valuation of similar companies and return requirements. Unlisted holdings are also generally characterised by poorer financial and operational transparency and may therefore involve higher company-

specific risks. In disposal of participations in unlisted holdings, this can therefore be done at a value that is less than the estimated value of the asset. Future unlisted investment objects can also be attractive to many investors, which can lead to high competition for the investment objects. Such competition may also mean that Linc cannot make investments on terms advantageous to the Company. If the assessments, estimates and assumptions that have been made regarding unlisted holdings change, if unlisted holdings are disposed of at a loss, or if Linc cannot make investments on favourable terms, this could have a material adverse effect on Linc's business and financial position.

Risks related to investments in companies that are in the early stages

One of Linc's investment principles is to invest in the early stages in pharmaceutical companies, and in somewhat later stages in medical technology companies. Investments in companies in the early stages entail inherent risks. The products, intellectual property or other offers that are provided by companies in the early stages may fail. In addition, companies may fail to turn their offering or technology into commercially successful products. Moreover, companies in the early development stages may encounter difficulties in obtaining sufficient funding, which may limit their ability to fund ongoing research and development. Therefore, such companies may be forced to sell their products or assets on less favourable terms. Also, in the early stages, it can be difficult for companies to recruit or retain competent staff, as a result of difficulties in competing financially with other, well-established, employers. Established companies can also have better conditions for competing with companies that are in the early stages, for example because companies in the early stages may not be able to protect their intellectual property adequately. Thus, there is a risk that Linc invests in companies that do not succeed in their business operations, which could result in Linc losing parts of the invested amount, or all of it. Such failures could have a material adverse effect on Linc's results and financial position.

Linc is subject to risks in relation to misleading or incorrect due diligence investigations

Before Linc decides to invest in new portfolio companies, Linc conducts a due diligence investigation of the intended investment. When conducting a due diligence investigation, Linc and its advisors may rely on available resources, which often comprise information provided by the company that is the object of the investigation, and, in some cases investigations and due diligence reports from third parties. Information provided by or obtained from third party sources may be limited and in some cases incorrect or misleading. Thus, it is not cer-

tain that the due diligence investigations conducted in respect of a particular investment opportunity will reveal all relevant facts, opportunities or risks that may be necessary or helpful in evaluating the investment opportunity. There is therefore a risk that the success, or future outcome, of an investment may not be achieved in line with the financial expectations that existed when the investment was evaluated, which may have a material adverse effect on Linc's performance and financial position.

LEGAL RISKS

Linc or its portfolio companies may be subject to various disputes or other legal proceedings

There is a risk that Linc or one or more of Linc's portfolio companies may be involved in legal proceedings related to its operations. Legal proceedings for the portfolio companies in the life sciences sector may in particular involve disputes on infringement of intellectual property rights or the validity of patents, but may also involve other kinds of commercial disputes. Such disputes and claims may be time consuming, they may disrupt day-to-day operations, involve significant sums or matters of great importance in principle, which may involve significant costs. If significant disputes arise in any of the portfolio companies, there is a risk that they may have a negative effect on the portfolio company's value, which in turn may have a material adverse effect on Linc's results and financial position.

Linc is exposed to tax-related risks

Linc handles tax issues in accordance with Linc's assessment or interpretation of applicable tax laws, agreements, regulations and requirements from relevant tax authorities. These assessments have seldom or never been confirmed by competent authorities. There is a risk that the tax authorities in the countries in which Linc is present, or will be present, may actively make assessments and make decisions that differ from Linc's assessment or interpretation of relevant tax laws, agreements and regulations. Consequently, Linc's tax position may change, as regards both previous years and the current year, as a result of the decisions made by the relevant tax authorities or as a result of changed tax legislation. Linc calculates and reports current deferred tax on any taxable surplus values related to its assets and liabilities. The principles for calculating deferred tax are applied in the tax calculation of any disposals of assets. Deferred tax is calculated as a function of the difference between the book value and the tax value of taxable assets and liabilities. Assessments of temporary differences must be made of tax exposure when a holding changes category between business-related and non-business-related

holdings (so-called "character change"). Capital gains and dividends on business-related participations are tax-free. On the contrary, capital losses on business-related participations are not deductible. Linc owns shares in listed assets that fulfil the requirement to be business-related. These can be disposed of tax-free when Linc has held at least ten per cent of the votes in the company in question for one year or more. If Linc's ownership falls below ten per cent of the votes in a holding, the remaining shares are therefore no longer business-related. The new taxable acquisition value of the participations in question ceased to be business-related. It is not clear from the legislative text how this market value shall be determined in connection with a new issue in which Linc's ownership is diluted to less than ten per cent of the votes. The assessment of the taxable acquisition value of listed participations may affect the Company's calculation of deferred tax and thus also its reported profit and net asset value for the relevant period. If Linc's assessment of the tax value of assets and liabilities is incorrect or its tax position changes, this may have a material adverse effect on Linc's results and financial position.

Linc is exposed to IT-related risks

Linc and its portfolio companies are dependent on various IT systems and related processes functioning unhindered and without interruption in order to be able to conduct normal operations efficiently. For the portfolio companies, this means that in addition to developments in the life science sector, there is a greater use of various cloud solutions for processing data. There is a risk that Linc's systems and its portfolio companies' systems may be affected by interruptions or disruptions, including as a result of hacker attacks, intrusions, computer viruses, software errors or the human factor. Furthermore, Linc and its portfolio companies are covered by data protection laws and despite security measures, there is a risk that data confidentiality may be jeopardised. This can lead to increased costs for regulatory compliance, claims for damages and fines, impaired competitiveness and lost business opportunities, primarily for Linc's portfolio companies, which in turn can have a material adverse effect on Linc's results and financial position.

FINANCIAL RISKS

Linc's operations are associated with liquidity and financing risk

Liquidity risk refers to the risk of not being able to meet payment obligations as a result of insufficient liquidity or difficulties in raising external loans, and also to the fact that financial instruments cannot be disposed of without substantial additio-

nal costs. Financing risk arises if financing cannot be obtained, or if financing can only be obtained at increased costs, as a result of changes in the financial system. Linc is subject to both direct and indirect liquidity risks and financing risks. The direct risks consist of the risk that the Company will not, if needed, be able to raise new capital from the capital market, or will not be able to meet its payment obligations at a certain time. As per the day of the Prospectus, Linc's external loans consist of a credit facility agreement with SEB. As per 31 March 2021, Linc had used SEK 125 million under the credit facility agreement, for which the credit period expires on 15 June 2021. As per 31 March 2021, Linc's liquid funds amounted to SEK 22.2 million. As per the date of the Prospectus, Linc has used SEK 180 million under the credit facility agreement, and Linc's liquid funds amount to SEK 5.0 million. If Linc does not gain access to liquid funds to the extent that the used credit can be repaid Linc may need to seek refinancing of the credit. There is a risk that such refinancing will not be available on acceptable conditions to Linc. In order to fulfil its obligations under the credit facility agreement, there is in such case a risk that Linc may be forced to sell shares in any or some of its portfolio companies, despite that such sale may not be commercially appropriate under Linc's investment strategy or the terms under which such sale may need to occur. The indirect liquidity and financing risks consist of the risk that the portfolio companies may not be able to satisfy their obligations at a certain point in time, which in turn may adversely affect the value of the respective portfolio companies. As regards the risk that financial instruments cannot be disposed of without significant additional costs due to insufficient liquidity, see further above under "Risks related to Linc's unlisted holdings". If one or more of the risks described above occurred, it could have a material adverse effect on the Company's results, financial position and operations. If Linc is unable to meet its payment obligations, this could also make the Company's future financing more difficult.

Linc is exposed to credit risks

Credit risk refers to the risk that a counterparty or issuer may not be able to fulfil its obligations to Linc. Linc is exposed to credit risk primarily through investment of the Company's excess liquidity in interest-bearing securities and the issuance of credits to individual borrowers. As per 31 March 2021, credits issued to individual borrowers amounted to SEK 12.3 million, of which SEK 4.6 million are due for payment during 2021. If Linc's measures to reduce credit risks are insufficient, or if one or more counterparties has financial difficulties, this may lead to losses for Linc, which may have a material adverse effect on Linc's financial position. It can also entail that Linc does not receive liquid funds in the extent necessary to meet

Linc's ongoing need for liquidity.

Linc is exposed to interest rate risks

The Company's interest rate risk arises mainly through the Company having long-term borrowing. As the Company strives for a high level of financial flexibility in order to be able to meet needs that arise for liquidity, investments are made in interest-bearing securities with short maturities and high liquidity, short-term investments and cash and cash equivalents. As per 31 March 2021, Linc's lending amounted to SEK 125 million, which in full consisted of used credit under Linc's credit agreement with SEB. It cannot be ruled out that long-term borrowing is used in the future, either in order to refinance the current credit or for other purposes. Linc does not normally hedge the interest rate risk. Changes in applicable interest rates may thus have a negative impact on Linc's results and cash flow. Market interest rates may change in response to various factors beyond Linc's control, including guidelines from authorities and central banks. An increase in current market interest rates may lead to an increase in Linc's interest obligations, this could lead to increased costs for the Company. In the long run, this could have a negative effect on Linc's results and financial position.

Linc is exposed to currency risks

Currency risk refers to the risk that the value of Linc's assets varies because of changes in exchange rates. Risks related to changes in exchange rates arise as a result of purchases and sales in different currencies and in translating balance sheet items in foreign currency into Swedish kronor. Currency risk for Linc is mainly due to currency exposure which the Company's portfolio company is exposed to. As per the day of the Prospectus, two of Linc's portfolio companies, FluoGuide A/S and Initiator Pharma A/S, report in another currency than SEK, namely DKK. The shares in FluoGuide A/S and Initiator Pharma A/S are listed on Nasdaq First North Growth Market and Spotlight Stock Market, respectively, and their share prices are thus denominated in SEK. It is, according to Linc, plausible that a large change in the currency rates for DKK to SEK would affect the share prices for the relevant portfolio companies, and in effect Linc's net asset value. Linc does not normally use financial instruments to hedge against exchange rate risks. The exchange rate for foreign currencies against Swedish kronor, including DKK, has fluctuated during the last few years, and despite Linc's limited exposure to foreign holdings, the possibility cannot be excluded that any future exchange rate changes could have a negative effect on Linc's financial position.

RISKS RELATED TO LINC'S SHARES AND ADMISSION TO TRADING

The share price may be volatile or fall and the liquidity of the Linc share may be limited

The Offering Price will be determined through a tender procedure and consequently it will be based on demand and general market conditions. The Offering Price will be determined by the Company's board of directors and the Principal Owner in consultation with SEB. The Offering Price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares after the Offering and admission to trading. The price in trading after admission to trading may thus differ from the Offering Price. The price will depend on a number of factors, such as whether Linc satisfies the expectations of analysts or the market or whether the return from Linc's portfolio companies develops as Linc, analysts or the market have expected. Furthermore, the Principal Owner, with certain exceptions, has undertaken for a period of 360 days, not to transfer or dispose of his shareholding in the Company (so-called "lock up").

The above may have a negative impact on the liquidity of the Linc share and may result in a low trading volume. The liquidity of the share may adversely affect the price at which an investor in the Company's share may sell shares, particularly if the investor attempts to sell shares within a short time frame, which in turn may affect the investor's ability to sell shares at a price equal to or higher than the Offering Price. For individual investors, this is a significant risk.

Linc's share may be traded at a discount to net asset value

Linc is an investment company that makes investments in listed and unlisted companies. The share price in Linc is affected by a number of different factors, some that are directly related to Linc's operations and others that are outside the Company's control. Consequently, the share price in Linc may change without the value of the actual underlying assets changing. In the event that Linc's market capitalisation falls below the net asset value, i.e. the net of the market value of Linc's assets less any liabilities, Linc's share will be traded at a net asset discount.

Disposal of shares by the Principal Owner, or expectations of such disposal, may lead to a fall in the price of the Linc share

The market price of Linc's share may fall if there are extensive sales of the Company's shares, especially with direct or indirect sales from the Principal Owner. As mentioned above under "*The share price may be volatile or fall and liquidity in the Linc*

share may be limited," the Principal Owner, through a lock-up commitment, with certain exceptions, has undertaken, for a period of time of 360 days, not to transfer or dispose of his shareholding in the Company. After the applicable lock-up period has expired, the Principal Owner will be free to dispose of his shares in Linc. The sale of large quantities of the Company's shares, directly or indirectly by the Principal Owner, or a perception that such sale will occur, could cause the market price of Linc's share to fall.

The main owner can exercise a significant influence on the Company

After the Offering and admission to trading, the Principal Owner will directly and indirectly control approximately 61–67 per cent of the votes in the Company (provided that the Offering is fully subscribed and assuming that the Overallotment Option is exercised in full). Consequently, the Principal Owner will continue to have a significant influence over the outcome of matters referred to the Company's shareholders for approval, such as the election of Board members, possible mergers, amendments to the Company's articles of association, issues and distribution of profits. The Principal Owner's interests could differ significantly from the interests of other shareholders, or compete with them.

Linc's ability to pay dividends to shareholders may be limited

The amount of any future dividends depends on a number of factors, such as, for example, cash flow from the portfolio companies and the Company's future results, financial position and investments. There is a risk that Linc will not have sufficient distributable funds for any dividends at all or to the extent that shareholders expect in the future. There is also a risk that the Company or its major shareholders may limit future dividends. In the event that no dividend is paid, an investor's possible return will depend on the future development of the share price.

Shareholders in certain jurisdictions may be prevented from participating in future new issues

If Linc issues new shares in a cash issue, as a general rule, shareholders shall have a preferential right to subscribe for new shares in relation to the number of shares they hold at the time of the issue. However, shareholders in countries other than Sweden may be subject to restrictions that prevent them from participating in such new issues and / or restrict and make their participation more difficult in other ways. For example, it is possible that shareholders in the United States may not be able to exercise their rights to subscribe for shares that are not registered in accordance with the US Securities Act in force

at any given time and if no exemption from the registration requirements is applicable. Shareholders in other jurisdictions outside Sweden may be affected in a similar way if the rights and the new shares have not been registered or approved by the competent authorities in the relevant jurisdiction, or if no exemption from registration requirements is applicable. Linc has no obligation to file a registration document in accordance with the US Securities Act, or to apply for equivalent approval or relevant exemptions under legislation applicable in other jurisdictions than Sweden, and such measures may have practical difficulties and costs. Possible restrictions for shareholders in countries outside Sweden to participate in new issues may mean that their ownership becomes diluted.

The commitments made by the Cornerstone investors are not guaranteed

The Cornerstone investors have undertaken to acquire shares in the Offering for a corresponding total of approximately SEK 827 million. The Cornerstone investors will hold a total of approximately 20–24 per cent of the votes in the Company after completion of the Offering. However, the commitments made by the Cornerstone investors are not secured by bank guarantees, blocking, pledges or similar arrangements, for which reason there is a risk that the Cornerstone investors' commitments, in whole or in part, may not be honoured. Furthermore, the Cornerstone investors' commitments are subject to certain conditions regarding including that a certain distribution of the Company's shares will be achieved in connection with the Offering and that the Offering will be implemented within a certain time. In the event that any of these conditions is not met, there is a risk that the Cornerstone investors may not honour their obligations, which could have a negative impact on the implementation of the Offering.

Invitation to acquire shares

Linc and its shareholders have resolved to raise capital and to diversify its shareholder base. The Company's board of directors intends to apply for listing of the Company's shares on Nasdaq Stockholm. Nasdaq Stockholm's listing committee has on 6 May 2021 resolved that the Company fulfils the applicable listing requirements on Nasdaq Stockholm. Nasdaq Stockholm will approve Linc's application for admission to trading in the Company's shares subject to the fulfilment of certain customary conditions, including that the Company submits such application and that the distribution requirement in respect of the Company's shares is fulfilled at the latest on the day of the listing. Trading in the Company's shares is expected to commence on 28 May 2021.

Pursuant to the terms and conditions set out in this Prospectus, investors are invited to acquire a minimum of 16,438,356 and a maximum of 21,428,571 shares in Linc. The number of shares that is offered by the Company is determined so that approximately SEK 1,200 million is raised before deductions of issue costs. Further information regarding the Principal Owner and the number of shares that the Principal Owner will hold after the completion of the Offering is available in the sections entitled "*Share capital and ownership structure – Ownership Structure*" and "*Share capital and ownership – the Principal owner*".

The offering price will be determined through a form of book-building process. The final price per share in the Offering (the "**Offering Price**") is expected to be determined within a range of SEK 56–73 (the "**Price Range**") and at a premium in relation to Linc's net asset value² as per 26 May 2021 that is not less than 5 per cent and not more than 10 per cent, by the Company's board of directors and the Principal Owner in consultation with SEB based on a number of factors, including discussions with the Cornerstone Investors and certain other institutional investors, the current market situation and a comparison with the market price of other comparable listed companies. The Offering Price is expected to be published through a press release on or about 27 May 2021.

With support of the authorisation from the annual general meeting in the Company held on 12 April 2021 the Company's board of directors intends to resolve on the new issue of shares of a minimum of 16,438,356 and a maximum of 21,428,571 shares, depending on the subscription price which is determined within the Price Range. After the completion of the Offering the share capital of Linc will amount to a minimum of SEK 5,643,836 and a maximum of SEK 6,142,857 distributed on a minimum of 56,438,356 and a maximum of 61,428,571 shares, of which the new issued shares in the Offering constitutes a minimum of approximately 29 per cent and a maximum of approximately 35 per cent.

To cover any overallotment in connection with the Offering, the Principal Owner will issue an option to SEB to acquire a further maximum of 2,678,571 existing shares at the Offering Price, corresponding to a maximum of 12.5 per cent of the shares in the Offering (the "**Overallotment Option**"). The Overallotment Option can be exercised, in full or in part, during a thirty-day period from the first day of trading in the Company's shares on Nasdaq Stockholm.

Provided that the Overallotment Option is exercised in full the Offering will comprise a minimum of 18,493,150 shares and a maximum of 24,107,142 corresponding to a minimum of approximately 33 per cent and a maximum of approximately 39 per cent of the total number of shares and votes in the Company after the completion of the Offering.

The total value of the Offering, based on the Price Range SEK 56–73, amounts to approximately SEK 1,200 million. If the Overallotment Option is exercised in full the total value of the Offering amounts to approximately SEK 1,350 million.

The Cornerstone Investors have, on the same terms as the other investors, undertaken to acquire shares in the Offering for an aggregated amount of SEK 827 million, corresponding to a minimum of approximately 20 per cent and a maximum of approximately 24 per cent of the total number of shares in the Company after the Offering (provided that the Offering is fully subscribed and that the Overallotment Option is exercised in full). The Cornerstone Investors will be prioritised in the allotment of shares in the Offering and will receive full allocation in accordance with their respective undertaking. The undertakings do not entitle to any remuneration or other compensation.

Stockholm, 19 May 2021
Linc AB (publ)
The board of directors

Stockholm, 19 May 2021
The Principal Owner

² As per 18 May 2021 Linc's net asset value amounted to SEK 60. For more information, see "*Commentary on financial development – Significant changes in the Investment Company's financial position or market position after 31 March 2021*". An updated net asset value is expected to be published through a press release on or about 26 May 2021.

Background and rationale

Linc is an investor in product-oriented companies within the Nordic life science industry. The Company primarily invests in, and develops, small and medium-sized product-oriented life science companies within medical technology and the pharmaceutical industries.

Investments are made in both private and public companies as well as in preclinical/clinical-stage companies and companies who already have established business operations. Typically, investments in the development of pharmaceuticals take place at an earlier stage than investments within medical technology.

Linc is an active, long-term owner with a broad industrial network to support its portfolio companies. Linc works together with the management teams, founders and board of directors to realise the inherent potential in each portfolio company. As an owner, Linc has ambitious plans for further development and expansion in its portfolio companies and actively participates in nomination committee work.

Linc's board of directors and Company management, together with the Principal Owner, consider that the Offering and listing of Linc is a logical and important step in the development of the Company. A listing will broaden the Company's shareholder base and provide access to the Swedish and international capital markets, which is expected to promote continued growth and development of Linc and its portfolio companies. The Company also believes that a listing of Linc's shares on Nasdaq Stockholm will increase awareness of the Company and strengthen the Company's brand.

The offering includes a new issue of shares which, upon full subscription, will provide the Company with gross issue proceeds of approximately SEK 1,200 million before deductions for transaction costs, which are estimated to amount to a total of maximum SEK 64 million. Of the total costs, SEK 6.0 million are included in the Company's reports up to and including 31 May 2021. Of the net proceeds Linc intends to use approximately SEK 180 million for the repayment of drawn amounts relating to a credit facility agreement and up to approximately SEK 19 million to finance guarantee and subscription commitments in certain companies.³ Linc intends to use the remainder of the net proceeds for investments in new portfolio companies as well as further investments in current portfolio companies. Apart from what has been described above, Linc has not decided on, or made any commitments regarding, the order of priority, distribution or how the net proceeds will be split between investments into existing or new portfolio companies. Thus, the Company's deployment of the net proceeds will be determined based on where Linc sees future financing needs and investment opportunities as they occur. For additional information regarding the credit facility agreement as well as the guarantee and subscription commitments made, see section "Legal considerations and supplementary information" – "Material Contracts". The Company will not receive any proceeds from the sale of existing shares offered by the Principal Owner within the scope of the Overallotment Option in the Offering.

For more information, please refer to the complete presentation in the Prospectus, which has been prepared by Linc's board of directors in connection with the Company's application for admission to trading of its shares on Nasdaq Stockholm and the Offering submitted in connection with it.

The Company's board of directors is responsible for the content of the Prospectus. As far as the Board is aware, the information provided in the Prospectus corresponds to the facts and no information that could plausibly affect its content has been omitted.

Stockholm, 19 May 2021

Linc AB (publ)

The board of directors

The board of directors of Linc is solely responsible for the content of the Prospectus. The Principal Owner, however, confirms the binding nature of the terms of the Offering in accordance with what is stated in the "Terms and conditions".

The Principal Owner

³ As a consequence of the drawn amounts under the credit facility agreement are due to payment within the next twelve months, as well as the guarantee and subscription commitments, Linc has a working capital deficit for the next twelve months amounting to approximately SEK 206 million. In the event that the Offering is not realised or would not be fully subscribed, the Company may have to seek alternative financing options in the form of, for example, new bank financing, rights issue, directed new issue or long-term loan financing from existing or new shareholders. An alternative refinancing route is to sell shares held in one of Linc's portfolio companies. For more information, see

Terms and conditions

THE OFFERING

The Offering comprises not less than 16,438,356 and not more than 21,428,571 newly issued shares offered by the Company. The number of new shares will depend on the Offering Price and be determined such that Linc through the new issue will raise approximately SEK 1,200 million before deduction of costs related to the Offering⁴.

The Offering is divided into two parts:

- The offering to the general public in Sweden⁵
- The offering to the institutional investors in Sweden and abroad⁶

The outcome of the Offering is expected to be announced through a press release, which will be available on the Company's website (www.linc.se) on or about 27 May 2021.

OVERALLOTMENT OPTION

To cover any overallocments in the Offering, the Principal Owner has committed to sell, upon request by SEB, up to an additional 2,678,571 shares, corresponding to maximum 12.5 per cent of the total number of shares in the Offering. The Overallocation Option is exercisable, in whole or in part, for a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm. For further information about the Overallocation Option, see "*Legal considerations and supplementary information – Placing agreement*".

ALLOTMENT OF SHARES

The allotment of shares between each part of the Offering will be based on demand. The allotment will be determined by the Company's board of directors and the Principal Owner in consultation with SEB.

BOOK-BUILDING PROCESS

To achieve a market-based pricing of the shares in the Offering, institutional investors will be provided the opportunity to participate in a form of book-building process by submitting expressions of interest. The book-building process will commence on 20 May 2021 and continue until 27 May 2021.⁷ The Offering Price in the Offering will be determined through this process. The book-building process may be discontinued earlier or extended. Notification of such potential early discontinuation or extension will be provided through a press release.

THE OFFERING PRICE

The Offering Price is expected to be determined within the Price Range of SEK 56–73 per share and at a premium in relation to Linc's net asset value⁸ as per 26 May 2021 that is not less than 5 per cent and not more than 10 per cent. The Offering Price will not exceed SEK 73 per share. The Price Range has been set by the Company's board of directors and the Principal Owner in consultation with SEB, based on the anticipated investment interest from institutional investors. Brokerage commission will not be charged. The final Offering Price will be determined by the Company's board of directors and the Principal Owner in consultation with SEB and is expected to be announced through a press release on or about 27 May 2021. An updated net asset value is expected to be published through a press release on or about 26 May 2021.

APPLICATION

The offer to the general public in Sweden

Applications for acquisition of shares within the offer to the general public should be made during the period 20 May 2021–27 May 2021⁹ and relate to a minimum of 100 shares and a maximum of 16,000 shares¹⁰ in even lots of 10 shares each. The Company's board of directors and the Principal Owner reserve the right to discontinue or extend the application period. Notification of such potential early discontinuation or extension will be provided through a press release. Only one application per investor may be made. If more than one application is made, the right to consider only the first application is reserved. The application is binding.

Application via SEB

Persons applying to acquire shares through SEB must hold a securities depository account or an Investment Savings Account ("**ISK**") at SEB. Persons who do not hold a securities depository account or an ISK at SEB must open such account prior to submission of the application form. Please note that it may take some time to open a securities depository account or an ISK. In connection with acquisitions of shares that are to be registered in an ISK, payment must always be made using the funds available on the ISK.

The cash balance on the securities depository account or the ISK with SEB must, for the period commencing 15.01 CEST on 27 May 2021 until 23.59 CEST on 1 June 2021, correspond to

⁴ Linc's costs for the Offering are estimated to amount to a maximum of approximately SEK 64 million. Of the total costs, SEK 6.0 million are included in the Company's reports up to and including 31 May 2021. Please see "*Legal considerations and supplementary information – Costs relating to the Offering*".

⁵ The offer to the general public in Sweden include private individuals and legal entities that apply to acquire a maximum of 16,000 shares.

⁶ "Institutional investors" include private individuals and legal entities that apply to acquire more than 16,000 shares.

⁷ Should the application period be shortened or extended, the announcement of the outcome of the Offering, the first day of trading as well as the date for allotment and payment may be adjusted accordingly.

⁸ As per 18 May 2021 Linc's net asset value amounted to SEK 60. For more information, see "*Commentary on financial development – Significant changes in the Investment Company's financial position or market position after 31 March 2021*".

⁹ Should the application period be shortened or extended, the announcement of the outcome of the Offering, the first day of trading as well as the date for allotment and payment may be adjusted accordingly.

¹⁰ Anyone who wishes to acquire more than 16,000 shares should contact the Joint Bookrunners in accordance with what is described in "*The institutional offering*" below.

at least the amount to which the application relates, calculated on the basis of the highest price in the Price Range. This means that the account holder undertakes to keep the amount available on the designated securities depository account or ISK during the aforementioned period and that the holder is aware that shares may not be allotted if the amount during such period is insufficient. Note that the amount may not be withdrawn during the aforementioned period. As soon as possible after allotment has taken place, the funds will be freely available for those who do not receive any allotment. Funds which are not available will carry an entitlement to interest during the aforementioned period in accordance with the terms and conditions of the securities depository account or ISK specified in the application.

In order to participate in the Offering via SEB, an application to acquire shares must take place via SEB's internet bank using a Digipass, BankID or Mobilt BankID (detailed instructions are available on SEB's website, www.seb.se). Applications through SEB's internet bank must be received by SEB not later than 15.00 CEST on 27 May 2021.

Note that SEB Private Banking customers shall not apply through SEB's internet bank, but instead apply through their broker or private banker.

Application via Avanza

Persons applying to acquire shares through Avanza must hold a securities depository account or an ISK at Avanza. Persons who do not hold a securities depository account or an ISK at Avanza must open such account prior to submission of the application form. Opening a securities depository account or ISK with Avanza is free of charge and takes approximately three minutes.

Securities depository account or ISK customers with Avanza can apply for shares via Avanza's internet service from 20 May 2021 until 15.00 CEST on 27 May 2021. To ensure that they do not lose their right to allotment, securities depository or ISK customers with Avanza must have sufficient funds available in their depository accounts or ISK during the period from the last point in time for application and up to and including the settlement date, which is estimated to constitute the period from 15.01 CEST on 27 May 2021 until 23.59 CEST on 1 June 2021. More information on the application process through Avanza is available on www.avanza.se.

The institutional offering

Institutional investors in Sweden and from abroad are invited to participate in the book-building process during the period 20 May 2021–27 May 2021. Applications from institutional investors in Sweden and from abroad shall be submitted to the Joint Bookrunners (in accordance with special instructions).

Important information regarding LEI and NPID

According to the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MiFID II**") all investors need a global identification code to be able to carry out securities transactions since 2018. These requirements call for all legal entities to apply for registration of a LEI-code (Legal Entity Identifier), and all physical persons to learn their NPID-number (National Personal ID or National Client Identifier), in order to be able to acquire shares in the Offering. Observe that it is the investor's legal status that determines whether a LEI-code or NPID-number is required, and that Joint Bookrunners may not be able to execute the transaction for the person in question if a LEI-code or NPID-number (as applicable) is not presented. Legal entities needing to acquire a LEI-code can turn to any of the suppliers available on the market. Instructions regarding the global LEI-system can be found on www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations. For physical persons with only a Swedish citizenship, the NPID-number is "SE" followed by the personal identity number. If the person in question has multiple citizenships or another citizenship than Swedish, the NPID-number can be any other type of number.

Those intending to apply to acquire shares in the Offering are encouraged to apply for registration of a LEI-code (legal entities) or learn their NPID-number (physical persons) as early as possible as this information needs to be stated in the application.

ALLOTMENT

Decision on allotment of shares in the Offering will be made by the Company's board of directors and the Principal Owner in consultation with SEB, whereby the goal will be to achieve a strong institutional ownership base and a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in the shares on Nasdaq Stockholm. The allotment does not depend on when the application is submitted during the application period.

Certain related parties to the Company and the Principal Owner, including certain Board members and employees in the Company and certain related parties, as well as customers of the Joint Bookrunners may be considered separately during allotment. Allotment may also be made to employees of the Joint Bookrunners, however, without prioritizing them. In such cases, the allotment takes place in accordance with the rules of the Swedish Securities Dealers Association (*Sw. Svenska Fondhandlarföreningen*) and the SFSA's regulations.

Allotment to the general public in Sweden

In the event of oversubscription, allotment may not occur or take place with a lower number of shares than the application

concerns, whereupon allotment wholly or partly may take place by random selection. Allotment to those persons receiving shares in the Offering will occur, in the first place, so that a certain number of shares are allotted per application.

Allotment to institutional investors

Decision on the allotment of shares within the framework of the offer to institutional investors in Sweden and abroad will, as mentioned above, be made with the aim of achieving a strong institutional ownership base. Allotment to the institutions submitting expressions of interest will take place on a fully discretionary basis.

INFORMATION REGARDING ALLOTMENT AND PAYMENT

The offer to the general public in Sweden

Allotment is expected to take place on or about 28 May 2021. As soon as possible thereafter, contract notes will be sent to those having received allotment in the Offering. Those who have not been allotted shares will not be notified.

Information about allotment will be available from 09.00 CEST on 28 May 2021 via the respective bank's internet services.

For such persons that have applied to acquire shares through SEB, payment for allotted shares will be deducted from the specified securities depository account or ISK on 1 June 2021. If sufficient funds are not available on the securities depository account or ISK on the settlement date, 1 June 2021, or if full payment is not made in due time, allotted shares may be transferred and sold to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the Offering Price.

For such persons that have applied to acquire shares through Avanza's internet service, payment for allotted shares will be deducted on the settlement date 1 June 2021. To ensure that they do not lose their right to allotment, securities depository or ISK customers with Avanza must have sufficient funds available in their depository accounts or ISK during the period from the last point in time for application and up to and including the settlement date, which is estimated to constitute the period from 15.01 CEST on 27 May 2021 until 23.59 CEST on 1 June 2021.

The following shall apply in respect of ISK at SEB and Avanza: where an application has resulted in allotment, the respective bank will acquire a corresponding number of shares in the Offering for sale to the ISK account holder at the Offering Price.

The institutional offering

Institutional investors are expected to receive information regarding allotment on or about 28 May 2021 in a particu-

lar order, whereupon contract notes will be distributed. Full payment for allotted shares shall be made in cash not later than 1 June 2021 in accordance with instructions set out in the contract note. Note that if full payment is not made in due time, allotted shares may be transferred to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the Offering Price.

Registration and recognition of allotted shares

Registration of allotted shares with Euroclear Sweden AB ("**Euroclear Sweden**") is, for both institutional investors and the general public in Sweden, expected to be effected on or about 1 June 2021, after which Euroclear Sweden will distribute notices stating the number of shares that have been registered in the receiver's securities account. Notification to shareholders whose holdings are nominee-registered will take place in accordance with the practices of the respective nominee.

ADMISSION TO TRADING ON NASDAQ STOCKHOLM

The board of directors of Linc intends to apply for the admission to trading of the Company's shares on Nasdaq Stockholm. On 6 May, 2021, the listing committee of Nasdaq Stockholm decided that Linc meets Nasdaq Stockholm's listing requirements. Nasdaq Stockholm will approve an application for listing of the Company's shares on Nasdaq Stockholm provided that customary terms and conditions are satisfied, including that the Company submits such an application and that the distribution requirement for the Company's shares is met not later than the first day of trading in the Company's shares. First day of trading of the Company's shares on Nasdaq Stockholm is expected to begin on or about 28 May 2021.

STABILISATION

In connection with the Offering, to the extent permitted in accordance with Swedish law, carry out transactions aimed to stabilise, maintain, or in other ways support the market price of the Company's shares, for a period of up to 30 days from the commencement of trading in the Company's shares on Nasdaq Stockholm. For further information on stabilisation, see "*Legal considerations and supplementary information – Stabilisation*".

ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING

The final outcome of the Offering will be announced through a press release which will be available on Linc's website (www.linc.se) on or about 27 May 2021.

RIGHT TO DIVIDEND

The Offering shares carry a right to dividend for the first time on the record date for dividend that occurs following listing of

the shares. Decisions regarding the distribution of dividend are proposed by the board of directors and resolved by the general meeting. Dividend payments are administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the individual nominee. Regarding deduction of Swedish withholding tax, see section *"Certain tax considerations in Sweden"*. See also section *"Business description–Dividend policy and financial targets"*.

TERMS AND CONDITIONS FOR COMPLETION OF THE OFFERING

The Offering is conditional upon a placing agreement being entered into between the Company, the Principal Owner and the Joint Bookrunners (the **"Placing Agreement"**), and that certain terms and conditions in the Placing Agreement are fulfilled and that the agreement is not terminated. Pursuant to the Placing Agreement, the Joint Bookrunners' commitment to procure purchasers for or, if the Joint Bookrunners fail to do so, purchase, such shares themselves is conditional upon, inter alia, that certain force majeure events and material adverse changes to the Company's business do not occur and certain other customary conditions. SEB may terminate the Placing Agreement up until the settlement date, 1 June 2021, if for example any material adverse event was to occur or if any other conditions stipulated by the Placing Agreement are not satisfied, in which case the Offering will be suspended and neither delivery of, nor payment for, shares will be affected under the Offering. This means that the trade in the Company's shares will be conditioned during the first two trading days. For further information, see *"Legal considerations and supplementary information–Placing agreement"*.

MISCELLANEOUS

Information to investors

The fact that SEB and ABGSC are Joint Bookrunners does not necessarily imply that the respective bank considers the applicant in the Offering (the **"Investor"**) as a client of the bank. The Investor is considered as a client for the Offering with the respective bank only if the bank has advised the Investor regarding the Offering or otherwise has contacted the Investor individually regarding the Offering or if the Investor has applied through the respective bank's branch offices or internet bank. The consequence of the respective bank not viewing an Investor of the Offering as a client is that the rules regarding protection of investors under the Swedish Securities Markets Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) will not be applied to the investment. This means that neither the so-called client classification nor the suitability assessment will be applicable regarding the investment. The Investor is thus

solely responsible for having sufficient experience and knowledge to understand the risks involved with the investment.

Information to distributors

With reference to the product governance requirements in: (a) MiFID II, (b) Articles 9 and 10 in the Commission Delegated Directive 2017/593/EU of 7 April 2016 supplementing MiFID II, and (c) Chapter 8 Sections 13 and 14 of the Swedish Securities Act as well as Chapter 5 Section 5 of the SFSA's regulations regarding investment services and activities, FFS 2017:2, (together the **"Product governance requirements of MiFID II"**), and without liability for damages that may otherwise rest with a "producer" in accordance with the Product governance requirements of MiFID II, shares in the Company have been subject to a product approval process, where the target market for the shares in the Company are (i) non-professional investors and (ii) investors who fulfil the requirements of a professional investor and eligible counterparty, each a **"Target market"** pursuant to MiFID II.

Solely for the purposes of the product governance requirements contained in the UK MiFIR, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of UK MiFIR) may otherwise have with respect thereto, the shares in the Offering have been subject to a product approval process by SEB, which has determined that such shares are: (i) compatible with an end target market of retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook and professional clients, as defined in UK MiFIR; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFIR. Any person subsequently offering, selling or recommending shares in the Offering (a **"distributor"**) should take into consideration the Target market assessment; however, a distributor subject to the FCA Handbook Conduct of Business Sourcebook is responsible for undertaking its own target market assessment in respect of the shares in the Offering (by either adopting or refining the Target market assessment) and determining appropriate distribution channels.

Notwithstanding the Target market assessment the distributors shall note that the value of the shares in the Company may decrease and it is not guaranteed that an investor will get whole or a part of the invested amount in return; shares in the Company does not offer a guaranteed income or a capital protection; and an investment in shares in the Company is only suitable for an investor who does not need a guaranteed income or a capital protection who (alone or together with a

suitable financial or other advisor) are capable of evaluating the benefits and the risks with such an investment and who has sufficient financial means to bear such losses that may arise therefore. The Target market review does not affect the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. The Target market assessment shall not be considered as (a) a suitability assessment pursuant to MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, acquire, or take any other action regarding shares in the Company. Each individual distributor is responsible for undertaking its own Target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

Information about handling personal information

Anyone acquiring shares in the Offering will submit information to the Joint Bookrunners or Avanza. Personal information submitted to the Joint Bookrunners or Avanza will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal information obtained from sources other than the customer may also be processed. The personal information may also be processed in the data systems of companies or organisations with which the Joint Bookrunners or Avanza cooperate. Information pertaining to the treatment of personal information can be obtained from the Joint Bookrunners' or Avanza's offices, which also accept requests for the correction of personal information. Address details may be obtained from the Joint Bookrunners or Avanza through an automatic procedure executed by Euroclear Sweden.



Market overview

The Prospectus contains certain market and industry data that comes from third parties. Unless otherwise stated, such information is based on an analysis of several sources, including public information from Statistics Sweden (SCB), the United Nations (UN), the World Health Organisation (WHO), the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the Swedish Public Health Agency (FHM), the US Food and Drug Administration (FDA), the Swedish Association of Local Authorities and Regions (SALAR) and the World Bank, as well as other publicly available information. Although the information has been reproduced correctly and Linc believes that the sources are reliable, Linc has not independently verified the information, for which reason its accuracy and completeness cannot be guaranteed. To the best of Linc's knowledge and ability to ascertain information published by concerned third parties, no facts have been omitted which would render the reproduced information incorrect or misleading.

INTRODUCTION

Linc is an Investment Company focusing on long-term share ownership in the Nordic life science market. The Company primarily invests in, and develops, small and medium-sized product-oriented life science companies within medical technology and the pharmaceutical industries. Although the products that Linc's portfolio companies provide or intend to provide often have a clear focus, the applicable market is affected by global underlying drivers of market growth in the life science sector. This market overview therefore describes the trends that affect the life science sector in general, such as demand for, and patients' access to, medicines and medical technology.

Linc's portfolio companies have global ambitions, but investments are made in companies whose operations are based in the Nordic region, for which reason the Nordic life science market and its prerequisites have been described specifically in selected respects.

DRIVING FORCES FOR MARKET GROWTH

Several factors suggest that global demand for new medicines and medical technology will continue to increase for the foreseeable future. These factors include, inter alia, population growth, an aging population and an increasing middle class in developing countries. Also, the pharmaceutical and medical technology industries are expected to be positively affected by general economic growth and greater scope for, and need for, investments in innovation and digitisation within healthcare. Consequently, innovation and digitisation are expected to result in new technologies and medicines that will increase demand further. In addition, demographic shifts, economic growth and other trends are expected to contribute to an increase in certain diseases, such as diseases of affluence and chronic diseases, thus further increasing demand for medicines and medical technology. In summary, the driving forces in the market are expected to lead to the industry growing faster than the overall economy.

DEMOGRAPHIC TRENDS

A key growth driver for the life science sector is demographic trends. The main demographic growth drivers for pharmaceuticals and medical technology are population growth, a larger middle class in developing countries and the shift towards a larger proportion of older people.

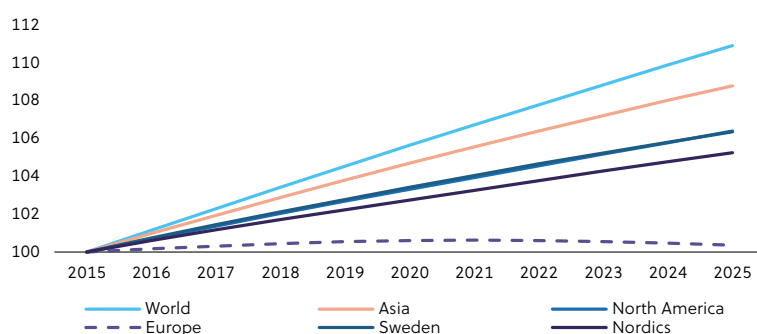
Population increase

According to the UN population projection for 2019, the global population is expected to increase by an average of 1.0 percent per year during the period 2020–2025, which is mainly expected to be driven by population growth in low-income countries.¹¹ For example, according to the report, population growth in Asia is expected to be 0.8 per cent, while the population in Europe is expected to be about the same as today due to negative population growth in Southern and Eastern Europe. Although the global increase is driven by low-income countries, the UN forecasts that the North American population will also increase strongly with an average annual growth of 0.6 per cent during the period 2020–2025. The Nordic countries are expected to have a faster population increase than Europe and in line with North America, with an expected increase in the Nordic region of 0.5 per cent.¹² Global population growth is expected to increase the amount of people in need of healthcare, which in turn will increase demand for medicines and medical technology.

¹¹ UN Population Division (2019). World Population Prospects 2019.

¹² UN Population Division (2019). World Population Prospects 2019.

POPULATION DEVELOPMENT (INDEXED TO 2015). 2015-2025⁹⁾



Source: United Nations, UN Department of Economic and Social Affairs, UN Population Division (2019). World Population Prospects 2019, retrieved on 25 February 2021.
⁹⁾ Forecast from 1 July 2020.

Aging population globally

As shown in the figure “Number of people aged over 65 in the world in 2020 and 2050” below, the world is facing a major demographic change in which the global population of people over the age of 65 is expected to more than double during the period 2020–2050, according to the 2019 UN population projection. The report forecasts that the increase is expected to be driven mainly by the demographic shift in Asia and Africa. Although Asia and Africa are driving the increase, changes in Europe and North America are also dramatic, with the number of older people expected to increase by 45.1 per cent between 2020 and 2050.¹³ As illustrated in the figure “Age demographics per age group in Sweden” below, the number of older

people in Sweden is also expected to increase drastically as the population is expected to live longer at the same time as the population increases. According to Statistics Sweden’s population projection, the proportion of the Swedish population over the age of 80 is expected to almost double during the period 2019–2070.¹⁴ The aging population, as shown in the figure “Age demographics per age group in Sweden”, is expected to increase the incidence of diseases of affluence such as cardiovascular disease and diabetes, as well as diseases that are more common in the elderly such as dementia, which in turn is expected to lead to an increased demand for medicines and medical technology.

NUMBER OF PEOPLE AGED OVER 65 IN THE WORLD IN 2020 AND 2050

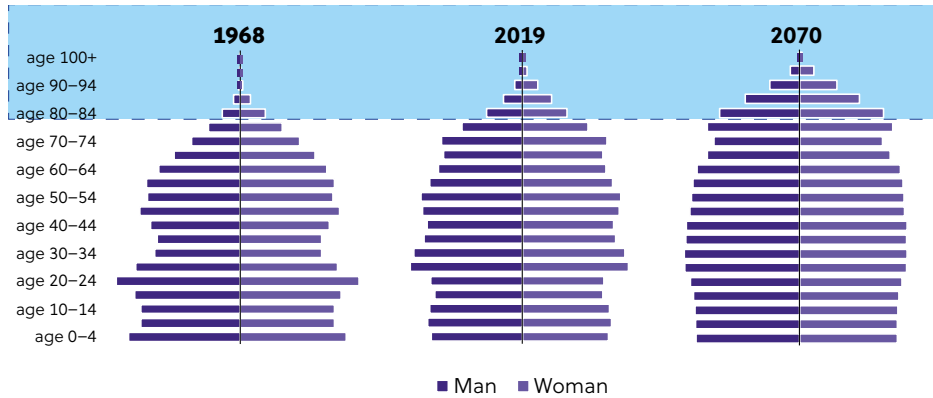
	Number of 65+ 2020 (million)	Number of 65+ 2050 (million)	Percentage change
World	724.9	1,547.9	113.5%
Sub-Saharan Africa	32.8	101.7	209.6%
North Africa and West Asia	30.5	95.8	214.0%
Central and South Asia	122.9	327.0	166.1%
East and Southeast Asia	272.2	571.5	109.9%
Latin America and the Caribbean	58.9	144.9	146.1%
Australia and New Zealand	4.9	8.8	79.1%
Oceania (excluding Australia and New Zealand)	0.5	1.5	181.2%
Europe and North America	204.3	296.4	45.1%

Source: United Nations, UN Department of Economic and Social Affairs, UN Population Division (2019). World Population Prospects 2019, retrieved on 25 February 2021.

¹³ UN Population Division (2019). World Population Prospects 2019.

¹⁴ Statistics Sweden, February 2019.

AGE DEMOGRAPHICS PER AGE GROUP IN SWEDEN

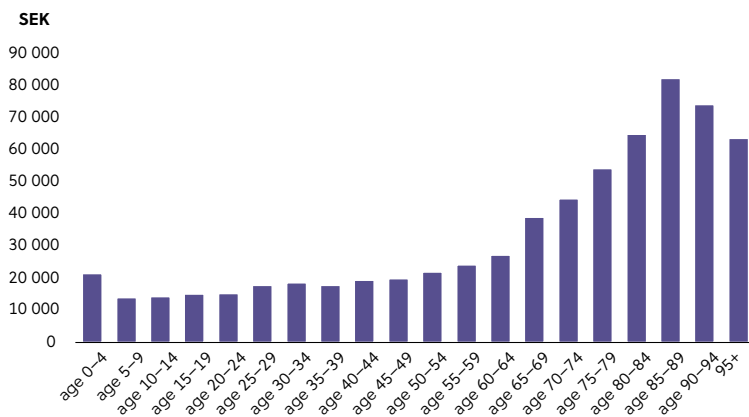


Source: Statistics Sweden, retrieved on 17 February 2021. Statistics Sweden updated the database on 20 February 2020.

The increased incidence of certain diseases in the elderly population and their generally poorer health than in younger generations means that the average cost of health and medical care per person is higher for the elderly. This is illustrated

in the figure below and shows that demand for Linc’s portfolio companies’ products benefits from the shift towards an older population.

AVERAGE COST OF HEALTH AND MEDICAL CARE PER PERSON AND AGE GROUP IN SWEDEN, IN 2016



Source: Statistics Sweden. Ordered by the Swedish National Institute of Economic Research for the 2016 Sustainability Report, retrieved on 28 February 2021.

A larger global middle class

The global middle class is expected to increase from 3.2 billion people in 2016 to 5.3 billion people in 2030. 90 per cent of the population increase in the middle class is expected to derive

from Asia.¹⁵ A bigger middle class means that more people can afford healthcare and the medicines and medical technologies that are needed.

¹⁵ Trends shaping education 2019, OECD, s. 21.

ECONOMIC GROWTH

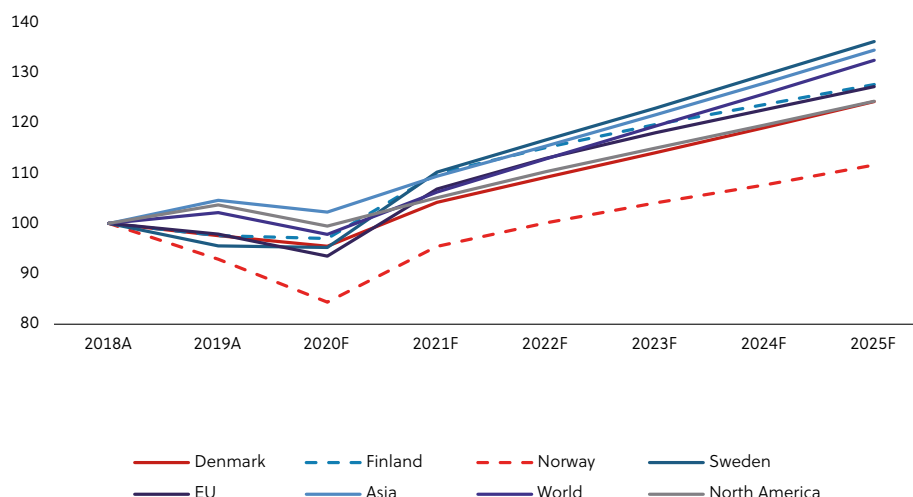
Economic growth is an important driver for access to, and investment in, public and private healthcare. For example, economic growth in Asia is expected to lead to a dramatic increase in the global middle class and thus increasing power in respect of healthcare and healthcare products.

GDP growth

According to the IMF, the world economy is expected to grow by an average of 6.2 per cent per year during the period 2020 – 2025, which is mainly expected to derive from strong GDP growth in the EU and Asia. The EU is expected to grow by an average of 6.3 per cent per year between 2020 and 2025,

while Asia is expected to grow by 5.6 per cent during the same period. North America is expected to grow somewhat more slowly, and more in line with the Nordic countries, with average annual GDP growth of 4.6 per cent during the corresponding period. Finland is the Nordic country that is expected to grow fastest, with an annual growth of 6.3 per cent, while Denmark is expected to have the slowest growth in the Nordic region at 3.7 per cent. As illustrated in the figure below, there is a high correlation between economic growth and increase in costs for healthcare products and services. Higher GDP growth leads to more capital for investment, thus greater demand for medicines and medical devices.

GDP DEVELOPMENT 2018-2025 (INDEXED TO 2018)¹



Source: International Monetary Fund (World Economic Outlook database, January 2021).

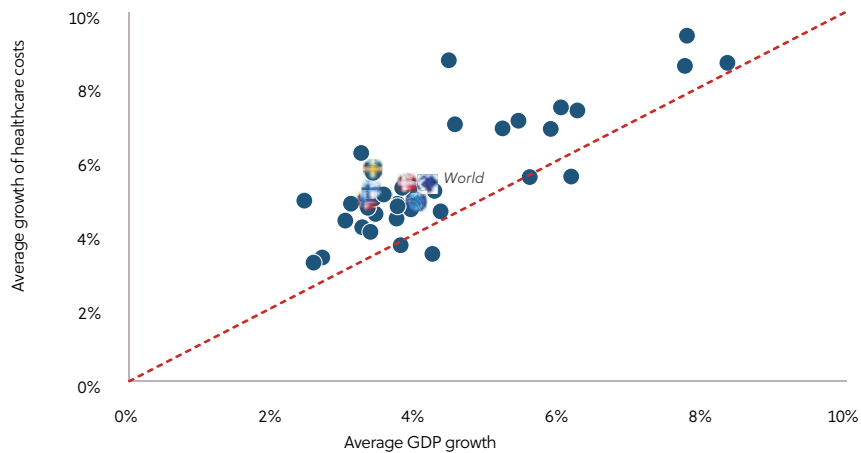
¹ Denmark, Finland, Norway and Sweden in local currencies. Other regions in US dollars. Current prices.

Healthcare costs are growing faster than GDP

Economic development has enabled more countries to build a healthcare infrastructure to meet their increased needs. The increase in the middle class has resulted in a strong improvement in access to both private and public healthcare. As can be seen in the figure below, there is a positive relationship between GDP growth and the growth in healthcare costs. In

Sweden, healthcare costs are growing at an average of 65.6 per cent faster than GDP and in the OECD they are growing at an average of 35.9 per cent faster than GDP. Provided that the relationship between growth in healthcare costs and growth in GDP continues in the future, the future prospects for the life science sector look favourable.

**GROWTH IN TOTAL HEALTHCARE EXPENDITURE AND GDP GROWTH IN HIGH-INCOME COUNTRIES.
OECD COUNTRIES 2000–2018**

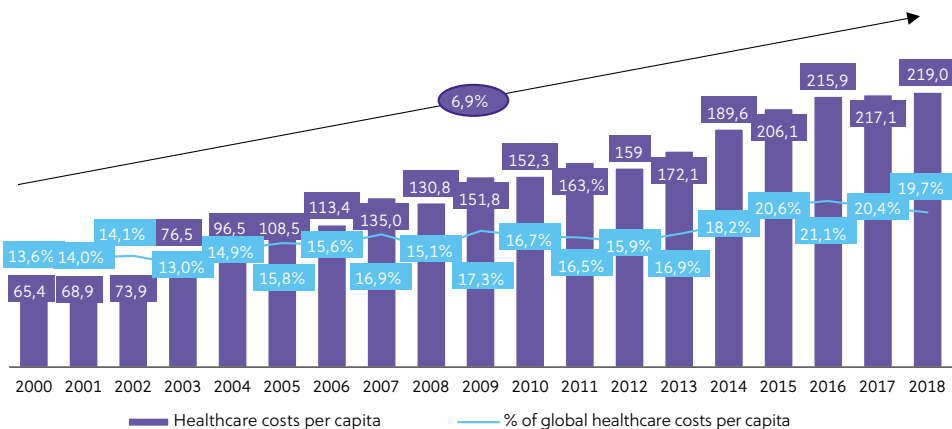


Source: World Bank database, retrieved 9 February 2021.

As can be seen from the figure below, per capita healthcare expenditure per capita in low-income countries has also risen sharply in recent years. Overall, however, purchasing power in these markets continues to be lower than in the mature

markets, and in 2018 the cost of healthcare per capita in low-income countries was only about 20 per cent of the global average.

THE DEVELOPMENT OF HEALTHCARE COSTS PER CAPITA IN LOW-INCOME COUNTRIES¹



Source: IMF (World Economic Outlook, October 2020).
¹ US dollars.

DISEASE TRENDS – INCREASE IN DISEASES OF AFFLUENCE AND NUMBER OF CHRONICALLY ILL

As described above, current societal developments, with trends such as demographic shifts and economic growth,

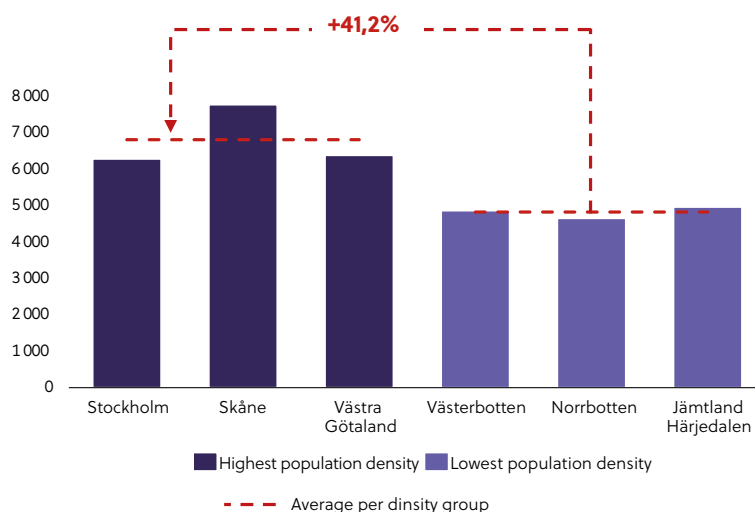
contribute to specific disease trends, which increase the need for medical devices and pharmaceutical products. A selection of these trends is described below.

Increase in infectious diseases

Geographies with large populations and congestion, which have increased as in conjunction with urbanisation, are more susceptible to pandemics and the spread of infectious diseases. For example, as illustrated in the figure below, the regions in Sweden with the highest population density have

been affected 41.2 per cent harder by COVID-19 than the regions with the lowest population density. Increased urbanisation leads to an increased risk of the spread of pandemics and infectious diseases, which in turn can lead to an increased need for medicines and medical devices.

TOTAL NUMBER INFECTED WITH COVID-19 PER 100,000 INHABITANTS¹



Source: The Public Health Agency of Sweden, retrieved on 22 February 2021, and Statistics Sweden, retrieved on 22 February 2021.
¹ The three regions with the highest and lowest population densities, up to and including week 6, 2021.

Increase in chronic diseases globally

Another factor that affects the demand for medicines and medical technology innovations is the increase in chronic diseases resulting from lifestyle changes and an aging population.

According to the WHO, there has been insufficient progress in preventing deaths caused by chronic diseases.¹⁶ This is especially true of low and middle-income countries, which according to the WHO, are facing an overwhelming challenge to succeed in providing effective care to people with chronic diseases.¹⁷ According to the WHO, the increase in chronic diseases is primarily driven by tobacco use, decrease in physical activity, harmful consumption of alcohol and unhealthy eating habits. The WHO expects that the proportion of smokers will remain at a high level at least until 2025 and that alcohol consumption will increase up to 2025. This drives the increase

in chronic diseases, increasing the demand for medicines and medical technology.

As illustrated in the figure below, the proportion of the population who report a long-term illness or discomfort has increased slightly in the last ten years. In the EU, the proportion has increased by 4 percentage points, while the proportion in Sweden and Finland has increased by 5.6 and 5.9 percentage points, respectively. The incidence of long-term illness or discomfort is significantly higher in Finland than the EU average.¹⁸ According to the Swedish Agency for Health and Care Services Analysis, these diseases currently affect more and more people and represent 80–85 per cent of healthcare costs in Sweden.¹⁹ In 2019, eight of the ten most common causes of death in Sweden were related to chronic diseases.²⁰

¹⁶ World Health Statistics 2020. WHO, retrieved 23 February 2021, p. 12.

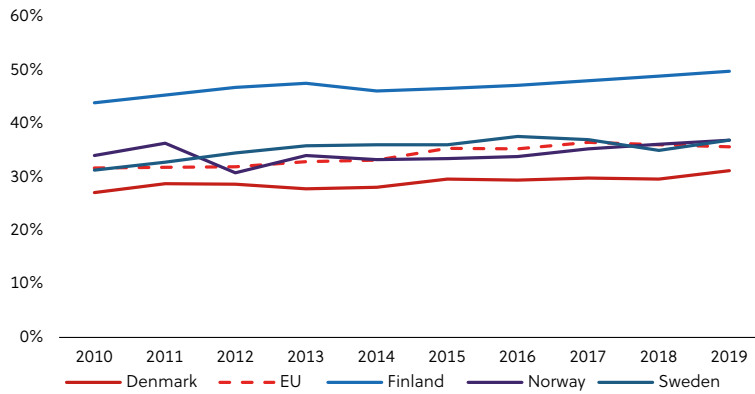
¹⁷ World Health Statistics 2020. WHO, retrieved 23 February 2021, p. vii.

¹⁸ The Public Health Agency of Sweden database, retrieved on 23 February 2021.

¹⁹ VIP in healthcare? The Swedish Agency for Care and Care Analysis, 2014, retrieved on 22 February 2021.

²⁰ Global Health Burden 2019, Insititute for Health Metrics and Evaluation, retrieved on 22 February 2021.

PERCENTAGE OF PEOPLE WITH LONG-TERM ILLNESS AND DISCOMFORT IN THE NORDIC COUNTRIES AND THE EU¹⁾



Source: Eurostat database, retrieved 24 February 2021.

¹⁾ Percentage who report long-term (more than twelve months) illness and discomfort 2010–2019.

Increase in the proportion of overweight people globally

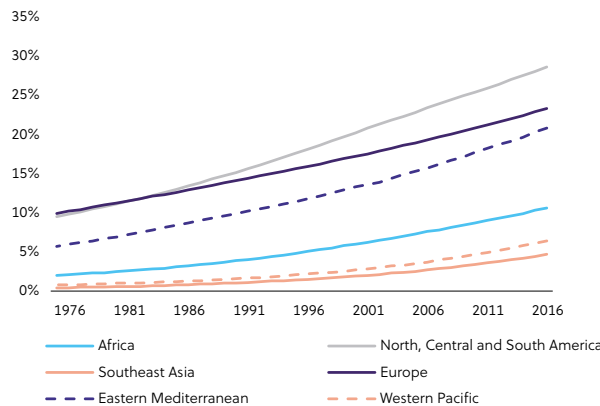
A trend that affects the demand for new medicines and medical technology is the development of obesity. According to the WHO, 1.9 billion people were overweight (BMI over 25.0) in 2016, which was equivalent to 39 per cent of the world population.²¹ Of these, 650 million, or 13 per cent of the world population, were severely overweight (BMI over 30.0).²²

As depicted in the figure below, the percentage of people with obesity has increased substantially since 1975. In 2016, Europe and North, Central and South America had the highest proportion of obesity with 23.3 and 28.6 per cent of the population, respectively. Europe’s share of severely overweight people was 2.4 times higher in 2016 than it was in 1975, and the corresponding figure for the United States is 3.0

times higher. Although the proportion is highest in western countries, the proportion has increased most in non-western regions. The proportion with obesity has increased the most in Southeast Asia, where the proportion of severely overweight people was 11.8 times higher in 2016 than it was in 1975, which corresponds to an annual average increase of 6.2 per cent. Greater purchasing power in geographies with a growing middle class will result in a dramatic increase in the prevalence of overweight people globally.

One consequence of this is an increase in the incidence of obesity-related diseases, such as cardiovascular disease, cancer and diabetes, which in turn generates an increased need for new medical devices and medicines.

DEVELOPMENT OF OBESITY (BMI OVER 30.0) AMONG ADULTS PER WHO REGION¹⁾



Source: WHO database, retrieved 3 March 2021.

¹⁾ BMI over 30.0.

²¹ WHO. Obesity and overweight. who.int/news-room/fact-sheets/detail/obesity-and-overweight, retrieved 2 March 2021.

²² WHO. Obesity and overweight. who.int/news-room/fact-sheets/detail/obesity-and-overweight, retrieved 2 March 2021.

PRODUCT DEVELOPMENT AND DIGITISATION AND TECHNOLOGICAL ADVANCES MEAN THAT MORE AND MORE DISEASES CAN BE TREATED AND THAT CARE CAN BE MADE MORE EFFICIENT

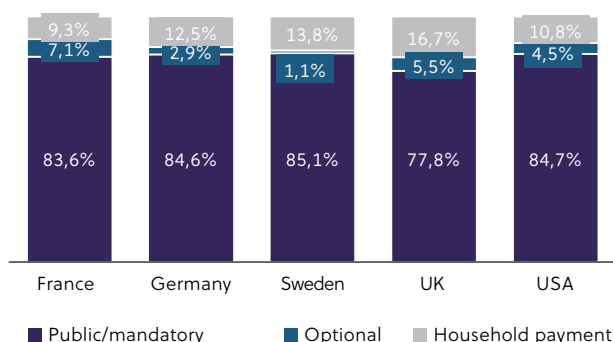
Investments that pharmaceutical companies and medical technology companies make in research and development lead to innovation and product improvements and greater efficiency, demand, and the ability to treat more patients.

Increased demands for efficiency

An aging and growing population, greater incidence of diseases of affluence and an increase in infectious diseases are

expected to increase the burden on healthcare, which in turn will drive demands for efficiencies. This is expected to affect both public and private actors. Private actors are constantly looking for opportunities to increase efficiency in order to create value. In addition, efficiencies can be assumed to be of great importance in publicly funded healthcare on account of strained public budgets. As can be seen from the figure below, Sweden has a somewhat higher degree of public funding compared with certain other OECD countries.²³ Linc considers that greater efficiency through product development and new innovations will be very important for satisfying the necessary financing requirements and healthcare needs in the future.

HEALTHCARE FINANCING IN SELECTED COUNTRIES (2018)



Source: Eurostat database, retrieved on 25 February 2021.

Product development

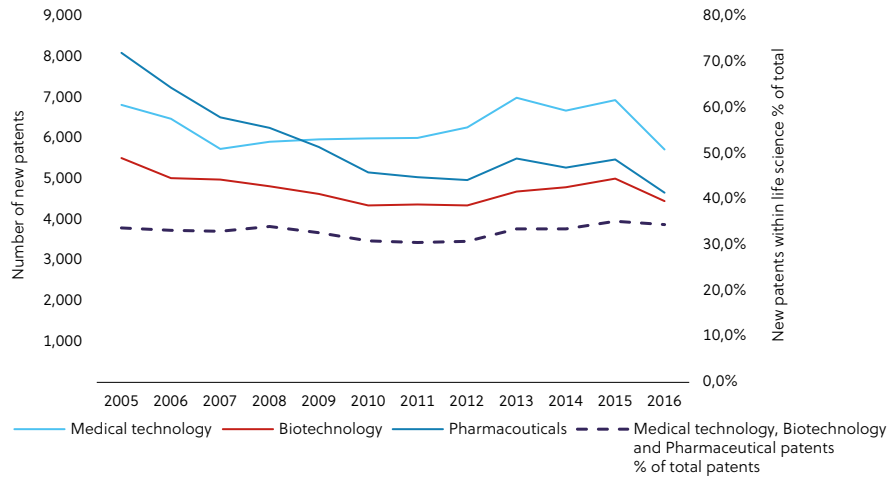
New product launches comprises both improved alternatives to existing products and new products based on technological advances and changing patient needs. Today, an increasing number of companies focus on developing medicines for rare diseases (so-called orphan diseases) which often lack treatment options, which can open up new markets. As can be seen from the figure below, innovation in medical technology, bio-

technology and medicines, measured as the number of new patents, has been at stable high levels since 2010. Furthermore, patents in these life science-related sectors make up a large proportion, roughly 35 per cent, of the total number of new patents.²⁴ Product launches that lead to better treatments are expected to drive demand from patients and thus growth in the market.

²³ OECD database, retrieved on 26 February 2021.

²⁴ OECD Patent Database, retrieved 22 February 2021.

DEVELOPMENT IN THE NUMBER OF PATENTS IN THE OECD COUNTRIES¹, 2010–2016



Source: OECD Patent Database, retrieved 22 February 2021

¹ Based on the OECD's triad patent family, i.e. patents granted by all three major patent offices; European Patent Office, United States Patent and Trademark Office and Japan Patent Office.

Innovation can also contribute to an increase in profitability in the life science sector. Linc's experience is that customers are willing to pay more when new medicines and medical technology improve the standard of care.

Individually tailored medicine

Individually tailored medicine refers to medicines and prevention that are based on the individual patient's genetic and molecular composition.²⁵ According to the OECD, individually tailored medicine can transform medicines from being targeted to organs (heart, liver, etc.) to being targeted to the patient's cells, molecules and genes.²⁶ By using the patient's genetic and molecular composition, healthcare can target prevention measures to individuals or population groups who are at higher risk of a disease. According to the OECD, individually tailored medicine can revolutionise the pharmaceutical industry and healthcare through targeted medicine and better

prevention.²⁷ An example of this is DNA-based blood tests to screen many different types of cancer. As shown in the figure "Cancer spread and resulting deaths in the USA" below, cancer mortality is affected by spread, where local spread has the lowest mortality, regional spread, when the cancer has spread to nearby areas of the body, has the second highest mortality and metastatic spread, spread in large parts of the body, has the highest mortality. By screening for up to 50 types of cancer, the cancer can be detected before it spreads regionally or metastatically. According to ARK Invest, this could result in 66,000 cancer-related deaths in the United States being avoided annually.²⁸ According to ARK Invest's calculations, as shown in the figure below, "Cancer deaths that can be avoided through multi-cancer screening in the USA", a narrower screening panel could also result in significantly fewer cancer deaths. This is based on the fact that cancer could be detected earlier and not through cancer treatment being improved.²⁹

²⁵ New Health Technologies: Managing Access, Value and Sustainability, OECD 2017, retrieved 22 February 2021, p 160.

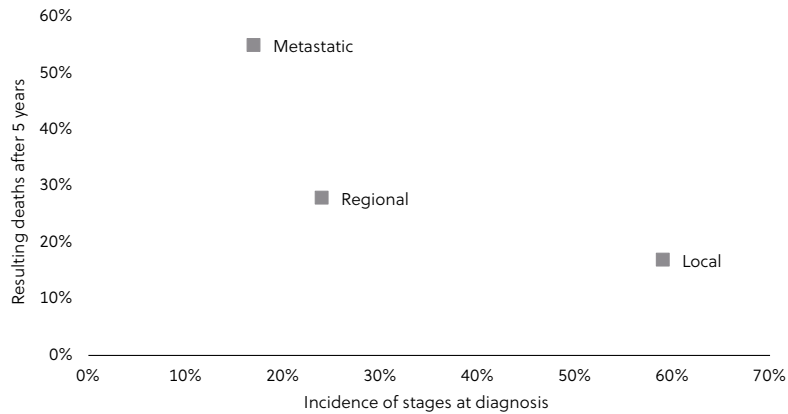
²⁶ New Health Technologies: Managing Access, Value and Sustainability, OECD 2017, retrieved 22 February 2021, p. 162.

²⁷ New Health Technologies: Managing Access, Value and Sustainability, OECD 2017, retrieved 22 February 2021, p 179.

²⁸ Big Ideas 2021, ARK Invest, retrieved on 22 February 2021.

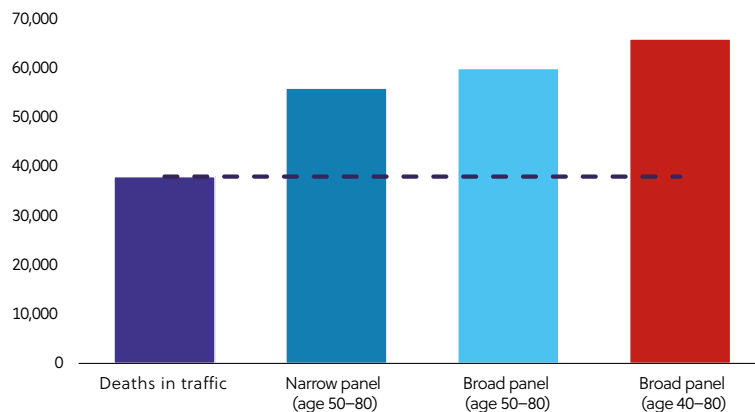
²⁹ Big Ideas 2021, ARK Invest, retrieved on 22 February 2021.

CANCER SPREAD AND RESULTING DEATHS IN THE USA



Source: ARK Invest, Big Ideas 2021, retrieved on 22 February 2021.

CANCER DEATHS THAT CAN BE AVOIDED THROUGH MULTI-CANCER SCREENING IN THE USA¹



Source: ARK Invest, Big Ideas 2021, retrieved on 22 February 2021.

¹ Narrow panel tries to detect a limited number of cancer types, normally about 12 types. Broad panel tries to detect up to 50 types of cancer.

Digitisation

Another factor affecting the life science sector is the digitisation of healthcare. Major investments in improved infrastructure for remote healthcare have resulted in more efficient treatments through improved tools. The OECD estimates that the direct health and economic impact of a digital transformation within healthcare in the OECD countries could result in savings of approximately USD 600 billion annually, which corresponds to approximately 8 per cent of the OECD countries' aggregated healthcare costs.³⁰

Digitisation also affects the behaviour of patients who increasingly expect products and services to be available digitally. For example, in Sweden the number of digital care visits amounted to 1.2 million in 2019, which was an increase of 91 per cent compared with the previous year.³¹ From February to March 2020, the number of digital healthcare visits increased by 60 per cent due to the global spread of COVID-19 and subsequent restrictions.³²

³⁰ Health in the 21st Century: Putting Data to Work for Stronger Health Systems, OECD 2019, retrieved on 22 February 2021.

³¹ The Swedish Association of Local Authorities and Regions. Rapid increase in digital healthcare services. skr.se/tjanster/press/nyheter/nyhetsarkiv/snabbokningav-digitalavardtjanster.33078.html, retrieved 22 February 2021.

³² The Swedish Association of Local Authorities and Regions. Rapid increase in digital healthcare services. skr.se/tjanster/press/nyheter/nyhetsarkiv/snabbokningav-digitalavardtjanster.33078.html, retrieved 22 February 2021.

LIFE SCIENCE IN THE NORDIC REGION

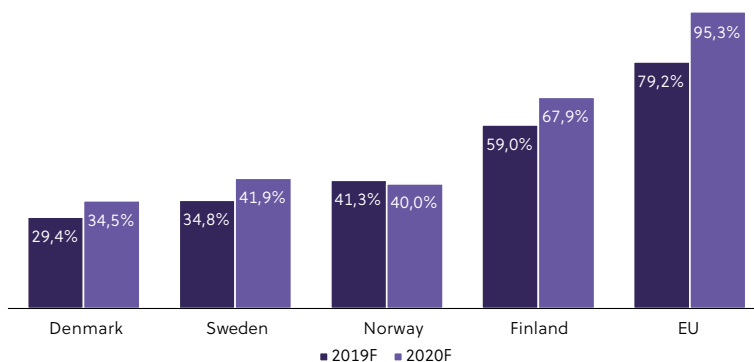
The Nordic region is a market with a favourable business climate which is characterised by stable growth, an environment in which it is easy to do business and with a high degree of innovation.

Stable economies

The Nordic economies are relatively stable with good GDP growth, as illustrated in the section “GDP growth”, and strong government finances. The negative effect of COVID-19 has

been milder than in a number of other countries and geographies, such as Europe as a whole, as can be seen from GDP trends, see the section “GDP growth”. As shown in the figure below, government gross debt in the Nordic countries as a percentage of GDP increased as a result of the COVID-19 pandemic, but it increased much less than in the EU and is still much lower than the EU average.³³ Stability, shown in relatively stable economic growth, benefits the Nordic business climate and thus investments in, for example, the development of medicines and medical technology.

GOVERNMENT GROSS DEBT AS A PERCENTAGE OF GDP



Source: IMF (Economic Outlook, January 2021).

Attractive business climate

The business climate is also supported by well-functioning and clear regulations for companies and strong protection of property rights in the Nordic region, which is shown in the

World Bank’s ranking of the ease of business in various countries.³⁴ As can be seen from the table below, Sweden, Denmark and Norway are among the top ten in the aforementioned ranking.³⁵

OVERVIEW OF THE RANKING OF NORDIC COUNTRIES IN SELECTED SURVEYS

	Global Innovation Index 2020 Ranking	Ease of doing business 2020 Ranking
Sweden	# 2	# 10
Denmark	# 6	# 4
Finland	# 7	# 20
Norway	# 20	# 9

Source: World Intellectual Property Organization and World Bank.

³³ IMF (Economic Outlook, January 2021), retrieved on 22 February 2021.

³⁴ Doing Business 2020. World Bank (2020), retrieved on 22 February 2021.

³⁵ Doing Business 2020. World Bank (2020), retrieved on 22 February 2021.

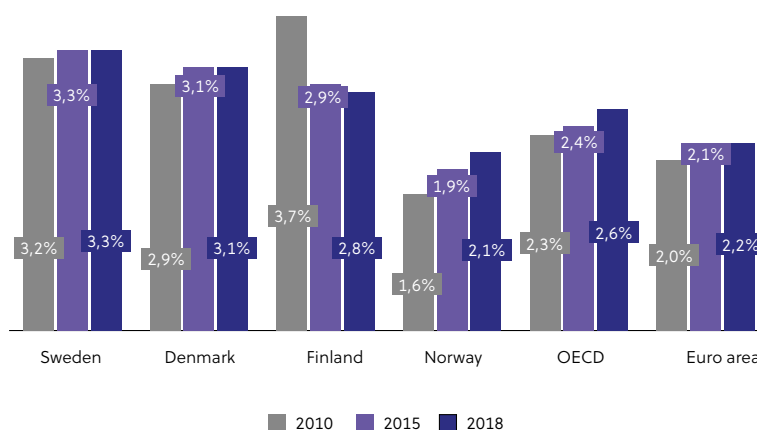
High degree of innovation

The business climate in the Nordic region is also affected by the availability of competence and world-leading research. The Nordic region is a research-intensive region where 38.0 per cent of the population have post-secondary education and 1.1 per cent have postgraduate education.³⁶ In important life science clusters, the percentage is higher, such as in the Stockholm / Uppsala region, where 2 per cent have postgraduate education.³⁷ The availability of high-quality competence and world-leading research is also good, with several highly ranked universities in life science. Karolinska Institutet is the fifth best medical university in the world, while the University of Copenhagen is the 38th best medical university in the world. Furthermore, the universities in Aarhus, Lund and Uppsala rank among the hundred best medical universities in the world.³⁸

As can be seen from the figure below, the Nordic countries also have high rankings in the World Intellectual Property Organisation (WIPO) ranking of the world's most innovative countries. Sweden is the second most innovative country in the world, while Denmark and Finland are ranked among the ten most innovative countries.³⁹ Stockholm, Malmö / Lund, Gothenburg, Copenhagen and Helsinki are also ranked among the 100 best research and technology clusters in the world.⁴⁰

The business climate benefits from substantial investments in research and development. As shown in the figure below, Sweden, Denmark and Finland each spend more on research and development, in terms of percentage of GDP, than the euro area and the OECD countries.⁴¹ Research and development investment benefits the life sciences sector by contributing to technological advances.

THE DEVELOPMENT OF RESEARCH AND DEVELOPMENT COSTS AS A PERCENTAGE OF GDP



Source: UNESCO Institute for Statistics database, retrieved 18 February 2021 .

³⁶ World Bank database, retrieved on 22 February 2021.

³⁷ Stockholm-Uppsala Life Science cluster, Stockholm Science City Foundation, retrieved on 22 February 2021.

³⁸ QS World Ranking. Medicine. topuniversities.com/university-rankings/university-subject-rankings/2020/medicine, retrieved 22 February 2021.

³⁹ Global Innovation Index 2020, WIPO 2020, retrieved on 23 February 2021.

⁴⁰ Special section: Cluster Rankings. WIPO 2020, retrieved on 23 February 2021.

⁴¹ UNESCO Institute for Statistics, database, retrieved 18 February 2021.

Strong political support

Linc also considers that political support is important for the life science market. The Swedish government has a stated strategy that Sweden should be a leading life science nation. The national life science strategy has 30 objectives in eight prioritised areas, which include the utilisation of health and care data for research and innovation, the supply of competence, talent attraction, lifelong learning and international attractiveness and competitiveness.⁴² Similar initiatives exist in Denmark and Norway.⁴³

A unique aspect of the life science market in Sweden is a law that protects university employees' property rights to discoveries that the employees make at work.⁴⁴ According to the interest group SwedenBIO, this benefits the life science market because it is possible for university employees to commercialise their discoveries. SwedenBIO also states that this law increases patent activity and helps universities to recruit high-quality researchers.⁴⁵

Success in the Nordic life science sector paves the way for more success

According to SwedenBIO, the Swedish life science market is very active with 148 companies in Sweden conducting research in medicines for humans.⁴⁶ The majority of these companies, 59 per cent, originate from a university.⁴⁷ According to SwedenBIO, 148 projects, or 55 per cent of the projects, are in clinical phase I-III and 76 per cent of these projects have the potential to be the first on the market in their field.⁴⁸ Linc considers that the number of successful companies clearly points to innovation and attractiveness in the Nordic life science market and that the history of innovation and success contributes to good prerequisites for continued success.

Furthermore, as of 2 December 2020, there were 176 listed life science companies with a total market value of approximately SEK 2,600 billion on Nordic stock marketplaces,⁴⁹ which according to Linc is a result of an exceptionally strong life science sector and well-functioning capital markets. As a clear indicator of success in the Nordic life science market, it can be stated that biotechnology companies listed on Nasdaq Nordic's main list and Nasdaq First North Growth Market accounted for 34 per cent of the European biotech sector in January 2020.⁵⁰

⁴² A national strategy for Life Science, Swedish Government Offices 2019, retrieved on 18 February 2021.

⁴³ National Strategy for Biotechnology 2011-2020, Norwegian Ministry of Education and Research 2011, retrieved on 18 February 2021. Growth plan for Life Science, Danish Ministry of Business Affairs 2018, retrieved on 18 February 2021.

⁴⁴ The Swedish Drug Discovery and Development Pipeline 2020, SwedenBIO, retrieved on 2 December 2020, p. 10.

⁴⁵ The Swedish Drug Discovery and Development Pipeline 2020, SwedenBIO, retrieved on 2 December 2020.

⁴⁶ SwedenBIO's estimates based on databases, conference participation, SwedenBIO's member database, incubators and surveys.

⁴⁷ The Swedish Drug Discovery and Development Pipeline 2020, SwedenBIO, retrieved on 2 December 2020, p. 10.

⁴⁸ The Swedish Drug Discovery and Development Pipeline 2020, SwedenBIO, retrieved on 2 December 2020.

⁴⁹ FactSet retrieved 2 December 2020. Exchange rates: SEK/NOK (0.963), EUR/SEK (10.282) and DKK/SEK (1.381) as of 2 December 2020.

⁵⁰ The Swedish Drug Discovery and Development Pipeline 2020, SwedenBIO, retrieved on 2 December 2020, p. 18.

THE PRODUCT LIFE CYCLE AND MARKET DYNAMICS IN LIFE SCIENCE

Market dynamics and the product life cycle in life science are to a great extent affected by regulations. This mainly applies to the research and development process, potential market approval and market exclusivity. Development from idea to commercialisation of pharmaceutical products follows a clear, standardised process. The development of medical devices also follows a clear process, although not as standardised as that for the development of medicines. Market dynamics and the product life cycle for the respective areas are described below.

The product life cycle for pharmaceutical products

The regulation for market approval sets requirements on how a company can develop a new drug, which includes a number of clinical test phases. If there is approval, the company obtains market exclusivity over a certain period, which results in high temporary entry barriers as well as an attractive competitive position and pricing. After the end of exclusivity period competitors can manufacture generic drugs, which usually leads to a significantly lower pricing.

As illustrated in the figure below, which describes the development process in the United States according to FDA guidelines, the research and development process has five steps.⁵¹ In the first step, researchers make a discovery and further investigations are carried out to study how the drug candidate or candidates work. Preclinical studies examine whether the candidate can cause serious injury, i.e. the toxicity of the drug candidate.⁵² According to the FDA, there are thousands of candidates in the first stage, but only a few are sufficiently

promising to go to the next phase with further studies.⁵³

The clinical studies are the first to be performed on humans. Phase I usually lasts for several months and includes between 20 and 100 volunteers with or without the disease/diagnosis.⁵⁴ The purpose of the Phase I study is to find out the dosage and make sure that the candidate is safe for humans.

About 70 per cent of drug candidates continue to phase II. Phase II lasts from a few months to two years, and includes up to several hundred patients with the disease/diagnosis. During Phase II, the safety of the drug candidate is also studied.

Roughly one third of the drug candidates in Phase II continue to Phase III, which lasts from one to four years and includes between 300 and 3,000 volunteers with the diagnosis/disease. The purpose of the Phase III study is to ensure the treatment candidate's treatment advantage, and to detect any side effects and the severity of the side effects.

About 25–30 per cent of drug candidates proceed to the next step, which is the review process. A total of approximately six per cent of the drug candidates who began clinical studies proceed to the approval process.

If the supervisory authority approves the drug candidate, Phase IV studies will begin, these are safety monitoring after approval. Some side effects are so rare that they can only be detected after market approval.

The development process in Europe is similar to the development process in the United States, but can differ somewhat in certain respects. For example, the American process is centralised with a supervisory authority, while there is a centralised authority in Europe, the European Medicines Agency (EMA), and supervisory authorities in each individual country (e.g. the Swedish Medical Products Agency).⁵⁵

⁵¹ FDA. Learn about drug and device approvals. [fda.gov/patients/learn-about-drug-and-device-approvals/drug-development-process](https://www.fda.gov/patients/learn-about-drug-and-device-approvals/drug-development-process), retrieved on 2 March 2021.

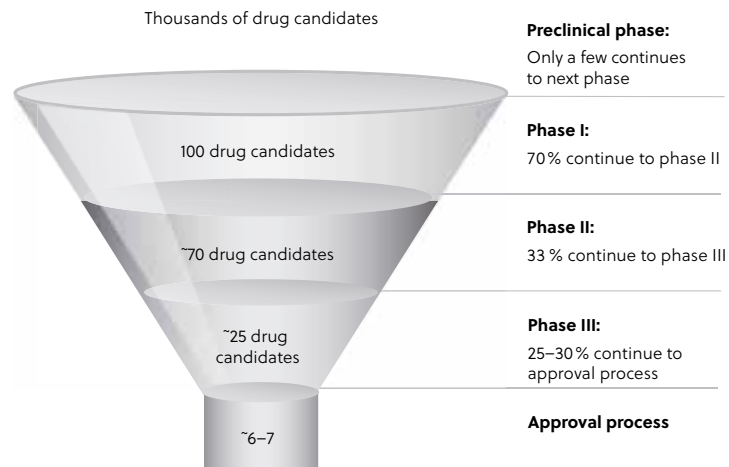
⁵² FDA. Learn about drug and device approvals. [fda.gov/patients/drug-development-process/step-2-preclinical-research](https://www.fda.gov/patients/drug-development-process/step-2-preclinical-research), retrieved on 2 March 2021.

⁵³ FDA. Learn about drug and device approvals. [fda.gov/patients/drug-development-process/step-1-discovery-and-development](https://www.fda.gov/patients/drug-development-process/step-1-discovery-and-development), retrieved on 2 March 2021.

⁵⁴ FDA. Learn about drug and device approvals. [fda.gov/patients/drug-development-process/step-3-clinical-research](https://www.fda.gov/patients/drug-development-process/step-3-clinical-research), retrieved on 2 March 2021.

⁵⁵ EMA. Authorisation of medicines. [ema.europa.eu/en/about-us/what-we-do/authorisation-medicines](https://www.ema.europa.eu/en/about-us/what-we-do/authorisation-medicines), retrieved on 5 March 2021.

OVERVIEW OF THE VARIOUS CLINICAL PHASES IN DRUG DEVELOPMENT



Source: FDA Learn about drug and device approvals. [fda.gov/patients/learn-about-drug-and-device-approvals/drug-development-process](https://www.fda.gov/patients/learn-about-drug-and-device-approvals/drug-development-process), retrieved 2 March 2021.

Market dynamics for pharmaceutical products

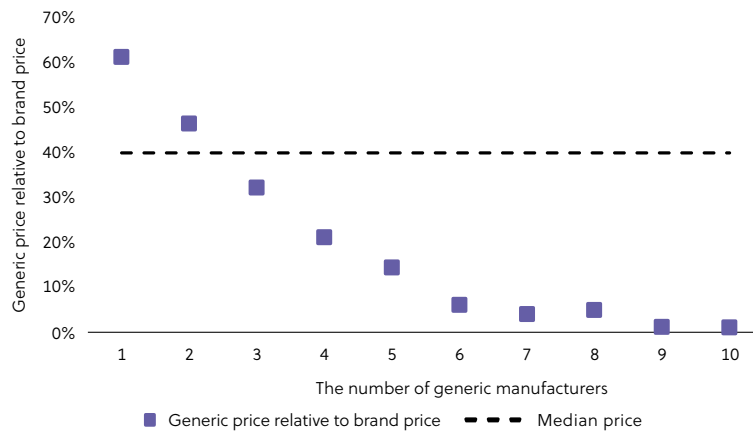
After approval, a company may obtain exclusivity on the market for a certain number of years depending on the type of drug. Within the EU, new active substances are given market exclusivity for eleven years.⁵⁶ In the USA, new chemical substances are given five years, new indications, i.e. an approved drug that is used in a new way, three years, new biology twelve years and orphan drug classification (for so-called orphan diseases) twelve years.⁵⁷ Orphan drugs refer to drugs for very rare diseases that do not yet have treatment options. After the exclusivity period, competitors can manufacture generic drugs.

As depicted in the figure below, the price of a generic drug depends on the number of companies manufacture the drug. According to the FDA, the generic drug price falls by an average of 39 percent compared to the brand price, i.e. the price of the original drug, . If there are ten generic manufacturers, the price falls by an average of 99 per cent compared to the brand price. The median price of generic medicines is 40 per cent lower than the brand price. These price adjustments are also affected by a number of factors such as local market dynamics and the system's efficiency with regards to generic medicine exchange.

⁵⁶ Pharmaceutical Innovation and Access to Medicines. OECD 2018.

⁵⁷ Pharmaceutical Innovation and Access to Medicines. OECD 2018.

THE PRICE OF GENERIC MEDICINES AND THE NUMBER OF MANUFACTURERS OF GENERIC MEDICINES



Source: Generic Competition and Drug Prices, FDA 2019.

The product life cycle for medical devices

The product life cycle, mainly the development process, for medical devices is similar to the cycle for medicines and is largely governed by regulatory aspects, but given that the risk spectrum for medical devices is much wider than for pharmaceuticals, the development process is not as standardised for the entire medical technology industry as for the pharmaceutical industry.

The research and development process for medical devices

The definition of medical devices is broad. It includes everything from face masks to IVF dialysis machines and equipment. This means that the regulatory requirements vary, which in turn depends on the level of risk. Most medical devices need to undergo preclinical studies and quality controls, but only medical devices that are to be implanted or are life-sustaining need to undergo clinical trials in the EU and the USA.⁵⁸

Before a company can begin clinical trials on humans, preclinical studies are conducted with a prototype. In the EU, the purpose of the clinical study is to demonstrate that the medical technology is safe.⁵⁹ The study can be carried out without a control group and without random sampling, but must be approved by a notified body.⁶⁰ Notified bodies are independent organisations that assist and monitor the manufacturers' work to verify, among other things, that the medical technology meets the EU requirements for CE marking. In the United

States, the purpose of the clinical study is to demonstrate that the medical technology is safe and effective.⁶¹ In both of these jurisdictions, the new product is approved if the benefits of the medical technology are greater than the side effects.⁶² An important factor that affects the regulatory requirements for medical devices is the new EU-wide regulatory framework Medical Device Regulation (MDR), which is expected to come into force in 2021 and 2022. The regulations are expected to place higher demands on medical devices than previous regulations.

Market dynamics for medical devices

The medical technology companies are heterogeneous, which is reflected in a large variety of products. There are, for example, products in X-ray, orthopaedic implants, minimally invasive surgery, pacemakers, dialysis, aids for the disabled, medical records systems and consumables. Competitive advantages are achieved through, for example, IP protection, active customer processing, cost efficiency, quality and delivery security, and the ability to innovate. Some companies have their own production and others are distributors. In Sweden, there are currently approximately 640 medical technology companies with over four employees. In 2013, 180 of these companies conducted research and development in Sweden. In recent years, exports from medical technology companies have been just over SEK 20 billion.⁶³

⁵⁸ New Health Technologies: Managing Access, Value and Sustainability, OECD 2017, retrieved on 22 February 2021, p. 121.

⁵⁹ New Health Technologies: Managing Access, Value and Sustainability, OECD 2017, retrieved on 22 February 2021, p. 121.

⁶⁰ New Health Technologies: Managing Access, Value and Sustainability, OECD 2017, retrieved on 22 February 2021, p. 121.

⁶¹ Clinical trials for medical devices: FDA and IDE process. FDA.

⁶² New Health Technologies: Managing Access, Value and Sustainability, OECD 2017, retrieved on 22 February 2021, p. 121.

⁶³ Orderly introduction of Medical Technology: Swedish MedTech, November 2020.

Business description

Linc is an Investment Company focusing on long-term share ownership in the Nordic life science market. The Company primarily invests in, and develops, small and medium-sized product-oriented life science companies within the medical technology and pharmaceutical industries.

Investments are made in both private and public companies and in research and business companies respectively. Typically, investments in pharmaceutical companies take place at an earlier stage than investments in medical technology companies.

Linc is an active, long-term owner with a broad industrial network to support the portfolio companies and their development. Linc works together with management teams, founders and the board of directors to realise the inherent potential that exists in each portfolio company, and as owner Linc has ambitious plans for further development and expansion of the portfolio companies. Linc actively participates in nomination committee work and contributes to appointing competent management personnel and board representatives in the portfolio companies.

As of 31 March 2021, Linc's net asset value amounted to SEK 2.5 billion and the average annual return including dividends amounted to 26 per cent during the period 31 December 2010 to 31 December 2020.

IMPORTANT EVENTS IN LINC'S HISTORY

2021	Investment in Initiator Pharma. Share issue in Epicyt Pharma. Share issue in Gesynta Pharma. Share issue in Animal Probiotics. Purchase of shares in Synartro. Purchase of shares in Cinclus Pharma. Purchase of shares in Calliditas. Share issue in InDex Pharmaceuticals. Share issue in Medivir. Share issue, listing, and purchase of shares in OncoZenge. Investment in OssDsign. Sale of the holding in Elos Medtech.
2020	Investment in AdderaCare. Investment in OncoZenge. Investment in Sixera Pharma. Investment in Synartro. Stock exchange listing of Calliditas in the USA. Investment in Epicyt Pharma. Investment in FluoGuide. The value of Linc's holdings in Athera Biotechnologies is adjusted negatively by SEK -19 million after a negative outcome in the portfolio company's clinical studies. Net asset value of SEK 2.5 billion.

2019	Sale of the holding in Midsona. Founding of Part Production Sweden. Net asset value of SEK 1.7 billion.
2018	Investment in InDex Pharmaceuticals. Listing of Calliditas Therapeutics in Stockholm. Acquisition of shares in Elos Medtech. Investment in Society. Investment in Gesynta Pharma. Net asset value of SEK 1.1 billion.
2017	Listing of Sedana Medical. Acquisition of shares in Medivir. Net asset value of about SEK 0.8 billion.
2016	Sale of the holding in Meda. Sale of the holding in Bringwell. Sale of the holding in Boule. Investment in Cinclus Pharma. Net asset value of about SEK 0.8 billion.
2015	Investment in Athera Biotechnologies. Net asset value of about SEK 0.6 billion.
2014	Acquisition of shares in Arcoma. Net asset value of about SEK 0.5 billion.
2013	Investment in Animal Probiotics. Net asset value of about SEK 0.3 billion.
2012	Acquisition of shares in SweVet. Net asset value of about SEK 0.2 billion.
2011	Net asset value of about SEK 0.2 billion.
2010	Net asset value of about SEK 0.2 billion.
2008	Acquisition of shares in nWise AB.
2007	Investment in MedCap.
2005	Pharmalink sells product portfolio to Meda. Sedana Medical is founded.
2004	New Pharmalink is formed, projects are separated into own company (now Calliditas Therapeutics) and sale of product portfolio begins.
1999	The main project in Calliditas Therapeutics is acquired. Listing of Stille AB.
1993	Acquisition of Stille AB.
1991–1992	Pharmalink and Linc are founded.

BUSINESS CONCEPT AND STRATEGY

As owner, Linc's business concept is to be involved in developing Nordic life science companies by contributing capital, expertise, experience and networks within each company's area of operation. Investments are made in Nordic product-oriented companies with global potential.

Linc normally invests SEK 25–250 million in each investment, where the initial entry-level investment is often relatively small and follow-on investments typically make up the largest part of the total amount invested. Linc ensures a meaningful influence by normally being one of the major investors in the

portfolio companies. Linc values co-ownership by the portfolio company's management and its employees and by other competent, long-term co-investors.

STRENGTHS

The Company believes that the strengths that contribute to the Company being able to fulfil its business concept in a successful manner include:

- That the Nordic life science market is an attractive market underpinned by strong underlying trends.
- That Linc has an experienced Board and management with value-creating history.
- That Linc applies a structured investment process with active ownership in a portfolio with exposure to several interesting niche segments and has a strategy for diversification.
- That Linc has a value-creating history.
- That the Company's portfolio includes listed medical technology and pharmaceutical companies with upside value.
- That Linc has an exposure to unlisted medical technology and pharmaceutical companies with potential for value realisation.
- That Linc actively works to achieve sustainable, positive results.

The Nordic life science market is an attractive market underpinned by strong underlying trends

Linc focuses on product-oriented companies in the Nordic life science industry and invests primarily in small and medium-sized companies in medical technology and pharmaceuticals. The Company's assessment is that the Nordic life science industry is an attractive market with many interesting companies in medical technology and pharmaceuticals.

Several factors suggest that global demand for new medicines and medical technology will continue to increase for the foreseeable future. These factors include population growth, an aging population and a growing middle class in developing countries. Also, the pharmaceutical and medical technology industries are expected to be positively affected by general economic growth and greater scope for, and need for, investments in innovation and digitisation within health-care. Consequently, innovation and digitisation are expected to result in new technologies and medicines that will increase demand further. In addition, demographic shifts, economic growth and other trends are expected to contribute to an increase in certain diseases, such as well-being diseases and chronic diseases, thus further increasing demand for medicines and medical technology. In summary, the driving forces in the market are expected to lead to the industry growing faster than the overall economy.

⁶⁴ Indirectly through Cronhamn Invest AB.

Linc has a positive view of the Nordic life science industry. The Nordic region is a market with a favourable business climate which is characterised by stable growth, an environment in which it is easy to do business, well-functioning capital markets, a high degree of innovation and strong political support for research and development in life sciences. Furthermore, Linc considers that the number of successful companies clearly points to innovation and attractiveness in the Nordic life science market and that the history of innovation and success contributes to good prerequisites for continued success. For more information about Linc's view of the Nordic life science market, see the section "*Market overview*".

Experienced board and management with a history of value creation

Linc has an experienced board and management with a long history of value creation and extensive experience in the Nordic life science market. The chairman of the board, who is also the Principal Owner, has over 25 years of experience of investing in the healthcare industry, and the Company's CEO has over 17 years of experience from the industry. At present, management of the Prospectus consists of three people. In addition to facilitating effective decision-making, the modest size of the management contributes to keeping the Company's management costs at a level which, in the Company's opinion, is low in relation to the Company's net asset value. As of 31 March 2021, the Company's annual management costs amounted to 0.5 per cent of the Company's net asset value as of 31 March 2021. Furthermore, the Principal Owner⁶⁴ issued call options to certain of the Company's board members and senior executives, which in Linc's opinion provides positive incentives to the board and management. For more information about Linc's board and management, see the section "*Board of directors, senior executives and auditor*". For more information about some of the Board members' and senior executives' call options, see the section "*Share capital and ownership – Convertibles, warrants, etc.*".

A structured investment process with active ownership in a portfolio with exposure to interesting niche segments

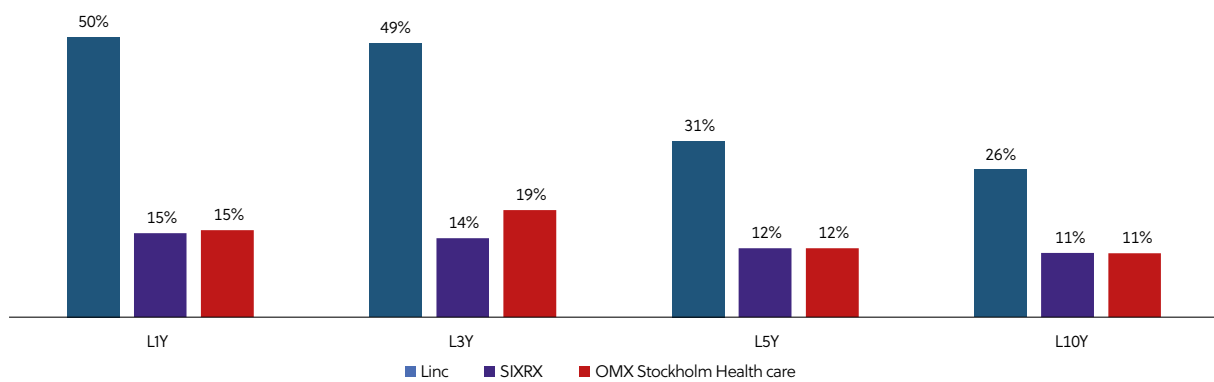
Linc applies a structured process for selecting and implementing new investments, based on a combination of incoming proposals and outgoing "scouting". After completion of the investment, Linc exercises active ownership, focusing on strengthening the portfolio companies' existing operations by contributing industrial expertise, networks, commitment and resources. An important part of Linc's investment strategy is also to achieve and maintain a diversified portfolio, consisting of carefully selected companies in several interesting niche

segments in the Nordic life science market. For more information on Linc's investment process and ownership, see the section "Investment Strategy". For more information on how Linc exercises its active ownership, see the section "What Linc adds to its portfolio companies".

Value-creating history

Between 31 December 2010 and 31 December 2020, Linc's portfolio generated an average annual return, including dividends, of 26 per cent, which means that Linc has consistently exceeded relevant benchmark indices. During the period 2019–2020, the annual return including dividends amounted to 50 per cent. During the period 2017–2020, average annual return including dividends was 49 per cent, and for the period 2015–2020, the average annual return including dividends was 31 per cent.

LINC'S TOTAL RETURN IN COMPARISON WITH SELECTED INDICES

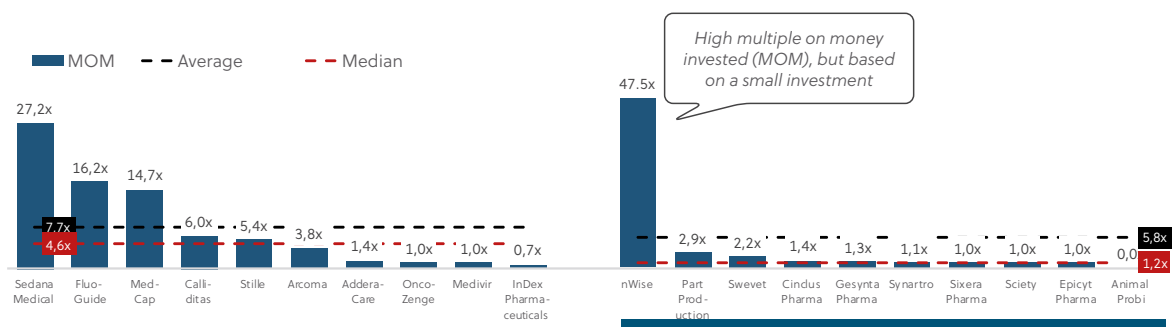


Source: The Company's audited annual report for 2020, the Company's internal accounting system, FactSet (as of 31 December 2020) and Bloomberg (as of 31 December 2020).

As of 31 December 2020, Linc's return on investments in the underlying portfolio companies has varied. The figure below

shows the return, measured as a multiple of money invested (MoM), in each portfolio company as of 31 December 2020.

LINC'S RETURNS IN EACH PORTFOLIO COMPANY



	Public investments									
Initial investment year ¹	2005	2020	2007	1999	1993	2014	2020	2020	2017	2018
Investments (SEKm) ²	24	5	47	108	35	20	25	3	9	59
NAV (SEKm) ³	652	86	682	648	187	76	36	3	8	41

	Private investments									
	2008	2019	2012	2016	2018	2020	2020	2018	2020	2013
Investments	0	11	6	13	27	6	10	3	1	4
NAV	6	32	13	19	36	6	10	3	1	0

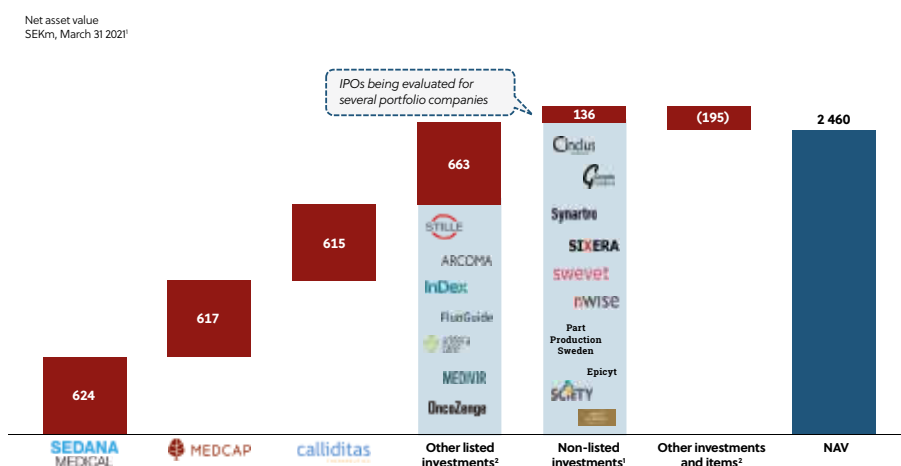
¹ The date of Linc's first investment in the Company. The information is taken from the Company's audited annual report 2020.
² Total acquisition value of each investment as of 31 December 2020. The information is from the Company's audited 2020 annual report. For more information see Note 10 – "Investments in shares and securities valued at fair value" in the section "Historical financial information".
³ Net asset value of the investment as of 31 December 2020. The information is from the Company's audited 2020 annual report. For more information see Note 10 – "Investments in shares and securities valued at fair value" in the section "Historical financial information".

The Company's portfolio includes listed medical technology and pharmaceutical companies with upside value.

Through ownership in both listed and unlisted holdings, Linc has a distinctive exposure to the Nordic life science market. Linc has historically experienced that a large part of the value

development took place in connection with and after the listing of previously unlisted. Linc believes that there continues to be good potential for value development in the listed holdings. For more information on Linc's portfolio, see the section "Linc's portfolio companies".

SIGNIFICANT VALUE POTENTIAL IN THE UNLISTED HOLDINGS AND FURTHER UPSIDE IN THE LISTED PORTFOLIO



¹ Net asset value of the Portfolio as of 31 March 2021, excluding investments or divestments made after 31 March 2021.

² Linc's holding in Athera Biotechnologies has been adjusted to SEK 0.0 after a negative outcome in the portfolio company's clinical studies.

³ Other assets and liabilities include other investments, cash and cash equivalents, receivables and liabilities.

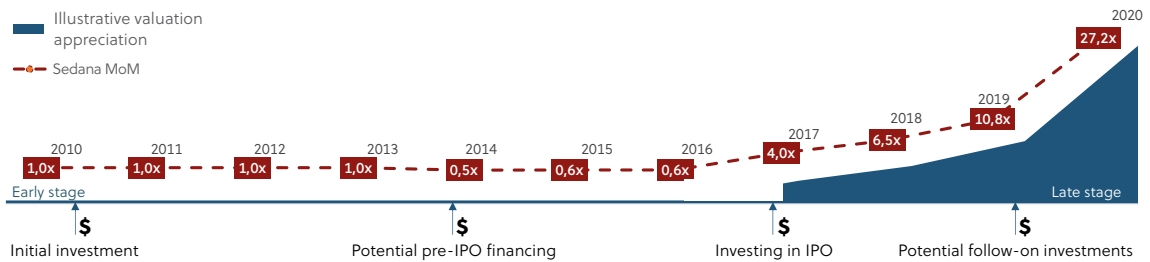
Source: The Company's unaudited interim report for the period 1 January 2021–31 March 2021.

Exposure to unlisted medical technology and pharmaceutical companies with potential for value realisation

Linc has exposure to several unlisted holdings in which Linc identifies substantial potential for value realisation. Linc normally takes one or more value-creating measures when investing in non-listed portfolio companies. Such measures include the identification and appointment of executives and the Board, and the use of Linc's extensive network to create

value across Linc's entire platform of holdings. In addition, Linc assists its portfolio companies with advice on preclinical development and process management and gives advice on clinical trials. Linc also assists with advice in clinical development and testing, and in the commercialisation of the portfolio companies' products.

POTENTIAL VALUE INCREASE IN THE UNLISTED PORTFOLIO



Source: The Company's audited 2020 annual report, the Company's internal accounting system.

Active work to achieve sustainable, positive results

A purpose-driven mindset is at the core of all Linc's investment decisions, which in Linc's view contributes to positive results and sustainable solutions to global challenges. Linc strives to be a strong contributing factor to ensure healthy life and promote well-being for people of all ages. Through its work in the portfolio companies' nomination committees and Boards, Linc also works actively to promote gender equality. The portfolio companies also contribute to sustainable growth by acting ethically and in accordance with local legislation. The portfolio companies thus contribute to sustainability through innovations that contribute to improved health, less suffering and more efficient and thus more accessible care. By contributing both capital and expertise, Linc also strives to drive enduring, sustainable innovation. Linc ensures that sustainability is an integral part of the portfolio companies' operations and supports innovation to improve the sustainability of the portfolio companies' production. For more information on Linc's sustainability efforts, see section "Investment strategy – Evaluation and monitoring of sustainability work".

INVESTMENT STRATEGY

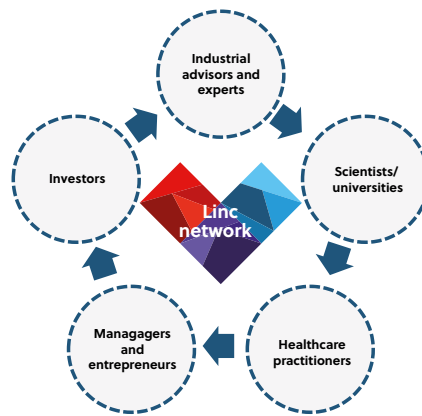
In accordance with its investment strategy, Linc focuses on investments in small and medium-sized life science companies in the Nordic region. The Company invests in both listed and unlisted companies, where the goal is for the unlisted holdings not to exceed 25 per cent of Linc's total net asset value. Also, the three single largest holdings should together not exceed 75 per cent of Linc's initial investment. However, if the concentration of value exceeds this level as a consequence of change in value in the individual holdings, there are no requirements to dispose of such assets.

In many cases, Linc is an active owner and the investments are basically a meaningful exposure for Linc, insofar as the Company is normally the largest owner, or one of the largest owners, of the portfolio companies. In addition, active ownership is often exercised through representation on the

Boards of the portfolio companies, if Linc considers that such representation can contribute to value creation in the portfolio companies. In such cases, Linc's Board representatives are either from Linc's own organisation or from Linc's broad industrial network. In addition to the active investments, Linc can also make so-called financial investments, where Linc exercises ownership that is more passive and with which Board representation is not necessary. Financial investments are primarily based on the estimated potential return of the investment. For both active investments and financial investments, Linc has a flexible ownership horizon, which means that there is no upper limit for the holding period. The flexible ownership horizon provides scope for Linc to assess its ability to contribute with value-creating initiatives through its ownership in the portfolio companies and its view of their value and future potential. The focus is on maximising exit potential and optionality.

There are a number of overarching key factors that contribute to Linc's success and that are important to Linc in connection with investments in portfolio companies, such as Linc's network, industrial expertise, structured investment process and focus on active ownership. Since Linc was founded in 1991, the Company has built up a broad industrial network, which gives Linc early access to rare investment opportunities in the unlisted environment. The industrial expertise that Linc has built up through long experience of its executives and its proven history in the life science sector makes it easier for the Company to make appropriate and favourable investment decisions. Furthermore, Linc's rigorous and structured investment process (see the section "Investment strategy – Investment process") contributes to Linc gaining the necessary insight and appropriate basis for being able to make well-informed investment decisions. In many cases, Linc's focus on active ownership and value-creating activities in the portfolio companies also makes Linc an attractive alternative for companies that look for investors.

OVERVIEW OF THE LINC NETWORK



Investment process

Investment opportunities arise because Linc is an active investor in the Nordic life science market. Furthermore, Linc generates a large influx of investment ideas through its network and its established relationships with entrepreneurs, co-investors, researchers, healthcare professionals, universities, colleges and other key people in the industry.

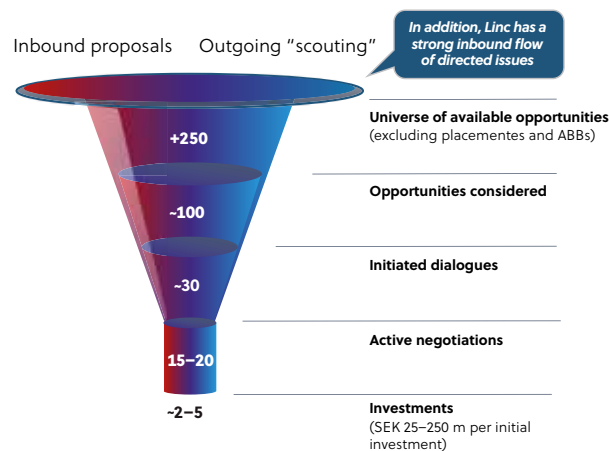
The starting point for Linc's investment decision is an overall assessment of the possibilities of creating shareholder value. Each investment is assessed on the basis of a number of factors, such as the potential of the business model, critical future milestones, cash flow profile and need for future financing, identified risk factors, the Companies' management and long-term commitment by other owners.

With each new investment, a due diligence is performed by the intended portfolio company. The analysis covers industry and business considerations, regulatory, clinical, legal and financial aspects as well as environmental and responsibility issues. The results of the analysis form the basis for the investment decision, which is then made by Linc's board of directors.

Linc's deal flow for investments in new portfolio companies consists of both incoming investment proposals from compa-

nies and investors and Linc's own identification of potential investment opportunities. Further, Linc has a strong flow of incoming investment proposals in the form of directed share issues. The Company considers that it, partially thanks to its broad industrial network, gains access to many interesting investment opportunities in both a listed and an unlisted environment. Linc's selection process for investments in new portfolio companies may be illustrated by the diagram below. The Company assesses that the potential investment universe, excluding the deal flow generated in listed companies through directed share issues, amounts to approximately 250 possible investments or more annually. Of these possible investments, Linc normally spends time on approximately 100 investment opportunities. As a consequence of such work streams, the Company estimates that approximately 30 investment opportunities qualify for the next step, in which Linc initiates a dialogue with the companies' boards of directors and/or owners. Approximately 15–20 of these dialogues normally lead to active negotiations that in turn lead to an estimated two to five investments per year, in a size interval of SEK 25 million–SEK 250 million per investment.

INVESTMENT FUNNEL AND SELECTION PROCESS FOR INVESTMENTS IN NEW PORTFOLIO COMPANIES



Before the investment is made, a clear plan is adopted for the development of the holding under Linc's ownership. If there are co-investors, the conditions between the parties are normally regulated in a detailed shareholder agreement. In this way, better conditions are created for consensus on ownership, and this also means less risk associated with the management of the portfolio company.

Linc's investment focus

In summary, Linc has the following focus for its investments:

- Investment range: SEK 25 million–SEK 250 million
- Listed and unlisted companies
- Early stages in pharmaceutical companies and somewhat later in medical technology companies
- Flexible ownership horizon without any outer limit
- Self-generated business flow
- Investments in companies headquartered in the Nordic region

Evaluation and monitoring of sustainability work

Linc has been, and still is, a small organisation investing in Nordic life science companies focused on contributing to the health and well-being of societies. Many of Linc's investments are early stage companies with small organisations and hence Linc's sustainability contribution has been focused on finding the right board and management for the portfolio companies. As the portfolio companies evolve and mature, other sustainability aspects gain an increasing importance. As Linc's organisation has increased in size, additional focus has been directed towards sustainability considerations and towards formalising Linc's approach towards such considerations. The board of directors has adopted a number of policies, inter alia

stipulating that Linc shall include sustainability in its investment analysis and decision-making concerning the Company's portfolio companies, and Linc has high expectations on employees and external parties with respect to social and environmental responsibility, as well as ethics. Linc also strives for transparency around corporate governance and sustainability reporting. Further, questions relating to responsible investments and ownership are included on the board of directors' agenda on a regular basis. Linc's investment analysis takes compliance with laws and regulations into consideration, as well as how the portfolio company copes with the UN Global Compact principles. Linc does not invest in companies that do not live up to these standards and requirements. Linc intends to continuously report on its sustainability work in the form of a sustainability report which shall be published as part of the Company's annual report. The Company is preparing a framework with regular follow-up areas and measurable key performance indicators to be included in the sustainability reports. Key areas in this regard include the promotion of innovation, health, prosperity, anti-discrimination, environment and responsibility as regards compliance with rules and regulations as well as ethical standards and social responsibility.

DIVIDEND POLICY AND FINANCIAL TARGETS

The Company's cash flow is primarily intended to be reinvested in the business in order to finance future growth and therefore Linc does not intend to pay any annual dividend in the short term.

As per the day of the Prospectus, Linc has not adopted any financial targets.

WHAT LINC ADDS TO ITS PORTFOLIO COMPANIES

Linc is an active owner and the ambition is always to strengthen the portfolio companies' existing operations by contributing expertise, networks and commitment. For many entrepreneurs, who want to find a partner in the development of their company, Linc offers an attractive alternative as Linc's pragmatic attitude and business-oriented approach means a fast-paced, forward-looking sounding board for entrepreneurs and management as well as co-investors.

Linc works purposefully to combine entrepreneurship with Linc's access to resources, networks and industrial expertise. Linc offers its portfolio companies support for the next step in their development in the form of, for example, capital and Linc's national and international networks in the world of research, healthcare institutions, colleges and universities.

Linc also contributes to the appointment of a competent Board in the portfolio companies and offers ownership expertise that provides credibility with banks as well as partners and participates in the recruitment of new strong managements when required.

Ownership in Linc's portfolio companies is exercised actively, professionally and with a feeling for entrepreneurship and a strong focus on sustainability. Linc strives for sustainability to be an integral part of the management of the portfolio companies, and the Company especially supports innovation to improve sustainability in the portfolio companies. Linc, for example, contributes capital and expertise that drives long-term and sustainable innovation. Adopted plans for the portfolio companies are followed up on an ongoing basis in close cooperation between Linc, the management of the Companies and their Boards.

LINC'S PORTFOLIO COMPANIES

At the date of the Prospectus, Linc has some twenty investments in companies based in the Nordic life science market. Linc is an active owner in all the portfolio companies. Investments are made in two main sub-sectors of the life science market: medical technology and pharmaceuticals. The portfolio companies are basically product-oriented and all of them have global ambitions. In the medical technology sector, the portfolio companies are typically in a later stage of development and in most cases have products on the market and an established market position. Linc's initial investments in pharmaceutical companies usually take place when the portfolio companies are in the clinical development phase, which means that the investments are made relatively early in the portfolio companies' development.

The portfolio companies are thus in different stages; everything from the early research phase to fully commercially proven business models with good profitability. What the portfolio companies have in common is that Linc strives to be a large owner who, together with management and other owners, actively drives the development of the Companies. As of the date of the Prospectus, Linc's portfolio consists of ten listed and ten unlisted portfolio companies.⁶⁵ Through ownership in listed and unlisted holdings, of which investments in the latter are rarely available to the public, Linc has a unique exposure to the Nordic life science market. Linc invested a total of SEK 84 million in 2020. About half of the amount invested in 2020 was invested in unlisted companies. Linc has historically experienced that a large part of the value development took place in connection with and after the listing of previously unlisted holdings. Linc also believes that there continues to be good potential for value development in the listed holdings.

⁶⁵ Excluding the holdings in Linc Ägande and Athera Biotechnologies. As per the day of the Prospectus, Linc Ägande is not an operating company, and Linc's holding in Athera Biotechnologies has been adjusted to SEK 0.0 after a negative outcome in the portfolio company's clinical studies.

31-03-2021 ⁶⁶	Share of equity	Share price (SEK)	Number of shares/participating interests	Current value (SEK million)	SEK/share	As share of net asset value
Listed holdings						
AdderaCare	23.2%	7.8	7,812,500	60.9	1.5	2.5%
Arcoma	26.9%	21.6	3,445,131	74.4	1.9	3.0%
Calliditas Therapeutics	10.1%	122.0	5,041,450	615.1	15.4	25.0%
FluoGuide	6.8%	110.0	718,500	79.0	2.0	3.2%
InDex Pharmaceuticals	13.1%	1.7	69,920,567	119.4	3.0	4.9%
MedCap	20.0%	208.0	2,965,946	616.9	15.4	25.1%
Medivir	10.5%	8.4	5,840,172	48.9	1.2	2.0%
OncoZenge	6.8%	11.4	800,911	9.1	0.2	0.4%
Sedana Medical	8.2%	328.5	1,899,701	624.1	15.6	25.4%
Stille	42.2%	133.0	2,036,355	270.8	6.8	11.0%
Total listed holdings				2,518.7	63.0	102.4%
Unlisted holdings						
Animal Probiotics	19.7%		1,347,190	0.7	0.0	0.0%
Athera Biotechnologies ¹	10.9%		957,000	0.0	0.0	0.0%
Cinclus Pharma	2.7%		7,029	18.6	0.5	0.8%
Epicyt Pharma	6.4%		104,942	1.3	0.0	0.1%
Gesynta Pharma	13.6%		38,013	40.0	1.0	1.6%
Linc Holding Sverige	100.0%		250	0.0	0.0	0.0%
nWise Ägare	50.0%		125	6.3	0.2	0.3%
Part Production Sweden	50.0%		500	35.8	0.9	1.5%
Society	6.7%		5,310	3.0	0.1	0.1%
Sixera Pharma	9.9%		8,772	10.0	0.3	0.4%
SweVet	27.0%		11,843,558	14.0	0.3	0.6%
Synartro	13.8%		34,800	6.2	0.2	0.3%
Total unlisted holdings				135.8	3.4	5.5%
Other assets and liabilities²				-194.7	-4.9	-7.9%
Net asset value				2,459.8	61.5	100.0%

¹ Linc's holding in Athera Biotechnologies has been adjusted to SEK 0.0 after a negative outcome in the portfolio company's clinical studies.

² Of which SEK 18.5 million pertains to endowment insurance with Avanza, SEK 22.2 million pertains to cash and cash equivalents, SEK -124.8 million pertains to used credit and SEK -119.6 million pertains to deferred tax liabilities.

⁶⁶ For information regarding the period after 31 March 2021, refer to the section "Comments on the financial development – Significant changes in the Investment Company's financial position or market position after 31 March 2021".

Strong focus on the unlisted portfolio

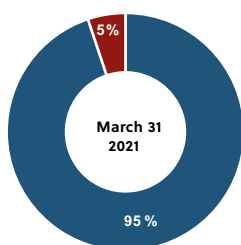
As of 31 March 2021, the listed portfolio companies accounted for 95 per cent of Linc's net asset value, excluding other placements, cash, receivables and liabilities. The unlisted holdings thus amounted to five per cent of Linc's net asset value, excluding other placements, cash, receivables and debt. Based on invested amounts as of 31 March 2021, the listed holdings accounted for 84 per cent of the portfolio, while the unlisted holdings accounted for 16 per cent.

However, based on the number of holdings in the portfolio,

and Linc's estimate of the resource distribution between the listed and unlisted portfolio companies, the distribution looks different. In terms of the number of holdings, the listed and unlisted holdings accounted for 50 and 50 per cent, respectively, in Linc's portfolio.⁶⁷ Furthermore, Linc estimates that about 80 per cent of the organisation's resources are dedicated to the unlisted portfolio companies over time, while the corresponding figure for the listed holdings amounts to 20 per cent.

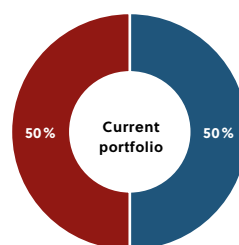
STRONG FOCUS ON THE NON-LISTED PORTFOLIO

Listed and non-listed assets by NAV (%)¹



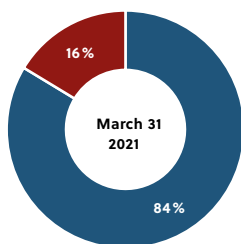
■ Listed companies ■ Non-listed companies

No. of listed and non-listed assets (%)²



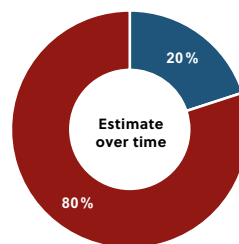
■ Listed companies ■ Non-listed companies

Listed and non-listed assets by invested amounts (%)³



■ Listed companies ■ Non-listed companies

Resources dedicated to listed and non-listed portfolio companies (%)⁴



■ Listed companies ■ Non-listed companies

¹ Net asset value excluding other investments, cash, receivables and liabilities as of 31 March 2021. The net asset value excludes investments and divestments made after 31 March 2021. The information is taken from the Company's unaudited interim report for the period 1 January 2021–31 March 2021.

² Based on acquisition values as of 31 March 2021, excluding investments in SEB Primary Interest Fund, Kapitalförsäkring Avanza and Kapitalförsäkring Nordea. The information is taken from the Company's unaudited interim report for the period 1 January 2021–31 March 2021.

³ Based on the number of listed and unlisted portfolio companies, excluding the holdings in Linc Ågande and Athera Biotechnologies.

⁴ Linc's estimate of the organisation's distribution of resources between listed and unlisted portfolio companies over time.

Source: The Company's unaudited interim report for the period 1 January 2021 – 31 March 2021, the Company's internal accounting system and the Company's estimate.

⁶⁷ Excluding the holdings in Linc Ågande and Athera Biotechnologies. As per the day of the Prospectus, Linc Ågande is not an operating company, and Linc's holding in Athera Biotechnologies has been adjusted to SEK 0.0 after a negative outcome in the portfolio company's clinical studies.

Significant upcoming events in a selection of the portfolio companies

As of the date of the Prospectus, Linc has identified the following selection of significant and potentially value-adding upcoming events in some of the listed and unlisted portfolio companies, respectively.⁶⁸

Portfolio company	Leading candidate	First half of 2021	Second half of 2021
Calliditas Therapeutics	Nefecon	During the first half of 2021, application for approval within the EU was made to the European Medicines Agency.	During the second half of 2021, the portfolio company intends to begin a Phase II / III study in respect of PBC (setanaxib). In 2021, a Phase II "proof of concept" study in respect of head and neck cancer (setanaxib) will also be initiated.
Sedana Medical	Sedaconda		During the second half of 2021, it is expected that market approval in the EU in respect of Sedaconda (isoflurane) will be obtained.
FluoGuide	FG001	It is expected that the results of the Phase I study will be obtained in about the middle of 2021 (regarding safety and determination of optimal dosage).	The efficacy results from the Phase II study are expected during the second half of 2021.
InDex Pharmaceuticals	Cobitolimod	A first study in a sequential Phase III programme is planned to be launched during the second quarter of 2021, it is expected to take about 18 - 24 months to complete. If the outcome of the study is positive, InDex Pharmaceuticals intends to launch a second study.	
Medivir	MIV-818		During the first six months of 2021, the intention is to commence part B of a Phase Ib study.

Portfolio company	Leading candidate	First half of 2021	Second half of 2021	First half of 2022	First half of 2022–2025
Cinclus Pharma	X842	Phase II studies are expected to start in the United States and Europe during the first half of 2021.	In 2021, the portfolio company is potentially expected to obtain a stock exchange listing.		It is estimated that a Phase III programme will be initiated in 2022.
Gesynta Pharma	GS-248		The results of the company's Phase IIa studies are expected during the second half of 2021.		
Sixera Pharma	SXR1096		The intention is to commence a Phase I/II study during the second half of 2021.		
Synartro	SYN321	It is estimated that preclinical studies will be completed during the first half of the year.			It is expected that Phase IIa studies will be initiated (including the first study on people) during the first half of the year.

⁶⁸ Unless otherwise stated, the information below is taken from each portfolio company's published financial statements, press releases and websites.



AdderaCare AB

2.5 per cent of Linc's net asset value as of 31 March 2021
 Market capitalisation as of 31 March 2021: SEK 263.0 million
 23.2 per cent ownership as of 31 March 2021
 Year of acquisition: 2020
 Invested amount: SEK 25.0 million

AdderaCare is a group of companies that focuses on acquisitions of companies in the assistive technology sector, with the aim of improving the quality of life for people with functional variations. The Group consists of the five subsidiaries Trident, Komikapp, Amajo, Erimed and Huka, whose products include ramps, stairs, lifts, bathroom equipment, prostheses, orthoses, orthopaedic shoes and mind-stimulating aids. AdderaCare's customers include municipalities, county councils and private individuals.



LINC'S VIEW OF THE INVESTMENT

AdderaCare has an acquisition-driven business model in which Linc sees excellent opportunities to create value in a fragmented subsegment of the medical technology industry.

KEY EVENTS IN 2020

- Private placement to Linc of SEK 25 million
- Settlement with the subsidiary Huka on additional purchase consideration
- Preferential issue of some SEK 15 million
- The Group is affected by the COVID-19 pandemic through reduced sales in the subsidiaries. Purchases of assistive technology products have become more difficult as customers' operations have been limited due to restrictions.

Financial development (SEK million)	2020	2019
Net turnover	205.2	205.9
Growth	-0.3%	7.0%
Operating profit/loss	11.4	-0.6
Operating margin	5.5%	-0.3%
Net profit / loss	10.0	-1.9



Arcoma AB

3.0 per cent of Linc's net asset value as of 31 March 2021
 Market capitalisation as of 31 March 2021: SEK 276.7 million
 26.9 per cent ownership as of 31 March 2021
 Year of acquisition: 2014
 Invested amount: SEK 20.0 million

Arcoma was founded in 1990 and is a Swedish supplier of complete radiology solutions which are used in important clinical application areas in radiology. The product portfolio contains a combination of detectors, generators, software and positioning systems to create an optimal configuration for diagnostics. Arcoma's solutions aim to shorten lead times between diagnosis and treatment for patients through effective, reliable and clear diagnostic results. The products are sold all over the world with the aim of improving patient care, and the working environment for the user. According to the portfolio company, the addressable market amounts to about seven billion US dollars annually.



LINC'S VIEW OF THE INVESTMENT

In Linc's view, Arcoma has a clear value proposition for strong industrial partners in a clear transition to digital X-ray globally.

KEY EVENTS IN 2020

- Sanna Rydberg appointed new CEO of Arcoma
- Arcoma launches new X-ray system OMNERA 500A on the US market
- Konica Minolta Europe signs a five-year supplier agreement with Arcoma
- Arcoma launches new product - Arcoma Precision i5
- The Group is affected by the COVID-19 pandemic through reduced sales in Europe and no sales increase in North America. Tenders and purchases are postponed due to the pandemic.

Financial development (SEK million)	2020	2019
Net turnover	117.4	133.7
Growth	-12.2%	11.9%
Operating profit/loss	3.6	9.1
Operating margin	3.1%	6.8%
Net profit / loss	1.4	6.6

⁶⁹ Unless otherwise stated, the information in this section is taken from Linc's annual report for 2020, Linc's interim report for the period 1 January 2021 – 31 March 2021 and from each portfolio company's published financial statements, press releases and websites, where applicable with updated information regarding Linc's view of the portfolio companies as regards developments in 2021.



Calliditas Therapeutics AB

25.0 per cent of Linc's net asset value as of 31 March 2021
Market capitalisation as of 31 March 2021:
SEK 6,092.9 million
10.1 per cent ownership as of 31 March 2021
Year of acquisition: 1999
Invested amount: SEK 156.8 million



LINC'S VIEW OF THE INVESTMENT

Calliditas Therapeutics is on the verge of commercialisation of Nefecon in the United States with its own organisation and likely out-licencing in other geographies. The company is gradually expanding its clinical portfolio through in-licencing and acquisitions. In Linc's view, Nefecon is well positioned to become the first approved drug for IgA nephropathy (IgAN).

Calliditas Therapeutics is a clinical phase biopharmaceutical company that focuses on identifying, developing and commercialising new treatments for rare diseases, with an initial focus on kidney and liver diseases where there is a significant unmet medical need. The company was founded in 2004 to develop and commercialise Nefecon, Calliditas's leading product candidate. Nefecon is a patented, new oral formulation of budesonide for the treatment of the autoimmune kidney disease IgA nephropathy (IgAN). The product is in an ongoing Phase III study of its clinical development. According to Calliditas Therapeutics, the addressable market amounts to about 4 billion to 5 billion US dollars and includes some 130,000 to 150,000 patients in the United States. Expected upcoming significant events for Calliditas Therapeutics include the application for conditional approvals for Nefecon by the US Food and Drug Administration and the European Medicines Agency (EMA). During the first quarter of 2021, Calliditas Therapeutics applied for rapid approval in the United States. In April 2021, the US Food and Drug Administration accepted the submission and granted a priority review for Nefecon.

KEY EVENTS IN 2020

- Calliditas Therapeutics reports positive topline results from the Phase 3 study NefIgArd
- Acquisition of controlling holding in Genkyotex SA
- Calliditas Therapeutics completes listing on the Nasdaq Global Market in the United States and a private placement of about 90 million US dollars
- Richard Philipson appointed Chief Medical Officer (CMO)



FluoGuide A/S

3.2 per cent of Linc's net asset value as of 31 March 2021
Market capitalisation as of 31 March 2021:
SEK 1,158.3 million
6.8 per cent ownership as of 31 March 2021
Year of acquisition: 2020
Invested amount: SEK 5.3 million

FluoGuide was founded in 2018 and develops surgical solutions that help reduce the suffering of patients with cancer, increase the chances of recovery and reduce the costs of the care system. The company's leading product is the compound FG001, which when injected into the patient "lights up" cancer and its growth in the surrounding tissue. This allows the surgeon to locate and remove the tumour more effectively. In the portfolio company's view, FluoGuide's products have the potential to help more than three million patients who undergo surgery each year. Expected future significant events for FluoGuide include obtaining the results from a Phase I study and the efficacy results from a Phase II study.



LINC'S VIEW OF THE INVESTMENT

For Linc, FluoGuide's initial clinical trials indicate clear results in an area of great medical need.

KEY EVENTS IN 2020

- FluoGuide gets the go-ahead to move on to the second dose level with FG001 in the Phase I / II study
- Phase I / II clinical study of FG001 begins with recruitment of the first patients
- Henrik Moltke appointed new CFO for FluoGuide
- Dorthe Grønnegaard Mejer appointed Vice President of Clinical Development
- FluoGuide makes a private placement of approximately DKK 11.6 million



InDex Pharmaceuticals AB

4.9 per cent of Linc's net asset value as of 31 March 2021
Market capitalisation as of 31 March 2021:
SEK 909.8 million
13.1 per cent ownership as of 31 March 2021
Year of acquisition: 2018
Invested amount: SEK 132.7 million



InDex Pharmaceuticals is a Stockholm – based pharmaceutical company that was founded in 2000. The company develops treatments for immunological diseases. InDex Pharmaceuticals' leading product, Cobitolimod, is a late-stage treatment for moderate to severe active ulcerative colitis, a chronic inflammatory bowel disease. Cobitolimod has demonstrated both efficacy and a beneficial safety profile in a Phase IIb study. Preparations for the registration of a clinical trial are ongoing. According to the portfolio company, InDex Pharmaceuticals' addressable market comprises about two million people in Europe and the United States with ulcerative colitis. Expected upcoming significant events for the portfolio company include a first study in a sequential Phase III programme, which is expected to begin in the second quarter of 2021.

During the first quarter of 2021, InDex Pharmaceuticals carried out a preferential issue through which InDex Pharmaceuticals received approximately SEK 533 million. Linc subscribed for shares of a value of SEK 74 million in the issue.

LINC'S VIEW OF THE INVESTMENT

InDex Pharmaceuticals will begin Phase III studies in 2021 with a candidate who, in Linc's opinion, has an attractive side effect profile.

KEY EVENTS IN 2020

- InDex Pharmaceuticals announces its intention to make an issue of new shares of SEK 500 million for Phase III development of Cobitolimod
- Lancet Gastroenterology and Hepatology publishes the results of a Phase IIb study with Cobitolimod
- The FDA and EMA give the go-ahead to take Cobitolimod to Phase III
- InDex Pharmaceuticals announces the conclusion of the review of the CONDUCT study and decision to take Cobitolimod further towards Phase III evaluation



MedCap AB

25.1 per cent of Linc's net asset value as of 31 March 2021
 Market capitalisation as of 31 March 2021:
 SEK 3,077.6 million
 20.0 per cent ownership as of 31 March 2021
 Year of acquisition: 2007.
 Invested amount: SEK 46.5 million

MedCap acquires and develops profitable niche companies in life science in northern Europe, with the potential to grow internationally. The business is conducted in two areas: medical technology and specialist pharmaceuticals. Companies that have become part of the Group gain access to resources that are difficult to create in smaller companies, networks and active support where it strengthens operations. The governance takes place mainly through the Boards of the owned companies based on a clear division of mandates, values and company philosophy in order to create the best possible conditions for profitability and growth.



LINC'S VIEW OF THE INVESTMENT

Linc believes that MedCap has an acquisition-driven business model with a proven ability to extract synergies.

KEY EVENTS IN 2020

- Anders Dahlberg appointed new CEO of MedCap
- Acquisition of the medical technology company Multi-Ply Components Ltd
- Private placement of SEK 229 million
- The subsidiary Abilia acquires Somna AB
- The Group is affected by the COVID-19 pandemic through reduced sales, primarily in the subsidiary Abilia's Norwegian operations. Other subsidiaries are affected to a lesser extent

Financial development (SEK million)	2020	2019
Net turnover	817.4	757.1
Growth	8.0%	6.8%
Operating profit/loss	89.1	83.2
Operating margin	10.9%	11.0%
Net profit / loss	62.8	56.1



Medivir AB

2.0 per cent of Linc's net asset value as of 31 March 2021
Market capitalisation as of 31 March 2021:
SEK 467.1 million
10.5 per cent ownership as of 30 of 31 March 2021
Year of acquisition: 2017
Invested amount: SEK 45.0 million



Medivir is a pharmaceutical company that invests in the clinical development of innovative cancer drugs. The company was founded in 1988 and has since developed two pharmaceutical products, Xerclear and Olysio, all the way from idea to market launch. The company's current project portfolio consists of four drug development projects in clinical development stages. Medivir is mainly focused on its own development of the clinical project MIV-818, a prodrug for the treatment of liver cancer that has the potential to become the first orally administered drug for patients with HCC (hepatocellular carcinoma). Liver cell carcinoma (HCC) is the third most common cause of cancer-related deaths in the world, and although existing treatments for HCC can prolong patients' lives, treatment benefits are often marginal and mortality remains high. MIV-818 has received orphan drug classification in both the United States and Europe for the treatment of HCC, which brings a number of advantages in the development towards market registration. Overall data from the first part of the Phase Ib study are expected to be presented during the first quarter of 2021. Based on this study, the recommended starting dose will be determined for Part Two of the Phase Ib study, which is expected to start in 2021.

In parallel with MIV-818, Medivir has two other clinical projects for which the company is looking for partners for further development; Remetinostat and MIV-711. A previous partnership project is Birinapant, which was out-licensed to IGM Biosciences, Inc. in January 2021. The company has previously also licensed Xerclear, MIV-701 and other preclinical projects.

During the first quarter of 2021, Medivir carried out a private placement, in which Linc subscribed for shares worth SEK 25 million.

LINC'S VIEW OF THE INVESTMENT

Medivir has a broad portfolio of clinical projects with, in Linc's opinion, good opportunities for further development and value creation through business development.

KEY EVENTS IN 2020

- Medivir announces intention to make a preferential issue of SEK 170 million and a directed issue of SEK 25 million
- Yilmaz Mahshid appointed new CEO of Medivir
- MIV-818 receives Orphan Medicinal Product Designation from EU and FDA
- Medivir announces positive outcome of Phase Ia study for MIV-818
- Medivir concludes agreement with Shijiazhuang Yuanmai Biotechnology for the manufacture and sale of Xerclear® in China



OncoZenge AB

0.4 per cent of Linc's net asset value as of 31 March 2021
Market capitalisation as of 31 March 2021:
SEK 132.9 million
6.8 per cent ownership as of 31 March 2021
Year of acquisition: 2020
Invested amount: SEK 8.3 million



OncoZenge is a pharmaceutical company that was founded in 2020 and originated in a collaboration between Moberg Pharma and clinics in Hvidovre in Denmark. The company develops products for the supportive care of cancer patients and is focusing in the near future on preparing a Phase III study for BupiZenge, which treats oral pain. The first indication for BupiZenge is treatment for pain caused by oral mucositis, but there is also potential for treatment of other painful oral disorders. Oral mucositis is a side effect of chemotherapy and radiation therapy and causes inflammation and ulceration of the mouth and throat. According to the portfolio company, OncoZenge's addressable market amounts to around 200 million – 400 million US dollars, or around five million patients. Expected future significant events for OncoZenge include the launch of the Phase III study for BupiZenge, which is expected to be in 2022.

During the first quarter of 2021, OncoZenge made a preferential issue through which OncoZenge received approximately SEK 60 million. Linc subscribed for shares of SEK 3.7 million in the issue.

LINC'S VIEW OF THE INVESTMENT

OncoZenge runs a clearly defined clinical Phase III development programme with known substance and clear end-points in which Linc identifies considerable commercial potential upon approval.

KEY EVENTS IN 2020

- Pirkko Tamsen appointed CEO of OncoZenge
- Moberg Pharma announces the intention to distribute the subsidiary OncoZenge through a dividend and then list the company on the Nasdaq First North Growth Market
- OncoZenge makes a private placement of SEK 10 million and announces its intention to raise an additional SEK 60 million in connection with the listing

SEDANAMEDICAL

Sedana Medical AB

25.4 per cent of Linc's net asset value as of 31 March 2021
Market capitalisation as of 31 March 2021:
SEK 7,570.9 million
8.2 per cent ownership as of 31 March 2021
Year of acquisition: 2005
Invested amount: SEK 23.9 million



Sedana Medical was founded in 2005 and is a medical technology company in anaesthesia via inhalation, with the ambition of developing a new global standard for treatment in intensive care. The company has developed a system for the delivery of anaesthesia called AnaConDa, which is used for the administration of volatile anaesthetics to invasively ventilated patients. Sedana Medical is at present conducting a Phase III clinical trial with the aim of having its drug candidate Sedaconda (isoflurane) approved for inhalation anaesthesia in Europe (through AnaConDa). According to the portfolio company, the addressable market for Sedana Medical globally amounts to around SEK 20 billion - SEK 30 billion, or between seven million and eight million patients. Expected significant future events for Sedana Medical include market approval in the EU for Sedaconda, which is expected during the second half of 2021

LINC'S VIEW OF THE INVESTMENT

In Linc's view, Sedana Medical, with the support of the recently completed clinical trials, has the opportunity to register its own drugs and drive the development of clinical practice within sedation.

KEY EVENTS IN 2020

- Susanne Andersson appointed new Chief Financial Officer for Sedana Medical
- Sedana Medical submits an application for market approval for the drug Sedaconda
- Sedana Medical announces positive topline results in registration-based Sedaconda study
- Sedana Medical establishes sales organisation in the Benelux countries
- Sedana Medical receives market approval for AnaConDa in Saudi Arabia and Mexico
- Sedana Medical concludes distribution agreements in the Middle East and Australia



Stille AB

11.0 per cent of Linc's net asset value as of 31 March 2021
Market capitalisation as of 31 March 2021:
SEK 642.1 million
42.2 per cent ownership as of 31 March 2021
Year of acquisition: 1993
Invested amount: SEK 34.7 million

Stille was founded in 1841 and develops, manufactures and markets surgical instruments and operating tables that are used in connection with surgical procedures. The company focuses on the two market segments cardiovascular surgery and plastic surgery. Stille's customers mainly consist of hospitals and industrial partners who have products that complement Stille's products.



LINC'S VIEW OF THE INVESTMENT

Linc regards Stille as a strong brand and a profitable company with excellent products that have good prospects of gaining market shares over time.

KEY EVENTS IN 2020

- Stille signs exclusive global distribution agreement with Pathy Medical for the product Light Jacket®
- Niklas Carlén appointed CFO of Stille
- Brian Anderson appointed General Manager – United States
- The Group is affected by the COVID-19 pandemic, but continues to grow in surgical instruments in the United States. Operating tables are negatively affected, primarily in the cardiovascular segment as these operations have been given reduced priority during the pandemic

Financial development (SEK million)	2020	2019
Net turnover	142.6	156.8
Growth	-9.0%	15.4%
Operating profit/loss	14.5	28.5
Operating margin	5.8%	18.2%
Net profit / loss	8.3	22.9



Animal Probiotics AB

www.animalprobiotics.com

0.0 per cent of Linc's net asset value as of 31 March 2021
19.7 per cent ownership as of 31 March 2021
Year of acquisition: 2013
Invested amount: SEK 4.2 million

Animal Probiotics is a company that is active in animal health with its roots in research at Lund University. The company focuses on improving animal health through their product line "OnlyGood", which consists of daily probiotics for dogs, horses and soon also cats. Animal Probiotics was founded in 2004 by Clas Löner (Ph.D.) who took over the complete collection of probiotic bacterial strains and research intended for animals by Probi AB, the company behind the successful probiotic health drink Proviva.

KEY EVENTS IN 2020

- Decision on a new share issue of approximately SEK 3.4 million at a price of SEK 0.55 per share to finance the build-up of inventories and further studies required for permit renewal
- The company has been informed that the pet product OnlyGoodDog may not continue to be sold when there is no valid EU permit. Sales of the product ceased in July 2020

LINC'S VIEW OF THE INVESTMENT

In Linc's opinion, Animal Probiotics' products have a collection of unique bacterial strains that fill a great medical need in horses, dogs and cats.



Cinclus Pharma AB

www.cincluspharma.com

0.8 per cent of Linc's net asset value as of 31 March 2021
2.7 per cent ownership as of 31 March 2021
Year of acquisition: 2016
Invested amount: SEK 12.9 million

Cinclus Pharma is a pharmaceutical company which is in the clinical stage, founded in 2014, and is developing a drug for the treatment of indigestion related to stomach acid, also called gastroesophageal reflux disease (GERD). The company's leading drug candidate, X842, offers improved management of esophagitis and GERD symptoms, which previous bestsellers such as Losec and Nexium have not succeeded to do. X842 has successfully completed a Phase I study, and a Phase II study is planned to begin in the first half of 2021. In total, about 175 million people in Europe and North America suffer from GERD and the global market is estimated to amount to about 12 billion – 14 billion US dollars. According to the portfolio company, the addressable market for Cinclus Pharma comprises patients suffering from severe GERD with associated esophagitis (eGERD), for which treatment using current medication alternatives is not sufficient. This market is estimated to amount to 18.5 million patients in Europe and North America. Future significant events for Cinclus Pharma include the commencement of the Phase II study mentioned above and a potential stock exchange listing in 2021.

KEY EVENTS IN 2020

- Jenni Björnulfson appointed new CFO of Cinclus Pharma
- New issue of approximately SEK 250 million to finance clinical development of X842

LINC'S VIEW OF THE INVESTMENT

Linc's view is that Cinclus Pharma has a strong team that runs a clinical low-risk project that has considerable commercial potential.

⁷⁰ Unless otherwise stated, the information in this section is taken from Linc's annual report for 2020, Linc's interim report for the period 1 January 2021 – 31 March 2021 and from each portfolio company's published financial statements, press releases and websites, where applicable with updated information regarding Linc's view of the portfolio companies as regards developments in 2021.

Epicyt **Epicyt Pharma AB**

Epicyt Pharma is a medical research company, founded in 2014 whose research focuses on calcium absorption in the intestines and how this affects bone health. Calcium deficiency can lead to calcification of the skeleton and osteoporosis. The company intends to develop drugs that improve bone health in patient groups with reduced calcium uptake in the stomach. In preclinical research, the company has identified a bile acid and a fatty acid that combined increase calcium uptake in the stomach. Studies show an eightfold increase in calcium uptake. According to the portfolio company, Epicyt Pharma's addressable market comprises about 400,000 patients. Future significant events for the portfolio company include the implementation of a so-called "proof of principle" study.

0.1 per cent of Linc's net asset value as of 31 March 2021
6.4 per cent ownership as of 31 March 2021
Year of acquisition: 2020
Invested amount: SEK 0.8 million

KEY EVENTS IN 2020

- There are no key events in 2020.

LINC'S VIEW OF THE INVESTMENT

Epicyt Pharma is an early-stage company (preclinical project) in which Linc sees great opportunities to contribute to the future development of the project in an area with clear medical needs.



Gesynta Pharma AB

www.gesynta.se

Gesynta Pharma develops drugs with anti-inflammatory and vasoprotective effects through mPGES-1 inhibition for a number of indicators such as cardiovascular disease and cancer. The company's first clinical candidate, GS-248, recently completed a Phase I clinical study. GS-248 is a very potent mPGES-1 inhibitor which in clinical development has shown excellent drug-like properties for microvascular disease. Gesynta also has the preclinical candidates GS-659 and GS-073. These are undergoing tests to identify potent and stimulating molecules for the treatment of inflammatory diseases. According to the portfolio company, the addressable market for Gesynta is estimated to exceed 800 million US dollars in the United States, and future significant events include ongoing Phase IIa studies, in which the portfolio company is expected to receive relevant study data during the second half of 2021.

1.6 per cent of Linc's net asset value as of 31 March 2021
13.6 per cent ownership as of 31-03-2021
Year of acquisition: 2018
Invested amount: SEK 27.3 million

KEY EVENTS IN 2020

- New share issue of approximately SEK 190 million to finance continued development of GS-248
- Reports positive Phase I results with GS-248

LINC'S VIEW OF THE INVESTMENT

According to Linc, Gesynta Pharma has a strong portfolio of candidates which are driven on in the clinical programmes by an experienced team within a narrow indication that can be widened over time.



nWise AB was founded in 2008 and operates the MMX platform, which focuses on offering communication solutions. The company offers a wide range of communication solutions ranging from simple call centre layouts, text telephony and video applications, to more advanced solutions for critical emergency calls for individuals with deafness, hearing loss or deafblindness. These can be categorised into four main categories: relay services, communication applications for people with deafblindness, emergency services and applications for complete conversation.

0.3 per cent of Linc's net asset value as of 31 March 2021
50.0 per cent ownership as of 31 March 2021
Year of acquisition: 2008
Invested amount: SEK 0.1 million

KEY EVENTS IN 2020

- Ownership was restructured through the creation of a joint ownership company for the shares in nWise AB

LINC'S VIEW OF THE INVESTMENT

Linc considers that nWise is a company in a niche market where the technical platform can be expanded into complementary areas.

Part Production Sweden AB

Part Production Sweden is an investment company with ownership in SweVet, Resion Medical, Absorbest and Cavis Technologies. SweVet is a supplier of medical equipment and consumables for the animal health and veterinary market, while Resion Medical is focused on a wide range of accessories and equipment for the operating theatre such as operating tables. Absorbest is also a medical technology company, focusing on high-performance superabsorbents. The company's latest holding, Cavis Technologies, is a supplier of cardiological care units with an innovative device for improved control and safety.

1.5 per cent of Linc's net asset value as of 31 March 2021
50.0 per cent ownership as of 31 March 2021
Year of acquisition: 2019
Invested amount: SEK 11.1 million

KEY EVENTS IN 2020

- Acquisition of 29 per cent of SweVet Holding AB from Linc AB and Priego AB
- Acquisition of 19 per cent of the shares in AbsorBest AB
- Acquisition of 9 per cent of the shares in Cavis Technologies AB
- Sales in Resion Medical AB (wholly owned subsidiary) negatively affected during the year by the COVID-19 pandemic as customers postponed purchasing decisions

LINC'S VIEW OF THE INVESTMENT

For Linc, Part Production Sweden means a collaboration with Lars Kvarnhem in the expansion phase in medical technology companies, which adds clear control and thus value creation.



Sciety AB

www.sciety.se

Sciety is an investment syndicate specialising in growth companies within the life science sector. The company invests in biotechnology, health technology, information and communication technology in healthcare, pharmaceuticals and medical technology. The investments include Synartro, PharmNovo and Cavis Technologies. Also, Sciety offers a range of various services to investors and companies in life science. These include raising capital and value-creating communication for growth companies in life science, company valuation and analysis for players in the industry.

0.1 per cent of Linc's net asset value as of 31 March 2021
6.7 per cent ownership as of 31 March 2021

Year of acquisition: 2018

Invested amount: SEK 3.0 million

KEY EVENTS IN 2020

- Sciety, together with the network, invested in five companies during the year
- The communication services have been expanded and Sciety now has five customers in investor relations
- Recruitment of an employee in communications and plans for further recruitment in 2021 to continue to grow

LINC'S VIEW OF THE INVESTMENT

For Linc, Sciety is an investment to promote deal flow and ensure good insight into due diligence processes.

SIXERA PHARMA

Sixera Pharma AB

www.sixerapharma.com

Sixera Pharma is a biopharmaceutical company founded to develop basic research results in skin diseases for treatments. The founders discovered key genes and mechanisms that regulate skin formation and barrier functions that are critical for Netherton's syndrome, which is a rare genetic disease that leads to severe skin inflammation and allergic reactions. The discovery resulted in a new treatment of the disease carried out through a network of academic and industrial collaborations. The new treatment is called SXR1096. According to the portfolio company, Sixera Pharma's addressable market comprises about 3,000 patients or about 600 million USD.

0.4 per cent of Linc's net asset value as of 31 March 2021
9.9 per cent ownership as of 31-03-2021

Year of acquisition: 2020

Invested amount: SEK 10.0 million

KEY EVENTS IN 2020

- Sixera Pharma is making a new share issue of approximately SEK 25 million to finance the continued development of SXR1096, including a Phase I / II study which is planned to start in the first half of 2021.

LINC'S VIEW OF THE INVESTMENT

Linc considers that Sixera Pharma has a strong team that runs a clinical development project within a narrow indication (orphan) with "unmet medical need" and clear commercial potential for successful studies.



Swevet AB

www.swevet.se

SweVet was founded in 2002 and is primarily active in the sale and distribution of medicines and equipment for animal health in Sweden. The company offers a wide range of products from global manufacturers of veterinary products. The products include anaesthesia, autoclaves, pet food and supplements, jellies, gloves, dog and cat accessories, infusion equipment, clinical clothing, animal collars, muzzles and syringes. The products are marketed to customers in Sweden.

0.6 per cent of Linc's net asset value as of 31 March 2021

27.7 per cent ownership as of 31 March 2021¹

Year of acquisition: 2012

Invested amount: SEK 6.2 million

¹ Linc owns an additional 15 per cent of SweVet indirectly through Part Production Sweden AB.

KEY EVENTS IN 2020

- New CEO in January 2020
- New efficient premises

LINC'S VIEW OF THE INVESTMENT

For Linc, SweVet constitutes an investment in an industry which is in structural transformation together with strong owners that create long-term conditions for growth.



Synartro AB

www.synartro.com

Synartro is a research and development company that develops improved treatments with patented delivery technology, combined with existing, proven drugs. The leading preclinical programme, SYN321, is based on a new treatment that combines diclofenac covalent, bound to hyaluronan, for the treatment of osteoarthritis. The company's initial focus is on osteoarthritis of the knee with potential for further expansion. According to the portfolio company, Synartro's addressable market amounts to about 5 billion USD. Upcoming significant events include a Phase IIa study, which is expected to start during the first half of 2022.

0.3 per cent of Linc's net asset value as of 31 March 2021

13.8 per cent ownership as of 31-03-2021

Year of acquisition: 2020

Invested amount: SEK 5.7 million

KEY EVENTS IN 2020

- Mia Brundin appointed new CEO of Synartro
- Synartro reports positive results from effect study of SYN321
- New share issue of approximately SEK 17 million to complete the preclinical work with SYN321
- Synartro is granted a patent for the company's platform for drug administration in the United States
- New issue to complete the production of SYN321

LINC'S VIEW OF THE INVESTMENT

Linc believes that Synartro has a strong team that runs a clinical low-risk project with considerable commercial potential.



CASE STUDIES

Below are a number of case studies, in which Linc deepens its view of the investment in a selection of the portfolio companies.

Calliditas Therapeutics

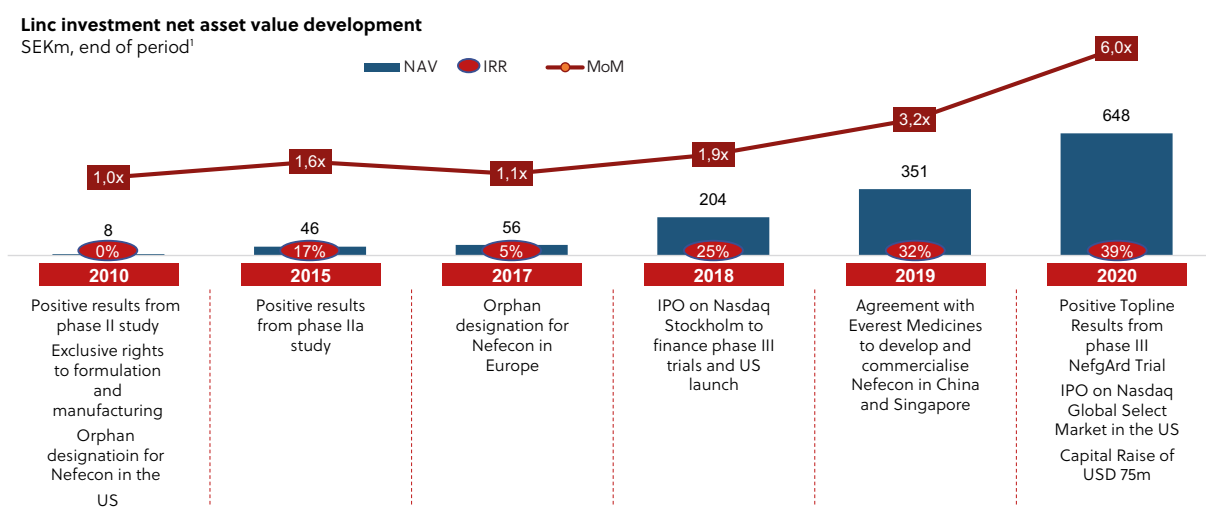
Calliditas Therapeutics was founded in 2004, and Linc's original investment was made in the same year. Calliditas Therapeutics' leading product candidate is Nefecon, which is an oral formulation for the treatment of the autoimmune kidney disease IgA nephropathy (IgAN). IgAN is a serious progressive autoimmune disease which affects the kidneys, where up to half of patients are at risk of developing ESRD ("end-stage renal disease"), i.e. the stage where the kidneys are unable to function on their own, within ten to twenty years. The standard of care for ESRD is dialysis or kidney transplantation. IgAN is a so-called *orphan disease* and Calliditas Therapeutics estimates that globally about 2.5 million people suffer from it. There is currently no approved treatment for IgAN. Nefecon is a capsule that releases the potent and well-known substance budesonide into the lower part of the small intestine, where the highest concentration of Peyer's plaque is found. The capsule is designed to remain intact through the stomach until it reaches Peyer's plaque.

Calliditas Therapeutics has received positive results from Phase III studies in respect of registration in the United States and Europe, and during the first quarter of 2021 submitted a drug application for accelerated approval in the USA and plans to apply for conditional approval with EMA during the first half of 2021. In April 2021, the US Food and Drug Administration accepted the submission and granted a priority review for Nefecon. Calliditas Therapeutics has been given classification as an orphan drug in the United States and the EU, which entails market exclusivity for seven and ten years respectively after approval.

Calliditas Therapeutics has an experienced management team with impressive industry and market knowledge. The Chairman of the Board, Elmar Schnee, has experience from Merck Serono, UCB and Sanofi, among others. The company's CEO, Renee Aguiar-Lucander, has experience from Omega Fund Management and 3i Group plc, among others, and the company's CFO, Fredrik Johansson, has experience from Birdstep Technology / Techstep ASA, Phone Family, Teligent Telecom and Wayfinder Systems, among others. As of 31 December 2020, Calliditas Therapeutics had about 50 employees and a turnover of some SEK 1 million, and as of 31 March 2021, the portfolio company had a market value of approximately SEK 6.1 billion.

As of 31 March 2021, Linc was the third largest shareholder in Calliditas Therapeutics, with a holding amounting to 10.1 per cent of the shares in the portfolio company. As of 31 March 2021, the holding is 25.0 per cent of Linc's total net asset value. Linc founded the portfolio company in 2004, and initiated the company's first clinical studies. Linc regarded Calliditas Therapeutics as a reformulation project, with a lower development risk. Linc also considered that Calliditas Therapeutics had extensive experience in nephrology and that the portfolio company understood how intellectual property rights could be created around the project, and how the initial clinical studies should be financed. During Linc's investment period, and partly with Linc's help, Calliditas achieved a number of important milestones and value-creating activities, such as those set out below.

CALLIDITAS THERAPEUTICS' VALUE DEVELOPMENT AND SELECTED MILESTONES



¹⁾ The graph refers to the net asset value development in Linc's investment in Calliditas Therapeutics as of 31 December 2020. Source: The Company's audited 2020 annual report, the Company's internal accounting system.

Linc's current investment thesis includes the following factors:

- Calliditas Therapeutics is well positioned to be the first approved treatment for IgA nephropathy (IgAN)
- At the time of the Prospectus, Calliditas Therapeutics is the only drug candidate for the treatment of IgAN that is intended to have a disease-modifying effect.
- Linc identifies significant potential for further value development in Calliditas Therapeutics
- Calliditas Therapeutics consists of a concentrated group of specialists, which reduces costs and complexity in the commercialisation process.

Sedana Medical

In 2005, Linc co-founded Sedana Medical. Sedana Medical's leading drugs consist of AnaConDa and SedaConDa. AnaConDa is an administration system developed for the administration of anaesthetics which, in contrast to conventional anaesthesia machines, allows the administration of Isoflurane or Sevoflurane to invasively ventilated patients in the intensive care unit. AnaConDa can be administered by a nurse while conventional intravenous sedation must be administered by a specialist. The product is designed to work with all modern intensive care ventilators, which results in lower investments for the hospitals. AnaConDa is for single use only and needs to be replaced after 24 hours. The product can have different configurations and is thus available in a version intended for children, one for adults and one for patients with reduced lung capacity.

SedaConDa is a drug candidate (Isoflurane) administered with AnaConDa. The goal of the product is to create an effective, safe sedation method for ventilator-intensive care patients. The drug is approved for use in operating rooms and studies have confirmed that SedaConDa enables faster and more controlled awakening, reduced need for opioids and a higher proportion of spontaneous breathing compared to the current standard for sedation in intensive care. The objective of the ongoing Phase III study is to demonstrate that SedaConDa is not inferior to Propofol and the study has recently reported positive results. If the review process for SedaConDa goes as planned, Sedana expects to receive market approval in Europe during 2021. Three years after market approval in Europe, Sedana expects sales of SedaConDa to amount to about SEK 500 million with an EBITDA margin of around 40 per cent. The company has commenced activities to achieve market approval in the United States in 2024 and also in markets outside the EU.

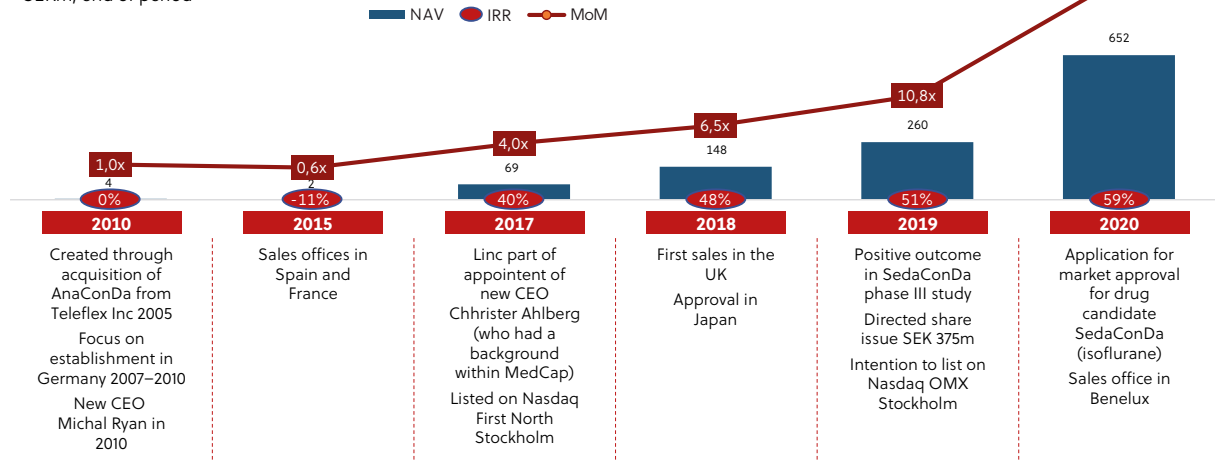
Sedana estimates that the addressable market is worth between SEK 20 billion and SEK 30 billion annually. The company's management team has extensive experience and knowledge in the industry. As of 31 December 2020, Sedana had approximately 60 employees and in 2020 the company had sales of approximately SEK 142 million. As of 31 March 2021 Sedana had a market value of SEK 7.6 billion.

Linc is the third largest shareholder in Sedana Medical with a holding that amounted to 8.2 per cent of the shares as of 31 March 2021. On that date the holding corresponded to 25.4 per cent of Linc's total net asset value. Since Sedana was founded, Linc has had a long-term investment strategy and has established a strong relationship with Christer Ahlberg, President and CEO of Sedana. Christer Ahlberg will during 2021 become CEO of the portfolio company Cinclus Pharma, whereby he will leave his role in Sedana. As of the day of the Prospectus, Sedana has not announced Christer Ahlberg's successor. Linc saw that there was a good understanding of corporate strategy and entrepreneurship at Sedana. Furthermore, Linc saw the potential in developing drugs and identified the possibility of acquiring an interesting project from a large American company that did not appreciate the potential of the drug. During Linc's investment period, Sedana has achieved a number of important milestones and value-creating activities, partly with help from Linc:

SEDANA MEDICAL'S VALUE DEVELOPMENT AND SELECTED MILESTONES¹⁾

Linc investment net asset value development

SEKm, end of period



¹⁾ The graph illustrates net asset value (NAV), internal rate of return (IRR) and multiple of invested capital (MoM) for Linc's investment in Sedana Medical. The information is as of 31 December 2020.

Source: The Company's audited 2020 annual report, the Company's internal accounting system.

Linc's current investment thesis for Sedana Medical includes the following factors:

- Potential to develop Sedana from a product company into a combined pharmaceutical and product company to offer complete treatments and increase sales potential
- Initiate commercialisation and product launch for combination therapy, which has the potential to improve the standard of healthcare offered in the sector
- Benefits such as offering faster and controlled awakening, reducing opioid use, and easier control of sedation levels, which strengthen Linc's view that treatment has significant clinical benefits

MedCap

MedCap was founded in 2001 and Linc's initial investment in the company was made in 2007. MedCap is a decentralised conglomerate which focuses on active ownership in small and medium-sized private companies in medical technology and specialist pharmaceuticals. MedCap's investment and portfolio strategy follows the following principles:

- Investment range: SEK 50-200 million in sales
- Majority investors
- Preferably in unlisted companies, but not in the early stages of the Companies' life cycles
- Unlimited ownership horizon
- Focus on self-generated business flow
- Acquisitions are primarily made in companies with head offices in northern Europe. Additional acquisitions can be made globally via holdings

MedCap's portfolio includes the following companies.

Abilia	The company develops and sells technical aids that give people with special needs the ability to be involved and independent.
Cardiolex	The company develops and produces high-quality ECG devices and ECG management systems used by hospitals and private doctors, among others.
Inpac	Contract manufacturing of probiotics and dietary supplements and packaging solutions for the pharmaceutical industry.
Multi Ply Components	Specialist in the design and manufacture of carbon fibre components for medical X-ray equipment
Unimedic Pharma	Specialist pharmaceutical company that manufactures and distributes registered drugs, licenced drugs and extemporaneous drugs.

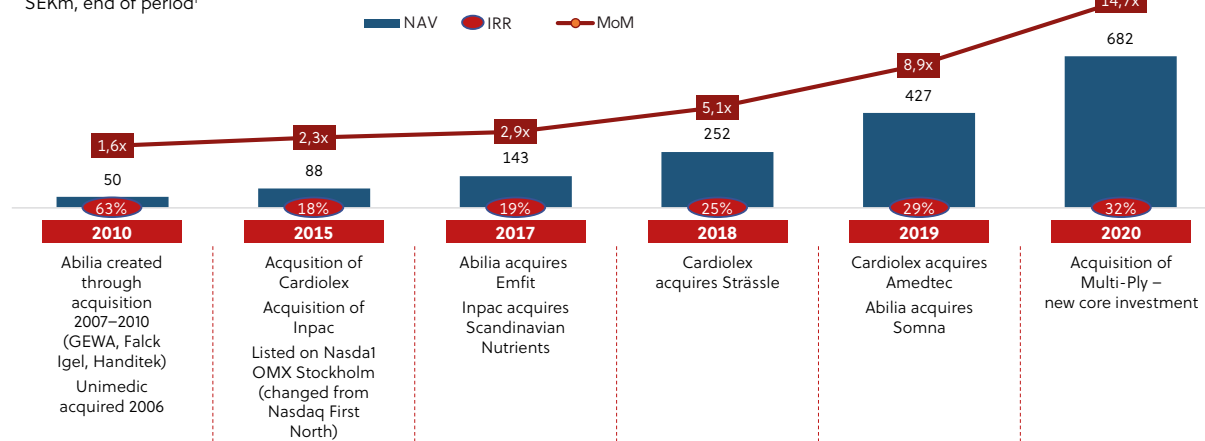
MedCap's management team has long experience of investments in life sciences. As of 31 December 2020, MedCap had four employees in the parent company and approximately 353 in the MedCap group. MedCap had sales of approximately SEK 817 million in 2020, and the company's market value amounted to SEK 3.1 billion as of 31 March 2021.

Linc is the largest shareholder in MedCap with a holding of 20.0 per cent of the shares in the company as of 31 March 2021. On that date the holding corresponded to 25.1 per cent of Linc's total net asset value. In developing MedCap, Linc and Karl Tobieson (owner and later CEO of MedCap) created a collaboration. Linc's view is that MedCap has a good understanding and experience from the industry, and a history that creates trust and good conditions for their future growth journey. During Linc's investment period, MedCap, partly with Linc's help, achieved a number of important milestones and value-creating activities:

MEDCAP'S VALUE DEVELOPMENT AND SELECTED MILESTONES

Linc investment net asset value development

SEKm, end of period¹



¹ The graph illustrates net asset value (NAV), internal rate of return (IRR) and multiple of invested capital (MoM) for Linc's investment in MedCap. The information is as of 31 December 2020.

Source: The Company's audited 2020 annual report, the Company's internal accounting system.

Linc's present MedCap investment thesis includes the following factors:

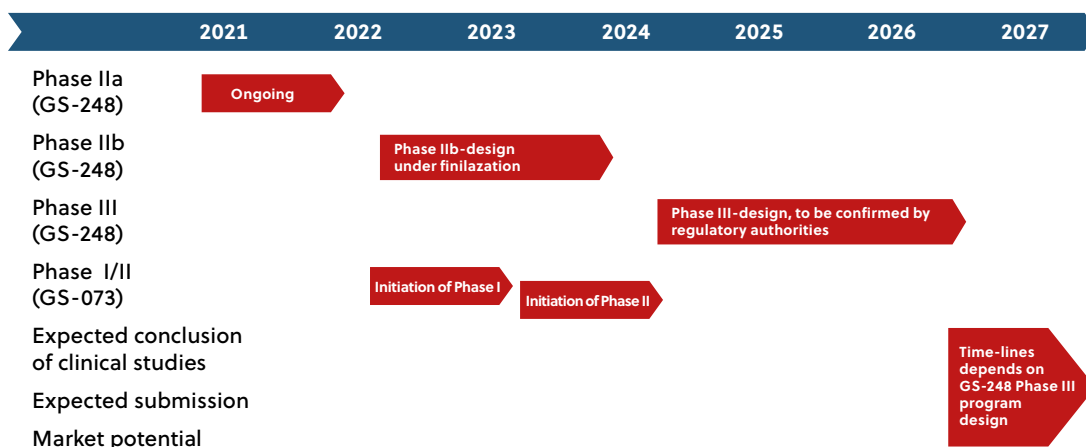
- Strong management team with demonstrated expertise to be able to develop companies through active ownership and additional acquisitions
- Opportunity for value creation through development and acquisition of small to medium-sized medical technology and specialist pharmaceutical companies at low valuation multiples
- Proven history and ability to drive multiple expansion in the portfolio companies
- A combination of operational improvements (organic profit growth) and acquisitions that contribute to value creation

Gesynta Pharma

Gesynta Pharma is a pharmaceutical company with merited researchers from the Karolinska Institutet and a team with experience from the pharmaceutical sector and biotech. The company develops combined anti-inflammatory and vasodilating treatments for microvascular diseases. Gesynta Pharma was founded in 2017, originated in the Karolinska Institutet and has its headquarters in Stockholm. The company focuses on developing new treatments for patients with chronic inflammatory conditions and as a first indication focus is on systemic sclerosis, a disease for which the need for improved medical treatment is considerable in the first stage, episodes of decreased blood flow to the fingers and toes (Raynaud's attacks) occur, which cause pain and impaired fine motor skills. Later in the course of the disease, patients are at risk of developing extremely painful wounds on fingers and toes, known as digital ulcers, which are difficult to heal. The lungs, kidneys and heart can also be seriously damaged as a result of the inflammation in the microvessels. The company considers that the molecule has considerable potential, as there are no drugs approved in the United States and the two drugs approved in the EU have serious side effects. The company estimates that the addressable market exceeds 800 million USD⁷¹ in the United States. Gesynta Pharma acquired SEK 190 million in July 2020 to finance continued development of the leading drug candidate GS-248. Linc is the third largest shareholder in Gesynta Pharma with a holding that amounted to 13.6 per cent of the company as of 31 March 2021. On that date the holding corresponded to 1.6 per cent of Linc's total net asset value. Gesynta Pharma has nine employees as of the date of the Prospectus.

GS-248 is an oral mPGES-1 inhibitor with anti-inflammatory, vasodilating and antithrombotic effects. The drug has a clear differentiation potential compared to present approved treatments for digital wounds in Europe (Bosentan and Iloprost). Gesynta Pharma had very positive results in the completed Phase I study regarding safety, tolerability, pharmacokinetics and pharmacodynamics after single and repeated doses to healthy subjects. The company is now conducting a Phase IIa clinical trial that aims to demonstrate the concept of systemic sclerosis in patients with Raynaud's syndrome. The main objectives of the Phase IIa study are to evaluate the safety profile of GS-248 and its effect on Raynaud's attacks and peripheral blood flow in these patients. Gesynta Pharma has a strong intellectual ownership with patents in the major markets. There are still considerable opportunities for broadening of indications in chronic inflammatory disease based on the treatment mechanism. Below are illustrated the clinical development and the path of the drug to the market for GS-248 and GS-073.

CLINICAL DEVELOPMENT, REGULATORY PIPELINE AND PATH TO MARKET



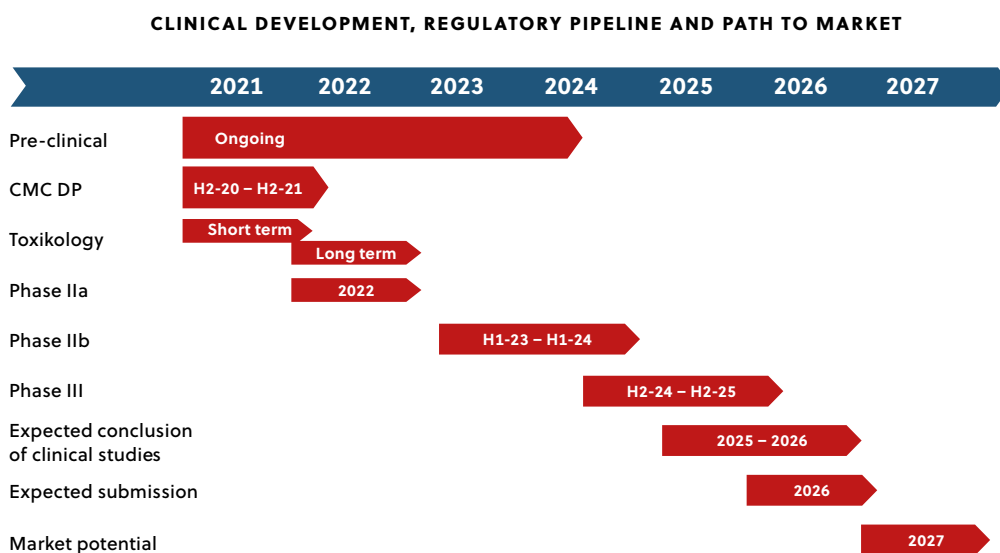
Source: Gesynta Pharma.

⁷¹ Gesynta Pharma.

Synartro

Synartro develops treatments through a patented delivery method combined with existing proven drugs. The company was founded in 2011 and has its headquarters in Stockholm. The company focuses on the development of improved drugs for osteoarthritis. Synartro has identified that about half of the patients with osteoarthritis do not receive the medication they need to relieve their symptoms. Also, current drugs have not contributed with sufficient relieving effects leading to systemic cartilage side effects. Synartro raised SEK 17 million in November 2020 to finance the completion of their preclinical study. Linc is the largest shareholder in Synartro with a holding that amounted to 13.8 per cent of the company as of 31 March 2021. On that date the holding corresponded to 0.3 per cent of Linc's total net asset value. Synartro has one employee as of the date of the Prospectus.

The main candidate, SYN321, is for treatment of osteoarthritis of the knees. The drug includes an intra-articular injection based on new therapy that combines Hyaluronic acid and Diclofenac. The drug is administered through a local injection which offers controlled and slow weaning of active drugs without systemic side effects. The drug is symptom-modifying with rapid relief and long duration. The technology is patented, which allows for possible extension of the area of use to other chronic inflammatory diseases. The patent is valid until 2035 with the possibility of a five-year extension. Synartro expects to commence a Phase IIa clinical trial starting in the first half of 2022 (the first human study). The annual market opportunity for SYN321 is based on the United States' and EU markets and is estimated at 5 billion USD.⁷² Clinical development of the company's drugs and path to the market is illustrated below.



Source: Synartro.

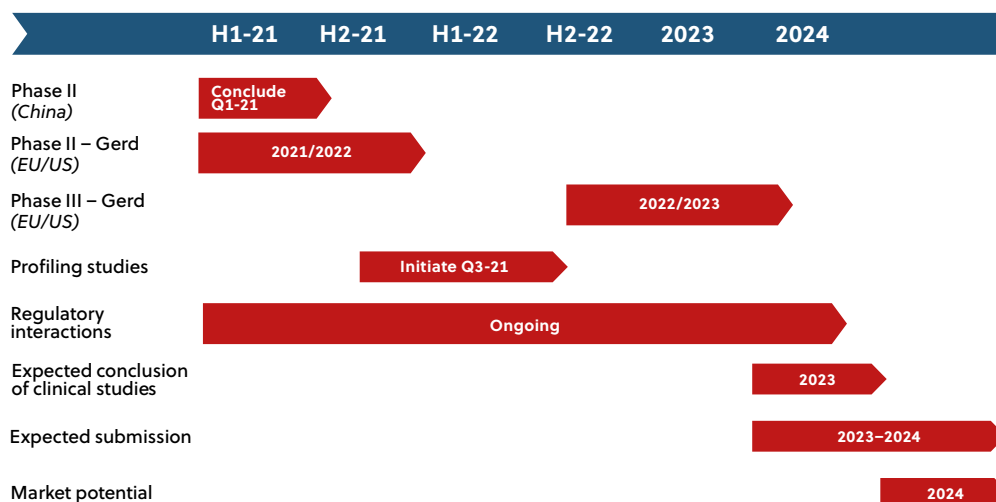
⁷² Synartro.

Cinclus Pharma

Cinclus Pharma develops small-molecule drugs for treating gastric acid-related diseases, so-called gastroesophageal reflux diseases (GERD). The company was founded in 2014 and its headquarters are in Mölndal. GERD is a disease of the digestive system that is most often caused by the upper stomach not being able to prevent return flow from the stomach to the oesophagus, causing burns, acid regurgitation and heartburn. The global market is valued at between USD 12 and 14 billion and is dominated at present by proton pump inhibitors (PPIs). In Europe and North America, about 175 million people are treated for GERD and about 18.5 million people suffer from GERD with associated esophagitis (eGERD).⁷³ With patients suffering from eGERD, the therapeutic effect of eight weeks of treatment with proton pump inhibitors is insufficient in 5-10 per cent and 30 per cent of cases in patients with mild and severe eGERD, respectively. On average, 78 per cent of all patients with GERD suffer from nocturnal symptoms despite treatment with proton pump inhibitors, which results in a reduction in quality of life. More than 20 per cent of the patient population treated for GERD medicates with proton pump inhibitors twice daily or supplements the treatment with over-the-counter medications to alleviate incomplete symptom relief. Many patients have troublesome symptoms despite prescription of high doses of PPIs, which indicates a clear need for more effective drugs to treat severe GERD.

Cinclus Pharma's leading drug candidate X842 represents a new class of drugs, potassium-competitive acid blockers (P-CAB), which are fast-acting substances that regulate the pH value in the stomach through a mechanism other than proton pump inhibitors. -CAB inhibits hydrogen-potassium ATPase in parietal cells via competitive binding and in this way limits the secretion of gastric acid. X842 has successfully undergone a Phase I clinical study and a Phase II clinical trial is being prepared with an expected start in the first half of 2021. Cinclus Pharma's assessment is that X842 has the potential to relieve GERD symptoms and heal esophageal erosions more effectively than current pharmaceutical therapies. A molecular patent has been issued for prodrug X842, which is valid until 2029 with possible extension for up to 5 years. Cinclus Pharma owns global commercial rights (licensees in China and other parts of Southeast Asia),⁷⁴ which includes the potential for a price premium and brand expansion. Linc is the twelfth largest shareholder in Cinclus Pharma with a holding that amounted to 2.7 per cent of the company as of 31 March 2021. On that date the holding corresponded to 0.8 per cent of Linc's total net asset value. Cinclus Pharma has three employees as of the date of the Prospectus. Below are illustrated the clinical development and the drug's path to the market for X842.

CLINICAL DEVELOPMENT, REGULATORY PIPELINE AND PATH TO MARKET



Source: Cinclus Pharma.

⁷³ Cinclus Pharma

⁷⁴ Cinclus Pharma

Part Production Sweden

Part Production was founded in 2019 and Linc's initial investment was made in that year. Part Production is an investment company with an active investment strategy and ownership agenda. The company invests primarily in medical technology companies that are in an expansion phase. The company's present investment strategy includes the following factors:

- Focus on companies active in medical technology that are in an expansion phase
- Develop companies and add value through active ownership, commitment and improved governance (often through Board representation)
- Examples of value-creating initiatives include:
 - Appointment of CEO and management team
 - Setting goals for the portfolio companies
 - Implementation of control and measurement systems, and other control tools
- Part Production is a collaboration between Linc and Lars Kvarnhem, in which the owners each owns 50 per cent of the company

The company Reison Medical constitutes about 70 per cent of Part Production's corporate portfolio based on fair value. The remaining 30 per cent of the portfolio consists of Absorbest, Cavis Technologies and SweVet. Reison Medical was founded in the 1960s and produces a wide range of high-quality medical equipment and accessories for operating theatres. The product portfolio includes surgical bracelets, arm surgery tables, instrument tables, hooves, straps, supports and other accessories. The company is in an expansive phase, with expansions into new categories and markets. Part Production acquired 100 per cent of Reison Medical in 2019 and has since appointed a new CEO and a new production and quality manager.

Linc's holding in Part Production Sweden amounted to 50.0 per cent of the company as of 31 March 2021. On that date the holding corresponded to 1.5 per cent of Linc's total net asset value. Part Production has three employees as of the date of the Prospectus.

Selected financial information

The selected financial information presented below is taken from and must be read together with the Investment Company's⁷⁵ audited financial statements for the financial years ended 31 December 2020, 2019 and 2018 as well as the Investment Company's unaudited financial statements in summary for the three-month period ended 31 March 2021 with comparative figures for the three-month period ended 31 March 2020.

The Investment Company's audited financial statements as of and for the financial years ended 31 December 2020, 2019 and 2018 (which are included in the section "*Historical financial information*") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and audited by the Investment Company's independent auditors. For the three financial years to be comparable for the Investment Company, the presented figures for the financial year 2018 have been included in accordance with IFRS and IFRS 10 Consolidated Financial Statements. This has been done despite the fact that a group relationship did not exist as of 31 December 2018. The financial statements for 2020 have been audited by the Investment Company's independent auditor Öhrlings PricewaterhouseCoopers AB ("**PwC**") and the financial statements for 2018 and 2019 have been audited by the Investment Company's then independent auditor Rådek KB ("**Rådek**"). In preparation of the audited consolidated financial statements as of and for the financial year ended 31 December 2020 an error was corrected for the reporting of deferred tax liabilities attributable to holdings in the unlisted portfolio, see note 2.12 in section "*Historical financial information*". The corrected information is reflected in the selected financial information presented below.

A summary of the Investment Company's unaudited financial statements for the three-month period ended 31 March 2021 with comparative figures for the three-month period ended 31 March 2020 (included in the section "*Historical financial information*") has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The condensed financial statements for the three-month period ended 31 March 2021 has been reviewed by the Investment Company's independent auditor PwC.

The Prospectus contains several key performance measures, some of which are alternative performance measures or financial performance measures that are not defined in accordance with IFRS. These alternative performance measures and financial measures have not been reviewed or audited by the Company's auditors. The foundation for the presented alternative performance measures is that they are viewed by the Company as usable complementary measures to assess the financial development and financial position of the Investment Company. Thus, they are deemed to provide shareholders and other stakeholders with valuable information. The Investment Company's performance measures that are not defined in accordance with IFRS are not necessarily comparable with similar measures presented by other companies and consequently have certain limitations as a basis for comparison and analysis. These measures should therefore not be considered separately from, or as a substitute for, the Company's financial information prepared in accordance with IFRS. See section "*Selected financial information – Definitions of alternative performance measures that are not defined in accordance with IFRS*" for definitions and reasons for the use of individual alternative performance measures not defined in accordance with IFRS. Furthermore, see section "*Selected financial information – Reconciliation tables for alternative performance measures*" for reconciliation of alternative performance measures.

The financial information in this section should also be read in conjunction with the sections "*Comments on the financial development*" and "**Capital structure and other financial information**". Figures shown in tables have been rounded and totals may thus not be an exact arithmetic aggregation of the figures that precede them. Apart from what is stated above, no information in the Prospectus has been reviewed or audited by the Company's auditors.

⁷⁵ Investment Company refers to investment entity as defined in IFRS 10.

Summary of the Investment Company's income statements

Summary of income statements SEK million	jan–march 2021 ⁷⁶	jan–march 2020 ⁷⁶	jan–dec 2020 ⁷⁷	jan–dec 2019 ⁷⁷	jan–dec 2018 ⁷⁷
Changes in the fair value of participations in portfolio companies and other investments	-50.3	35.7	973.1	598.5	299.0
Other operating income ⁷⁸	2.4	-	-	-	-
Dividends from portfolio companies	-	0.0	1.3	4.6	5.7
Total result from investment activities	-47.9	35.7	974.4	603.1	304.7
Other external costs	-6.8	-0.0	-1.9	-0.6	-0.5
Personnel expenses	-1.7	-0.1	-2.5	-0.3	0.0
Operating profit / loss	-56.3	35.6	970.1	602.2	304.1
Financial income	0.1	-	0.2	0.4	1.2
Financial costs	-0.5	-0.0	-0.0	-	0.0
Profit / Loss from financial items	-0.4	-0.0	0.2	0.4	1.2
Profit before tax	-56.7	35.5	970.3	602.6	305.4
Income tax	22.3	-22.0	-137.1	-6.4	10.6
Profit for the period	-34.4	13.5	833.2	596.2	315.9

⁷⁶ Not audited

⁷⁷ Audited

⁷⁸ Other operational income consists of income from guarantee commitments. Income from guarantee commitments for the period 1 January 2021–31 March 2021 amounted to SEK 2,379 thousand and refers to compensation related to guarantee commitments made in the share issues of Medivir and OncoZenge.

Summary of the Investment Company's balance sheets

Summary of balance sheets SEK million	31 march 2021 ⁷⁹	31 march 2020 ⁷⁹	31 dec 2020 ⁸⁰	31 dec 2019 ⁸⁰	31 dec 2018 ⁸⁰
ASSETS					
Fixed assets					
Financial fixed assets					
Investments in shares and other securities	2,654.6	1,612.7	2,584.6	1,549.0	1,000.4
Investments in endowment insurance and fixed income funds	18.5	61.1	19.0	78.1	27.5
Loan receivables portfolio companies	7.7	2.0	7.7	-	-
Other financial assets	-	-	-	2.0	-
Deferred tax assets	-	-	-	-	1.4
Total fixed assets	2,680.7	1,675.8	2,611.2	1,629.1	1,029.4
Current assets					
Accounts receivable	-	-	-	-	0.4
Other receivables	5.9	3.3	5.0	0.5	1.8
Prepayments and accrued income	0.3	0.0	0.3	0.0	0.0
Cash and cash equivalents	22.2	22.5	21.9	36.5	35.4
Total current assets	28.4	25.8	27.2	37.0	37.6
TOTAL ASSETS	2,709.1	1,701.6	2,638.4	1,666.1	1,067.0
EQUITY					
Equity attributable to the parent company's shareholders					
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings including net profit for the period	2,459.7	1,674.5	2,494.1	1,660.9	1,064.8
Total equity	2,459.8	1,674.6	2,494.2	1,661.0	1,064.9
LIABILITIES					
Long-term liabilities					
Deferred tax liabilities	119.7	26.9	142.0	4.9	-
Total long-term liabilities	119.7	26.9	142.0	4.9	-
Current liabilities					
Credit facility agreement	124.7	-	-	-	-
Trade payables	0.6	-	0.6	0.0	0.2
Current tax liabilities	-	-	-	-	1.7
Derivatives	0.2	-	0.4	-	-
Other liabilities	0.3	0.0	0.2	0.0	0.1
Accrued expenses and prepaid income	3.9	0.1	0.9	0.1	0.1
Total current liabilities	129.6	0.1	2.2	0.2	2.1
TOTAL EQUITY AND LIABILITIES	2,709.1	1,701.6	2,638.4	1,666.1	1,067.0

⁷⁹ Not audited.

⁸⁰ Audited.

The Investment Company's condensed cash flow statements

Condensed cash flow statements SEK million	jan–march 2021 ⁸¹	jan–march 2020 ⁸¹	Jan–dec 2020 ⁸²	Jan–dec 2019 ⁸²	Jan–dec 2018 ⁸²
Cash flow from operating activities					
Operating profit / loss	-56.3	35.6	970.1	602.2	304.1
Non-cash adjustments					
– Other items not affecting cash flow	0.0	-0.0	0.5	-0.1	-
– Result of fair value change	50.3	-35.7	-974.4	-603.1	-304.7
Received interest	-	-	-	0.4	1.2
Interest paid / received	-0.5	-0.0	0.0	-	0.0
Paid tax	0.4	-0.8	0.1	-2.4	2.0
Cash flow from operating activities before change in working capital and operational investments	-6.2	-0.9	-3.8	-2.9	2.7
<i>Change in working capital</i>					
Increase / decrease in trade accounts receivable	-	-	-	0.4	-0.4
Increase / decrease in other current receivables	-	-	-	1.8	2.7
Increase / decrease in other current liabilities	2.9	-0.1	1.0	-0.2	-0.9
<i>Operational investments</i>					
Acquisitions and investments in portfolio companies, endowment insurance and interest funds	-165.0	-19.5	-84.2	-136.6	-147.8
Sale of participations in portfolio companies, endowment insurance and fixed income funds	45.0	8.5	77.8	136.2	125.8
Dividends from portfolio companies	-	-	1.3	4.6	5.7
Loans provided to portfolio companies	-	-2.0	-10.7	-7.5	-7.4
Repayment of loans from portfolio companies	-	-	3.0	7.3	-
Change in other financial assets	-1.3	-	0.9	-2.0	-
Total change in working capital and cash flow from operational investments	-118.3	-13.1	-10.8	4.1	-22.4
Cash flow from operating activities	-124.5	-14.0	-14.6	1.2	-19.7
Cash flow from investment activities	-	-	-	-	-
Change in custody credit	124.7	-	-	-	-
Cash flow from financing activities	124.7	-	-	-	-5.2⁸³
Cash flow for the period	0.3	-14.0	-14.6	1.2	-24.8
Cash and cash equivalents at beginning of the period	21.9	36.5	36.5	35.4	60.2
Cash and cash equivalents at end of the period	22.2	22.5	21.9	36.5	35.4

⁸¹ Not audited.

⁸² Audited.

⁸³ Distributions to shareholders.

Segment information

Change in fair value SEK million	jan–march 2021	jan–march 2020	Jan–dec 2020	Jan–dec 2019	Jan–dec 2018
Listed holdings	-59.5	46.4	966.5	582.0	304.1
Unlisted holdings	8.5	6.2	9.2	11.3	-6.7
Unallocated profit / loss items ⁸⁴	0.7	-17.0	-2.6	5.1	1.5
Total change in fair value	-50.3	35.7	973.1	598.5	299.0

Segment information for the full year 2020 jan–dec 2020	Listed holdings	Unlisted holdings	Unallocated items	Total
Changes in the fair value of participations in portfolio companies and other investments	966.5	9.2	-2.6	973.1
Dividends	-	1.3	-	1.3
Profit / loss from investment activities	966.5	10.5	-2.6	974.4
Other external costs	-	-	-1.9	-1.9
Personnel costs	-	-	-2.5	-2.5
Operating profit / loss	966.5	10.5	-7.0	970.1
Financial income	-	-	0.2	0.2
Financial expenses	-	-	0.0	0.0
Profit / loss before tax	966.5	10.5	-6.7	970.3
Fair value at beginning of the period	1,474.1	74.9	78.1	1,627.1
Changes in fair value during the period	966.5	9.2	-2.6	973.1
Adjustment for changes in fair value of issued guarantees (included in change in fair value)	-	-	0.4	0.4
Additional purchases and supplements	31.8	52.4	-	84.2
Divestments	-26.0	-6.9	-48.3	-81.3
Change category ⁸⁵	8.6	-	-8.6	-
Fair value at the end of the period	2,455.0	129.6	19.0	2,603.6

Segment information for the full year 2019 jan–dec 2019	Listed holdings	Unlisted holdings	Unallocated items	Total
Changes in the fair value of participations in portfolio companies and other investments	582.0	11.3	5.1	598.5
Dividends	4.0	0.7	-	4.6
Profit / loss from investment activities	586.0	12.0	5.1	603.1
Other external costs	-	-	-0.6	-0.6
Personnel costs	-	-	-0.3	-0.3

⁸⁴ Holdings of unallocated items include investments in endowment insurance and interest funds, that are not included in the evaluation of the segments.

⁸⁵ In the event that an unlisted holding becomes listed during the interim period, the actual change in fair value within the category unlisted is calculated until the day on which the share in the unlisted company is admitted to trading. As of the day of admission to trading, the holding will be recategorised from unlisted to listed holding at its fair value.

Operating profit / loss	586.0	12.0	4.3	602.2
Financial income	-	-	0.4	0.4
Financial expenses	-	-	-	-
Profit / loss before tax	586.0	12.0	4.6	602.6
jan–dec 2019	Listed holdings	Unlisted holdings	Unallocated items	Total
Fair value at beginning of the period	955.7	44.7	27.5	1,028.0
Changes in fair value during the period	582.0	11.3	5.1	598.5
Additional purchases and supplements	93.3	18.9	4.2	116.4
Divestments	-115.7	-	-	-115.7
Change category ⁸⁶	-41.3	-	41.3	-
Fair value at the end of the period	1,474.1	74.9	78.1	1,627.1
Segment information for the full year 2018 jan–dec 2018	Listed holdings	Unlisted holdings	Unallocated items	Total
Changes in the fair value of participations in portfolio companies and other investments	304.1	-6.7	1.5	299.0
Dividends	5.3	0.4	-	5.7
Profit / loss from investment activities	309.4	-6.2	1.5	304.7
Other operating income	-	-	0.6	0.6
Other external costs	-	-	-1.1	-1.1
Personnel costs	-	-	0.0	0.0
Operating profit / loss	309.4	-6.2	1.0	304.1
Financial income	-	-	1.2	1.2
Financial expenses	-	-	0.0	0.0
Profit/ / loss before tax	309.4	-6.2	2.2	305.4
Fair value at beginning of the period	584.1	81.3	20.2	685.6
Changes in fair value during the period	304.1	-6.7	1.5	299.0
Additional purchases and supplements	90.8	20.7	50.0	161.5
Divestments	-72.4	-1.5	-44.2	-118.1
Change category ⁸⁶	49.1	-49.1	-	-
Fair value at the end of the period	955.7	44.7	27.5	1,028.0

⁸⁶ In the event that an unlisted holding becomes listed during the interim period, the actual change in fair value within the category unlisted is calculated until the day on which the share in the unlisted company is admitted to trading. As of the day of admission to trading, the holding will be recategorised from unlisted to listed holding at its fair value.

Key performance measures

Some of the selected key performance measures presented below are alternative performance measures, or financial measures that are not defined in accordance with IFRS. These measures may not necessarily be comparable with similarly entitled measures of other companies. The management team uses the alternative performance measures (together with the performance measures prepared in accordance with IFRS which are most comparable to other companies) to evaluate the Investment Company's financial performance and value creation. See the section "Selected financial information – Definitions of alternative performance measures that are not defined in accordance with IFRS" for definitions and rationales for the use of key performance measures that are not prepared in accordance with IFRS. Furthermore, see section "Selected financial information – Reconciliation tables for alternative performance measures" for derivations of alternative performance measures.

SEK million	31 march 2021	31 march 2020	31 dec 2020	31 dec 2019	31 dec 2018
Profit / loss					
Profit / loss from investment activities	-47.9	35.7	974.4	603.1	304.7
Operating profit / loss (EBIT) ⁹	-56.3	35.6	970.1	602.2	304.1
Adjusted operating profit (Adjusted EBIT)	-51.0	35.6	970.8	602.2	304.1
Profit / loss before income tax ⁹	-56.7	35.5	970.3	602.6	305.4
Profit / loss for the period ⁹	-34.4	13.5	833.2	596.2	315.9
Financial status					
Total assets ⁹	2,709.0	1,701.6	2,638.4	1,666.1	1,067.0
Fair value – Portfolio companies and other holdings	2,673.1	1,673.8	2,603.6	1,627.1	1,028.0
Net asset value (SEK million)	2,459.8	1,674.6	2,494.2	1,661.0	1,064.9
Equity ⁹	2,459.8	1,674.6	2,494.2	1,661.0	1,064.9
Net debt	102.6	-22.5	-21.9	-36.5	-35.4
Equity / assets ratio (%)	90.8	98.4	94.5	99.7	99.8
Per share⁸⁵					
Net asset value per share (SEK)	61.5	41.9	62.4	41.5	26.6
Earnings per share (SEK)	-0.9	0.3	20.8	14.9	7.9
Number of shares at the end of the period (million)	40.0	40.0	40.0	40.0	40.0
Average number of shares for the period (million)	40.0	40.0	40.0	40.0	40.0

⁹ Defined under IFRS.

⁸⁵ Retroactive adjustment of the number of shares had been made for the change in the number of shares which was decided on the annual general meeting held on 12 April 2021 (share split 40,000:1).

Definitions of other key figures that are not defined in accordance with IFRS

Key figures	Definition	Purpose
Result of changes in fair value of participations in portfolio companies	Realised and unrealised result of changes in fair value for participations in portfolio companies during the period	An item in the income statement to measure development of the investments in the portfolio companies during the period
Profit / loss from investment activities	Result of changes in fair value of participations in portfolio companies (direct holdings) and other financial investments (indirect holdings) plus dividends during the period	An item in the income statement to measure the total financial development of the investments in the portfolio companies, including dividends, during the period
Adjusted operating profit / loss	Operating profit / loss adjusted for items affecting comparability to the listing, such as costs for legal and financial advisers which would not have been engaged if it were not for the listing	The measure excludes the effect of items affecting comparability, which allows a comparison of operating profit / loss between periods
Fair value – portfolio companies and other holdings	Investments in shares and securities together with investments in endowment insurances and fixed income funds	The key performance measure shows the fair value of Linc's investments as per the balance date
Net asset value	Equity (assets and liabilities valued at fair value)	A central measure of the net asset value in an investment company based on the fair value of the assets and liabilities
Net debt	Interest-bearing liabilities reduced by cash and cash equivalents	The measure shows the Company's net borrowing with an adjustment for realisable cash assets
Equity / assets ratio	Equity divided by total assets	The measure shows what proportion of the assets is financed with equity
Net asset value per share (SEK)	Net asset value in relation to number of shares at end of period	The measure shows the underlying value of the Investment Company's net assets per share
Return on net asset value per share (%)	Change in net asset value per share (adjusted for any capital raising) including any dividend per share received, divided by the net asset value per share at the beginning of the period	The measure shows the Investment Company's return on net asset value per share including any dividends distributed to shareholders, which is the return generated to the investors in Linc
Earnings per share (SEK)	Profit for the period in relation to weighted number of average outstanding shares in the period	The measure shows the development of the profit / loss for the period with respect to outstanding shares

Reconciliation tables for alternative key figures

<i>Calculation of adjusted operating profit / loss</i> Adjusted operating profit / loss SEK million	jan–march 2021 ⁸⁶	jan–march 2020 ⁸⁸	Jan–dec 2020 ⁸⁸	Jan–dec 2019 ⁸⁸	Jan–dec 2018 ⁸⁸
Operating profit / loss	-56.3	35.6	970.1	602.2	304.1
Listing costs ⁸⁸	-5.3	-	-0.7	-	-
Adjusted operating profit / loss	-51.0	35.6	970.8	602.2	304.1

<i>Calculation of net asset value</i> Net asset value SEK million	jan–march 2021 ⁸⁹	jan–march 2020 ⁸⁹	Jan–dec 2020 ⁹⁰	Jan–dec 2019 ⁹⁰	Jan–dec 2018 ⁹⁰
Total assets	2,709.0	1,701.6	2,638.4	1,666.1	1,067.0
Long-term liabilities	-119.7	-26.9	-142.0	-4.9	0.0
Current liabilities	-129.6	-0.1	-2.2	-0.2	-2.1
Net asset value	2,459.8	1,674.6	2,494.2	1,661.0	1,064.9

<i>Calculation of fair value – portfolio companies and other holdings</i> Fair value – portfolio companies and other holdings Mkr	jan–march 2021 ⁸⁹	jan–march 2020 ⁸⁹	Jan–dec 2020 ⁹⁰	Jan–dec 2019 ⁹⁰	Jan–dec 2018 ⁹⁰
Investments in shares and securities	2,654.6	1,612.7	2,584.6	1,549.0	1,000.4
investments in endowment insurances and fixed income funds	18.5	61.1	19.0	78.1	27.5
Fair value – portfolio companies and other holdings	2,673.1	1,673.8	2,603.6	1,627.1	1,028.0

<i>Calculation of net debt</i> Net debt SEK million	jan–march 2021 ⁸⁹	jan–march 2020 ⁸⁹	Jan–dec 2020 ⁹⁰	Jan–dec 2019 ⁹⁰	Jan–dec 2018 ⁹⁰
Interest-bearing liabilities	124.7	-	-	-	-
Cash and cash equivalents	-22.2	-22.5	-21.9	-36.5	-35.4
Net debt	102.6	-22.5	-21.9	-36.5	-35.4

<i>Calculation of equity / assets ratio</i> Equity / assets ratio SEK million	jan–march 2021 ⁸⁹	jan–march 2020 ⁸⁹	Jan–dec 2020 ⁹⁰	Jan–dec 2019 ⁹⁰	Jan–dec 2018 ⁹⁰
Equity	2,459.8	1,674.6	2,494.2	1,661.0	1,064.9
Total assets	2,709.0	1,701.6	2,638.4	1,666.1	1,067.0
Equity / assets ratio (%)	90.8%	98.4%	94.5%	99.7%	99.8%

⁸⁸ Operating profit (EBIT) for the period 1 January 2021 – 31 March 2021 has been burdened with SEK 5.3 million in costs related to preparations of the listing on Nasdaq Stockholm. For the period 1 January 2020 – 31 December 2020 the same costs as mentioned above amounted to SEK 0.7 million (where SEK 0 million was attributable to the first quarter).

⁸⁹ Not audited

⁹⁰ Audited

<i>Calculation of net asset value per share⁹¹</i>					
Net asset value per share SEK million	jan–march 2021⁹²	jan–march 2020⁹²	Jan–dec 2020⁹³	Jan–dec 2019⁹³	Jan–dec 2018⁹³
Net asset value (SEK million)	2,459.8	1,674.6	2,494.2	1,661.0	1,064.9
Number of shares per balance sheet date (million)	40.0	40.0	40.0	40.0	40.0
Net asset value per share (SEK)	61.5	41.9	62.4	41.5	26.6
<i>Calculation of return on net asset value per share⁸⁴</i>					
Dividend per share SEK million	jan–march 2021⁹²	jan–march 2020⁹²	jan–dec 2020⁹³	jan–dec 2019⁹³	jan–dec 2018⁹³
Dividend to shareholders (SEK million)	-	-	-	-	5.2
Number of shares per balance sheet date (million)	40.0	40.0	40.0	40.0	40.0
Dividend per share to shareholders (SEK)	-	-	-	-	0.1
<i>Return on net asset value, per share⁹¹</i>					
SEK	jan–march 2021⁹²	jan–march 2020⁹²	jan–dec 2020⁹³	jan–dec 2019⁹³	jan–dec 2018⁹³
Net asset value per share end of period	61.5	41.9	62.4	41.5	26.6
Net asset value per share beginning of period	62.4	41.5	41.5	26.6	18.9
Change of net asset value per share	-0.9	0.3	20.8	14.9	7.8
Dividend per share to shareholders	-	-	-	-	0.1
Return on net asset value, per share	-1.4 %	0.8 %	50.2 %	56.0 %	41.9 %
<i>Calculation of profit / loss per share⁹¹</i>					
Earnings per share SEK	jan–march 2021⁹²	jan–march 2020⁹²	jan–dec 2020⁹³	jan–dec 2019⁹³	jan–dec 2018⁹³
Profit / loss for the period (SEK million)	-34.4	13.5	833.2	596.2	315.9
Average number of shares (million)	40.0	40.0	40.0	40.0	40.0
Earnings per share (SEK thousand)	-0.9	0.3	20.8	14.9	7.9

⁹¹ Retroactive adjustment of the number of shares had been made for the change in the number of shares which was decided on the annual general meeting held on 12 April 2021 (share split 40,000:1).

⁹² Not audited.

⁹³ Audited.

Comments on the financial development

The information below should be read in conjunction with: (i) the sections "Selected financial information" and "Capital structure and other financial information"; (ii) the Investment Company's audited financial statements for the financial years ended 31 December 2020, 2019 and 2018, and (iii) the Investment Company's unaudited condensed financial statements for the three-month period ended 31 March 2021 with comparative figures for the three-month period ended 31 March 2020. The Investment Company's audited financial statements for the financial years ended 31 December 2020, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and audited by the Investment Company's independent auditors. For the three financial years to be comparable for the Investment Company, the presented figures for the financial year 2018 have been included in accordance with IFRS and IFRS 10 Consolidated Financial Statements. This has been done despite the fact that a group relationship did not exist as of 31 December 2018. The financial statements for 2020 have been audited by the Investment Company's independent auditor PwC and the financial statements for 2018 and 2019 have been audited by the Investment Company's then independent auditor Rådek. In preparation of the audited consolidated financial statements as of and for the financial year ended 31 December 2020 a correction was made for an error relating to the accounting of deferred tax liabilities attributable to holdings in the unlisted portfolio companies, see note 2.12 in section "Historical financial information". The corrected information is reflected in the financial information presented below. The Investment Company's audited financial statements mentioned above and audit reports are included in the section "Historical financial information". The Investment Company's unaudited condensed financial statements for the three-month period which ended 31 March 2021 with comparative figures for the three-month period ended 31 March 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The condensed financial statements for the three-month period ended 31 March 2021 have been reviewed by the Investment Company's independent auditors, PwC, as set out in the accompanying review report. The Investment Company's unaudited consolidated condensed financial statements mentioned above and the review report are included in the section "Historical financial information".

The comments on the financial development are intended to facilitate understanding and evaluation of trends and fluctuations in the Investment Company's financial results. The historical results that are included in this section do not constitute any indication of the Investment Company's future financial results.

Overview

Linc is an Investment Company focusing on long-term share ownership in the Nordic life science market. The Company primarily invests in, and develops, small and medium-sized product-oriented life science companies in medical technology and the pharmaceutical industry. Investments are made in both private and public companies as well as in pre-clinical/clinical-stage companies and companies who already have established business operations. Typically, investments in pharmaceutical companies are made at an earlier stage than investments in medical technology companies.

Linc is an active, long-term owner with a broad industrial network to support the portfolio companies and their development. Linc works together with the management teams, founders and the board of directors to realise the inherent potential that exists in each portfolio company, and as owner Linc has ambitious plans for further development and expansion of the portfolio companies. Linc actively participates in nomination committee work and contributes to appointing competent management personnel and board representatives in the portfolio companies.

IMPORTANT FACTORS THAT AFFECT LINC'S EARNINGS AND FINANCIAL POSITION

Macroeconomic conditions and market conditions

As an Investment Company, Linc is affected by a number of macroeconomic and market-related factors, including the prevailing conditions in the financial markets and general economic and political developments. A stronger or weaker economy or stock market, which are beyond Linc's control, can both directly and indirectly affect the value of Linc's portfolio companies and thus also Linc's earnings and financial position. In addition to general economic developments, which may lead to increased or decreased demand for Linc's portfolio companies' products, and the prevailing stock market climate, market sentiment regarding investments in the life sciences sector may also have an impact on the valuation of Linc's portfolio companies and thus affect Linc's net asset value. The factors mentioned above can also affect the ability of the portfolio companies to attract capital to finance continued business and / or research development. For further information on risks related to economic conditions and market conditions, see the section "Risk factors".

Operational and financial developments in the portfolio companies

Linc is an Investment Company, whose results and financial position are a direct effect of the market value of its holdings. Given that operational and financial developments in the portfolio companies have a direct impact on the Companies' market value, in the long run this can also have a direct impact on Linc's net asset value.

Ability to make successful investments and actively work with the holdings to generate an attractive return

Linc's ability to identify attractive investments and create an attractive return has a direct impact on the results of the businesses. The Investment Company's perception is thus that the following factors are important for the Company's future results:

- Linc's ability to attract and employ capital and identify attractive investments. This applies to both the ability to make additional investments in existing portfolio companies and the ability to identify investment opportunities in new portfolio companies.
- Linc's ability to successfully appoint and / or continuously work with management teams and boards in Linc's portfolio companies to achieve the adopted strategy and full value potential in the respective company.
- Linc's ability to further develop and benefit from its industrial network with contacts from the research world, colleges, universities and government agencies that support the portfolio companies during the investment cycle.

For further information on how Linc works actively with investments and portfolio companies, see the section "Business description – What Linc adds to its portfolio companies".

Tax

Linc does not meet the requirements for an Investment Company as regards tax law and is thus taxed on profits and dividends on directly owned non-business shares and participations. Dividends and gains on business-related holdings are not taxable. Taxable holdings include holdings in listed shares in which Linc has an ownership share of less than ten per cent of the votes and listed shares where ownership exceeds ten per cent of the votes but the ownership has reached this level for a period of less than twelve months. Linc's ability to achieve and maintain ownership of at least ten per cent over time (expressed as a share of votes) for at least twelve months in the listed portfolio companies and thus reduce the taxable result related to dividends and value development in these companies (so-called "holdings for business purposes") is therefore

important for Linc's earnings and financial position. For further information on current and deferred tax, see Note 2.7 in the section "Historical financial information".

VALUATION OF FINANCIAL ASSETS AT FAIR VALUE

Linc is an investment entity in accordance with IFRS 10 and values the holdings of the portfolio companies at fair value. The calculation of fair value is based on the provisions of IFRS 13 "Fair Value Measurement" as regards calculation and reporting of fair value. In addition, Linc follows guidelines in the International Private Equity and Venture Capital Valuation Guidelines (IPEV Valuation Guidelines), which are established by IPEV.

Fair value hierarchy

For financial assets at fair value, valuation is performed in accordance with the following valuation hierarchy (for further information on valuation bases and fair value hierarchies see Notes 2.2 and 2.5 in the section "Historical financial information").

- *Level 1 A: Latest trading price*
Fair value is determined on the basis of observable (unadjusted) listed prices on an active market.
- *Level 3 A: Latest investment*
Fair value is determined on the basis of the latest completed new issue subscription price for the Company, provided that the latest issue was made within the last twelve months and that against the background of relevant factors this continues to be considered a relevant valuation reference. However, excluded from this valuation method are issues at a subscription price that are considered to give a misleading picture of the fair value of the shares. Examples can be bonus issues, issues at a clear discount or premium and rights issues where existing shareholders have the right to subscribe for shares in relation to their previous holding.
- *Level 3 B: Most recent investment adjusted*
Fair value is determined on the principle according to Level 3 A but the latest share issue was made earlier than twelve months prior to the time of valuation. The most recent share issue is still the starting point for the valuation, but in addition the Company's development is analysed against the business plan that Linc initially invested in and the latest business plan, including the Company's development and market conditions.
- *Level 3 C: Most recent known transaction of shares*
Fair value is determined on the basis of known informal transactions (OTC) from known trading places or individual players during the relevant accounting period.

- *Level 3 D: Relative valuation / multiple valuation*
Fair value is determined on the basis of valuation multiples such as EV/Sales, EV/EBITDA, EV/EBITA, EV/EBIT and PER which are adjusted to take into account differences in market, operations and risk.
- *Level 3 E: Discounted cash flow analysis*
Fair value is determined on the basis of present value calculation of assessed future cash flows based on most of the non-observable data that is used in the DCF model. The method is suitable if the Company generates a cash flow in the form of turnover or profit and valuation according to higher priority methods is not applicable or is considered less reliable than this method.
- *Level 3 F: Other valuation method*
Fair value is determined on the basis of some other valuation

method than according to higher prioritised methods. If applicable, the net asset value is used as the starting point for the fair value. Any adjustments to the net asset value to reflect the fair value are assessed on the basis of given conditions for the specific asset and the Company's management's assessment of these.

Application of the fair value hierarchy on the portfolio companies

Linc applies Level 1 in the fair value hierarchy as valuation method for all listed holdings. Below is an overview of applied valuation methods for the Company's unlisted holdings as of 31 December 2020, as well as endowment insurance with Avanza and Nordea.

Portfolio company	Listed/unlisted holding	Valuation method/level
SweVet Holding AB	Unlisted	3 D
Part Production Sweden AB	Unlisted	3 D
Society AB	Unlisted	3 B
Athera Biotechnologies AB	Unlisted	3 F
Epicyt Pharma	Unlisted	3 A
OncoZenge AB	Unlisted	3 A
Synartro	Unlisted	3 A
Sixera Pharma AB	Unlisted	3 A
Gesynta Pharma AB	Unlisted	3 A
Cinclus Pharma Holding AB	Unlisted	3 A
nWise ägare AB	Unlisted	3 C
Animal Probiotics AB (previously ProEquo AB)	Unlisted	3 F
Endowment insurance Avanza	Unlisted	1 A
Endowment insurance Nordea	Unlisted	1 A

Account of applied valuation method for holdings in SweVet and Part Production Sweden

Below is a more detailed account of Linc's application of the

Level 3 D fair value hierarchy to establish fair value for the Company's holdings in SweVet and Part Production Sweden as of 31 December 2020.

Portfolio company	Valuation components	Valuation (SEK million) – 31 Dec 2020	Valuation methodology
SweVet (27% ownership)	SweVet Holding AB	51.6	6x EBITDA (normalised)
	Net debt / (Cash)	-2.3	
	Fair value	49.2	
	Linc's share (27%)	13.3	
Part Production Sweden (50% ownership)	Reison Medical (100%)	63.0	7x EBITDA (normalised)
	SweVet Holding AB (29%)	14,3	6x EBITDA (normalised)
	Cavis Technologies AB (9%)	3.1	Acquisition value (2020)
	AbsorBest AB (19%)	10.0	Acquisition value (2020)
	Net debt / (Cash)	-25.6	
	Fair value	64.8	
	Linc's share (50%)	32.4	

COMPARISON BETWEEN THE INTERIM PERIOD

1 JANUARY 2021–31 MARCH 2021 AND

1 JANUARY 2020–31 MARCH 2020

Net asset value

During the period 1 January 2021–31 March 2021, the net asset value decreased by SEK -34.4 million, compared with SEK 13.5 million for the corresponding period in 2020. This development is primarily attributable to changes in the fair value of investments in portfolio companies and other investments. As of 31 March 2021, Linc's net asset value amounted to SEK 2,459.8 million, compared with SEK 1,674.6 million as of 31 March 2020. The return on net asset value per share was -1.4 per cent, compared with 0.8 per cent during the corresponding period of 2020.

Profit / loss

The Investment Company's profit from investment activities during the period 1 January 2021–31 March 2021 amounted to SEK -47.9 million, compared with SEK 35.7 million during the corresponding period in 2020. The change in fair value attributable to the listed investments for the period 1 January 2021 – 31 March 2021 amounted to SEK -59.5 million (-2.3%), compared with SEK 46.4 million (3.1%) for the corresponding period in 2020. The change in fair value attributable to the unlisted portfolio amounted to SEK 8.5 million (6.5%), compared with SEK 6.2 million (6.9%) for the corresponding period in 2020. Stille posted a strong fourth quarter and represented

the largest positive contribution to the profit from investment activities. The value of the holding in Stille increased by SEK 84 million during the quarter, corresponding to a percentage increase of 45 per cent. AdderaCare completed a strategic acquisition of Linds Ortopediska during the quarter and the value of Linc's holding increased by SEK 25 million (71%), which also had a positive contribution to the profit from investment activities for the period. In contrast, the decrease in fair value of the holdings in Calliditas Therapeutics (SEK -81 million, -12%), MedCap (SEK -65 million, -10%) and Sedana Medical (SEK -28 million, -4%) had a negative impact on the profit from investment activities for the period. In the unlisted portfolio, the value of the holdings in Gesynta Pharma and Epicyt have been revised up based on the issue price in each company's ongoing capital raisings. The value of the holding in Part Production Sweden (primarily SweVet and Reison Medical) has also been revised up to reflect its results during the financial year ended 31 March 2021. Profit from investment activities for the period 1 January 2021–31 March 2021 was positively affected by other operating income of SEK 2.4 million, compared with SEK 0 million during the corresponding period in 2020. Other operating income consisted entirely of income from guarantee commitments in the completed equity issues in Medivir and OncoZenge. The Investment Company did not receive any dividends from its portfolio companies during the period 1 January 2021–31 March 2021 or 1 January 2020–31 March 2020.

The Investment Company's operating profit during the

period 1 January 2021 – 31 March 2021 amounted to SEK -56.3 million, compared with SEK 35.6 million during the corresponding period in 2020. Income tax amounted to SEK 22.3 million (SEK -22.0 million) and the Investment Company's loss totalled SEK -34.4 million, compared with a profit of SEK 13.5 million during the corresponding period of 2020. The income tax consisted entirely of unrealised taxes. The entire loss of SEK -34.4 million was attributable to Linc's shareholders.

Financing and liabilities

The Investment Company's cash and cash equivalents amounted to SEK 22.2 million as of 31 March 2021 (SEK 22.5 million). During the quarter, up to SEK 150 million in additional liquidity was secured through a credit facility agreement with SEB. As of 31 March 2021, SEK 124.7 million has been drawn from this credit facility and the Investment Company's net debt position amounted to SEK 102.6 million.

Cash flow

Cash flow from operating activities before changes in working capital and operational investments amounted to SEK -6.2 million (SEK -0.9 million) for the period and was mainly impacted by income from guarantee commitments less costs for administration and personnel. Changes in working capital amounted to SEK 2.9 million (SEK -0.1 million) and was attributable to an increase in accounts payable, other interim liabilities and accrued expenses related to insurance.

During the period 1 January 2021–31 March 2021, acquisitions and investments in portfolio companies, endowment insurance and fixed income funds amounted to SEK -165.0 million, compared with SEK -19.5 million for the corresponding period in 2020. In existing portfolio companies, Linc has made additional investments in InDex Pharmaceuticals, Medivir, OncoZenge and Animal Probiotics through share issues. OncoZenge was listed on Nasdaq First North Growth Market during the period and thus became a listed portfolio company. Linc also increased its holdings in Calliditas and OncoZenge during the period through acquisition of additional shares. Furthermore, Linc has entered subscription commitments in the upcoming share issues of OssDsign (incl. guarantee commitments), Gesynta Pharma and Epicyt. Linc has also entered into agreements for the acquisition of minor shareholdings in Cinclus Pharma and Synartro through the exercise of pre-emptive rights (transactions expected to close after the period end).

During the period 1 January 2021–31 March 2021, no investments were made in new portfolio companies. However, the remaining holding in Elos Medtech was divested for SEK 44 million, which resulted in a gain of approximately SEK 18 million in the period. In addition, the endowment insurance in

Nordea and fixed income fund in SEB were terminated.

Cash flow from changes in working capital and operational investments amounted to SEK -118.3 million for the period 1 January 2021–31 March 2021, compared with SEK -13.1 million for the corresponding period in 2020. The Investment Company's cash flow from operating activities amounted to SEK -124.5 million, compared with SEK -14.0 million in 2020.

Cash flow from financing activities amounted to SEK 124.7 million following the establishment of a custodian credit agreement with SEB of up to SEK 150 million in additional liquidity. The Investment Company had no cash flows from investing activities during the periods 1 January 2021–31 March 2021 and 1 January 2020–31 March 2020.

COMPARISON BETWEEN THE FULL YEARS 2020 AND 2019

Net asset value

During the period 1 January 2020–31 December 2020, the net asset value increased by SEK 833.2 million, compared with SEK 596.2 million for the corresponding period in 2019. The increase in net asset value is primarily attributable to changes in the fair value of investments in portfolio companies and other investments. refers primarily to changes in the fair value of participations in portfolio companies and other investments. As of 31 December 2020, Linc's net asset value amounted to SEK 2,494.2 million, compared with SEK 1,661.0 million as of 31 December 2019. The return on net asset value per share was 50.2 per cent, compared with 56.0 per cent during the corresponding period of 2019.

Profit / loss

The Investment Company's profit from investment activities during the period 1 January 2020–31 December 2020 amounted to SEK 974.4 million, compared with SEK 603.1 million during the corresponding period in 2019. The improvement can largely be explained by a stronger stock market development in 2020. The change in fair value of the listed portfolio companies for the period 1 January 2020–31 December 2020 amounted to SEK 966.5 million, compared with SEK 582.0 million during the corresponding period in 2019. The change in fair value of the unlisted portfolio companies for the period 1 January 2020–31 December 2020 amounted to SEK 9.2 million, compared with SEK 11.3 million during the corresponding period in 2019. The change in fair values of Sedana Medical, SEK 394.7 million, Calliditas Therapeutics, SEK 296.5 million, and MedCap, SEK 263.8 million, together represent 98 per cent of the profit from investment activities for the period 1 January 2020–31 December 2020. Calliditas' positive topline results from the NeflgArd study and Sedana's reported results from ongoing clinical studies were particularly important during 2020.

In addition to changes in the fair value of the investment portfolio, earnings were positively affected by dividends of SEK 1.3 million (SEK 4.6 million). The Investment Company's operating profit during the period 1 January 2020–31 December 2020 amounted to SEK 970.1 million, compared with SEK 602.2 million during the corresponding period in 2019. Income tax amounted to SEK -137.1 million (SEK -6.4 million) and the Investment Company's profit totalled SEK 833.2 million, compared with SEK 596.2 million during the corresponding period of 2019. The income tax consisted entirely of unrealised taxes. The entire profit of SEK 833.2 million was attributable to Linc's shareholders.

Financing and liquidity

The Investment Company's cash and cash equivalents as of 31 December 2020 amounted to SEK 21.9 million (SEK 36.5 million). At the end of the period, there were no borrowings or unutilised credits.

Cash flow

Cash flow for the period from operating activities before changes in working capital and operational investments amounted to SEK -3.8 million (SEK -2.9 million), which mainly derives from dividends from the portfolio companies, less costs for administration and personnel. Changes in working capital amounted to SEK 1.0 million (SEK 2.1 million), which is attributable to a reduction of other current liabilities.

During the period 1 January 2020–31 December 2020, acquisitions and investments in portfolio companies, endowment insurance and fixed income funds amounted to SEK -84.2 million, compared with SEK -136.6 million for the corresponding period in 2019. Investments in new portfolio companies have been made in FluoGuide, Epicyt Pharma, Sixera Pharma, Synartro, OncoZenge and AdderaCare. In existing portfolio companies, Linc has made investments in, among others, Synartro, Gesynta Pharma, Part Production Sweden and Cinclus Pharma in connection with share issues. Sales of participations in portfolio companies, endowment insurance and fixed interest funds amounted to SEK 77.8 million, compared with SEK 136.2 million for the corresponding period in 2019. Part of the holding in Elos Medtech was divested during the period (October). The holdings in Doro and Egetis Therapeutics (previously PledPharma) have been divested. During the period the holding in Medivir was moved out of endowment insurance and at the end of the period is included in the portfolio as a directly-owned company. Furthermore, the ownership in nWise has been restructured through the sale of Linc's shares to the jointly owned company nWise Ågare (50 per cent ownership), which also acquired shares from the previous CEO during the period. In addition, part of the

holding in SweVet was sold to Part Production Sweden during the period.

Cash flow from changes in working capital and operational investments amounted to SEK -10.8 million for the period 1 January 2020–31 December 2020, compared with SEK 4.1 million for the corresponding period in 2019. The Investment Company's cash flow from operating activities amounted to SEK -14.6 million, compared with SEK 1.2 million in 2019. The Investment Company had no cash flows from investing or financing activities during the periods 1 January 2020–31 December 2020 and 1 January 2019–31 December 2019.

COMPARISON BETWEEN THE FULL YEARS 2019 AND 2018

Net asset value

During the period 1 January 2019–31 December 2019, the net asset value increased by SEK 596.2 million, compared with SEK 315.9 million for the corresponding period in 2018. The increase in net asset value is primarily attributable to changes in the fair value of investments in portfolio companies and other investments. As of 31 December 2019, Linc's net asset value amounted to SEK 1,661.0 million, compared with SEK 1,064.9 million as of 31 December 2018. The return on net asset value per share was 56.0 per cent, compared with 41.9 per cent during the corresponding period of 2018.

Profit/loss

The Investment Company's profit from investment activities during the period 1 January 2019–31 December 2019 amounted to SEK 603.1 million, compared with SEK 304.7 million during the corresponding period in 2018. The improvement is largely explained by a stronger stock market in 2019, where Linc's investments in Calliditas, MedCap, Sedana and Stille are the holdings that have accounted for most of the increase in value. The change in value in the listed holdings for the period 1 January 2019–31 December 2019 amounted to SEK 582.0 million, compared with SEK 304.1 million during the corresponding period of 2018. The change in value in the unlisted portfolio for the period 1 January 2019–31 December 2019 amounted to SEK 11.3 million, compared with SEK -6.7 million during the corresponding period in 2018. The changes in value in Sedana (SEK 110.8 million), Calliditas (SEK 147.1 million), MedCap (SEK 179.3 million) and Stille (SEK 134.6 million) together represent 95 per cent of the management result for the period 1 January 2019–31 December 2019.

In addition to changes in the fair value of the investment portfolio, earnings were positively affected by dividends of SEK 4.6 million (SEK 5.7 million). The Investment Company's profit from operating activities during the period 1 January 2019–31 December 2019 amounted to SEK 602.2 million, compared with SEK 304.1 million during the corresponding

period in 2018. Income tax amounted to SEK -6.4 million (SEK 10.6 million) and the Investment Company's profit totalled SEK 596.2 million, compared with SEK 315.9 million during the corresponding period of 2018. Income tax consisted of SEK -0.1 million in realised tax and SEK -6.3 million in changes in deferred tax. The entire profit of SEK 596.2 million was attributable to Linc's shareholders.

Financing and liquidity

The Investment Company's cash and cash equivalents as of the balance sheet date of 31 December 2019 amounted to SEK 36.5 million (SEK 35.4 million). At the end of the period, there were no borrowings or unutilised credits.

Cash flow

Cash flow for the period from operating activities before changes in working capital and operational investments amounted to SEK -2.9 million (SEK 2.7 million), which mainly derives from dividends from the portfolio companies, less costs for administration and personnel. Changes in working capital amounted to SEK 2.1 million (SEK 1.3 million), which is attributable to a reduction in accounts reduction and other current receivables.

During the period 1 January 2019–31 December 2019, acquisitions and investments in portfolio companies, endowment insurance and fixed income funds amounted to SEK -136.6 million, compared with SEK -147.8 million for the corresponding period in 2018. Investments in new portfolio companies have been made in Egetis Therapeutics (formerly Pledpharma), Part Production Sweden and nWise AB. In existing portfolio companies, Linc has made investments in Elos Medtech, InDex Pharmaceuticals, Sedana Medical, Athera Biotechnologies, Gesynta Pharma, Cinclus Pharma and Animal Probiotics in connection with share issues. Sales of participations in portfolio companies, endowment insurance and fixed interest funds amounted to SEK 136.2 million, compared with SEK 125.8 million for the corresponding period in 2018. Divestments have been made in Arcoma, MedCap, Sedana Medical, Stille and Midsona.⁹⁴

Cash flow from changes in working capital and operational investments amounted to SEK 4.1 million for the period 1 January 2019–31 December 2019, compared with SEK -22.4 million for the corresponding period in 2018. The Investment Company's cash flow from operating activities amounted to SEK 1.2 million, compared with SEK -19.7 million in 2018. The Investment Company had no cash flows from investing or financing activities during the period 1 January 2019–31 December 2019. During the period 1 January 2018–31 December 2018, a dividend of SEK -5.2 million was paid to shareholders.

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SIGNIFICANT CHANGES IN THE INVESTMENT COMPANY'S FINANCIAL POSITION OR MARKET POSITION AFTER 31 MARCH 2021

After 31 March 2021, Linc has secured up to SEK 100 million in additional liquidity (up to SEK 250 million in total) through an extended facility credit agreement with SEB. As of the date of the Prospectus, Linc has used SEK 180 million under the credit facility agreement. All assets held in Linc's securities depository with SEB are used as collateral for the utilisation of the credit. The loan-to-value ratio is determined based on Linc's holdings of shares in MedCap, Calliditas Therapeutics and Medivir, whose loanable values have been adjusted to reflect SEB's assessment of the securities' risk.

Linc has acquired additional shares in Cinclus Pharma and Synartro through the exercise of pre-emptive rights stipulated in the shareholder agreements. The investments were made after 31 March 2021 and amounted to SEK 0.5 million and SEK 0.6 million respectively. On 16 April 2021, Linc acquired additional shares in Cinclus Pharma corresponding to SEK 1.3 million.

On 9 April 2021, the Extraordinary General Meeting in Gesynta Pharma decided to proceed with tranche 3 of the existing financing plan. Linc had previously made an investment commitment corresponding to approximately SEK 12.5 million. The share issue has been completed but has not been registered with the Swedish Companies Registration Office at the date of the Prospectus.

On 13 April 2021, Initiator Pharma A/S announced that the Board of Directors has decided to propose an Extraordinary General Meeting to decide on a directed issue as well as fully guaranteed rights issue of approximately SEK 30.0 million and SEK 29.4 million respectively. In accordance with a subscription undertaking, Linc subscribed for 4,729,729 shares in the directed issue, corresponding to approximately SEK 17.5 million. The settlement date for the directed share issue was 14 May 2021. Furthermore, the Company has entered subscription and guarantee commitments in the proposed rights issue amounting to approximately SEK 4.2 million and SEK 13.3 million respectively.

On 12 May 2021, OssDsign AB (publ) announced that it has carried out a rights issue of SEK 240 million as well as a directed issue (so-called "over-allotment option") of an additional SEK 30 million. In total, Linc invests approximately SEK 23.8 million in the issue, of which SEK 15.8 million is attributable to subscription through rights that have been obtained on a cost-free basis in connection with the subscription commitment.

On 12 May, FluoGuide A/S announced that it has completed a directed share issue of approximately SEK 75 million. Linc invests a total of approximately SEK 5.0 million in the issue.

The table below provides an updated overview of Linc's net asset value as of 18 May 2021. All information relating to Linc's unlisted holdings, other assets and liabilities (excluding deferred tax liabilities) has been extracted from Linc's internal

⁹⁴ A summary of investments and divestments for the periods 1 January 2021 – 31 March 2021, 1 January 2020 – 31 December 2020 and 1 January 2019 – 31 December 2019 is given in the section "Capital structure and other financial information – Investments and divestments".

accounting system as of 30 April 2021. Fair values for the listed holdings are based on share prices as of 18 May 2021 and the number of shares held by Linc as of 30 April 2021. Linc's ownership in Calliditas Therapeutics, OncoZenge, Synartro and Cinclus Pharma has increased between 31 March 2021 and 30 April 2021 due to the acquisition of shares during the period. Deferred tax liabilities related to the listed holdings have been calculated based on fair values as of 18 May 2021 and taxable acquisition values as of 30 April 2021. Furthermore, the total deferred tax liability consists of a tax allocation reserve that pertains to historical tax appropriations for 2018, as well as unutilised tax loss carry forwards from previous

years. Amounts relating to these items have been extracted from Linc's internal accounting system as of 30 April 2021. Significant investments after 30 April 2021 includes the subscription of 2,832,579 shares in OssDsign corresponding to approximately SEK 22.0 million, the subscription of 4,729,729 shares in Initiator Pharma corresponding to approximately SEK 17.5 million and the subscription of 52,630 shares in FluoGuide corresponding to approximately SEK 5.0 million. As of 18 May 2021, the Investment Company's net debt amounted to approximately SEK 175 million, of which SEK 180 million comprise the used credit facility and SEK 5 million comprise liquid funds.

	Share of capital ¹	Share price (SEK)	Number of shares / participating interests ¹	Fair value (SEK million)	Share of net asset value
18-05-2021 Listed holdings					
AdderaCare	23.2%	6.4	7,812,500	49.7	2.1%
Arcoma	26.9%	18.4	3,445,131	63.2	2.6%
Calliditas Therapeutics	10.3%	120.8	5,136,108	620.4	25.9%
FluoGuide	6.8%	93.8	718,500	67.4	2.8%
InDex Pharmaceuticals	13.1%	1.6	69,920,567	110.8	4.6%
MedCap	20.0%	209.0	2,965,946	619.9	25.9%
Medivir	10.5%	8.0	5,840,172	46.4	1.9%
OncoZenge	8.2%	9.6	957,354	9.2	0.4%
OssDsign2	0.0%	n.a.	n.a.	2.5	0.1%
Sedana Medical	8.2%	323.0	1,899,701	613.6	25.6%
Stille	42.2%	125.5	2,036,355	255.6	10.7%
Total listed holdings				2,458.7	102.6%
30-04-2021 Unlisted holdings					
Animal Probiotics	19.7%	-	1,347,190	0.7	0.0%
Athera Biotechnologies ³	10.9%	-	957,000	0.0	0.0%
Cinclus Pharma	2.9%	-	7,708	20.4	0.9%
Epicyt Pharma	6.4%	-	104,942	1.3	0.1%
Gesynta Pharma	13.6%	-	38,013	40.0	1.7%
Linc Ägande	100.0%	-	250	0.0	0.0%
nWise Ägare	50.0%	-	125	6.3	0.3%
Part Production Sweden	50.0%	-	500	35.8	1.5%
Society	6.7%	-	5,310	3.0	0.1%
Sixera Pharma	9.9%	-	8,772	10.0	0.4%
SweVet	27.0%	-	11,843,558	14.0	0.6%
Synartro	15.1%	-	38,107	6.8	0.3%
Total unlisted holdings	-	-	-	138.2	5.8%
Other assets and liabilities⁴	-	-	-	-201.6	-8.4%
Net asset value	-	-	-	2,395.2	100.0%

¹ Linc's share of capital and number of shares held in each respective portfolio company have been extracted from Linc's internal accounting system as of 30 April 2021.

² Linc's holding in OssDsign as of 30 April 2021 consists of subscription rights to a value of SEK 2.5 million. After 30 April 2021, Linc has subscribed for 2,832,579 shares in OssDsign corresponding to approximately SEK 22.0 million. In addition, Linc has received an additional allocation corresponding to approximately SEK 1.9 million with settlement date after the date of the Prospectus.

³ Linc's holding in Athera Biotechnologies has been adjusted to SEK 0.0 after a negative outcome in the portfolio company's clinical studies.

⁴ Of which SEK 18.4 million pertains to endowment insurance with Avanza as of 30 April 2021, SEK 7.0 million pertains to cash and cash equivalents as of 30 April 2021, SEK -139.2 million pertains to used credit as of 30 April 2021. Furthermore, SEK -109.1 million pertains to deferred tax liabilities that has been calculated as of 18 May 2021. Deferred tax liabilities include a tax allocation reserve of SEK -3.2 million pertaining to historical tax appropriations for 2018, as well as unutilised tax loss carry forwards from previous years amounting to SEK 22.3 million.

Capital structure and other financial information

CAPITAL STRUCTURE AND INDEBTEDNESS

<i>Capitalisation</i> <i>SEK million</i>	31 march 2021
Current liabilities (including the current portion of long-term liabilities)	
For which a guarantee has been provided	-
Against other security ⁱ⁾	124.7
Without security	-
Total current liabilities (including the current portion of long-term liabilities)	124.7
Long-term liabilities (excluding the current portion of long-term liabilities)	
Guaranteed	-
With security	-
Without guarantee / without security	-
Total long-term liabilities (excluding the current portion of long-term liabilities)	-
Equityⁱⁱ⁾	
Share capital ⁱⁱⁱ⁾	0.1
Reserve fund(s) ^{iv)}	0.0
Other reserves ^{v)}	2,459.7
Total equity	2,459.8
Total capitalisation	2,584.5
<p>ⁱ⁾ Corresponds to "Custody credit agreement", as shown in the Investment Company's unaudited financial statements as of and for the three-month period ended 31 March 2021. The security consists of assets in Linc's securities depository in SEB, which contains all of Linc's shares in the listed portfolio companies.</p> <p>ⁱⁱ⁾ Corresponds to "Total equity" as shown in the Investment Company's unaudited financial statements as of the three-month period ended 31 March 2021.</p> <p>ⁱⁱⁱ⁾ Corresponds to "Share capital" as shown in the Investment Company's unaudited financial statements as of the three-month period ended 31 March 2021.</p> <p>^{iv)} Corresponds to "Reserves" as shown under "Balance sheet for legal entity" in the Investment Company's unaudited financial statements as of the three-month period ended 31 March 2021.</p> <p>^{v)} Corresponds to "Other reserves" as shown in the Investment Company's unaudited financial statements as of the three-month period ended 31 March 2021.</p>	
<i>Net indebtedness</i> <i>SEK million</i>	31 mars 2021
(A) Cash and bank	22.2
(B) Other cash and cash equivalents	-
(C) Other financial assets	-
(D) Liquidity (A) + (B) + (C)	22.2
(E) Current financial liabilities (including debt instruments, but excluding the current portion of long-term financial liabilities)	124.7
(F) Current portion of long-term financial liabilities	-
(G) Current financial debt (E+F)	124.7
(G) Net current financial debt (G)-(D)	102.6
(I) Long-term financial liabilities (excluding current portion and debt instruments)	-
(J) Debt instruments	-
(K) Long-term accounts payable and other liabilities	-
(L) Long-term financial debt (I) + (J) + (K)	-
(M) Total net financial debt (H) + (L)	102.6

Indirect indebtedness and contingent liabilities

During the period 1 January 2021–31 March 2021, Linc has undertaken guarantee commitments totalling SEK 24,220 thousand in OssDsign AB's upcoming rights issue of approximately SEK 240 million. Linc will receive 10% of the guaranteed amount in compensation for the guarantee undertaking. The subscription period for the rights issue runs between 21 April 2021–7 May 2021. As of 31 March 2021, total guarantee commitments amounted to SEK 24,220 thousand.

Credit agreement

During the first quarter of 2021, Linc entered into a credit facility agreement with SEB of a maximum of SEK 150 million, of which SEK 124.7 million was utilised as of 31 March 2021. On 12 April 2021, the credit was extended to a maximum of SEK 250 million. As of the date of the Prospectus, Linc has used SEK 180 million under the credit facility agreement. All assets in Linc's securities depository in SEB, which contains all of Linc's shares in the listed portfolio companies, are used as collateral for the utilisation of the credit. The loan-to-value ratio is determined based on the value of the shares listed on Nasdaq Stockholm, i.e. MedCap, Calliditas Therapeutics and Medivir, the loanable value of which has been adjusted to reflect SEB's assessment of the securities' risk. For further information regarding the credit facility agreement, see the section "Legal issues and additional information – Significant agreements".

INVESTMENTS AND DIVESTMENTS

Below is an overview of changes in Linc's holdings during 2019 and 2020, as well as the first quarter of 2021. Since 31 March 2021, until the day of the Prospectus, Linc has (i) made an additional investment in Gesynta Pharma through subscription of shares corresponding to approximately SEK 12.5 million in a share issue, (ii) invested in the new portfolio company Initiator Pharma A/S, through subscription of shares corresponding to approximately SEK 17.5 million in a directed share issue, (iii) invested in the new portfolio company OssDsign AB (publ), through subscription of shares corresponding to approximately SEK 23.8 million in a share issue, and (iv) invested in the portfolio company FluoGuide A/S, through subscription of shares corresponding to approximately SEK 5 million in a share issue. As of the date of the Prospectus, Linc has made commitments that may lead to investments in the form of subscription and guarantee commitments for a rights issue in Initiator Pharma A/S, corresponding to approximately SEK 4.2 million and SEK 13.3 million respectively, or in total approximately SEK 17.5 million. For further information on outstanding commitments, see the section "Legal issues and additional information – Significant agreements". For Linc's investments in 2018 see the section "Selected financial information – The Investment Company's condensed cash flow statements" and note 10 in section "Historical financial information".

SEK million	jan–march 2021		jan–dec 2020		jan–dec 2019	
	Invest.	Divest.	Invest.	Divest.	Invest.	Divest.
Arcoma AB	-	-	-	-	-	-1.4
Calliditas Therapeutics AB	48.4	-	-	-	-	-
Elos Medtech AB	-	-44.0	-	-12.7	29.0	-
FluoGuide A/S	-	-	5.3	-	-	-
InDex Pharmaceuticals Holding Holding AB	74.1	-	1.5	-1.4	42.0	-
Options InDex Pharmaceuticals AB	-	-	-	-	-	-1.5
MedCap AB	-	-	-	-8.5	-	-4.3
Medivir AB ⁹⁶	36.5	-	-	-	-	-
Sedana Medical AB	-	-	-	-3.4	22,2	-20.7
Stille AB	-	-	-	-	-	-2.0
AdderaCare AB	-	-	25.0	-	-	-
OncoZenge AB ⁹⁵	5.3	-	-	-	-	-
Doro AB ⁹⁵	-	-	-	-	-	-
Midsona AB	-	-	-	-	-	-85.9
Pledpharma AB	-	-	-	-	2.9	-3.0
Total listed shares and participations	164.3	-44.0	31.8	-26.0	96.1	-118.7

⁹⁵ OncoZenge has been listed on Nasdaq North Growth Market during the period 1 January 2021 – 31 March 2021.

⁹⁶ At the end of 2019, holdings in Doro AB and Medivir AB were included in the holding of endowment insurance with Nordea.

Continuing SEK million	jan–march 2021		jan–dec 2020		jan–dec 2019	
	Invest-	Divest-	Invest-	Divest-	Invest-	Divest-
SweVet Holding AB	-	-	0.5	-3.7	-	-
Part Production Sweden AB	-	-	5.1	-	6.0	-
Society AB	-	-	-	-	-	-
Athera Biotechnologies AB	-	-	1.0	-	5.0	-
Epicyt Pharma AB	-	-	0.8	-	-	-
Synartro AB	-	-	5.7	-	-	-
Gesynta Pharma AB	-	-	12.5	-	7.0	-
Cinclus Pharma Holding AB	-	-	10.6	-	0.3	-
nWise AB	-	-	-	-0.1	-	-
nWise ägare AB	-	-	0.1	-	-	-
Animal Probiotics (previously ProEquo AB)	0.7	-	-	-	0.6	-
Cavis Technologies AB	-	-	3.1	-3.1	-	-
OncoZenge AB (pre IPO) ⁹⁵	-	-	3.0	-	-	-
Sixera Pharma AB	-	-	10.0	-	-	-
Linc Ägande AB	0.0	-	-	-	-	-
Total unlisted shares and participations	0.7	-	52.4	-6.9	18.9	-
SEB Primeräntefond ⁹⁶	-	-0.0	-	-21.0	-	-
Endowment insurances ⁹⁷	-	-0.9	-	-27.3	4.3	-
Total endowment insurance and fixed income funds	-	-0.9	-	-48.3	4.3	-
Total acquisitions and divestments	165.0	-45.0	84.2	-81.3	119.4	-118.7

STATEMENT ON WORKING CAPITAL

As of the date of this Prospectus, Linc's Board of Directors considers that the existing working capital, prior to the Offering, is not sufficient for Linc's current needs during the coming twelve-month period. The Company estimates that the working capital requirement (i.e. the working capital deficit) for the next twelve months amounts to approximately SEK 206 million. Working capital requirements in this sense refer to cash and cash equivalents required for the Company to be able to fulfil its payment obligations at the rate at which they fall due for payment. Regardless of proceeds from the Offering, working capital is estimated to be sufficient until 15 June 2021 (which is when the credit facility agreement expires).

If the Offering is fully subscribed, the Company will receive approximately SEK 1,200 million before deductions for transaction costs, which are estimated to amount to a total maximum of approximately SEK 64 million. Of the total costs, SEK 6.0 million are included in the Company's reports up to and including 31 May 2021.

The above-mentioned working capital requirements of SEK 206 million consists of approximately SEK 19 million of existing investment commitments in OssDsign and Initiator Pharma, out of which SEK 6 million relates to subscription commitments and SEK 13 million consists of guarantee undertakings. The working capital requirement, which take into existing cash and the Company's cash flow forecast for the next twelve months, also consists of current liabilities regarding bank loans due to payment within the next twelve months. Consequently, such liabilities need to be refinanced. It is the Board's opinion that this situation is as expected, that the maturity structure for the Group's bank loans is normal for a company with operations like those conducted by Linc and that it is normal for refinancing to take place on an ongoing basis. Linc has a strong belief that it will be possible to refinance the bank loans. An alternative refinancing route is to sell shares held in one of Linc's portfolio companies. As of 31 March 2021, the value of Linc's financial assets amounted to SEK 2,709 million, of which SEK 2,519 million related to listed shares held in Nordic life

⁹⁶ Interest fund in SEB has been fully sold off during the period 1 January 2021 – 31 March 2021.

⁹⁷ Endowment insurance in Avanza and Nordea. Endowment insurance in Nordea has been fully sold off during the period 1 January 2021 – 31 March 2021.

science companies.

In the event that the Offering is not realised or would not be fully subscribed, the Company may have to seek alternative financing options in the form of, for example, new bank financing, rights issue, directed new issue or long-term loan financing from existing or new shareholders.

TRENDS

Linc assesses the interest for the life science industry to be substantial, this is illustrated by a high transaction volume the past years as well as a strong average value development compared to the broad market. Linc observes no tendencies that indicates a material decline of the investment interest within the industry. It should be noted that there is a general macroeconomic uncertainty affected by the covid-19 pandemic. The uncertainty could affect the investment interest generally, as well as the investment interest for the life-science industry in specific. Beyond above mentioned factors, there are no known risks, uncertainties, demands, commitments or events, that with a reasonable degree of certainty, could have an significant

effect on the Company's future prospects regarding current financial year other than what has been mentioned in section "Risk factors". In addition to presented information in "Market overview" and "Risk factors", Linc is not aware of any public, economic, tax policies, monetary policies or other political policies that, directly or indirectly, could have a significant effect or could significantly affect the Investment Company's operations.

FINANCIAL RISK MANAGEMENT

For information on management of financial risks by the Investment Company, see Note 3 in the section "Historical financial information".

Board of directors, senior executives and auditor

BOARD OF DIRECTORS

As of the date of this Prospectus, the Company's board consists of four members. All board members are elected for the period until the end of the 2022 annual general meeting. The table below shows the Company's board members, when they were first elected to the board, and whether they are considered independent in relation to the Company and its management, as well as the Company's major shareholders.

In accordance with the Swedish Code of Corporate Governance (the "Code"), the majority of the board members elected by the annual general meeting shall be independent in relation to the Company and the Company management. At least two of the Board members who are independent in relation to the Company and the Company management must also be independent in relation to the Company's major shareholders.⁹⁸

Name	Position	Board member since	Independent in relation to the Company and the Company management	Independent in relation to the Company's major shareholders
Bengt Julander	Chairman	1991	No	No
Anders Hansen	Member	2020	Yes	Yes
Ulrika Dellby	Member	2020	Yes	Yes
Marianne Dicander Alexandersson	Member	2021	Yes	Yes



BENGT JULANDER

Year of birth 1953. Chairman and board member since 1991. Chairman of the remuneration committee.

Education: Qualified pharmacist, MSc. from Uppsala University.

Other current positions: Chairman of the board of Knil AB and board member of Animal Probiotics Sweden AB, Cronhamn Invest AB, Livland Skog AB, Medivir Aktiebolag, Nefecon AB, nWise Ägare AB, nWise AB, Part Production Sweden AB, Reison Medical AB, Sedana Medical AB, Stille AB, SweVet AB and SweVet Holding AB.

Previous positions (last five years): Chairman of the board of Calliditas Therapeutics AB (publ), Stille AB (publ) and MedCap AB (publ) and board member of Eriksbergskliniken.

Holdings in the Company: 40,000,000 shares (directly and indirectly through Cronhamn Invest AB).⁹⁹

Not independent in relation to the Company and the Company management, not independent in relation to the Company's major shareholders.



ANDERS HANSEN

Year of birth 1974. Board member since 2020. Member of the audit committee and the remuneration committee.

Education: Specialist doctor in psychiatry and MSc. in economics from the Stockholm School of Economics.

Other current positions: Board member of MedCap AB (publ) and CEO of Gram Medicin AB.

Previous positions (last five years): Board member of Executive Health Sweden AB and Wearable Health Sweden AB.

Holdings in the Company: –

Independent in relation to the Company and the Company management, and independent in relation to the Company's major shareholders.

⁹⁸ Major shareholders refers to owners who directly or indirectly control ten per cent or more of the shares or votes in the Company. If a company owns more than 50 per cent of the shares or participations or votes in another company, the former company is considered to indirectly control the latter company's ownership in other companies.

⁹⁹ Holdings as of the date of the Prospectus.



ULRIKA DELLBY

Year of birth 1966. Board member since 2020. Chairman of the audit committee and member of the remuneration committee.

Education: MSc. in economics from the Stockholm School of Economics.

Other current positions: Chairman of the board of Fagerberg & Dellby AB and Fagerberg & Dellby Fond I Invest AB, board member of Kavli Holding A/S, Cybercom Intressenter AB, SJ AB, Lifco AB, Fasadgruppen Group AB, Fagerberg & Dellby Fond I AB, Krysoptas AB, Abstrus AB and Bostadsrättsföreningen Sulitelma 9, deputy board member of Nya Result AB and member of Altocumulus Asset Management’s advisory body.

Previous positions (last five years): Board member of Fasadgruppen Invest AB, Cybercom Group AB, Cybercom Holding AB, Norrporten AB / Fastighets-aktiebolaget Norrporten, Hagströmska Holding AB / Hagströmska Gymnasiet AB, Big Bag Group AB and Zifro AB, and chairman of Hello World! Ideell Förening.

Holdings in the Company: Call options for 200,000 shares in the Company.¹⁰⁰

Independent in relation to the Company and the Company management, and independent in relation to the Company’s major shareholders.



MARIANNE DICANDER ALEXANDERSSON

Year of birth 1959. Board member since 2021. Member of the audit committee and the remuneration committee.

Education: Master of science in chemical engineering, Chalmers University of Technology, Gothenburg.

Other current positions: Chairman of the board of MDA Management AB, Sahlgrenska Science Park AB, Saminvest AB, Occlutech AB and the Royal Swedish Academy of Engineering Sciences (IVA West). Board member of Promore AB and member of the Swedish Dental and Pharmaceutical Benefits Agency (TLV) Advisory Committee.

Previous positions (last five years): Board member and partner in Xperentia AB, board member in AdderaCare AB, Camurus AB, Enzymatica AB, Praktikertjänst AB and Recipharm AB, member of the council of Skandia AB.

Holdings in the Company: Call options for 200,000 shares in the Company.¹⁰¹

Independent in relation to the Company and the Company management, and independent in relation to the Company’s major shareholders.

SENIOR EXECUTIVES

Name	Position	Employed since
Karl Tobieson	Chief Executive Officer	2020
Thomas Bergh	CFO	2020
Johan Hähnel	Responsible for investor relations	2020 ¹⁰²



KARL TOBIESON

Year of birth 1974. Chief Executive Officer since 2020.

Education: Master of mechanical engineering with a focus on industrial economics, Royal Institute of Technology in Stockholm.

Other current positions: Chairman of the board of T&S Förvaltning AB and Tobieson & Svennewall AB, board member of BRF Hornblåsaren, deputy board member of Gram Medicin AB and OGGROUP AB, liquidator of Cardiolex AB and Cross Pharma AB.

Previous positions (last five years): CEO of MedCap AB (publ), chairman of the board of Unimedica AB, Unimedica Pharma AB, Unimedica Pharma Holding AB, Cardiolex Medical AB and Abilia Sverige Holding AB, board member of Cardiolex AB and Dunmedica AB, deputy board member of Abilia AB, Abilia AS and Cross Pharma AB.

Holdings in the Company: Call options for 2,000,000 shares in the Company.¹⁰³

¹⁰⁰ See also "Share capital and ownership structure – Convertibles, warrants, etc."

¹⁰¹ See also "Share capital and ownership structure – Convertibles, warrants, etc."

¹⁰² Johan Hähnel is a consultant and thus not employed by Linc.

¹⁰³ See also "Share capital and ownership structure – Convertibles, warrants, etc."

**THOMAS BERGH**

Year of birth 1982. CFO since 2020.

Education: MSc. economics and business administration, finance, from the Stockholm School of Economics.

Other current positions: –

Previous positions (last five years): Investment manager of MedCap AB (publ), board member of Cardiolex Medical AB.

Holdings in the Company: Call options for 1,000,000 shares in the Company.¹⁰⁴

**JOHAN HÄHNEL**

Year of birth 1965. Responsible for investor relations since 2020.

Education: Degrees in marketing and economics from Lund and Stockholm universities.

Other current positions: CEO of Comir AB and Jolorito AB, responsible for investor relations for ACQ Bure AB.

Previous positions (last five years): Responsible for investor relations for MedCap AB (publ), Internationella Engelska Skolan AB (publ) and BHG Group AB.

Holdings in the Company: –

OTHER INFORMATION REGARDING THE BOARD AND SENIOR EXECUTIVES

There are no family ties between the board members and / or the senior executives.

There are no conflicts of interest or potential conflicts of interest between the board members' and senior executives' commitments in relation to the Company and their private interests and / or other commitments. However, several of the members of the board and management have financial interests in the Company as a result of their direct and indirect holdings of shares and call options in the Company. Karl Tobieson also has financial interests in Linc's portfolio company MedCap through his ownership of shares in the portfolio company.

Karl Tobieson was a board member and deputy board member, respectively, of Cardiolex AB, Cardiolex Försäljning AB and Cross Pharma AB, respectively, during the time that the companies were put into liquidation in 2019 and 2018, respectively.

During the last five years, in addition to that stated above,

no board member or senior executive has (i) been convicted in fraud-related cases, (ii) represented a company that has been declared bankrupt or liquidated, or has been the subject of bankruptcy administration, (iii) been bound by and / or have been penalised for an offence by regulatory or supervisory authorities (including recognised professional associations) or (iv) been prohibited by a court from being a member of a share issuer's administrative, management or supervisory body or from exercising leading or overarching functions with a share issuer.

The Company considers that the Company's board of directors meets the requirements in the Code as regards independence in relation to the Company and the Company management as well as in relation to the Company's major shareholders.

All board members and senior executives can be reached via the Company's address, Birger Jarlsgatan 36, 114 29 Stockholm.

¹⁰⁴ See also "Share capital and ownership – Convertibles, warrants, etc."

AUDITOR

PwC has been the Company's auditor since 2020. PwC was re-elected at the 2021 annual general meeting for the period until the end of the 2022 annual general meeting. Leonard Daun, authorised public accountant and member of FAR (the Swedish Association of Certified Public Accountants), is lead auditor. PwC's office address is Torsgatan 21, 113 97 Stockholm. PwC audited Linc's financial statements for the 2020 financial year on pages 124 – 159 in the section "*Historical financial information*".

Rådek was the Company's auditor until the end of the extraordinary general meeting held on 2 November 2020, with Johan Rudengren, authorised public accountant and member of FAR, as the lead auditor. Rådek's office address is Rademachergatan 6, Box 4082, 630 04 Eskilstuna. Rådek audited Linc's financial statements for the 2019 and 2018 financial years on pages 124 – 159 in the section "*Historical financial information*".

Corporate governance

CORPORATE GOVERNANCE

Linc is a Swedish public limited company. Prior to the listing on Nasdaq Stockholm, the Company's corporate governance was based on Swedish law and the Company's internal rules and regulations. When the Company has become listed on Nasdaq Stockholm, the Company will also follow the Nasdaq Nordic Main Market Rulebook for Issuers of Shares and apply the Code. The Code applies to all Swedish companies whose shares are admitted to trading on a regulated market in Sweden. The Company does not have to comply with all the rules in the Code because the Code itself provides the opportunity to deviate from the rules, provided that such deviations and the chosen alternative solutions are described and the reasons for this are explained in the Company's corporate governance report (according to the principle of "comply-or-explain").

The Company will apply the Code from the time of admission to trading of the Company's shares on Nasdaq Stockholm. Any deviations from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the 2021 financial year. However, the Company does not have to explain deviations as a result of non-compliance with rules the application of which has not been updated during the period covered by the corporate governance report. As of the date of this Prospectus, the Company does not expect to report any deviations from the Code in the corporate governance report.

GENERAL MEETING

Pursuant to the Swedish Companies Act (2005:551) (the "**Swedish Companies Act**") the general meeting is the Company's highest decision-making body. At the general meeting, the shareholders exercise their voting rights on key issues, such as approval of income statements and balance sheets, appropriation of the Company's profit or loss, granting discharge from liability for the board members and CEO, election of board members and auditors and remuneration to the board and auditors.

An annual general meeting must be held within six months from the end of the financial year. In addition to the annual general meeting, notice can also be given of an extraordinary general meeting. According to the Company's articles of association, notice of a general meeting shall be given by advertising in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and on the Company's website. The fact that notice has been issued shall be announced in Svenska Dagbladet at the same time.

Right to participate in general meetings

Shareholders who wish to participate in a general meeting must be registered in the share register kept by Euroclear Sweden not later than six banking days prior to the meeting, and notify the Company for participation in the general meeting not later than the date specified in the notice. In addition to notifying the Company for participation, shareholders whose shares are nominee-registered, through a bank or other nominee, must have the shares registered in their own name so that the shareholder is entitled to vote in the general meeting share register not later than four banking days before the general meeting. Shareholders who wish to be registered to vote should inform their nominees in good time before this date. Shareholders can attend the general meeting in person or through a representative and can also be assisted by a maximum of two people. It is usually possible for shareholders to register for the general meeting in several different ways, which are specified in the notice convening the meeting. Shareholders are entitled to vote for all shares held by the shareholders in question.

Initiatives from shareholders

Shareholders who wish to have a matter brought before a general meeting must submit a request for this in writing to the board of directors. The request should normally reach the board of directors in good time before the general meeting, in accordance with the information provided on the Company's website in connection with the publication of the time and place for the general meeting.

NOMINATION COMMITTEE

According to the Code, companies that follow the Code must have a nomination committee. According to the Code, the general meeting shall appoint the members of the nomination committee or specify how the members are to be appointed. According to the Code, the nomination committee shall consist of at least three members, of whom one shall be appointed chairman. In accordance with the Code, the majority of the nomination committee's members shall be independent in relation to the Company and the Company management. In addition, at least one of the members of the nomination committee must be independent in relation to the largest shareholder in the Company as regards votes or group of shareholders who collaborate on the Company's administration.

At the annual general meeting held on 12 April 2021, the following instructions were adopted for the nomination committee and were to apply until further notice.

References to the annual general meeting in these instructions for the nomination committee shall be deemed to

include extraordinary general meetings where election of the board and / or auditor is decided (as applicable).

Appointment of the members of the nomination committee, etc.

The chairman of the board shall – not later than at the end of the third quarter of Linc’s financial year each year – ensure that the Company’s three largest shareholders by voting power or groups of owners are offered to each appoint a member to be a member of the nomination committee. The determination shall be based on Euroclear Sweden AB’s list of shareholders (owner grouped) as of the last banking day in August or such other documentation that shareholders or owner groups at this time report as evidence of their shareholding. If one or more shareholders refrains from appointing a member of the nomination committee, or a member resigns or withdraws before the assignment is completed, or if the chairman – unless a deviation can be justified – deems it necessary in order to satisfy the Swedish Code of Corporate Governance’s requirements for independence, one or more of the next lower ranked shareholders in share ownership shall be invited to appoint a member of the nomination committee. However, not more than five additional shareholders need to be contacted, unless the Chairman of the board finds that there are special reasons for this. When shareholders are contacted with a request regarding the appointment of a member of the nomination committee, the chairman of the board shall set necessary rules of procedure, such as the latest response date, etc.

The nomination committee shall consist of a total of at least three members, including the chairman of the board, who is a member of the nomination committee and convenes the first meeting of the nomination committee. The composition and tasks of the nomination committee shall follow the Swedish Code of Corporate Governance unless deviations are justified and reported in the corporate governance report.

The composition of the nomination committee shall be announced as soon as the members have been appointed, but not later than six months prior to the annual general meeting. The chairman of the nomination committee, unless the members agree otherwise, shall be the member appointed by the largest shareholder in terms of votes. However, the chairman of the board or another board member shall not be the chairman of the nomination committee. The nomination committee shall hold its mandate until a new nomination committee has been appointed. No fees shall be payable to the members of the nomination committee.

A member shall leave the nomination committee if the shareholder who appointed the member no longer has essentially the same ownership share as when the member was appointed.

If subsequently the nomination committee no longer has at least three members, the chairman of the board shall work to ensure that a new member is appointed in accordance with the principles set out above. However, unless there are special reasons, no changes shall take place in the composition of the nomination committee if only minor changes in the number of votes have taken place or the change occurs later than two months prior to the annual general meeting.

Shareholders who have appointed a member of the nomination committee have the right to discharge such a member and appoint a new member of the nomination committee.

Changes in the composition of the nomination committee shall be announced as soon as they have been made.

The tasks of the nomination committee

The nomination committee shall prepare and submit proposals to the annual general meeting for:

- election of the chairperson for the meeting;
- election of the chairman of the board and members of the Company’s board respectively;
- election of auditor and, if applicable, deputy auditor;
- remuneration to the chairman of the board, board members, auditor and, where applicable, in respect of committee work; and
- to the extent deemed necessary, amendments to these instructions to the nomination committee.

In performing its tasks, the nomination committee shall strive for, and maintain, effective cooperation with the Board. The members of the nomination committee shall develop and maintain their knowledge and understanding of the responsibility incumbent on the nomination committee and of the Company’s operations.

The chairman of the board shall, in an appropriate way, provide the nomination committee with information about the board’s competence profile and working methods.

Meetings

The nomination committee shall meet when required in order for it to be able to fulfil its tasks, however at least twice a year. Notice of a meeting shall be issued by the chairman of the nomination committee (with the exception of the first meeting to which the chairman of the board shall issue notice). A member may request that the nomination committee be convened.

The nomination committee has a quorum if at least half of the members are present. Decisions on matters may not be made unless all members have had the opportunity to participate in dealing with the matter. The nomination committee’s decision is the opinion for which more than half of the

members present vote or, in the event of an equal number of votes, the opinion supported by the chairman of the nomination committee.

The nomination committee's minutes shall be signed by the chairman and approved by the member appointed by the nomination committee. The minutes shall be kept and retained in the same way as the Company's board minutes.

An account of the nomination committee's work in the form of proposals and opinions from the nomination committee shall be published on the Company's website in good time before the annual general meeting.

Confidentiality

All information that the members of the nomination committee receive from the Company and / or its representatives, or that otherwise has been received within the framework of its work as members of the nomination committee, shall be treated in strict confidence and may not be shared with third parties without consent from the Company.

Amendments to these instructions for the nomination committee

The nomination committee shall continuously evaluate these instructions for the nomination committee and the nomination committee's work and, as applicable, submit to the annual general meeting proposals for such amendments to these instructions to the nomination committee as the nomination committee deems appropriate.

Board of directors

The work of the board

After the general meeting, the board is the Company's highest decision-making body. The board's tasks are set out in the Swedish Companies Act, the Company's articles of association and the Code. The latter will become applicable to the Company after the Company's shares have been admitted to trading on Nasdaq Stockholm. The work of the board is also governed by written rules of procedure that are adopted annually. The rules of procedure regulate, among other things, the division of work and the division of responsibilities between the board, the chairman of the board and the CEO. The board also establishes instructions for the board's committees, for the CEO and for financial reporting.

The board of directors is responsible for the organisation of the Company and the management of the Company's affairs, including responsibility for establishing overall long-term strategies and objectives, budget and business plans, setting policies to ensure the long-term value creation of the Company's operations, reviewing and approving financial state-

ments, making decisions on investments and disposals, capital structure and dividend policy, and developing and adopting key policies, ensuring that control systems are in place to monitor compliance with policies and guidelines, ensuring that systems are in place to monitor and control the Company's operations and risks, significant changes in the Company's organisation and operations, appointment of the Company's CEO and determination of the remuneration and other benefits of the Company's CEO and other senior executives, in accordance with the guidelines for remuneration of senior executives adopted by the general meeting.

Normally, board members are appointed by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the number of board members elected by the general meeting shall be a minimum of three and a maximum of five without deputies.

According to the Code, the chairman of the board shall be elected by the general meeting and shall ensure that the board's work is conducted efficiently and that the board fulfils its duties.

The board meets according to a predetermined annual schedule. In addition to these meetings, additional board meetings can be called to deal with issues that cannot be postponed until the next regular board meeting. In addition to the board meetings, the chairman of the board and the CEO have continuous dialogue about the management of the Company.

As of the date of this Prospectus, the Company's board consists of four ordinary members. The members are presented in the section "*Board of directors, senior executives and auditor – Board members*".

Audit committee

The Company has an audit committee consisting of three members: Ulrika Dellby (chairman), Anders Hansen and Marianne Dicander Alexandersson. The audit committee shall, without prejudice to the board's responsibilities and tasks in general, monitor the Company's financial reporting, monitor the effectiveness of the Company's internal control and risk management, stay informed on the audit of the annual accounts and consolidated accounts, review and monitor the auditor's impartiality and independence, and pay particular attention to whether the auditor provides the Company with other services than auditing, and assist in the preparation of proposals for the decision by the general meeting on the election of auditors.

Remuneration committee

The Company's Board has a remuneration committee that consists of the board as a whole. Bengt Julander is the chairman of the remuneration committee. The tasks of the remuneration committee include preparation of proposals regarding remuneration principles, remuneration and other terms of employment for the Company's senior executives. The remuneration committee shall also monitor and evaluate ongoing programmes, and programmes that are completed during the year, for variable remuneration to company senior executives, application of the guidelines for remuneration to senior executives that the general meeting shall decide on by law and current remuneration structures and remuneration levels in the Company.

THE CHIEF EXECUTIVE OFFICER AND OTHER SENIOR EXECUTIVES

The CEO is subordinate to the board and is responsible for the Company's day-to-day management and the day-to-day operations of the Company. The division of work between the board and the CEO is set out in the rules of procedure for the board and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information

from the Company management prior to board meetings and presents the material at board meetings.

In accordance with the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and thus must ensure that the board receives sufficient information to be able to evaluate the Company's financial position continuously.

The CEO and other senior executives are presented in more detail in the section "Board of directors, senior executives and auditor – Senior executives".

REMUNERATION TO BOARD MEMBERS AND SENIOR EXECUTIVES

Remuneration to board members

Fees and other remuneration to the board members, including the chairman, are determined by the general meeting. At the annual general meeting held on 12 April 2021, it was resolved that board fees shall be paid with SEK 400,000 to the chairman of the board and with SEK 200,000 to each of the other board members. The members of the board are not entitled to any benefits after their board assignments have been completed.

The table below shows the remuneration to the board members during the 2020 financial year.

Name	Position	Board fees (incl. committee fees) (SEK thousand)	Other compensation (SEK thousand)	Total (SEK thousand)
Bengt Julander	Chairman	-	17 ⁴	17
Anders Hansen ¹	Member	-	-	-
Ulrika Dellby ²	Member	-	-	-
Marianne Dicander Alexandersson ³	Member	-	-	-
Total (SEK thousand)		-	17	17

¹ Anders Hansen was elected a board member at the extraordinary general meeting of 2 November 2020.

² Ulrika Dellby was elected a board member at the extraordinary general meeting of 30 December 2020.

³ Marianne Dicander Alexandersson was elected a board member at the extraordinary general meeting of 11 January 2021.

⁴ The other compensation to Bengt Julander relates to mileage compensation.

Guidelines for remuneration to senior executives

At the annual general meeting held on 12 April 2021, it was decided to adopt the following guidelines for remuneration to senior executives in Linc.

These guidelines cover the board of directors, the CEO and other members of the Company's management. The guidelines shall apply to remuneration agreed upon, and changes made to remuneration already agreed upon, after the guidelines have been adopted by the 2021 annual general meeting. The guidelines do not include remuneration decided by the general meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, requires the Company to be able to recruit and retain qualified employees. For this, the Company has to be able to offer competitive compensation. These guidelines enable the Company to offer its senior executives a competitive total remuneration.

Variable cash compensation covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including sustainability.

The forms of compensation, etc.

Remuneration to the Company's senior executives shall be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition – independently of these guidelines – the general meeting may decide on, for example, share and share price-related remuneration.

Fixed annual cash salary shall be based on market conditions and determined with regard to the degree of difficulty of the work and the senior executive's competence, area of responsibility and performance. Fixed salary is subject to annual revision.

The variable cash compensation shall be linked to predetermined and measurable criteria that can be financial or non-financial. They can consist of individualised quantitative or qualitative goals. The criteria shall be designed so that they promote the Company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development. The criteria shall be determined annually by the board following a proposal from the remuneration committee.

Fulfilment of criteria for payment of variable cash compensation must be measurable over a period of one or more years. When the measurement period for fulfilment of criteria for payment of variable cash compensation has ended, it shall be assessed or determined to what extent the criteria have been met. As regards financial criteria, the assessment shall be based on the Company's most recently published financial information. The remuneration committee is responsible for an assessment of variable cash remuneration to the CEO. The board then determines the remuneration for the CEO. The CEO is responsible for an assessment of variable cash remuneration to other senior executives, subject to approval by the remuneration committee as regards senior executives who report directly to the CEO.

The variable cash compensation may amount to not more than 50 per cent of the total fixed cash salary during the measurement period for such criteria / of the fixed annual cash salary.

Other variable remuneration may be paid in exceptional circumstances, provided that such exceptional arrangements are time-limited and made only at an individual level, either to recruit or retain executives, or as compensation for extraordinary work in addition to the person's normal duties. Such compensation may not exceed an amount corresponding to 50 per cent of the fixed annual cash salary and may not be paid more often than once a year per individual. Decisions on such remuneration shall be made by the Board after preparation by

the remuneration committee.

Variable remuneration shall be designed in such a way that the board, if exceptional financial circumstances prevail, has the option of limiting, or fully withdrawing, the variable remuneration if such a measure is considered reasonable.

The board shall also have the right, in accordance with law or agreement, subject to the restrictions that may follow from that, to recover in full or in part variable remuneration that has been paid on incorrect grounds.

For the CEO, pension benefits, including health insurance, must be defined contributions. For other senior executives, pension benefits, including health insurance, shall be defined contributions unless the executive is covered by a defined benefit pension in accordance with mandatory collective agreement provisions. Pension premiums for defined contribution pensions shall amount to a maximum of 35 per cent of the fixed annual cash salary. Variable cash compensation shall not be pensionable.

Other benefits may include such things as life insurance, health insurance and car benefit. Such benefits may amount in total to a maximum of five per cent of the fixed annual cash salary.

As regards employment conditions that are governed by rules other than Swedish legislation, as regards pension benefits and other benefits, appropriate adjustments may be made to comply with such rules when they are mandatory or fixed local practice, and the general purpose of these guidelines should be met as far as possible.

If the Company management includes a member who is engaged on a consulting basis, the member shall only be paid the agreed consulting fee. The amount of the consulting fee may correspond to not more than the CEO's fixed cash salary for the same period, adjusted upwards by an amount equivalent to social security contributions.

Cessation of employment

In the event of termination by the Company, the period of notice may not exceed twelve months. Fixed cash salary during the period of notice and severance pay may not exceed in total an amount corresponding to the fixed cash salary for two years for the CEO and 18 months for other senior executives. In the event of termination by the employee, the period of notice may not exceed six months, without the right to severance pay.

In addition, compensation may be paid for any undertaking to restrict competition. Such compensation shall compensate for any loss of income and shall only be paid to the extent that the former executive is not entitled to severance pay. The compensation shall be based on the fixed cash salary at the time of termination and shall amount to not more than 100 per

cent of the fixed cash salary at the time of termination, unless otherwise provided by mandatory collective agreement provisions, and shall be paid during the time in which the restriction of competition applies, which shall not exceed 18 months after the termination of employment.

Remuneration to board members in addition to board fees

In the event that a board member (including through a wholly owned company) performs work on behalf of the Company in addition to the board work, a separate fee may be paid for this (consulting fee) provided that such work contributes to the implementation of the Company's business strategy and safeguards the Company's long-term interests, including its sustainability. Such consulting fees may never exceed the annual board fee for each board member. The fee shall be market-based.

Salary and terms of employment for employees

In preparing the board's proposal for these remuneration guidelines, salaries and terms of employment for the Company's employees have been considered through information on employees' total remuneration, components of the remuneration, the increase in the remuneration and the rate of increase over time have been part of the remuneration committee's and the board's decision basis for evaluating the reasonableness of the guidelines and the limitations that follow from them.

The decision-making process to establish, review and implement the guidelines

The board has established a remuneration committee. The committee's tasks include preparation of the board's decision on proposals for guidelines for remuneration to senior executives. The board shall establish proposals for new guidelines at least every four years and submit the proposals for resolution at the annual general meeting. The guidelines will apply until

new guidelines have been adopted by the general meeting. The remuneration committee shall also monitor and evaluate programmes for variable remuneration to Company management, the application of the guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels in the Company. Remuneration to the CEO shall be decided within the framework of approved principles by the board after preparation and recommendation by the remuneration committee. Remuneration to other senior executives shall be decided by the CEO within the framework of established principles and after consultation with the remuneration committee. Three of four members of the remuneration committee are independent in relation to the Company and the Company management. In the board's handling of, and decisions on, remuneration-related matters, the CEO or other members of the Company management will not be present, if they are affected by the issues.

Departure from the guidelines

The board of directors may decide to deviate from the guidelines, temporarily, in whole or in part, if there are particular reasons for this in an individual case and departure is necessary to satisfy the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, one of the remuneration committee's tasks is to prepare the board's decision on remuneration issues, and this includes decisions on deviations from the guidelines.

Present terms of employment for the CEO and other senior executives

Decisions on current levels of remuneration and other terms of employment for the CEO and other senior executives have been made by the board of the Company.

The table below shows the remuneration to the CEO and other senior executives during the 2020 financial year.

Name and position	Fixed compensation (SEK thousand)	Variable compensation (SEK thousand)	Other benefits (SEK thousand)	Pension costs (SEK thousand)	Total (SEK thousand)
Karl Tobieson, Chief Executive Officer ¹	380	-	4	90	474
Other senior executives (two persons, of whom one is a consultant) ²	487	-	6	54	547
Total	867	-	10³	144	1,021

¹ Karl Tobieson became CEO on 1 November 2020.

² These persons assumed their respective roles during the second half of 2020.

³ The other benefits consist of insurance costs for occupational pension insurance including healthcare insurance.

The CEO is entitled to a fixed monthly salary of SEK 190,000 and pension benefits corresponding to 23.7 per cent of the fixed remuneration. For the CEO's employment in the Company, a mutual period of notice of six months applies. For other senior executives in the Company, a mutual period of notice of six months applies.

Linc has not entered into any agreements with the Company's senior executives regarding benefits after termination of the assignment.

AUDIT

The auditor shall examine the Company's annual report and accounts as well as the administration carried out by the board of directors and the CEO. Audit of Linc's financial reports and accounts as well as the administration carried out by the board and the CEO is performed in accordance with good auditing practice in Sweden. After each financial year, the Company's auditor shall submit an auditor's report and a consolidated auditor's report to the annual general meeting.

According to the Company's articles of association, the Company shall have one or two auditors with not more than two deputy auditors. A registered auditing company can also be appointed auditor. The Company's auditor is PwC, with Leonard Daun (born 1964) as lead auditor. The Company's auditor is presented in more detail in the section "*Board of directors, senior executives and auditor – Auditor*".

In addition to the audit assignment, during the 2020 financial year PwC was engaged for additional services, primarily regarding issues related to the Company's preparations for applying for listing on Nasdaq Stockholm. Such services have always been, and only been, provided to the extent that is compatible with the provisions of the Auditors Act (2001:883) and FAR's professional ethics rules in respect of the auditor's impartiality and independence.

For the 2020 financial year, the Investment Company's total remuneration for auditing services amounted to SEK 166,000.

INTERNAL CONTROL AND RISK MANAGEMENT

General information

Linc has established a framework for internal control which aims to achieve an efficient organisation that reaches the goals set by the board. This framework includes work to ensure that the Company's operations are carried out correctly and efficiently, that laws and regulations are complied with and that the financial reporting is correct, reliable and in accordance with applicable laws and regulations. Linc's work with internal control comprises the following elements: control environment, risk assessment, control activities, information and communication and monitoring.

Control environment

Linc's control environment is based on a division of work between the board, the board's committees, CEO and the CFO, and the values that the board and Company management communicate and work on the basis of. In order to maintain and develop a well-functioning control environment and to comply with applicable laws and regulations, the Company's board, as the body with ultimate responsibility, has established a number of basic documents of importance for internal control and risk management, and these consist of governing documents, policies and instructions, including rules of procedure for the board and the audit committee, instructions for the CEO, financial policy, information policy, insider policy and financial handbook.

Applicable policies and instructions are distributed to relevant Linc employees.

Risk assessment

Linc has established a framework for risk assessment under which the Company conducts an annual risk analysis and risk assessment. In accordance with this framework, risks are identified and categorised in the following areas:

- business / operational risks,
- financial risks,
- sustainability risks, and
- political risks.

The Company's goal with the risk analysis is to identify the biggest risks that could prevent the Company from achieving its goals or implementing its business concept. The objective is also to evaluate these risks based on the probability that they could occur in the future and to what extent the risks could affect the Company's objectives if they occur.

The Company's CFO reports identified risks to the audit committee and the board on an annual basis. The board then evaluates the Company's risk management system, including risk assessments, in an annual risk report. In this report the most significant parts of the Company's internal control and risk management are examined in detail. The aim of this procedure is to ensure that significant risks are dealt with and that controls that counteract identified risks are implemented.

Control activities

Linc has established a risk management process that comprises a number of key controls of any items that will be established and will function in the risk management processes. The control requirements constitute an important tool that enables the board to manage and evaluate information from the Company management and to assume responsibility for identified

risks. The Company focuses on documenting and evaluating the biggest risks related to financial reporting in order to ensure that the Company's reporting is accurate, reliable and in accordance with applicable laws and regulations. Documentation and evaluation of the risk management process related to financial reporting is presented regularly to the Company's audit committee by the CFO and is included as a basis for the board's annual risk assessment.

Information and communication

Linc's board has adopted an information policy and an insider policy which govern how the Company handles and communicates insider information and other information. The insider policy is intended to reduce the risks of insider trading and other illegal actions and to facilitate compliance by the Company with applicable rules for handling insider information. The Company's communication shall be long-term and compatible with the Company's brand, vision, business concept, strategies, goals and values. The communication shall be open, factual, well-structured and well-planned. The Company shall provide correct, relevant and complete information in accordance with applicable laws and regulations.

Monitoring

A self-evaluation of the effectiveness of internal control shall be made annually by identified persons within the organisation. The Company's CFO is responsible for presenting the results of the self-evaluation to the audit committee and the board.

Share capital and ownership structure

GENERAL INFORMATION

In accordance with the Company's articles of association, the share capital shall amount to not less than SEK 4,000,000 and not more than SEK 16,000,000, divided among not less than 40,000,000 shares and not more than 160,000,000 shares. As of the date of the Prospectus, the Company's registered share capital amounts to SEK 4,000,000, divided among 40,000,000 shares. The shares are denominated in SEK, each with a quota value of SEK 0,1. As per 31 March 2021 the Company's registered share capital amounted to SEK 100,000, divided among 1,000 shares. The shares had a quota value of SEK 100.

The shares in the Company have been issued pursuant to Swedish law. The shares have been fully paid and are freely transferable in accordance with applicable law.¹⁰⁵ The shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the shares in Linc during the current or preceding financial year.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The rights associated with the Company's shares, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act.

Voting Rights

Each share in the Company entitles the holder to one vote at the general meeting. Shareholders are entitled to vote for all of the shares in the Company held by the shareholder in question.

Preferential rights to new shares

If the Company issues new shares, warrants or convertibles in a cash or set-off issuance, the shareholders have, as a main rule, preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issuance. The articles of association of the Company do not restrict the Company's ability to issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights under the Swedish Companies Act.

Right to dividend and surplus in the event of liquidation

All shares in the Company give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.

Resolutions regarding dividends are passed by the general meeting. All shareholders that are registered in the share

register maintained by Euroclear Sweden on the record date adopted by the general meeting shall be entitled to receive dividends. Dividends are normally paid out to shareholders, through Euroclear Sweden, in cash on a per share basis but may also be paid out in kind. If a shareholder cannot be reached through Euroclear Sweden, such shareholder retains its claim on the Company to the dividend amount. Such claim is subject to a limitation period of ten years. Upon the expiry of the period of limitation, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividends for shareholder domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax on dividends distributed by the Company, see further the section entitled "*Certain tax considerations in Sweden*".

Information regarding takeover offers and redemption of minority shares

Pursuant to the Swedish Takeover Act (2006:451) (*Sw. lagen om offentliga uppköpserbjudanden på aktiemarknaden*) any person who does not hold any shares, or hold shares representing less than three tenths of the voting rights for all of the shares in a Swedish limited liability company whose shares are admitted to trading on a regulated market (the Target Company), and who through the acquisition of shares in the Target Company, alone or together with a closely related party, attains a holding of shares representing at least three tenths of the voting rights for all of the shares in the Target Company, is normally obliged to immediately disclose the size of his or hers holding in the Target Company, and within four weeks thereafter, make an offer to acquire the remaining shares in the Target Company (mandatory offer requirement).

A shareholder who holds more than 90 per cent of the shares in a Swedish limited liability company (the Majority Shareholder) has the right to redeem the remaining shares in such company. The owner of the remaining shares in the company (the Minority Shareholders) have a corresponding right to have their shares redeemed by the Majority Shareholder. The procedure for the redemption of the Minority Shareholders' shares is regulated in the Swedish Companies Act.

CENTRAL SECURITIES REGISTER

The Company's shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) (*Sw. lagen om värdepapperscentraler och kontoföring av finansiella*

¹⁰⁵ Subject to the Principal Owner's, the members of the board of directors', and the senior executives' undertakings to not transfer their shares in the Company during the Lock-up period. For further information, see the section entitled "*Share capital and ownership structure – Lock-up undertaking*".

instrument). This register is managed by Euroclear Sweden, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company's shares. The ISIN code for the Company's share is SE0015949433.

SHARE CAPITAL DEVELOPMENT

Year	Event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)	Quota value (SEK)
1982	Formation	-	500	-	50,000	100
1998	Bonus issue	500	1,000	50,000	100,000	100
2021	Split (40,000:1)	39,999,000	40,000,000	-	100,000	0.0025
2021	Bonus issue	-	40,000,000	3,900,000	4,000,000	0.1
2021	Share issue in connection with the Offering	16,438,356 -21,428,571	56,438,356 -61,428,571	1,643,836 -2,142,857	5,643,836 -6,142,857	0.1

SHARE ISSUE IN CONNECTION WITH THE OFFERING AND DILUTION

At the annual general meeting held on 12 April 2021 it was resolved that the board of directors shall be authorised to, at one or several occasions during the period before the next annual general meeting, resolve on a directed rights share of not more than the number of shares that correspond to not more than SEK 1,600 million.

The Offering comprises a maximum of 21,428,571 newly issued shares whom are offered by the Company. The resolution on the issue of new shares is intended to be resolved by the board of directors of the Company with support of the authorisation from the annual general meeting held on 12 April 2021. The share capital of the Company will accordingly increase by a maximum of SEK 2,142,857.

The share issue in connection with the Offering will increase the number of shares in the Company by a maximum of 21,428,571 shares, which corresponds to a dilution of not more than 35 per cent.

The Offering Price is expected to be determined within the Price Range of SEK 56–73 per share and at a premium in relation to Linc's net asset value* as per 26 May 2021 that is not less than 5 per cent and not more than 10 per cent.

CONVERTIBLES, WARRANTS, ETC.

As of the date of this Prospectus there are no outstanding warrants, convertibles or other share-based financial instruments in the Company.

Some board members and the CEO and CFO of the Company have acquired call options which have been issued by the Principal Owner.¹⁰⁶ Ulrika Dellby and Marianne Dicander Alexandersson have acquired 5 call options each, the CEO

The below table shows the historical development in the Company's share capital since its formation on 28 December 1982 as well as the changes in the number of shares and share capital that will be conducted in connection with the Offering and the admission to trading of the Company's shares on Nasdaq Stockholm.

has acquired 50 call options and the CFO has acquired 25 call options. Following conversion due to the bonus issue and share split that the annual general meeting resolved upon on 12 April 2021, each call option entitles the holder to the acquisition of 40,000 shares, and hence the issued call options comprise a total of 3,400,000 shares in the Company. Ulrika Dellby's call options are valid until 21 February 2024 with an exercise price of approximately SEK 72.9 per share. Marianne Dicander Alexandersson's call options are valid until 21 February 2024 with an exercise price of approximately SEK 76.4 per share. The CEO's and the CFO's call options are valid until 1 October 2023 with an exercise price of approximately SEK 65.7 per share. At the time of the acquisition of the call options a premium corresponding to the market value of the options (in accordance with the Black-Scholes model) was paid. The call options are subject to certain terms and conditions, including provisions of conversion in the event of a bonus issue, a share split or a dividend. An eventual exercise of the call options does not entail any increase or dilution of the share capital in Linc.

SHARE-RELATED INCENTIVE PLANS

As of the date of this Prospectus there are no implemented or resolved share-related incentive plans in the Company. However, the board of directors is continuously overlooking the remuneration structure in the Company in order to ensure that the remuneration, together with other terms of employment, shall be competitive so that the Company may attract and retain a competent executive management. Accordingly, the board of directors may in the future propose that the general meeting resolves on share-related incentive plans.

* As per 18 May 2021 Linc's net asset value amounted to SEK 60. For more information, see "Commentary on financial development – Significant changes in the Investment Company's financial position or market position after 31 March 2021". An updated net asset value is expected to be published through a press release on or about 26 May 2021.

¹⁰⁶ Indirectly through Cronhamn Invest AB.

THE AUTHORISATION TO ISSUE SHARES

At the annual general meeting held on 12 April 2021 it was resolved that the board of directors shall be authorised to, at one or several occasions during the period before the next annual general meeting, resolve to issue new shares in the Company against payment in cash, in-kind or by way of set-off and with deviation from the shareholders' pre-emption rights. The reason for deviating from the shareholders' pre-emption rights shall be to broaden the Company's shareholder base in connection with the Company's listing on Nasdaq Stockholm as well as to obtain capital to be used for further investments

in existing portfolio companies and investments in new portfolio companies. Pursuant to this authorisation, the board of directors may resolve to issue not more than the number of shares that correspond to not more than SEK 1,600 million.

OWNERSHIP STRUCTURE

To the Company's knowledge, save as is set out in the table below, no persons have a direct or indirect holding corresponding to five per cent or more of the number of share or votes in the Company as per the date of this Prospectus.

Shareholder	Shareholding immediately prior to the Offering		Shareholding after the Offering (if the Overallotment Option is not exercised)		Shareholding after the Offering (if the Overallotment Option is exercised in full)	
	Number	%	Number	%	Number	%
Bengt Julander	24,000,000	60.0	24,000,000	39.1% – 42.5%	– 21,945,206	34.7% – 38.9%
Cronhamn Invest AB ¹	16,000,000	40.0	16,000,000	26.0% – 28.3%	16,000,000	26.0% – 28.3%
Other	-	-	16,438,356 – 21,428,571	29.1% – 34.9%	18,493,150 – 24,107,142	32.8% – 39.2%
Total	40,000,000	100.0	56,438,356 – 61,428,571	100.0	56,438,356 – 61,428,571	100.0

¹ Cronhamn Invest AB is 100% owned by Bengt Julander.

The number of shares that the Principal Owner may offer within the Overallotment Option in the Offering will depend on the final Offering Price and will be shown in the table above on the assumption of a final Offering Price corresponding to the midpoint of the Price Range.

THE PRINCIPAL OWNER

As per the date of this Prospectus the Company is, directly and indirectly, owned by the Principal Owner.¹⁰⁷

Provided that the Overallotment Option is exercised in full and on the assumption of an Offering Price corresponding to the midpoint of the Price Range the Principal Owner will, after completion of the Offering, directly and indirectly hold a total of approximately 64 per cent¹⁰⁸ of the total number of outstanding shares and votes in the Company.

After completion of the Offering the Principal Owner will still continue to have a significant influence over the outcome of matters submitted to the Company's shareholders for approval, as for example election of board members, eventual mergers, changes of the Company's articles of association, new issues of shares and dispositions of profit. Such influence is however restricted by the provisions of the Swedish Companies Act.

LOCK-UP UNDERTAKING

Pursuant to the Placing Agreement, which is expected to be entered into on or about 27 May 2021, between the Company, the Principal Owner and the Joint Bookrunners, the Principal Owner, the members of the board of directors, and the senior executives will, subject to customary conditions and exceptions, undertake not to sell their shareholdings shareholding for a period of 360 days following commencement of trading of the Company's shares on Nasdaq Stockholm (the "Lock-up period"). The conditions and exceptions may for example be transfer to certain persons and entities which have entered into similar lock-up undertakings as the Principal Owner, the members of the board of directors, and the senior executives, transfer as a result of a public takeover offer directed to all or almost all shareholders in the Company, transfer as a result of repurchase of own shares or similar procedure and transfer as a result of legal requirements.

Under the Placing Agreement, the Company will also undertake, with certain exceptions, not to (i) offer, issue, pledge, sell, contract to sell or otherwise transfer or dispose, directly or indirectly any of the Company's shares or other securities that can be converted to or can be used or exchanged for such shares, or (ii) buy or sell options or other instruments or enter

¹⁰⁷ The Principal Owner has been a member of the board of directors of the Company during the last three years.

¹⁰⁸ Of which 37 per cent directly and 27 per cent indirectly through Cronhamn Invest AB.

into swap-agreements or other arrangements that in whole or in part transfers the financial risk associated with the owning of shares in the Company to someone else during a period of 180 days following the commencement of trading of the Company's shares on Nasdaq Stockholm, these restrictions will however not be applicable to the conduction of incentive plans in the Company or non-cash issues for the purpose of acquiring shares or assets.

SHAREHOLDERS' AGREEMENTS

The board of directors of the Company is not aware of any shareholders' agreements or other agreements between the Company's shareholders aimed at exercising a joint influence over the Company. The board of directors of the Company is neither aware of any other agreements nor similar that may lead to a change of control of the Company.

Articles of association

ARTICLES OF ASSOCIATION OF LINC AB CORPORATE IDENTITY NUMBER 556232-0811

§ 1 COMPANY NAME

The Company's name is Linc AB. The company is public (publ).

§ 2 REGISTERED OFFICE

The registered office of the company is in Stockholm.

§ 3 OBJECTS

The objects of the Company include owning and managing securities and similar property, and conducting consulting activities within business management in medicine-related companies, and conducting operations compatible therewith.

§ 4 SHARE CAPITAL

The share capital shall constitute not less than SEK 4,000,000 and not more than SEK 16,000,000.

§ 5 NUMBER OF SHARES

The number of shares shall be not less than 40,000,000 and not more than 160,000,000.

§ 6 BOARD OF DIRECTORS

The board of directors shall consist of a minimum of three and a maximum of five members without deputies.

§ 7 AUDITORS

The Company shall have one or two auditors with a maximum of two deputy auditors. A registered auditing company can also be appointed auditor.

§ 8 NOTICES

Notice of a general meeting shall be given by advertising in Post- och Inrikes Tidningar and on the Company's website. That notice has been issued shall be announced in Svenska Dagbladet.

§ 9 RIGHT TO PARTICIPATE IN GENERAL MEETINGS

Shareholders who wish to participate in a general meeting shall notify the Company no later than the date specified in the notice convening the meeting. This day may not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the meeting.

Shareholders may bring a maximum of two assistants to the general meeting, however, only if the shareholder has made a notification to this effect in accordance with the preceding paragraph.

§ 10 FINANCIAL YEAR

The Company's financial year shall be from 1 January to 31 December.

§ 11 COLLECTION OF PROXIES AND POSTAL VOTING

The board may collect proxies in accordance with the procedure specified in Chapter 7, Section 4, second paragraph, of the Swedish Companies Act (2005:551). Prior to a general meeting, the board may decide that the shareholders shall be able to exercise their voting rights by post prior to the general meeting in accordance with what is set out in Chapter 7, Section 4a of the Swedish Companies Act (2005:551).

§ 12 ANNUAL GENERAL MEETING

At the annual general meeting, the following matters shall be considered.

1. Election of the chairperson for the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to approve the minutes.
5. Examination of whether the meeting has been duly convened.
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated accounts and the consolidated auditor's report.
7. Decisions regarding
 - a) Adoption of the income statement and balance sheet, and, where applicable, the consolidated income statement and consolidated balance sheet,
 - b) appropriation of the Company's profit or loss according to the adopted balance sheet, and
 - c) discharge from liability for the board members and the Chief Executive Officer.
8. Determination of the number of board members and the number of auditors and deputy auditors.
9. Determination of fees to the board and auditors.
10. Election of Board members and auditors and deputy auditors.
11. Other matters are to be considered at the meeting under the Swedish Companies Act (2005:551) or the articles of association.

§ 13 RECONCILIATION RESERVATION

The Company's shares shall be registered in a record register pursuant to the Swedish Securities Depositories and Financial Instruments Accounts Act (1998:1479).

Adopted at the annual general meeting of 12 April 2021.

Legal considerations and supplementary information

INFORMATION ABOUT THE PROSPECTUS

The Swedish Prospectus was approved by the SFSA on 19 May 2021. The Prospectus is valid for a period of not more than twelve months after the approval of the Prospectus, granted that Linc fulfils its obligation under the Prospectus Regulation to, if applicable, provide supplements to the Prospectus in the event of new events of significance, mistakes or material inaccuracies arise or are observed that may affect the assessment of the financial instruments. The obligation to provide supplements to the Prospectus in the event of significant new factors, mistakes or material inaccuracies is valid from the time of approval until the end of the subscription period in the Offering, or the point in time where the trading on a regulated market commences (depending on which occurs later).

GENERAL COMPANY INFORMATION

The registered legal and commercial name of the Company is Linc AB (publ). Linc is a Swedish public limited liability company (Sw. publikt aktiebolag) with reg.no 556232-0811. The Company's LEI Code is 549300UFJU04UGB49K16. The Company has its registered office in Stockholm. The Company was formed on 28 December 1982 and registered with the Swedish Companies Registration Office on 7 October 1983. Linc's address is Birger Jarlsgatan 36, 114 29 Stockholm. The Company's telephone number is +46 (0)70 935 85 74. The Company's business is conducted in accordance with the Swedish Companies Act. The object of the Company's business is to own and manage securities and similar property and to conduct consultancy operations within business management in medicine related companies, and activities compatible therewith. The Company's current articles of association was adopted on 12 April 2021.

Linc has a wholly-owned subsidiary, Linc Ägande AB, reg.no 559306-6268.

MATERIAL CONTRACTS

Credit facility agreement with SEB

During the first quarter of 2021 Linc entered into a credit facility agreement with SEB for a maximum of SEK 150 million, of which SEK 125 million was utilised as per 31 March 2021. On 12 April 2021 the available credit was increased to a maximum of SEK 250 million. The new period of credit runs from 13 April 2021 until 15 June 2021. As of the date of the Prospectus, Linc has used SEK 180 million under the credit facility agreement. Linc intends to use part of the proceeds that are expected to be received in the Offering in order to fulfil its obligations under the credit facility agreement. As security upon utiliza-

tion Linc uses all of its assets on Linc's securities depository at SEB, which includes all of Linc's shares in the listed portfolio companies. The loan-to-value-ratio (Sw. Belåningsgraden) is determined based on the value of the shares that are listed on Nasdaq Stockholm, i.e. MedCap, Calliditas Therapeutics and Medivir, whose loanable value has been adjusted in order to reflect SEB's assessment of the risk of the security.

If Linc does not fulfil its obligations in accordance with the credit facility agreement SEB is entitled to terminate the credit to premature payment.

Outstanding commitments

Linc has, through various legal acts, committed to subscribe for shares in certain portfolio companies. The commitments that are still outstanding as per the date of the Prospectus are described in short below. Linc intends to use part of the proceeds that are expected to be received in the Offering to finance these commitments.

Linc has, following a final allotment decision in a rights issue in OssDesign AB (publ), received a contract note regarding shares corresponding to SEK 1.9 million with a settlement date after the date of the Prospectus. In addition to this, Linc has invested approximately SEK 22.0 million in the share issue, making the total amount invested in the share issue SEK 23.8 million. Linc is entitled to customary consideration with respect to the guarantee commitment in the share issue

Linc has further entered into subscription and guarantee commitments regarding rights issue, respectively, in Initiator Pharma A/S, corresponding to approximately SEK 4.2 million and SEK 13.3 million respectively or a total of approximately SEK 17.5 million. An extraordinary general meeting in Initiator Pharma A/S on 11 May 2021, authorised the board of directors in Initiator Pharma A/S to resolve upon the rights issue. The rights issue will be conducted as soon as the Danish Financial Supervisory Authority has assessed and approved a prospectus regarding the rights issue. Linc is entitled to customary consideration with respect to the guarantee commitment.

Shareholder agreements

The Company has entered into shareholders agreement, including customary provisions, with respect to the ownership of the shares in certain unlisted portfolio companies. The shareholders agreements regarding certain portfolio companies includes non-compete provisions, which may prevent Linc to invest in businesses that competes with these companies during the time Linc is a shareholder in the relevant companies and for a period of one to two years thereafter.

INTELLECTUAL PROPERTY RIGHTS

The Company is the registered owner of the domain name www.linc.se. Otherwise there are no intellectual property rights.

INSURANCE

Linc holds adequate and customary insurance coverage for the conducted business. The Company's assessment is that the insurance coverage is comprehensive and sufficient. There can be no assurance, however, that the Company will not incur losses that is not covered by these insurances.

LITIGATION AND OTHER PROCEEDINGS

Linc is not currently, and have not during the last 12 months, been involved in any authority, legal or arbitration proceedings (including proceedings that are pending or proceedings that, to the best of the Company's knowledge, threaten to be initiated) that have had, or could get, significant effect on the Company's financial position or profitability.

INTERESTS OF THE ADVISORS

SEB and ABG provides financial advice and other services to the Company and the Principal Owner in connection with the Offering and the admission to trading of the Company's shares on Nasdaq Stockholm, for which they will receive customary compensation. SEB and ABG may also, from time to time, provide services, within the ordinary course of business and in connection with other transactions, to the Company and the Principal Owner, for which they may receive compensation.

RELATED PARTY TRANSACTIONS

For information concerning related party transactions, see note 18 included in the audited financial information, on page 179–180, and note 3, on page 146, in the unaudited financial information in the section "*Historical financial information*".

Save for as stated above Linc has not conducted any related party transactions during the period that is covered by the historical financial information up to and including the date of this Prospectus.

COSTS IN CONNECTION WITH THE OFFERING

The Company's costs related to the Offering and the admission to trading of the Company's shares on Nasdaq Stockholm, including advisors' fees and other estimated transaction costs, are estimated to amount to a total of not more than SEK 64 million. Of the total costs, SEK 6.0 Million are included in the Company's reports up to and including 31 March 2021.

PLACING AGREEMENT

The Company, the Principal Owner and the Joint Bookrunners intend to enter into a Placing Agreement regarding the Offer-

ing. Pursuant to the Placing Agreement, which is intended to be signed on or about 27 May 2021, the Company undertakes to issue the shares included in the Offering, which shall be allocated to the general public and the investors that have been mediated by the Joint Bookrunners. The Principal Owner will further issue an option to SEB with the right to acquire a further maximum of 2,678,571 existing shares at the Offering Price, corresponding to a maximum of 12.5 per cent of the number of shares included in the Offering (the Overallotment Option). The Overallotment Option may be exercised, in full or in part, during a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm.

Under the Placing Agreement, the Company provides customary representations and warranties to the Joint Bookrunners, primarily in relation to the accuracy of the Prospectus and the Offering and that there are no legal or other hindrances for the Company to enter into the Placing Agreement or for the completion of the Offering. If the representations and warranties is inaccurate or not fulfilled at the time of the Offering, neither delivery nor payment will be made of the shares in accordance with the Offering. Termination of the Placing Agreement, resulting in the Offering not being able to be conducted, may occur if significant negative events occurs on the market.

Pursuant to the Placing Agreement, the Company also undertakes, subject to certain exceptions, not to (i) issue, offer, pledge, sell, contract to sell, or otherwise transfer or dispose, direct or indirect, any shares in the Company or other securities convertible into or exercisable or exchangeable for such shares, or (ii) buy or sell any option or other instrument or enter into any swap-agreement or other arrangement that transfers to another, in whole or in part, the economic risk associated with the ownership of shares in the Company at the earliest 180 days after the commencement of trading of the Company's shares on Nasdaq Stockholm, these limitations will however not be applicable with respect to the conduction of incentive plans in the Company or non-cash issues for the purpose of acquire shares or assets.

STABILISATION

In connection with the Offering, SEB may perform transactions for the purposes of keeping the market price of the shares on a higher level than otherwise would be the case on the market. Such stabilisation transactions may be performed on Nasdaq Stockholm, the OTC-market or in other manner, and may be performed at any time during the period commencing on the first day of trading in the Company's shares on Nasdaq Stockholm and ending at the latest 30 calendar days thereafter. SEB is not required to perform any stabilisation measures and there is no assurances that these activates will be undertaken. The stabilisation measures may result in the market price of the shares reaching a level not sustainable in the long term and exceeding the price that would have otherwise prevailed in the market.

Stabilisation, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. Not later than by the seventh trading day after stabilisation measures have been performed, SEB shall disclose the stabilisation measures that have been performed in accordance with article 5(4) of the Market Abuse Regulation 596/2014. Within one week after the end of the stabilisation period SEB will disclose whether stabilisation was performed or not, the date of which stabilisation started, the date at which stabilisation last occurred and the price range within which the stabilisation was performed for each of the dates during which stabilisation transactions were carried out.

COMMITMENTS FROM THE CORNERSTONE INVESTORS

The Cornerstone Investors have, towards the Company, committed to acquire shares in the Offering corresponding to a maximum of SEK 827 million, i.e. a maximum of approximately 61 per cent of the total Offering provided that the Overallotment Option is exercised in full. The commitments are inter alia conditional upon that the first day of trading

in the shares of the Company occurs not later than 30 June 2021, that the total market capitalisation of the shares of the Company immediately following settlement will not represent a premium of more than 10 per cent of the Company's net asset value, that the Offering Price does not exceed SEK 73, that there is a minimum free float of 25 per cent immediately following settlement, that the Company issues new shares in the Offering raising at least SEK 1,200 million, that each Cornerstone Investor receives full allocation of its commitment, that no obligation arises to register a supplementary prospectus due to the occurrence of information that would negatively alter the assessment of the shares, and that the conditions for admissions to trading of the Company's shares on Nasdaq Stockholm are fulfilled. The Cornerstone Investors do not receive any remuneration for their commitments.

The commitments of the Cornerstone Investors are not secured through a bank guarantee, blocked funds, pledge or similar arrangements, why there is a risk that the commitments of the Cornerstone Investors, in whole or in part, will not be able to be fulfilled. The subscription undertakings by the Cornerstone Investors follows from the below table.

Name	Commitment SEK million	Commitment number of shares	Per cent of Offering including Overallotment Option	Per cent of shares and votes post Offering
Nordea Investment Management	164	2,246,575 – 2,928,571	12.1%	4.0% – 4.8%
Funds managed and advised by Capital World Investors	158	2,164,383 – 2,821,428	11.7%	3.8% – 4.6%
Handelsbanken Fonder	150	2,054,794 – 2,678,571	11.1%	3.6% – 4.4%
Swedbank Robur	130	1,780,821 – 2,321,428	9.6%	3.2% – 3.8%
Enter Fonder	75	1,027,397 – 1,339,285	5.6%	1.8% – 2.2%
Danica Pension Livsforsikrings-aktieselskab	75	1,027,397 – 1,339,285	5.6%	1.8% – 2.2%
Kapitalforeningen Investering & Tryghed	75	1,027,397 – 1,339,285	5.6%	1.8% – 2.2%
Total	827	11,328,764 – 14,767,853	61.3%	20.1% – 24.0%

REFERENCES TO WEBSITES

Information available on Linc's website or other websites that are referred to in the Prospectus does not form part of the Prospectus and has not been reviewed or approved by the SFSA unless such information has explicitly been incorporated into the Prospectus by reference.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are, during the period of

validity of the Prospectus, available for inspection during office hours at the Company's main office (Birger Jarlsgatan 36, 114 29 Stockholm): (i) Linc's articles of association and certificate of incorporation, (ii) annual reports for the financial years of 2020, 2019 and 2018, including auditors' reports, (iii) interim report for the period 1 January 2021 – 31 March 2021 and (iv) this Prospectus.

These documents are also available in electronic form on the Company's website (www.linc.se).

Certain tax considerations in Sweden

Below is a summary of certain tax consequences that according to current Swedish tax legislation may arise as a result of the Offer from the time that the shares have been admitted to trading on Nasdaq Stockholm. This summary is not intended to be exhaustive in dealing with all tax issues that may arise and is only intended as general information. The summary only applies to natural persons and limited companies that are taxable in Sweden without limit, unless otherwise stated. For example, the summary does not deal with:

- Shares held as inventory assets in business operations;
- Shares held by a partnership or limited partnership;
- Shares invested in an investment savings account or in an endowment insurance;
- The separate regulations for tax-free capital gains (including deduction prohibition in the case of capital loss) and distributions in the company sector that can be applicable when shareholders hold shares that are considered to be trade-related.
- The separate regulations that can be applicable for holdings in companies that are, or have been previously, so-called close companies or for shares that are acquired with the support of so-called qualified participations in close companies.
- The separate regulations that apply for certain natural persons who make or reverse so-called investment deductions;
- Foreign companies that conduct business operations through a fixed place of business in Sweden, or
- Foreign companies that have been Swedish companies.

Separate tax regulations apply for certain types of taxable entities, for example investment funds, investment companies and insurance companies.

Tax legislation in an investor's and the Company's respective states of residence may affect the taxation of the income from the securities. Taxation of each individual shareholder depends on the shareholder's particular situation and circumstances in its particular case. Each shareholder should therefore consult an independent tax adviser to obtain information on the tax consequences that may arise in the individual case, including the applicability and effect of foreign rules and tax treaties.

NATURAL PERSONS

For unlimited taxable natural persons and estates in Sweden, capital income such as interest income, dividends and capital gains in the income category capital is taxed. The tax rate in the income category capital is normally 30 per cent. For listed shares, the entire capital gain is taxable.

Capital gains and capital losses are usually calculated as the difference between the sale compensation, less the expenses for the sale, and the overhead amount. The overhead amount

for shares of the same type and variety is calculated using the average method if the shares have been purchased on more than one occasion or if there has been an event in the company that affects the overhead amount. With the average method, the overhead amount is calculated on the basis of the average purchase price (including brokerage), taking into account events in the holding, such as a split or bonus issue.

For market listed shares, the overhead amount may alternatively be calculated using the so-called standard method. According to the standard method, 20 per cent of the sale compensation, less the costs of the sale, may be used as an overhead amount.

Deductible capital loss on listed shares can be fully offset against taxable capital gains on other listed shares and listed co-ownership rights that arose in the same tax year, except for capital gains on units in securities funds or special funds that only contain Swedish receivables. Offsetting must take place in a particular sequence. Capital losses on listed shares or other co-ownership rights that cannot be set off in this way may be deducted by up to 70 per cent against other income in the income category capital.

If a deficit arises in the income category capital, a tax reduction is allowed against municipal and state income tax as well as property tax and municipal property tax. Tax reduction is allowed of 30 per cent of deficits up to SEK 100,000 and of 21 per cent of deficits in excess of SEK 100,000. Any deficit that cannot be utilised may not be saved for later tax years.

For unlimited taxable natural persons in Sweden, dividends in the income category capital are normally taxed at a tax rate of 30 per cent. For natural persons, the preliminary tax on dividends is normally withheld of 30 per cent. The preliminary tax is usually withheld by Euroclear, or in the case of nominee-registered shares, by the Swedish nominee.

LIMITED LIABILITY COMPANY

For a limited liability company, all income, including taxable capital gains and dividends, in the income category business activities is taxed at a tax rate of 20.6 per cent (for tax years beginning after 31 December 2020). Capital gains and losses are calculated in the same way as for natural persons. Special rules apply to gains or losses on business-related participations.

Deductible capital losses on shares or other ownership rights may only be deducted against taxable capital gains on such securities. Capital losses that could not be utilised in a certain year may be saved and deducted against taxable capital gains on shares and other co-ownership rights during subsequent tax years without a time limit.

If a capital loss cannot be deducted from the company that

made the loss, it may be deducted against taxable capital gains on shares and other ownership rights of a legal entity in the same group for tax years with the same tax return date, if there is a right to deduct group contributions between the company and this legal entity and both partners request it.

Special tax rules may apply to certain types of companies or certain legal entities, such as investment firms.

SHAREHOLDERS WITH LIMITED TAX LIABILITY IN SWEDEN

Shareholders who are subject to limited tax liability in Sweden and who receive dividends on shares in a Swedish limited liability company must normally pay Swedish coupon tax. The tax rate is 30 per cent. However, the tax rate can be reduced through tax agreements that Sweden has entered into with other countries to avoid double taxation. Many of Sweden's tax agreements allow for a reduction of Swedish tax to the agreement's tax rate directly at the time of dividend if the necessary information about the person entitled to dividends is available. In Sweden, the deduction for coupon tax is normally enforced by Euroclear Sweden, or in the case of nominee-registered shares, by the nominee.

In cases where 30 per cent coupon tax has been withheld when paying to a person who is entitled to be taxed at a lower tax rate, or too much coupon tax has otherwise been withheld, a refund (restitution) can be requested from the Swedish Tax Agency before the end of the fifth calendar year after the dividend.

Shareholders who are subject to limited tax liability in Sweden and who do not conduct business from a permanent establishment in Sweden are not normally capital gains taxed in Sweden on the sale of shares. Shareholders, on the other hand, may be subject to taxation in their state of residence.

According to a special tax rule, however, natural persons who are subject to limited tax liability in Sweden may be subject to Swedish taxation on the sale of certain securities (such as shares) if they have been resident or permanently present in Sweden at any time during the divestment year or the previous ten calendar years. The applicability of this rule may be limited by tax agreements between Sweden and other countries.

Definitions

ABGSC	ABG Sundal Collier AB.
Avanza	Avanza Bank AB (publ).
The Swedish Companies Act	The Swedish Companies Act (2005:551).
The Company	Linc AB (publ), corporate registration number 556232-0811.
Distributor	Party that offers, sells or recommends shares in the Offer.
The Offering	The offer to the public in Sweden and certain institutional investors in Sweden and abroad and admission to trading of the Company's shares on Nasdaq Stockholm.
The Offering price	The final price per share in the Offer.
Euroclear Sweden	Euroclear Sweden AB.
The Principal Owner	Bengt Julander, c/o Linc AB (publ), Birger Jarlsgatan 36, 114 29 Stockholm.
The Investor	The person who has registered for the Offer.
Investment Company	Investment entity as defined in IFRS 10.
ISK	Investment savings account
The Code	The Swedish code for corporate governance.
Linc	Linc AB (publ), corporate registration number 556232-0811.
The Lock-up Period	The period of 360 days after trading in the Company's shares has commenced on Nasdaq Stockholm when the Principal Owner, the members of the board of directors, and the senior executives have undertaken, with customary reservations, not to sell their holdings.
SEK billion	Billions of Swedish kronor
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.
SEK million	Millions of Swedish kronor
Target market	Each of (i) non-professional clients and (ii) investors who meet the requirements for a professional client and an eligible counterparty under MiFID II.
The Order	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
The Placing Agreement	The placing agreement between the Company, the Principal Shareholder and the Joint Bookrunners.
Price Range	The price range SEK 56–73
The product management requirements of MiFID II	The product management requirements in: (a) MiFID II, (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of 7 April 2016 on supplementing MiFID II, and (c) Chapter 8, Sections 13 and 14 of the Swedish Securities Act and Chapter 5, Section 5 of the Swedish Financial Supervisory Authority's rules on investment services and activities, FFFS 2017:2.
The Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market.
PwC	Öhrlings PricewaterhouseCoopers AB
relevant persons	(i) Persons outside the United Kingdom, or (ii) professional investors falling within the scope of Article 19 (5) of the Order at any given time, or (iii) subjects with high net worth and other persons to whom this document may be lawfully addressed, who are covered by Article 49(2) (a) - (d) of the Order.
Rådek	Rådek KB
SEB	Skandinaviska Enskilda Banken AB (publ)
UK MiFIR	Regulation (EU) No. 600/2014 as it is incorporated into national law according to the European Union (Withdrawal) Act 2018.
U.S. Securities Act	The current US Securities Act of 1933
SEK thousands	Thousands of Swedish kronor
The Overallotment Option	An option issued by Selling Shareholders to SEB to acquire an additional maximum of 2,678,571 existing shares at the Offer Price, corresponding to a maximum of 12.5 per cent of the number of shares covered by the Offer.

Historical financial information

Interim Report Linc AB

1 January – 31 March 2021

Quarter 1 2021:

- Return on net asset value per share was -1.4% (0.8%)
- Profit from investment activities amounted to SEK -47.9 million (SEK 35.7 million)
- Operating profit / loss amounted to SEK -56.3 million (SEK 35.6 million)
- Profit / loss after tax amounted to SEK -34.4 million (SEK 13.5 million)
- Earnings per share amounted to SEK -0.9 (SEK 0.3)

Significant events during the quarter

- Index Pharmaceuticals completes a preferential issue of SEK 533 million to finance the initial induction study in the Phase III programme for cobitolimod. Linc invests SEK 74 million (including subscription rights) and increases ownership from 10.0% to 13.1%.
- Medivir completes a preferential issue of approximately SEK 195 million and a directed issue of SEK 28 million for continued clinical work and preparations for Phase II / III in the development of MIV-818. Linc invests SEK 9 million and SEK 28 million in the directed issue and increases ownership from 4.2% to 10.5%.
- OncoZenge is listed on First North and is thus included as a listed holding in the portfolio. Linc invests SEK 3.7 million. In addition, additional shares in OncoZenge are acquired for SEK 2 million and ownership thus increases from 5.0% to 6.8%.
- Animal Probiotics completes share issue of SEK 3 million to finance investments in inventories and further studies. Linc invests SEK 0.7 million, thereby increasing ownership from 16.7% to 19.7%.
- The holding in Elos Medtech is divested during the period for SEK 44 million, which gives a profit of SEK 18 million.
- Linc acquires additional shares in Calliditas Therapeutics for SEK 48 million, thereby increasing its ownership from 9.3% to 10.1%.
- AdderaCare restarts the acquisition agenda through strategic acquisition of Linds Ortopediska.
- Linc guarantees approximately SEK 25 million of the planned preferential issue in OssDsign of SEK 240 million and receives subscription rights and enters into a subscription commitment equivalent to SEK 15 million.
- Epicyt implements a new share issue for continued development of drug candidate. Linc subscribes for shares equivalent to SEK 1.3 million. The issue is expected to be completed during the second quarter.
- Gesynta announces that it has reached a milestone to proceed with tranche 3 of the existing investment agreement. The share issue is expected to be implemented in April and Linc will subscribe for shares equivalent to SEK 12.5 million.
- Linc acquires shares in Cinclus Pharma and Synartro for SEK 0.5 million and SEK 0.6 million respectively, through exercising preemptive rights in shareholder agreements. The transactions are to close in April.
- Linc secures up to SEK 150 million in additional liquidity by entering into a custody credit agreement with SEB. As of the balance sheet date, SEK 125 million has been utilised.

Events after the end of the reporting period

- Linc secures SEK 100 million in additional liquidity (a total of SEK 250 million) through an extended custody credit.
- The Annual General Meeting of 12 April 2021 resolves on a share split of 40,000:1 and a bonus issue of SEK 3.9 million.
- Linc invests SEK 17 million in a directed issue and issues a subscription commitment of SEK 4 million and guarantees up to SEK 13 million in a forthcoming preferential issue in Initiator Pharma. The issues secure approximately SEK 60 million in financing for further clinical studies and a broadening of the Company's clinical pipeline.

Distribution of net asset value on 31 March 2021

	Capital share	Share price (SEK)	Number of shares / holdings	Fair value SEK million	SEK / share (SEK)	Participation %
AdderaCare	23.2%	7.8	7,812,500	60.9	1.5	2.5%
Arcoma	26.9%	21.6	3,445,131	74.4	1.9	3.0%
Calliditas Therapeutics	10.1%	122.0	5,041,450	615.1	15.4	25.0%
FluoGuide	6.8%	110.0	718,500	79.0	2.0	3.2%
InDex Pharmaceuticals	13.1%	1.7	69,920,567	119.4	3.0	4.9%
MedCap	20.0%	208.0	2,965,946	616.9	15.4	25.1%
Medivir	10.5%	8.4	5,840,172	48.9	1.2	2.0%
OncoZenge	6.8%	11.4	800,911	9.1	0.2	0.4%
Sedana Medical	8.2%	328.5	1,899,701	624.1	15.6	25.4%
Stille	42.2%	133.0	2,036,355	270.8	6.8	11.0%
Total listed holdings				2,518.7	63.0	102.4%
Animal Probiotics	19.7%		1,347,190	0.7	0.0	0.0%
Athera Biotechnologies	10.9%		957,000	0.0	0.0	0.0%
Cinclus Pharma	2.7%		7,029	18.6	0.5	0.8%
Epicyt Pharma	6.4%		104,942	1.3	0.0	0.1%
Gesynta Pharma	13.6%		38,013	40.0	1.0	1.6%
Linc Holding Sverige	100.0%		250	0.0	0.0	0.0%
nWise Ågare	50.0%		125	6.3	0.2	0.3%
Part production Sweden	50.0%		500	35.8	0.9	1.5%
Society	6.7%		5,310	3.0	0.1	0.1%
Sixera Pharma	9.9%		8,772	10.0	0.3	0.4%
Swevet	27.0%		11,843,558	14.0	0.3	0.6%
Synartro	13.8%		34,800	6.2	0.2	0.3%
Total unlisted holdings				135.8	3.4	5.5%
Other assets and liabilities ¹				-194.7	-4.9	-7.9%
Net asset value				2,459.8	61.5	100.0%

1. Of which SEK 18.5 million pertains to Avanza endowment insurance, SEK 22.2 million pertains to cash and cash equivalents, SEK -124.8 million pertains to utilised custody credit and SEK -119.6 million pertains to deferred tax liabilities.

A few words from the CEO

Dear shareholders,

The start of 2021 has been intense for Linc. During the first quarter, Linc contributed to successful outcomes in the two important issues in InDex Pharmaceuticals and Medivir. Both issues were made at attractive levels and in line with our strategy to support the companies in critical stages of long-term value creation.

During the beginning of the quarter, Calliditas suspended a planned issue based on the assessment that market conditions were not favorable. This created some short-term unease in the share. Linc chose to use this opportunity to increase ownership from about 9.3 per cent to just over 10 per cent. Our long-term confidence in the business is unbroken. Calliditas's lead candidate, Nefecon, addresses a major medical need that lacks relevant treatment options. The conditions for rapid uptake and successful commercialisation in the United States are thus good. We also consider that the Company is well placed to deliver on potential in the launch of Nefecon. In March, the Company reached another milestone in connection with the submission of an application for approval to the FDA.

We are also pleased that OncoZenge was listed on First North during the quarter and completed the planned issue. In addition to subscribing to the issue, Linc further increased its ownership from 5.0 per cent to 6.8 per cent during the quarter.

During the quarter, a decision was also made to participate in the planned issue in OssDsign, a new highly interesting portfolio company with great potential. The Company is a Swedish medical technology company focusing on implants and grafts based on bioceramic material that is used to improve the healing process in various cases of patient injuries. The issue is expected to be completed during the second quarter.

The net asset value decreased by 1.4 per cent during the first quarter. The value development can largely be explained by the negative share price development in Linc's three largest holdings, Calliditas, Sedana and MedCap during the quarter. The decrease was partially offset by strong value development in Stille and AdderaCare. Extra gratifying was that AdderaCare acquired Linds Ortopediska during the quarter, which marks the start-up of the acquisition machinery again.

Although value development for the portfolio as a whole was weak during the quarter, we have continued the work of laying stable foundations in several of our companies, which creates long-term conditions for successful company development.

Stockholm, 27 April 2021

Karl Tobieson, CEO

Financial developments in summary

Amounts in SEK thousands unless otherwise stated	2021-01-01	2020-01-01	2020-01-01
	2021-03-31	2020-03-31	2020-12-31
Profit / loss			
Profit / loss from investment activities	-47,876	35,653	974,416
Operating profit / loss*	-56,344	35,551	970,052
Profit / loss before income tax	-56,745	35,543	970,288
Profit / loss for the period	-34,401	13,523	833,180
Financial status			
Total assets	2,709,035	1,701,612	2,638,391
Fair value - Portfolio companies and other holdings	2,673,057	1,673,788	2,603,574
Net asset value	2,459,824	1,674,567	2,494,225
Equity	2,459,824	1,674,567	2,494,225
Net debt	102,564	-22,514	-21,908
Equity / assets ratio, %	90.8	98.4	94.5
Per share**			
Net asset value per share, SEK	61.5	41.9	62.4
Earnings per share, SEK	-0.9	0.3	20.8
Number of shares per balance sheet date, pcs	40,000,000	40,000,000	40,000,000
Average number of shares for the period, pcs	40,000,000	40,000,000	40,000,000

* Operating profit (EBIT) for the first quarter of 2021 has been charged with SEK 5.3 million in costs related to preparations for a potential listing on Nasdaq Stockholm. During the 2020 financial year, the corresponding costs amounted to SEK 0.7 million (of which SEK 0 pertained to the first quarter).

** After the end of the interim period, but before the submission of this Interim Report, a share split of 40,000:1 has been implemented, in which each existing ordinary share becomes 40,000 shares. Earnings per share have been recalculated in all periods with regard to this split.

Definitions of terms that appear in the report

Non-IFRS measure	Definition
Result of changes in fair value of holdings in portfolio companies	Realised and unrealised result of changes in fair value of holdings in portfolio companies during the period.
Profit / loss from investment activities	Result of changes in fair value of holdings in portfolio companies (direct holdings) and other financial investments (indirect holdings) plus dividends and guarantee payments received during the period.
Return on net asset value per share	Change in net asset value per share (adjusted for any acquisition of capital) and dividend received per share divided by net asset value per share at the beginning of the period.
Net asset value	Assets valued at fair value less current and non-current liabilities valued at fair value.
Direct holdings	Holdings in which Linc holds the right to vote and entitlement to dividends.
Indirect holdings	Holdings via endowment insurances or receivables from portfolio companies or other parties.
Net debt	Cash and cash equivalents less interest-bearing liabilities.
Equity / assets ratio	Equity divided by total assets.

Operations

Linc invests in companies within the Nordic life science industry. Investments are made in both private and public companies and in research and business companies respectively. Linc focuses on companies with a product-oriented business model that has global potential, often within pharmaceuticals or medical technology.

The securities portfolio

Net asset value

During the first quarter, the net asset value decreased by SEK 34 million (SEK +14 million). The return per share amounted to -1.4% (0.8%).

Investment profit / loss

Profit / loss from investment activities is the part of the result that relates to the value development of the portfolio companies and other investments during the period, as well as dividends, guarantee payments and sales proceeds received less the period's acquisition costs.

Profit / loss from investment activities for the first quarter amounted to SEK -47.9 million (SEK 35.7 million). Change in value of listed holdings during the first quarter was -2.3%, SEK -59.5 million (3.1%, SEK +46.4 million) and in unlisted holdings 6.5%, SEK +8.5 million (6.9%, SEK +6.2 million).

Stille posted a strong fourth quarter and represented the single largest positive contribution to the profit from investment activities for the quarter. Stille's value increase during the quarter was +45% (SEK +84 million). AdderaCare made a strategic acquisition of Linds Ortopediska during the quarter and the value improvement of +71% (SEK +25 million) contributed positively to the result for the quarter. The value development in Calliditas of -12% (SEK -81 million), in Sedana of -4% (SEK -28 million) and in MedCap of -10% (SEK -65 million) had a negative impact on the profit from investment activities during the quarter. In the unlisted portfolio, the valuations of Gesynta and Epicyt have been revised up to the issue price in the ongoing new issues. Part Production Sweden

(Swevet and Reison Medical) has also increased somewhat in value as a consequence of the fact that valuations now reflect the outcome during 2020.

The value change per holding and for the portfolio as a whole is shown in the table on page 8.

Investments and divestments

No investments in new portfolio companies have been made during the period. The entire holding in Elos Medtech was divested during the quarter for SEK 44 million, which gave a profit of approximately SEK 18 million.

In existing portfolio companies, Linc has made investments in Index Pharmaceuticals, Medivir, OncoZenge and Animal Probiotics through issues. OncoZenge was listed on First North during the quarter and thus became a listed portfolio company. Linc also increased its holdings in Calliditas and OncoZenge during the quarter through the acquisition of additional shares.

Linc has also entered into subscription commitments for future issues in OssDsign (including guarantee), Gesynta and Epicyt. In addition, Linc entered into agreements for the acquisition of smaller shareholdings in Cinclus and Synartro through the exercise of preemptive rights in shareholder agreements (the transactions close after the end of the quarter).

A summary of investments and divestments during the period is shown in the table on page 9.

Financing and liquidity

Cash and cash equivalents as of the balance sheet date amounted to SEK 22.2 million (SEK 22.5 million). During the quarter, up to SEK 150 million in additional liquidity was secured through a custody credit agreement with SEB. As of the balance sheet date, approximately SEK 125 million has been utilised and net debt amounted to SEK 103 million.

Taxes

Linc does not meet the requirements for an investment company with regards to tax laws

and is thus taxed on profits and dividends on directly owned non-business shares and holdings. Dividends and profits on business-related holdings are not taxable. Taxable holdings include holdings in listed shares in which Linc has an ownership share of less than 10% of the votes, or alternatively that the share of the votes did not amount to 10% for at least 12 months. During the quarter, divestments were made in Elos Medtech and the SEB Prime fixed income fund with taxable profit. No taxable dividends were received during the period. However, taxable guarantee payments were received during the quarter through guarantee commitments in the issues in Medivir and OncoZenge. Through utilisation of losses from realised tax losses (so-called "fold losses") from previous years, the sale is not expected to lead to any tax payment. The tax effect on the net result during the quarter was SEK +22 million due to reduction of deferred tax liabilities as a consequence of lower taxable surplus values in the portfolio.

Transactions with related parties

Related parties are defined as persons in a senior position, members of the Board and related persons and their companies. In addition, the definition includes related portfolio companies in which Linc has an ownership of more than 20% or otherwise exercises a significant influence. During the period, shares in Calliditas were acquired at market value (the latest share price at the time of the transaction) by the Chairman of the Board for approximately SEK 23 million. Other related party transactions have taken place through lending and from receiving interest from related portfolio companies.

For further information, see Note 3.

Number of shares and ownership

At the end of the first quarter, there were two owners in Linc. The number of shares amounts to a total of 1,000 ordinary shares. No shares were added during the quarter. After the period, a share split of 40,000:1 was carried out, with each existing ordinary share converting to 40,000 shares. Earnings per

share have been recalculated for all periods with regard to this split.

Incentive programmes

During the first quarter, no new incentive programmes were implemented or introduced. Variable remuneration to the CEO and CFO is paid based on the return on net asset value, or share price if the Company is listed, in relation to the Swedish Stock Exchange Small Cap Index. See also note 3 for disclosure on the management's holdings of call options issued by the owner.

Employees

At the end of the period, there were three permanent employees in Linc.

Events after the end of the period

After the end of the period, Linc has secured up to SEK 100 million in additional liquidity (in total of up to SEK 250 million) through an extended custody credit agreement with SEB.

On 12 April 2021, the Annual General Meeting resolves on a share split of 40,000:1 and a bonus issue of SEK 3.9 million.

An Extraordinary General Meeting of Gesynta Pharma on 9 April resolved to implement tranche 3 of the existing financing plan. Linc then has an investment commitment of SEK 12.5 million.

Linc invests SEK 17.5 million in a directed issue and enters a subscription commitment of SEK 4.2 million and guarantees up to SEK 13.3 million in a forthcoming preferential issue in Initiator Pharma.

For a complete compilation of events after the end of the period, see Note 10.

Risks and uncertainties

For a more complete description of Linc's risks and uncertainties, see Note 3 in the 2020 Annual Report.

The key risk in the business is the price development of the portfolio holdings. Under the long-term ownership philosophy, there is no defined target for share price risks involving short-term fluctuations.

The Parent Company

The Parent Company has a similar Income Statement and Balance Sheet to those of the Investment Company, with the exception that the Securities Portfolio is valued at fair value. Note 2 shows the acquisition value of the holdings, which is what is reported in the Parent Company. Income Statement and Balance Sheet are reported separately for the Parent Company.

Accounting principles

Linc applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Interim Report has been prepared in accordance with IAS 34 Interim Reporting, the Swedish Annual Accounts Act, and RFR 1 Supplementary accounting rules for groups.

The Parent Company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Council reporting recommendation RFR 2 Accounting for Legal Persons. The same accounting principles have been applied as for the Investment Company except in the cases specified in the section "Parent Company Accounting Principles" in the 2020 Annual Report.

During the first quarter, guarantee payments have been received regarding guarantees issued by Linc in connection with new issues in portfolio companies. The guarantee payments are included in *Other operating income*. The right to compensation comes at the end of the period in which the commitment is fulfilled and it is very likely that no significant reversal of the compensation will take place. When the warranty commitment is entered into, this is taken up as a contingent liability off-balance sheet.

The accounting principles are otherwise unchanged since the last Annual Report.

For a more detailed description of the accounting principles applied to the Investment Company and the Parent Company in this Interim Report, see the Annual Report for the 2020 financial year.

New accounting principles as from the current financial year

No significant changes in accounting principles have occurred since the 2020 Annual Report.

In 2021, there were no new standards or changes to existing standards that could be expected to have any effect on the Company's accounting.

Profit / loss from investment activities

	2021-01-01 - 2021-03-31		2020-01-01 - 2020-12-31	
	SEK million	%	SEK million	%
AdderaCare	25.3	71.1%	10.6	42.5%
Arcoma	-1.4	-1.8%	7.6	11.1%
Calliditas Therapeutics	-81.1	-11.7%	296.5	84.4%
Elos Medtech (holding divested during Q1 2021)	4.3	10.9%	-2.7	-4.9%
FluoGuide	-6.5	-7.6%	80.3	1,518.8%
InDex Pharmaceuticals	4.3	3.8%	-10.8	-20.8%
MedCap	-65.3	-9.6%	263.8	61.8%
Medivir	4.1	9.2%	-0.2	-2.4%
OncoZenge	0.8	9.3%	-	-
Sedana Medical	-27.5	-4.2%	394.7	151.6%
Stille	83.5	44.6%	-73.3	-28.1%
Profit / loss from listed holdings (excluding endowment insurance)	-59.5	-2.3%	966.5	63.9%
Animal Probiotics	0.0	0.0%	-6.7	-99.2%
Athera Biotechnologies	0.0	0.0%	-19.1	-100.0%
Cinclus Pharma	0.0	0.0%	5.3	194.1%
Epicyt Pharma	0.5	66.7%	0.0	0.0%
Gesynta Pharma	4.0	11.1%	6.7	39.9%
Linc Holding Sverige	0.0	0.0%	-	-
nWise Ägare ¹	0.0	0.0%	6.1	nm
nWise (holding sold to nWise Ägare in Q4 2020) ¹	-	-	-7.2	nm
OncoZenge (holding recorded in Q1 2021)	-	-	0.0	0.0%
Part Production Sweden ²	3.4	10.4%	15.6	nm
Society	0.0	0.0%	0.0	0.0%
Sixera Pharma	0.0	0.0%	0.0	0.0%
Swevet ²	0.6	4.8%	7.9	nm
Synartro	0.0	0.0%	0.5	8.0%
Profit / loss unlisted holdings	8.5	6.5%	9.2	9.7%
Changes in fair value of other holdings³	0.7	3.8%	-2.6	-3.3%
Guarantee payments from portfolio companies⁴	2.4	nm	-	nm
Dividends from portfolio companies	-	nm	1.3	nm
Profit / loss from investment activities	-47.9	-1.7%	974.4	57.7%

1. nWise Ägare acquired the shares in nWise AB during the fourth quarter of 2020. Net change in value from the transaction during the period was SEK -0.1 million.
 2. Part Production Sweden acquired part of the holding in Swevet Holding AB during the fourth quarter of 2020. The net change in value from the transaction during the period was zero.
 3. Includes changes in value in SEB fixed income fund, Avanza endowment insurance, other unlisted securities and issued options.
 4. Includes guarantee payments from Medivir SEK 1.2 million and OncoZenge SEK 1.2 million during the first quarter of 2021.
- nm = not meaningful

Acquisitions, investments and divestments

	2021-01-01 – 2021-03-31		2020-01-01 – 2020-12-31	
	Investments	Divestments	Investments	Divestments
AdderaCare	-	-	25,000	-
Calliditas Therapeutics	48,405	-	-	-
Elos Medtech	-	-44,037	-	-12,716
InDex Pharmaceuticals	74,087	-	1,496	-1,389
FluoGuide	-	-	5,287	-
MedCap	-	-	-	-8,480
Medivir	36,451	-	-	-
OncoZenge	5,313	-	-	-
Sedana Medical	-	-	-	-3,440
Total listed shares and holdings	164,257	-44,037	31,783	-26,026
Animal Probiotics	684	-	-	-
Athera Biotechnologies	-	-	1,020	-
Cavis Technologies	-	-	3,135	-3,135
Cinclus Pharma	-	-	10,588	-
Epicyt Pharma	-	-	787	-
Gesynta Pharma	-	-	12,499	-
Linc Holding Sverige	25	-	-	-
nWise	-	-	-	-68
nWise Ågare	-	-	138	-
OncoZenge (pre IPO)	-	-	3,000	-
Part Production Sweden	-	-	5,067	-
Sixera Pharma	-	-	10,000	-
Swevet	-	-	500	-3,707
Synartro	-	-	5,696	-
Total unlisted shares and holdings	709	-	52,430	-6,909
Endowment insurances	-	-910	-	-27,338
Fixed income funds	-	-10	-	-20,998
Total endowment insurances and fixed income funds	-	-920	-	-48,336
Total	164,965	-44,957	84,212	-81,271

Acquisitions

During the period, no investments were made in new portfolio companies.

In existing portfolio companies, Linc has made investments in Index Pharmaceuticals, Medivir and OncoZenge in connection with issues. In addition, additional shares in Calliditas and OncoZenge were acquired during the period.

Divestments

The entire holding in Elos Medtech was divested during the period. Furthermore, endowment insurance in Nordea and the fixed income fund in SEB were completely terminated during the period.

The Board's declaration

The Board of Directors and the CEO declare that the Interim Report provides a fair overview of the Parent Company's and the Investment Company's operations, position and results and describes significant risks and uncertainties that the Parent Company and the Investment Company face.

Stockholm on 27 April 2021

Bengt Julander
Chairman of the Board

Anders Hansen
Board member

Ulrika Dellby
Board member

Marianne Dicander Alexandersson
Board member

Karl Tobieson
Chief Executive Officer

This Interim Report has been subject to review by the Company's auditors.

The Auditor's Review Report

Linc AB, reg.no 556232-0811

Introduction

We have performed a summary review of the financial interim information in summary (Interim Report) for Linc AB as of 31 March 2021 and the three-month period that ended as of that date. The Board of Directors and the CEO are responsible for preparing and presenting this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this Interim Report based on our review.

The focus and scope of the review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Company's Elected Auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, to perform analytical review and to take other review measures. The focus of the review is different from and its scope is considerably smaller than that of an audit in accordance with ISA and good auditing practices. The audit measures taken during a review do not enable us to obtain such assurance that we become aware of all the important circumstances that could have been identified if an audit had been performed. The stated conclusion based on a review therefore does not have the certainty that a stated conclusion based on an audit has.

Opinion

Based on our review, no circumstances have emerged that give us reason to believe that the Interim Report has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the 'Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 27 April 2021
Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorised Public Accountant

Future reports

Second quarter 2021	2 August 2021
Third quarter 2021	29 October 2021
Year-end report 2021	7 February 2022

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Linc AB

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The Investment Company's Income Statements

SEK thousands	Note	2021-01-01 2021-03-31	2020-01-01 2020-03-31	2020-01-01 2020-12-31
Changes in the fair value of participations in portfolio companies and other investments	1	-50,255	35,653	973,106
Other operating income	8	2,379	–	–
Dividends from portfolio companies	1	–	–	1,311
Profit / loss from investment activities	1	-47,876	35,653	974,416
Other external costs		-6,774	-46	-1,861
Personnel costs		-1,694	-56	-2,503
Operating profit / loss		-56,344	35,551	970,052
Financial income		79	–	244
Financial expenses		-479	-8	-8
Profit / loss from financial items		-401	-8	236
Profit / loss before tax		-56,745	35,543	970,288
Income tax	2	22,344	-22,020	-137,108
Profit / loss for the period		-34,401	13,523	833,180

The Investment Company's Statement of Comprehensive Income

SEK thousands	Note	2021-01-01 2021-03-31	2020-01-01 2020-03-31	2020-01-01 2020-12-31
Profit / loss for the period		-34,401	13,523	833,180
Total other comprehensive income for the year		–	–	–
Total comprehensive income for the year		-34,401	13,523	833,180
Comprehensive income for the year attributable to:				
The Parent Company's shareholders		-34,401	13,523	833,180
Total comprehensive income attributable to:				
The Parent Company's shareholders		-34,401	13,523	833,180
Earnings per share, SEK*	9	-0.9	0.3	20.8
Average number of shares**	9	40,000,000	40,000,000	40,000,000
Total number of outstanding shares at the end of the period**	9	40,000,000	40,000,000	40,000,000

* Earnings per share refers to before and after dilution. Earnings per share have been recalculated in all periods with regard to share split as below.

** At the Annual General Meeting of 12 April 2021, a share split of 40,000:1 was implemented, with each existing ordinary share converting to 40,000 shares.

The Investment Company's Balance Sheet

SEK thousands	Note	2021-03-31	2020-03-31	2020-12-31
ASSETS				
Fixed assets				
<i>Financial fixed assets</i>				
Investments in shares and other securities	2	2,654,550	1,612,667	2,584,580
Investments in endowment insurance and fixed income funds	2	18,506	61,120	18,993
Loan receivables portfolio companies		7,651	2,000	7,651
Total fixed assets		2,680,707	1,675,788	2,611,225
Current assets				
Other receivables		5,880	3,298	5,003
Prepaid expenses and accrued income		334	12	255
Cash and cash equivalents		22,165	22,514	21,908
Total current assets		28,379	25,825	27,167
TOTAL ASSETS		2,709,087	1,701,612	2,638,391
EQUITY				
Equity attributable to the Parent Company's shareholders				
Share capital		100	100	100
Retained earnings including net income for the period		2,459,724	1,674,467	2,494,125
Total equity		2,459,824	1,674,567	2,494,225
LIABILITIES				
Long-term liabilities				
Deferred tax liabilities	2	119,660	26,939	142,005
Total long-term liabilities		119,660	26,939	142,005
Current liabilities				
Custody credit agreement	5	124,729	–	–
Accounts payable		593	–	581
Derivatives		152	–	422
Other liabilities		253	6	243
Accrued expenses and prepaid income		3,876	100	916
Total current liabilities		129,603	106	2,161
TOTAL LIABILITIES AND EQUITY		2,709,087	1,701,612	2,638,391

Statement of changes in the Investment Company's equity

SEK thousands	Attributable to the Parent Company's shareholders			Total equity
	Share capital	Other paid-in capital	Retained earnings incl. net income for the year	
Opening balance as of 01-01-2020	100	–	1,660,945	1,661,045
<i>Comprehensive income</i>				
Profit / loss for the period			833,180	833,180
<i>Other comprehensive income</i>				
Total Comprehensive income	–	–	833,180	833,180
<i>Transactions with shareholders</i>				
Total Transactions with shareholders	–	–	–	–
Closing balance as of 31-12-2020	100	–	2,494,125	2,494,225
Opening balance as of 01-01-2021	100	–	2,494,125	2,494,225
<i>Comprehensive income</i>				
Net income for the year			-34,401	-34,401
<i>Other comprehensive income</i>				
Total Comprehensive income	–	–	-34,401	-34,401
<i>Transactions with shareholders</i>				
Total Transactions with shareholders	–	–	–	–
Closing balance as of 31-03-2021	100	–	2,459,724	2,459,824
Opening balance as of 01-01-2020	100	–	1,660,945	1,661,045
<i>Comprehensive income</i>				
Net income for the year			13,523	13,523
<i>Other comprehensive income</i>				
Total Comprehensive income	–	–	13,523	13,523
<i>Transactions with shareholders</i>				
Total Transactions with shareholders	–	–	–	–
Closing balance as of 31-03-2020	100	–	1,674,467	1,674,567

The Investment Company's Cash Flow statement

SEK thousands	Note	2021-01-01 2021-03-31	2020-01-01 2020-03-31	2020-01-01 2020-12-31
Cash flow from operating activities				
Operating profit / loss		-56,344	35,551	970,052
Non-cash adjustments				
- Other items not affecting cash flow		25	-45	514
- Result of change in fair value		50,255	-35,653	-974,416
Received interest		-	-	-
Interest paid / received		-471	-8	-7
Paid tax		383	-786	59
Cash flow from operating activities before change in working capital and operational investments		-6,151	-941	-3,798
<u>Changes in working capital</u>				
Increase / decrease in Other current liabilities		2,938	-50	1,032
<u>Operational investments</u>				
Acquisitions and investments in portfolio companies, endowment insurance and fixed income funds		-164,965	-19,509	-84,212
Sale of holdings in portfolio companies, endowment insurance and fixed income funds		44,957	8,480	77,831
Dividends from portfolio companies		-	-	1,311
Loans provided to portfolio companies		-	-2,000	-10,682
Repayment of loans from portfolio companies		-	-	3,032
Change in Other financial assets		-1,250	-	860
Total changes in working capital and cash flow from operational investments		-118,320	-13,079	-10,828
Cash flow from operating activities		-124,472	-14,020	-14,626
Cash flow from investment activities		-	-	-
Cash flow from financing activities				
Change in custody credit		124,729	-	-
Cash flow from financing activities		124,729	-	-
Cash flow for the period		257	-14,020	-14,626
Cash and cash equivalents at beginning of the period		21,908	36,534	36,534
Cash and cash equivalents at end of the period		22,165	22,514	21,908

Income statement for legal entity

SEK thousands	Note	2021-01-01 2021-03-31	2020-01-01 2020-03-31	2020-01-01 2020-12-31
<i>Operating income</i>				
Other operating income	8	2,379	–	–
Total operating income		2,379	–	–
<i>Operating expenses</i>				
Other external costs		-6,774	-46	-1,861
Personnel costs		-1,694	-56	-2,503
Total operating expenses		-8,468	-102	-4,364
Operating profit / loss		-6,089	-102	-4,364
Earnings from holdings in associated companies and jointly-controlled companies				
		–	6,833	6,715
Income from other securities held as fixed assets		22,562	–	-39,010
Other interest income and similar profit/loss items		79	–	244
Interest expenses and similar profit/loss items		-479	-8	-8
Profit / loss from financial items		22,161	6,825	-32,059
Profit / loss before tax		16,073	6,723	-36,423
Change to the appropriation reserve				
		–	–	3,840
Tax on year's results		4,111	22	0
Net income for the year		20,184	6,745	-32,583

Balance sheet for legal entity

SEK thousands	Note	2021-03-31	2020-03-31	2020-12-31
ASSETS				
Fixed assets				
Financial fixed assets				
Holdings in subsidiaries	7	17,293	6,040	17,268
Holdings in associated companies and jointly-controlled companies		126,409	111,258	126,409
Other long-term investments		422,199	354,560	279,654
Other long-term receivables		7,651	3,998	7,651
Total financial fixed assets		573,552	475,856	430,981
Deferred tax claim		4,111	–	–
Total fixed assets		577,663	475,856	430,981
Current assets				
Other receivables		5,881	1,300	5,003
Prepaid expenses and accrued income		334	12	255
Total current receivables		6,215	1,312	5,259
Cash in hand and bank balances		22,165	22,514	21,908
Total current assets		28,380	23,826	27,167
TOTAL ASSETS		606,043	499,682	458,148

Balance sheet for legal entity, continued

SEK thousands	Note	2021-03-31	2020-03-31	2020-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		100	100	100
Reserve fund		20	20	20
Total restricted equity		120	120	120
Unrestricted equity				
Retained earnings		453,089	485,671	485,671
Net income for the year		20,184	6,745	-32,583
Total unrestricted equity		473,273	492,416	453,089
Total equity		473,393	492,536	453,209
Untaxed reserves				
Provision for appropriation reserve		3,200	7,040	3,200
Total untaxed reserves		3,200	7,040	3,200
Current liabilities				
Liabilities to credit institutions	5	124,729	–	–
Accounts payable		593	–	581
Other liabilities		253	6	243
Accrued expenses and prepaid income		3,876	100	916
Total current liabilities		129,451	106	1,740
TOTAL LIABILITIES AND EQUITY		606,043	499,682	458,148

Notes to the Interim Report*

*) The Interim Report comprises pages 1-29 and pages 1-11 thus form an integral part of these financial statements.

Note 1 Segment information

Change in fair value	2021-01-01	2020-01-01	2020-01-01
	2021-03-31	2020-03-31	2020-12-31
- Listed holdings	-59,473	46,435	966,545
- Unlisted holdings	8,515	6,179	9,163
- Unallocated profit / loss items**	703	-16,960	-2,602
Total changes in fair value	-50,255	35,653	973,106

***) The sub-line Unallocated profit / loss items includes changes in the value of endowment insurances and fixed income funds, which are not included in the evaluation of the segments.

2021-01-01--2021-03-31	Listed holdings	Unlisted holdings	Unallocated items	Total
Changes in the fair value of participations in portfolio companies and other investments	-59,473	8,515	703	-50,255
Dividends	-	-	-	-
Other operating income	-	-	2,379	2,379
Profit / loss from investment activities	-59,473	8,515	3,082	-47,876
Other external costs			-6,774	-6,774
Personnel costs			-1,694	-1,694
Operating profit / loss			-5,386	-56,344
Financial income			79	79
Financial expenses			-479	-479
Profit / loss before tax			-5,787	-56,745
Fair value at beginning of the period	2,454,957	129,623	18,994	2,603,574
Changes in the fair value of participations in portfolio companies and other investments	-59,473	8,515	703	-50,255
Adjustment of changes in fair value of issued options	-	-	-269	-269
Additional Purchases and Supplements	164,257	709	-	164,965
Divestments	-44,037	-	-920	-44,957
Change category***	3,000	-3,000	-	-
Fair value at the end of the period	2,518,703	135,847	18,506	2,673,057

***) Change of category during the period refers to the listing of OncoZenge AB on First North during the period. The holding is thus recategorised from unlisted to listed holding.

Note 1 Segment information, continued

	Listed holdings	Unlisted holdings	Unallocated items	Total
2020-01-01--2020-03-31				
Changes in the fair value of participations in portfolio companies and other investments	46,435	6,179	-16,960	35,653
Dividends	–	–	–	–
Profit / loss from investment activities	46,435	6,179	-16,960	35,653
Other external costs			-46	-46
Personnel costs			-56	-56
Operating profit / loss			-17,062	35,551
Financial income			–	–
Financial expenses			-8	-8
Profit / loss before tax			-17,070	35,543
Fair value at beginning of the period	1,474,085	74,940	78,081	1,627,106
Changes in the fair value of participations in portfolio companies and other investments	46,435	6,179	-16,960	35,653
Adjustment of changes in fair value of issued options	–	–	–	–
Additional Purchases and Supplements	5,287	14,223	–	19,509
Divestments	-8,480	–	–	-8,480
Fair value at the end of the period	1,517,326	95,341	61,121	1,673,788

	Listed holdings	Unlisted holdings	Unallocated items	Total
2020-01-01--2020-12-31				
Changes in the fair value of participations in portfolio companies and other investments	966,545	9,163	-2,602	973,106
Dividends	–	1,311	–	1,311
Profit / loss from investment activities	966,545	10,474	-2,602	974,416
Other external costs			-1,861	-1,861
Personnel costs			-2,503	-2,503
Operating profit / loss			-6,966	970,052
Financial income			244	244
Financial expenses			-8	-8
Profit / loss before tax			-6,730	970,288
Fair value at beginning of the period	1,474,085	74,940	78,081	1,627,106
Changes in the fair value of participations in portfolio companies and other investments	966,545	9,163	-2,602	973,106
Adjustment for changes in fair value of issued options (included in change in fair value)	–	–	422	422
Additional Purchases and Supplements	31,783	52,430	–	84,212
Divestments	-26,026	-6,909	-48,336	-81,271
Change category*	8,570	–	-8,570	–
Fair value at the end of the period	2,454,957	129,623	18,994	2,603,574

*) Change of category during the period refers to the transfer of shares in Medivir AB from actively managed endowment insurance to a directly owned listed portfolio company.

Note 2 Investment activities

The Investment Company	2021-01-01 2021-03-31	2020-01-01 2020-03-31	2020-01-01 2020-12-31
Opening acquisition value for the period	460,387	453,915	453,915
Acquisitions during the period	164,965	19,509	92,783
Divestments and other adjustments during the period	-26,618	-1,647	-86,311
Total acquisition value at the end of the period	598,734	471,777	460,387
Opening changes in value	2,143,187	1,173,191	1,173,191
Changes in value during the period	-50,525	35,653	973,527
Less realised changes in value, divestments	-18,340	-6,834	-3,531
Total changes in value	2,074,442	1,202,010	2,143,187
Total fair value at the end of the period	2,673,057	1,673,788	2,603,574
Of which direct holdings	2,654,550	1,612,667	2,584,580
Of which indirect holdings (endowment insurances and fixed income funds)	18,506	61,120	18,993
Total holdings	2,673,057	1,673,788	2,603,574

Note 2 Investment activities, continued

Fair value per holding	Information per the end of the period				
	Ownership portion	Acquisition value	2021-03-31	2020-03-31	2020-12-31
AdderaCare AB	23.2%	25,000	60,938	–	35,625
Arcoma AB	26.9%	20,018	74,415	50,299	75,793
Calliditas Therapeutics AB	10.1%	156,831	615,057	392,567	647,782
Elos Medtech AB	0.0%	–	–	36,123	39,693
FluoGuide AS	6.8%	5,287	79,035	9,944	85,581
InDex Pharmaceuticals Holding AB	13.1%	132,731	119,424	48,284	41,006
MedCap AB	20.0%	46,523	616,917	410,487	682,168
Medivir AB	10.5%	45,022	48,941	–	8,369
OncoZenge AB *)	6.8%	8,313	9,090	–	–
Sedana Medical AB	8.2%	23,950	624,052	381,463	651,597
Stille AB	42.2%	34,730	270,835	188,159	187,345
Total listed holdings		498,406	2,518,703	1,517,326	2,454,959
Animal Probiotics AB	19.7%	4,246	741	6,785	57
Athera Biotechnologies AB	10.9%	16,020	–	18,120	–
Cavis Technologies AB	0.0%	–	–	3,135	–
Cinclus Pharma Holding AB	2.7%	12,882	18,606	18,606	18,606
Epicyt Pharma AB	6.4%	787	1,312	–	787
Gesynta Pharma AB	13.6%	27,266	39,952	16,765	35,960
Linc Holding Sverige AB	100.0%	25	25	–	–
nWise Ågare AB	50.0%	138	6,286	–	6,286
nWise AB	0.0%	–	–	7,243	–
OncoZenge AB *)	0.0%	–	–	–	3,000
Part Production Sweden AB	50.0%	11,107	35,779	11,701	32,417
Sciety AB	6.7%	3,000	3,000	3,000	3,000
Sixera Pharma AB	9.9%	10,000	10,000	–	10,000
Swevet Holding AB	27.0%	6,161	13,953	9,987	13,315
Synartro AB	13.8%	5,696	6,194	–	6,194
Total Unlisted holdings		97,328	135,847	95,341	129,622
SEB Primeräntefond	–	–	–	18,875	–
Avanza Kapitalförsäkring	–	3,000	18,506	11,994	18,072
Nordea Kapitalförsäkring	–	–	–	30,251	921
Total holdings in endowment insurances and fixed income funds		3,000	18,506	61,120	18,993
Book value		598,734	2,673,057	1,673,788	2,603,574

*) OncoZenge was listed on First North during the first quarter of 2021. The holding has therefore been recategorised from unlisted to listed holding during the period.

All listed holdings are Level 1 holdings as defined in IFRS 13. All holdings that are unlisted consist of Level 3 holdings, which in the assessment of fair value are subject to a high degree of subjective input data and assessments.

Deferred tax is calculated on holdings that are not business-related. In the event of a change in character, major fluctuations may occur regarding deferred tax liabilities – this is reported in the Income Statement. The remaining part of deferred tax refers to untaxed reserves and offsetting tax losses from previous years.

The holdings in Sedana Medical AB and Calliditas Therapeutics AB have been business-related holdings, i.e. Linc's ownership has been >10% for at least 12 months. As of 10 October 2019 (Sedana) and 30 June 2020 (Calliditas) respectively, ownership was reduced to less than 10% in these holdings as a result of dilution in connection with issues, which meant that they became taxable (no longer a so-called business-related holding). This means that deferred tax is calculated on the difference between the market value on the balance sheet date and the market value on the day when Linc's ownership decreased below 10%.

The following holdings are categorised as non-business-related holdings and give rise to taxation on divestments and / or dividends.

Holding as of 2021-03-31	Taxable value	Fair value	Temporary difference	Deferred tax	Tax rate
InDex Pharmaceuticals Holding AB	132,731	119,424	-13,307	-2,741	20.6%
Sedana Medical AB	253,752	624,052	370,300	76,282	20.6%
Calliditas Therapeutics AB	489,017	615,057	126,040	25,964	20.6%
FluoGuide AS	5,287	79,035	73,748	15,192	20.6%
Medivir AB	45,022	48,941	3,919	807	20.6%
AdderaCare AB	25,000	60,938	35,938	7,403	20.6%
OncoZenge AB	8,313	9,090	777	160	20.6%
Total	959,121	1,556,536	597,415	123,067	
Untaxed reserves				704	22.0%
Deficit deduction*				-4,111	20.6%
Total	959,121	1,556,536	597,415	119,660	

Holding as of 2020-03-31	Taxable value	Fair value	Temporary difference	Deferred tax	Tax rate
Elos Medtech AB	36,337	36,123	-214	-46	21.4%
InDex Pharmaceuticals Holding AB	59,495	48,284	-11,211	-2,399	21.4%
Sedana Medical AB	256,049	381,463	125,414	26,839	21.4%
FluoGuide AS	5,287	9,944	4,657	997	21.4%
Total	357,168	475,814	118,646	25,390	
Untaxed reserves				1,549	22.0%
Total	357,168	475,814	118,646	26,939	

Holding as of 2020-12-31	Taxable value	Fair value	Temporary difference	Deferred tax	Tax rate
Elos Medtech AB	25,806	39,693	13,887	2,972	21.4%
InDex Pharmaceuticals Holding AB	58,644	41,006	-17,639	-3,775	21.4%
Sedana Medical AB	253,752	651,597	397,846	85,139	21.4%
Calliditas Therapeutics AB	440,612	647,782	207,170	44,334	21.4%
FluoGuide AS	5,287	85,581	80,294	17,183	21.4%
Medivir AB	8,570	8,369	-202	-43	21.4%
AdderaCare AB	25,000	35,625	10,625	2,274	21.4%
Total	817,670	1,509,652	691,982	148,084	
Untaxed reserves				704	22.0%
Deficit deduction*				-6,783	21.4%
Total	817,670	1,509,652	691,982	142,005	

*) There is a realised loss regarding the sale of shares in Medivir AB to a tax loss that can be used against future taxable gains on the sale of securities. The deferred tax asset has been reported as a deduction item among the deferred tax liabilities.

Note 3 Disclosure of related party transactions

Claims from related parties

SEK thousands	2021-03-31	2020-03-31	2020-12-31
Part Production Sweden	5,651	2,000	5,651
nWise Ågare	2,000	–	2,000
Total	7,651	2,000	7,651

Wages and other remuneration to key personnel in senior positions, and related parties to these.

	2021-01-01--2021-03-31			2020-01-01--2020-03-31		
	Wages	Other compensation	Supplier invoice	Wages	Other compensation	Supplier invoice
Henning Julander, Head of trading	180	–	–	77	–	–
Karl Tobieson, CEO	570	131	–	–	–	–
Thomas Bergh, CFO	330	48	–	–	–	–
Investor Relations Manager	–	–	450	–	–	–
Total	1,080	179	450	77	–	–

	2020-01-01 -- 2020-12-31		
	Wages	Other compensation	Supplier invoice
Bengt Julander, Chairman of the Board / Principal Owner	–	17	–
Henning Julander, Head of trading	849	–	–
Karl Tobieson, CEO	380	94	–
Thomas Bergh, CFO	307	60	–
Johan Hähnel, Investor Relations Manager	–	–	180
Total	1,536	171	180

The definition of related parties includes the Company management, the Board of the Company, subsidiaries and associated companies of Linc AB, and other companies in which Linc in other ways than an ownership of more than 20% of the votes exercises significant influence, as well as the owners of Linc AB and parties related to them.

Disclosure of transactions with related parties during the period

During the period, shares in Calliditas were acquired at market value (latest share price at the time of the transaction) by the Chairman of the Board for approximately SEK 23 million.

Disclosure regarding call options issued by the Company's owners to the management and members of the Board

At the end of the quarter, the Company's CEO, CFO and Board member Ulrika Dellby acquired call options issued by the Company's owners. After the end of the quarter, Board member Marianne Dicander Alexandersson also acquired call options from the Company's owners. The term of the call options and the exercise price are reported in the table below. Upon the acquisitions, a premium equivalent to the market value of the options (Black-Scholes valuation) has been paid. The call options comprise a maximum of 3,400,000 shares in the Company. Any exercise of the call options does not lead to any increase or dilution of the share capital in Linc AB.

Call options issued by the Company's owner	Redemption price per share	Most recent exercise date	Quantity
Karl Tobieson, CEO	65.7	1 October 2023	2,000,000
Thomas Bergh, CFO	65.7	1 October 2023	1,000,000
Ulrika Dellby, Board member	72.9	21 February 2024	200,000
Marianne Dicander Alexandersson, Board member	76.4	21 February 2024	200,000

Note 4 Investment commitments

Linc has previously entered into an investment agreement regarding Gesynta Pharma with a commitment for a number of sequential investments, so-called "Tranches", based on the Company achieving defined milestones linked to the ongoing clinical research study. At the end of the quarter, there was a commitment from Linc to invest approximately SEK 12.5 million, conditional on the last defined milestone being reached. During the quarter, the board of directors of Gesynta Pharma announced that this milestone had been reached and that the issue was therefore intended to be implemented.

Linc has also received subscription rights from existing owners and thereby undertaken to subscribe for its share in the planned new share issue in OssDsign of approximately SEK 15 million and to also guarantee a subscription amount of up to approximately SEK 24 million (see Note 5). The subscription period for the issue is 21 April to 7 May 2021.

During the quarter, Linc entered into agreements to acquire shares in Cinclus Pharma for SEK 0.5 million and Synartro for SEK 0.6 million through the exercise of preemptive rights in shareholder agreements. The transactions will be completed after the end of the quarter.

Note 5 Raised loans, pledged collateral and contingent liabilities

Borrowings

Borrowing from credit institutions consists of custody credit where Linc has entered into an agreement with SEB during the first quarter of 2021 of a maximum of SEK 150 million, of which SEK 124.7 million was utilised as of 31 March 2021. Unused custody credit amounts to SEK 25.3 million.

The credit period runs from 18 January 2021 to 18 July 2021. All assets in Linc's securities depository with SEB, which contains most of Linc's directly owned shares in the listed portfolio companies, are used as collateral for the utilisation of the credit. The loan-to-value ratio is determined based on the value of the shares listed on Nasdaq Stockholm, i.e. MedCap, Calliditas Therapeutics and Medivir, whose loanable value has been adjusted to reflect SEB's assessment of the risk of the collateral. A contract interest of 0.12% is paid on the entire credit amount and a disposition interest of 2.5% is paid on the amount used.

After the end of the reporting period, the credit line will be increased by SEK 100 million to a total amount of SEK 250 million. A new credit agreement to replace the previous one has been entered into as of 12 April 2021. The term has been adjusted to 15 June 2021 for the entire credit amount and the arrangement interest of 2.5% is unchanged. However, according to the new credit agreement, no contract interest is paid.

Pledged assets

As security for the above loans that have been raised, all holdings in the SEB depository are pledged as collateral. The fair value of these holdings amounts to SEK 2,511,184 thousand as of 31 March 2021.

Contingent liabilities

During the quarter, Linc issued a subscription guarantee equivalent to a maximum of SEK 24,220 thousand regarding a preferential issue in OssDsign AB of approximately SEK 240 million. Linc receives 10% guarantee compensation based on the guaranteed amount. The subscription period for the issue is 21 April to 7 May 2021.

As of 31 March 2021, there are commitments regarding issue guarantees totalling SEK 24,220 thousand.

Note 6 Classification error in the Parent Company's Balance Sheet

The 2020 Annual Report states that as of 31 December 2020, Linc has no holdings in subsidiaries, which is incorrect due to incorrect classification. This has been corrected in the Parent Company's Balance Sheet in this Interim Report. The comparison periods have been adjusted for this.

Linc AB owns 50% of the capital in Part Production Sweden AB but has the controlling influence through agreements and must thus be classified as a subsidiary. Book value as of the end of the year 31 December 2020 amounts to SEK 6,040 thousand.

In addition to Part Production Sweden AB, Linc AB controls 56.07% of the votes in Swevet Holding AB. 27.04% of the votes are owned directly by Linc AB and 29.03% of the votes are controlled via the subsidiary Part Production Sweden AB. Book value as of 31 December 2020 amounted to SEK 6,161 thousand and refers to the direct holding that Linc owns.

The corrections are described in the following note as *Correction of classification*.

Note 7 Holdings in subsidiaries

The Parent Company	2021-03-31	2020-03-31	2020-12-31
Opening acquisition value according to submitted accounts	17,268	6,040	–
Correction of classification (Note 6)	–	–	12,201
Opening acquisition value after correction of classification	17,268	6,040	12,201
Acquisitions and additions for the period	25	–	5,067
Divestments in the period	–	–	–
Closing book value	17,293	6,040	17,268

The Parent Company holds shares in the following subsidiaries:

Name	Corporate identity number	Registered office	Capital share	Share of votes	Book value		
					2021-03-31	2020-03-31	2020-12-31
Part Production Sweden AB	556545-7032	Stockholm	50.0%	50.0%	11,107	6,040	11,107
Swevet Holding AB, direct holding	556892-6108	Stockholm	27.0%	27.0%	6,161	–	6,161
Swevet Holding AB, through Part Production Sweden AB	556892-6108	Stockholm	14.5%*	29.0%	–	–	–
Linc Holding Sverige AB (AB Grundstenen 168272)	559306-6268	Stockholm	100.0%	100.0%	25	–	–
Total					17,293	6,040	17,268

*) Linc owns 14.5% of the capital indirectly through 50% ownership in Part Production Sweden AB.

During the first quarter of 2021, a wholly owned subsidiary was acquired, Linc Holding Sverige AB, SEK 25 thousand.

Note 8 Guarantee payments

Other operating income consists of guarantee payments. Guarantee payments were received during the first quarter of 2021 in an amount of SEK 2,379 thousand and relate to compensation for guaranteed issues carried out in Medivir and OncoZenge.

Note 9 Earnings per share

After the end of the interim period, but before the submission of this Interim Report, a share split of 40,000:1 has been implemented, where each existing ordinary share will be 40,000 shares. The total number of shares after the share split is 40,000,000.

Earnings per share have been recalculated in all periods with regard to this split.

The share split was decided by the Annual General Meeting on 12 April 2021.

Note 10 Events after the end of the period

After the end of the period, Linc has secured up to SEK 100 million in additional liquidity (a total of up to SEK 250 million) through an extended custody credit agreement with SEB.

On 12 April 2021, the Annual General Meeting resolves on a share split of 40,000:1 and a bonus issue of SEK 3.9 million.

An Extraordinary General Meeting of Gesynta Pharma resolved on to implement tranche 3 of the existing financing plan. Linc had previously made an investment commitment equivalent to approximately SEK 12.5 million.

Linc invests SEK 17.5 million in a directed issue and enters a subscription commitment of SEK 4.2 million and guarantees up to SEK 13.3 million in a forthcoming preferential issue in Initiator Pharma.

The acquisitions of shares in Cinclus Pharma for SEK 0.5 million and Synartro for SEK 0.6 million through the exercise of preemptive rights in shareholder agreements are completed. On 16 April, additional shares in Cinclus Pharma were acquired, equivalent to SEK 1.3 million with a settlement date during April.

Board member Marianne Dicander Alexandersson acquires call options from the Company's owners (see note 3).



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The Investment Company's Income Statement

Amounts in SEK thousands		01-01-2020	01-01-2019	01-01-2018
	Note	31-12-2020	31-12-2019	31-12-2018
Changes in the fair value of holdings in portfolio companies and other investments	10	973,106	598,458	298,962
Dividends from portfolio companies	10	1,311	4,633	5,734
Profit / loss from management activities	5	974,416	603,091	304,696
Other operating income		–	–	564
Other external costs	6	-1,861	-573	-1,084
Personnel costs	7	-2,503	-276	-28
Total operating expenses		-4,364	-849	-1,112
Operating profit / loss		970,052	602,242	304,147
Financial income	8	244	352	1,229
Financial expenses	8	-8	–	-25
Profit / loss from financial items		236	352	1,204
Profit / loss before tax		970,288	602,595	305,351
Income tax	9	-137,108	-6,416	10,575
Net income for the year		833,180	596,179	315,926
Net income for the year attributable to:				
The Parent Company's shareholders		833,180	596,179	315,926
Non-controlling interests		–	–	–
Earnings per share (SEK) attributable to the parent company's shareholders, before and after dilution ¹⁰⁹		20.8	14.9	7.9
Average number of outstanding shares ¹¹⁰		40,000,000	40,000,000	40,000,000

¹⁰⁹ Earnings per share after adjusting for the bonus issue and share split as resolved by the annual general meeting on 12 April 2021.

¹¹⁰ Retroactive adjustment of the number of shares has been made for the share split as resolved by the annual general meeting on 12 April 2021 (a share split 40,000:1).

The Investment Company's Statement of Comprehensive Income

	01-01-2020 31-12-2020	01-01-2019 31-12-2019	01-01-2018 31-12-2018
Net income for the year	833,180	596,179	315,926
Other comprehensive income for the year:	-	-	-
Total comprehensive income for the year:	833,180	596,179	315,926
Total comprehensive income attributable to:			
The Parent Company's shareholders	833,180	596,179	315,926
Non-controlling interests	-	-	-

The Investment Company's Balance Sheet

Amounts in SEK thousands	Note	31-12-2020	31-12-2019	31-12-2018
ASSETS				
Fixed assets				
Investments in shares and securities	10	2,584,580	1,549,025	1,000,434
Investments in endowment insurance	10	18,993	78,081	27,538
Loan receivables portfolio companies	11	7,651	–	–
Other financial assets	12	–	1,998	–
Deferred tax assets	9	–	–	1,388
Total fixed assets		2,611,224	1,629,104	1,029,360
Current assets				
Accounts receivable		–	–	444
Other current receivables	13	5,003	484	1,751
Prepaid expenses and accrued income	14	255	12	39
Cash and cash equivalents		21,908	36,534	35,360
Total current assets		27,167	37,031	37,595
TOTAL ASSETS		2,638,391	1,666,135	1,066,954
EQUITY				
Equity attributable to the owners of the Parent Company				
Share capital		100	100	100
Retained earnings including net income for the year	15	2,494,125	1,660,944	1,064,766
Total equity		2,494,225	1,661,044	1,064,866
LIABILITIES				
Long-term liabilities				
Deferred tax liabilities	9, 10	142,005	4,897	–
Total long-term liabilities		142,005	4,897	–
Current liabilities				
Accounts payable		581	42	185
Current tax liabilities		–	–	1,739
Derivatives	10	422	–	–
Other liabilities	16	243	10	64
Accrued expenses and prepaid income	17	916	141	100
Total current liabilities		2,161	193	2,089
TOTAL LIABILITIES AND EQUITY		2,638,391	1,666,135	1,066,954

Statement of changes in the Investment Company's equity

Amounts in SEK thousands	Note	Share capital	Profit/loss brought forward including net income for the year	Total equity
Opening balance as of 01-01-2018	15	100	754,019	754,119
Comprehensive income				
Net income for the year			315,926	315,926
Other comprehensive income				
Total Comprehensive income		-	315,926	315,926
Transactions with shareholders				
Dividend			-5,180	-5,180
Total Transactions with shareholders		-	-5,180	-5,180
Closing balance as of 31-12-2018*				
		100	1,064,766	1,064,866
Opening balance as of 01-01-2019	15	100	1,064,766	1,064,866
Comprehensive income				
Net income for the year			596,179	596,179
Other comprehensive income				
Total Comprehensive income		-	596,179	596,179
Transactions with shareholders				
Total Transactions with shareholders		-	-	-
Closing balance as of 31-12-2019*				
		100	1,660,945	1,661,045
Opening balance as of 01-01-2020	15	100	1,660,945	1,661,045
Comprehensive income				
Net income for the year			833,181	833,181
Other comprehensive income				
Total Comprehensive income		-	833,181	833,181
Transactions with shareholders				
Total Transactions with shareholders		-	-	-
Closing balance as of 31-12-2020		100	2,494,125	2,494,225

*) Correction of errors 31-12-2018 and 31-12- 2019:

Retained earnings in the 2019 Annual Report amounted to SEK 1,611,266 thousand as of 31 December 2019, and to SEK 1,027,064 thousand as of 31 December 2018. The result presented in the 2019 Annual Report amounted to SEK 278,245 thousand for the 2018 financial year and SEK 584,202 thousand for the 2019 financial year. The correction refers to the valuation of deferred tax and is described in more detail in Note 2.12.

Report on cash flows in the Investment Company

Amounts in SEK thousands	Note	01-01-2020	01-01-2019	01-01-2018
		31-12-2020	31-12-2019	31-12-2018
Cash flow from operating activities				
Operating profit / loss		970,052	602,242	304,147
Non-cash adjustments				
– Result of fair value change	10	-974,416	-603,091	-304,696
– Other items not affecting cash flow		514	-73	–
Received interest		–	352	1,229
Interest paid		-7	–	-25
Paid tax		59	-2,353	2,044
Cash flow from operating activities before change in working capital and operational investments		-3,798	-2,923	2,701
<u>Change in working capital</u>				
Increase / decrease in Accounts receivable		–	444	-444
Increase / decrease in operating receivables		–	1,778	2,686
Increase / decrease in operating liabilities		1,032	-156	-944
<u>Operational investments</u>				
Acquisitions and investments in portfolio companies, endowment insurance and interest funds	10	-84,212	-136,585	-147,844
Sale of holdings in portfolio companies, endowment insurance and interest funds		77,831	136,222	125,832
Dividends from portfolio companies		1,311	4,633	5,734
Loans provided to portfolio companies	10	-10,682	-7,492	-7,371
Repayment of loans from portfolio companies		3,032	7,250	–
Change in Other financial assets	11	860	-1,998	–
Total Change in working capital		-10,828	4,097	-22,351
Cash flow from operating activities		-14,626	1,174	-19,650
Cash flow from investment activities		–	–	–
Cash flow from financing activities		–	–	–
Distributions to shareholders		–	–	-5,180
Cash flow from financing activities		–	–	-5,180
Cash flow for the period		-14,626	1,174	-24,830
Cash and cash equivalents at beginning of the period		36,534	35,361	60,191
Cash and cash equivalents at end of the period		21,908	36,534	35,360

Notes

Note 1 General information

Linc AB ('Linc' or 'The Company') is a limited liability company registered in Sweden and has its registered office in Stockholm. The visiting address for the head office is Birger Jarlgatan 36, 114 29 Stockholm.

All amounts are reported in thousands of kronor (SEK thousand) unless otherwise stated.

Linc invests in companies in the life science sector, public and private. The investment horizon varies. It can be less than a year and it can be longer than 10 years.

The Company primarily invests in and develops product-oriented life science companies in medical technology and the pharmaceutical industry that have global potential.

Note 2 Summary of significant accounting policies

2.1 BASIS FOR THE PREPARATION OF THE REPORTS

The information has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) in the wording approved by the European Commission for application within the European Union. Furthermore, RFR 1 Supplementary Accounting Rules for Groups has been applied. The accounting principles have been applied consistently for all periods to which financial statements relate, unless otherwise stated. To make the three financial years comparable for the Investment Company, the presented figures for the financial year 2018 have been included in accordance with IFRS and IFRS 10 Consolidated Financial Statements. This has been done despite the fact that a group relationship did not exist as of 31 December 2018.

As Linc constitutes an investment company in accordance with the criteria in IFRS 10, the subsidiaries or associated companies are not consolidated. Instead, the holdings are valued at fair value in accordance with IFRS 13.

The most important accounting principles applied when this report was prepared are listed below.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Company's accounting principles. The areas that include a high degree of assessment, that are complex or such areas where assumptions and estimates are of significant importance for the report are stated in Note 4.

New and changed standards to be applied by the Investment Company in the current period

By 2020, no new standards or changes in standards had entered into force that have had any significant impact on Linc's financial position or results.

Standards, amendments and interpretations of existing standards that come into force in 2021 or later and that are deemed potentially to have an impact or do have an impact on the financial statements

No significant new Standards, amendments and interpretations of existing standards that enter into force in 2021 or later have been identified.

2.2 VALUATION CRITERIA APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

Investment company

Linc AB is a so-called investment entity under IFRS 10 and values the holdings in the portfolio companies at fair value. In short, the criteria are that an investment entity

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services,
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company management makes the assessment that the above criteria for constituting an investment entity are met. This means that companies that are subsidiaries or associated companies (and form part of the investment portfolio) are not consolidated, but are instead valued at fair value. Linc has no holdings to be consolidated during any of the reporting periods. Investments are reported at fair value via the income statement in accordance with IFRS 9 Financial Instruments.

The following important assessments have been made in assessing that the Company is classified as an investment entity.

- Linc invests in portfolio companies in order to generate returns in the form of return on capital and increase in value.

Linc does not receive, nor does it aim to receive, other benefits from the Company's investments that are not available to other parties who are not related to the investment object.

The commercial purpose is not to develop medical products as such, but rather to invest to create and maximise returns.

- Furthermore, the primary measure of the portfolio company is based on fair value. Linc monitors and follows up developments in the portfolio company, for example through studies and clinical trials, but the primary purpose of monitoring these other key figures is to gain a better understanding of the development of fair value and to assess any future additional investments.
- The Company has a documented exit strategy for all its portfolio companies. Linc's investment strategy is to keep investments for a limited period. Before any decision to invest in a company, this company or development project must have a clear potential for final exit. For example, if sold to an external party, that the asset can be transferred or that there is a potential for the project (the portfolio company) to be licenced to an external party with a high return to global partners. The exit strategies are taken into account in the valuations.

2.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision-maker. The highest executive decision-maker is the position responsible for allocating resources to, and assessing, the operating segments' results. In Linc's case, this has been judged to be the CEO. Linc's operations primarily consist of investments in listed and unlisted shares, which are especially followed up internally as separate areas as the holdings are associated with different valuation methods. Assets and operations that do not constitute holdings in listed and unlisted portfolio companies, such as holdings in endowment insurance, funds and other investments, are included in "Unallocated items" in the segment reporting. The segment reporting includes an unlisted company until the first day of admission to the public trading marketplace (listing day). Any changes in value up to the listing day are attributed to the "Unlisted holdings" segment. As from the listing day, changes in the value of the holding are attributed to the "Listed Holdings" segment.

2.4 FOREIGN CURRENCY TRANSLATION

Functional currency and report currency

In the accounts, Swedish kronor (SEK) is used as the reporting currency, it is also the Company's functional currency..

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency according to the exchange rates that apply on

the transaction date. Exchange rate gains and losses that arise from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are reported in the income statement. Exchange rate differences on lending and borrowing are reported in net financial items, while other exchange rate differences are included in operating profit / loss.

2.5 FINANCIAL ASSETS AND LIABILITIES

Purchases and sales of financial assets and liabilities are reported in the balance sheet on the date on which the Company becomes a party in accordance with the instrument's contractual terms.

Financial assets and liabilities are reported for the first time at fair value plus transaction costs, which applies to all financial assets and liabilities that are not reported at fair value via the income statement. Financial assets and liabilities valued at fair value via the income statement are reported at fair value for the first time, while attributable transaction costs are reported in the income statement. Financial assets are removed from the balance sheet when the rights in the agreement are realised, expire or the Investment Company loses control of them. The same applies to part of a financial asset. Financial liabilities are removed from the balance sheet when the obligation in the agreement has been fulfilled or otherwise extinguished.

Principles for classification of financial assets and liabilities

For financial assets, there are three valuation categories. These are Amortised cost, Fair value with changes in value in other comprehensive income and Fair value with changes in value reported in profit or loss. Within the Company, there are only financial assets in the former and the latter categories. Financial liabilities are valued either at amortised cost or at fair value with the changes reported in the result.

Financial assets are reported at amortised cost

A financial asset is valued at amortised cost if it is managed within a business model the purpose of which is to realise the financial asset's cash flows by obtaining contractual cash flows and the contractual cash flows only consist of repayment of principal and any outstanding interest.

Financial assets measured at fair value through the income statement

Financial assets valued at fair value via the income statement are financial instruments held for trading or alternatively financial assets that are determined to belong to this category. A financial asset is classified in this category if it is acquired primarily for the purpose of obtaining returns through dividends and changes in value from the financial asset.

Financial instruments

In accordance with the rules for investment companies in IFRS 10 and IAS 28, the Company classifies its investments in portfolio companies, which would otherwise be reported as subsidiaries or associated companies, as investments in shares and securities. These investments, as well as holdings in other financial instruments acquired for the purpose of obtaining returns, are reported at fair value through the income statement in accordance with the methods described above. Dividend income is reported when the right to receive payment is determined. Bottom line Result of change in fair value of holdings in portfolio companies consists of the net of realised and unrealised changes in value, which means that no distinction is made between changes in the value of divested securities and changes in the value of remaining securities.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances, and other short-term investments with a maximum maturity of three months from the date of acquisition. Overdraft facilities are reported as borrowing in current liabilities.

Other assets

Other financial assets (loan receivables to portfolio companies, other financial assets and accounts receivable) are normally classified as assets reported at amortised cost. These assets are within the scope of adjustment for expected credit losses. The value of the asset is adjusted for any expected credit losses during the entire term of the receivable.

Financial liabilities

The Company's borrowing is classified as other financial liabilities and valued at amortised cost. As of the balance sheet dates presented, there is no external borrowing from credit institutions.

Accounts payable

Accounts payable are initially reported at fair value and thereafter at amortised cost with application of the effective interest method. The carrying amount of accounts payable is assumed to correspond to its fair value, as this item is short-term in nature.

Derivatives

Derivatives that Linc reports in the balance sheet, with changes in value over the result, refer to put and call options in existing investments. Derivatives are initially reported at fair value, meaning that any transaction costs are charged to the profit for the period. Subsequent valuation is at fair value, with changes in value in Profit / loss from management operations. Information regarding outstanding Call and Put Options is at the end of Note 10.

Valuation of financial assets at fair value

The calculation of fair value is based on the provisions of IFRS 13 "Fair Value Measurement" as regards calculation and reporting of fair value. In addition, Linc follows guidelines in the International Private Equity and Venture Capital Valuation Guidelines (IPEV Valuation Guidelines), which are established by IPEV.

Fair value hierarchy

The Company classifies valuation at fair value using a fair value hierarchy that reflects the reliability of the input data used to make the valuations. The fair value hierarchy has the following levels:

- Level 1** – Financial instruments traded on an active market such as listed holdings. These are based on quoted market prices on the balance sheet date.
- Level 2** – Input data other than quoted prices that are observable for the asset or liability, either directly, for example as prices, or indirectly, for example derived prices.
- Level 3** – Asset or liability input data that is not based on observable information. The appropriate valuation method is determined on the basis of the lowest level of input data that is material to the valuation at fair value.

Linc's holdings are valued within either Level 1 or Level 3. Level 3 has strong elements of subjective assessments and is subject to a higher degree of uncertainty than the holdings within Level 1.

The valuation methods that are applied according to identified valuation levels also follow the guidance found in the IPEV Guidelines. Great emphasis is placed on recently completed market transactions, e.g. new issue or acquisition of existing shares. Transactions in comparable companies can also be used. Other valuation methods are discounting of forecast cash flows with relevant discount rate and by applying valuation multiples such as EV / Sales, EV / EBITDA, EV / EBITA, EV / EBIT and PER which are adjusted to take into account differences in market, operations and risk. For financial assets at fair value, valuation takes place according to the following valuation hierarchy:

Level 1 A: Latest trading price. Fair value is determined on the basis of observable (unadjusted) listed prices on an active market.

Level 3 A: Latest investment. Fair value is determined on the basis of the latest completed new issue subscription price for the company, provided that the latest issue was made within the last twelve months and that against the background of relevant factors this continues to be considered a relevant valuation reference. However, excluded from this valuation method are issues at a subscription price that are considered

to give a misleading picture of the fair value of the shares. Examples can be bonus issues, issues at a clear discount or premium and rights issues where existing shareholders have the right to subscribe for shares in relation to their previous holding.

Level 3 B: Most recent investment adjusted. Fair value is determined on the principle according to Level 3 A but the latest share issue was made earlier than twelve months prior to the time of valuation. The most recent share issue is still the starting point for the valuation, but in addition the company's development is analysed against the business plan that Linc initially invested in and the latest business plan, including the company's development and market conditions.

Level 3 C: Most recent known transaction of shares. Fair value is determined on the basis of known informal transactions (OTC) from known trading places or individual players during the relevant accounting period.

Level 3 D: Relative valuation / multiple valuation. Fair value is determined on the basis of valuation multiples such as EV / Sales, EV / EBITDA, EV / EBITA, EV / EBIT and PER which are adjusted to take into account differences in market, operations and risk.

Level 3 E: Discounted cash flow analysis. Fair value is determined on the basis of present value calculation of assessed future cash flows based on most of the non-observable data that is used in the DCF model. The method is suitable if the company generates a cash flow in the form of turnover or profit and valuation according to higher priority methods is not applicable or is considered less reliable than this method.

Level 3 F: Other valuation method. Fair value is determined on the basis of some other valuation method than according to higher prioritised methods. If applicable, the net asset value is used as the starting point for the fair value. Any adjustments to the net asset value to reflect the fair value are assessed on the basis of given conditions for the specific asset and the Company management's assessment of these.

2.6 SHARE CAPITAL

The Company's shares are classified as equity. Transaction costs that can be directly attributed to the issue of new shares are reported, net after tax, in equity as a deduction from the issue proceeds.

2.7 CURRENT AND DEFERRED TAX

Linc does not meet the requirements for an investment company as regards tax law and is thus taxed on profits and dividends on directly owned non-business shares and holdings. Dividends and gains on business-related holdings are

not taxable. Taxable holdings include holdings in listed shares in which Linc has an ownership share of less than ten per cent of the votes and listed shares where ownership exceeds ten per cent of the votes but the ownership has reached this level for a period of less than twelve months.

The current tax expense is calculated on the basis of the tax rules that are decided on the balance sheet date or in practice decided in the countries where the legal entity operates and generates taxable income. Management regularly evaluates the claims made in self-declarations regarding situations where the applicable tax rules are subject to interpretation and, when deemed appropriate, make provisions for amounts that are likely to be paid 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 tax value of assets and liabilities and these reported values in the Investment Company's accounts. However, the deferred tax is not recognised if it arises as a result of a transaction that constitutes the first recognition of an asset or liability that is not a business acquisition and which, at the time of the transaction, does not affect the reported or taxable result. Deferred tax is calculated using tax rates (and laws) that have been decided or in practice are decided on the balance sheet date and that are expected to apply when the relevant 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 profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated on temporary differences that arise on holdings in subsidiaries, except where the timing of reversal of the temporary difference can be controlled by the Investment Company and it is probable that the temporary difference will not be reversed in the foreseeable future.

2.8 REMUNERATION TO EMPLOYEES

Short-term remuneration to employees is calculated without discounting and is reported as costs when the related services are received.

2.9 PROVISIONS

Provisions are reported when the Company has a legal or informal obligation as a result of previous events. This occurs when it is probable that an outflow of resources will be required to settle the commitment, and the amount has been calculated in a reliable way.

2.10 DIVIDENDS

Dividends to the Parent Company's shareholders are reported as a liability in the Company's financial reports in the period in which the dividend is approved by the Parent Company's shareholders. No dividend will be proposed prior to the 2021 Annual General Meeting for the 2020 financial year.

2.11 DEFINITION OF FINANCIAL MEASURES THAT ARE NOT FOUND IN IFRS REGULATIONS

Non-IFRS measure	Definition	Reason for using the measure
Result of changes in fair value of holdings in portfolio companies	Realised and unrealised result of changes in fair value of holdings in portfolio companies during the period.	A key measure for measuring the financial development of investments in the portfolio companies during the period.
Profit / loss from management activities	Result of changes in fair value of holdings in portfolio companies (direct holdings) and other financial investments (indirect holdings) plus dividends during the period.	A key measure for measuring the total financial development of investments in the portfolio companies and other investments during the period.
Net asset value	Assets valued at fair value less current and non-current liabilities valued at fair value	A key measure of the net asset value in an investment company based on the fair value of the assets and liabilities.
Direct holdings	Holdings in which Linc holds the right to vote and entitlement to dividends.	Provide the reader with information on financial assets that consist of share holdings in portfolio companies.
Indirect holdings	Holdings via endowment insurances or lending of shares reported as receivables.	Provide the reader with information on financial assets that do not consist of share holdings in portfolio companies.
Net debt	Cash and cash equivalents minus interest-bearing liabilities.	Measure of the Company's net borrowing with adjustment for realisable liquid assets.
Equity / assets ratio	Equity divided by balance sheet total.	Measure of what proportion of the assets is financed with equity.

2.12 CORRECTION OF ERRORS REGARDING DEFERRED TAX IN 2018 AND 2019

In connection with the preparation of the 2020 financial statements an error was discovered regarding the reporting of deferred tax liabilities attributable to the holdings in listed portfolio companies. The temporary difference between which a deferred tax liability has been reported has been too high, which has meant that the deferred tax liability as of 31 December 2018 and as of 31 December 2019 has been too high.

The effect on the 2018 Deferred tax expense, Deferred tax liability and Equity amounts to SEK thousand 37,681. As of 31 December 2018, equity has been adjusted in a positive direction from SEK thousand 1,027,184 to SEK thousand 1,064,866 with a corresponding adjustment of deferred tax liability.

The effect on equity as of 31-12-2019 amounts to SEK thousand 49,567 (positive adjustment) and has been adjusted from SEK thousand 1,611,386 to SEK thousand 1,661,044. Deferred tax expense has decreased by SEK thousand 11,976 and had a corresponding positive effect on net income.

No earnings per share have previously been announced.

The correction has had an effect on the multi-year overview in the Administration Report, Note 9 *Tax* and Note 10 *Investments in shares and securities valued at fair value*.

The change has not had any effects on previously presented cash flows.

Note 3 Financial risk management

Through its operations, Linc is exposed to financial risks such as share price risk, credit risk, liquidity risk and financing risk. Linc's single largest risk is the share price risk.

Risk management is part of the Board's and management's tools for managing and following up operations. Linc's Board decides on the level of risk, mandate and limits for the Company's management. Linc's risk policy is a framework that, among other things, establishes a measurement method and mandate for market risks for equity trading, excess liquidity and financing operations. Furthermore, the policy sets out principles for currency risk management for investments and cash flows in foreign currency, measurement and limits for credit risks and principles for minimising legal, regulatory and operational risks in the business.

Share price risk

Linc's largest risk is the share price risk. The concentration of the share price exposure is primarily within the listed portfolio companies. The listed companies are analysed and monitored on an ongoing basis. A large share price risk exposure in a core investment does not necessarily lead to any measure, but it is the long-term commitment that is the basis of Linc's strategic action. Under the long-term ownership philosophy there is no defined target for share price risks, which are affected by short-term fluctuations. Share price risks for the listed companies are not hedged. Sensitivity analysis see Note 10.

Currency risk

Currency exposure arises as a result of the translation of balance sheet items in foreign currency (balance sheet exposure) and in the case of payment flows in foreign currency (transaction exposure).

Transaction exposure: As the majority of the listed companies are listed in Swedish kronor, there is a limited indirect exchange rate risk in these that affects Linc's balance sheet. Additional indirect exchange rate risks exist as most of the listed companies have international operations. This risk thus affects the Company's balance sheet and income statement, which indirectly affects the share's valuation. There is normally no hedging of this exchange rate risk. Management of excess liquidity takes place primarily through investments in Swedish interest-bearing or interest-related instruments, which is why currency risk exposure is limited. Borrowing in foreign currency does not occur.

Liquidity and financing risk

Liquidity risk refers to the risk of not being able to meet payment obligations as a result of insufficient liquidity or difficulties in raising external loans, and also to the fact that financial instruments cannot be divested without substantial additional

costs. Liquidity risk is limited by the guidelines that follow from the Finance Policy adopted by the Board. For example, the minimum allowable operating liquidity is defined as are restrictions regarding permitted instruments, counterparties and issuers.

Financing risk is defined as the risk that financing cannot be obtained, or that it can only be obtained at increased costs, as a result of changes in the financial system. To limit the effects of refinancing risks, the guidelines that follow from the Finance Policy adopted by the Board are applied, including in respect of the maturities of loans raised. Furthermore, the financing risk is reduced by Linc maintaining a high credit rating and ensuring access to various sources of capital. Also, Linc shall work to build good, confidential relationships with the Company's commercial banks.

Credit risk

Credit risk refers to the risk that a counterparty or issuer may not be able to fulfil its obligations to Linc. Linc is exposed to credit risk primarily through investment of excess liquidity in interest-bearing securities and the issuance of credits to individual borrowers. Credit risk is limited by defining permitted instruments, borrowers and maturities as well as permitted counterparties in financial transactions in accordance with guidelines in the Finance Policy adopted by the Board. The credit risk is monitored on an ongoing basis and the agreements regarding various counterparties are reviewed continuously.

Estimations and assessments are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are considered reasonable in existing circumstances. Linc's balance sheet consists mainly of financial assets valued at fair value, cash and cash equivalents and deferred tax liabilities related to surplus values in the financial assets.

Important estimates and assumptions for accounting purposes*Holdings in portfolio companies – fair value*

Approximately 5 per cent of the net asset value consists of holdings in unlisted securities. Other securities consist of shares admitted to trading on active marketplaces or fund units. These are reported at fair value corresponding to the share price on the balance sheet date, primarily using the most recent price paid. In valuing unlisted securities, assumptions have been made regarding, among other things, the company's earning capacity, volatility, operational risk, exposure to the fixed income market, valuation of similar companies and return requirements. Due to the above, the estimates and assumptions that have been made are considered to have an effect on the financial reports if the assumptions regarding unlisted securities change in future periods. For more information about the Company's valuation principles, see Note 2.5 *Financial instruments* and Note 10 *Investments in shares and securities reported at fair value*.

Valuation of deferred tax

Deferred tax is calculated as a function of the difference between the carrying amount and the tax value of taxable assets and liabilities. Assessments of temporary differences must be made of tax exposure when a holding changes category between business-related and non-business-related holdings.

Capital gains and dividends on so-called business-related holdings are tax-free. On the contrary, capital losses on business-related holdings are not deductible. Linc owns shares in listed assets that satisfy the requirement to be business-related. These can be disposed of tax-free when Linc has held at least ten per cent of the votes in the company in question for one year or more.

If Linc's ownership falls below ten per cent of the votes in a holding, the remaining shares are no longer business-related. The new taxable acquisition value of the participation consists of the market value at the time when the participation in question ceased to be business-related.

It is not clear from the legal text how this market value shall be determined in connection with a new issue in which Linc's ownership is diluted to less than ten per cent of the votes. Before submitting this Annual Report, Linc has examined an opinion from the Swedish Tax Agency, in which it appears that the change of character that is a result of share issues arises in connection with the allotment date and when the new shares have been entered in the share register.

For more information regarding taxes, see Note 9 *Tax*.

Note 5 Operating segment

Change in fair value	01-01-2020	01-01-2019	01-01-2018
	31-12-2020	31-12-2019	31-12-2018
– Listed holdings	966,545	582,049	304,105
– Unlisted holdings	9,163	11,285	-6,662
– Unallocated profit / loss items*	-2,602	5,125	1,518
Total change in fair value	973,106	598,458	298,962

01-01-2020 – 31-12-2020	Listed holdings	Unlisted holdings	Unallocated items	Total
Changes in the fair value of participations in portfolio companies and other investments	966,545	9,163	-2,602	973,106
Dividends		1,311		1,311
Profit / loss from management activities	966,545	10,474	-2,602	974,416
Other external costs			-1,861	-1,861
Personnel costs			-2,503	-2,503
Operating profit / loss	966,545	10,474	-6,966	970,052
Financial income			244	244
Financial expenses			-8	-8
Profit / loss before tax	966,545	10,474	-6,730	970,288
Fair value at beginning of the period	1,474,085	74,940	78,081	1,627,106
Changes in fair value during the period	966,545	9,163	-2,602	973,106
Adjustment of changes in fair value of issued options			422	422
Additional purchases and supplements	31,783	52,430	–	84,212
Divestments	-26,026	-6,909	-48,336	-81,271
Change category**	8,570	–	-8,570	–
Fair value at the end of the period	2,454,957	129,623	18,994	2,603,574

Not 5 Operating segment

01-01-2019 – 31-12-2019	Listed holdings	Unlisted holdings	Unallocated items	Total
Changes in the fair value of participations in portfolio companies and other investments	582,049	11,285	5,125	598,458
Dividends	3,958	675		4,633
Profit / loss from management activities	586,007	11,960	5,125	603,092
Other external costs			-573	-573
Personnel costs			-276	-276
Operating profit / loss	586,007	11,960	4,277	602,243
Financial income			352	352
Financial expenses			-	-
Profit / loss before tax	586,007	11,960	4,629	602,595
Fair value at beginning of the period	955,723	44,710	27,538	1,027,972
Changes in fair value during the period	582,049	11,285	5,125	598,458
Additional purchases and supplements	93,255	18,945	4,167	116,367
Divestments	-115,691	-	-	-115,691
Change category**	-41,251	-	41,251	-
Fair value at the end of the period	1,474,085	74,940	78,081	1,627,106
01-01-2018 – 31-12-2018	Listed holdings	Unlisted holdings	Unallocated items	Total
Changes in the fair value of participations in portfolio companies and other investments	304,105	-6,662	1,518	298,962
Dividends	5,315	419	-	5,734
Profit / loss from management activities	309,420	-6,242	1,518	304,696
Other operating income	-	-	564	564
Other external costs	-	-	-1,084	-1,084
Personnel costs	-	-	-28	-28
Operating profit / loss	309,420	-6,242	970	304,148
Financial income			1,229	1,229
Financial expenses			-25	-25
Profit / loss before tax	309,420	-6,242	2,174	305,352
Fair value at beginning of the period	584,125	81,271	20,216	685,612
Changes in the fair value of participations in portfolio companies and other investments	304,105	-6,662	1,518	298,962
Additional purchases and supplements	90,807	20,671	50,000	161,478
Divestments	-72,385	-1,500	-44,196	-118,081
Change category*	49,070	-49,070	-	-
Fair value at the end of the period	955,723	44,710	27,538	1,027,972

*) Unallocated items include investments in endowment insurance and interest funds

There are individual holdings that represent both more than 10 per cent of the value of the assets and more than 10 per cent of the change in value in the period. For details regarding the fair value of each holding and changes in value during the periods presented, see Note 10.

**) In the event that an unlisted holding becomes listed during the interim period, the actual change in value within the category unlisted is calculated until the day on which the share in the unlisted company is admitted to trading. As of the day of admission to trading, the holding is re-categorised from unlisted to listed holding at its fair value.

Note 6 Audit fees

Audit assignment refers to the statutory audit of the annual accounts and bookkeeping as well as the administration by the Board of Directors and the CEO, other tasks that are incumbent upon the Company's auditors to perform as well as advisory services or other assistance as a result of observations during such review work or the completion of such other tasks. Other assignments are divided into auditing activities in addition to auditing assignments, tax consultations and other assignments, respectively.

During the financial years 2018-2019, the audit assignment was performed by Rådek KB. For the 2020 financial year, the audit assignment will be performed by Öhrlings PricewaterhouseCoopers AB.

	01-01-2020	01-01-2019	01-01-2018
The Investment Company	31-12-2020	31-12-2019	31-12-2018
Öhrlings PricewaterhouseCoopers AB			
Audit assignment	166	–	–
Other assignments	316	–	–
Total	482	–	–
Rådek KB			
Audit assignment	–	55	54
Total	–	55	54
Total fee to selected auditing companies	482	55	54

Note 7 Remuneration to employees and information on personnel

The Investment Company	01-01-2020	01-01-2019	01-01-2018
	31-12-2020	31-12-2019	31-12-2018
Salaries and compensations	687	193	–
Social security contributions	217	60	5
Pension costs - defined contribution plans	144	–	–
Total	1,048	253	5

Number of members and senior executives on the balance sheet date	31-12-2020		31-12-2019		31-12-2018	
	Total	Of which men	Total	Of which men	Total	Of which men
Board members	3*	66.7%	1	100.0%	1	100.0%
The Chief Executive Officer and other senior executives	2	100.0%	–	–	–	–
Total	5	80.0%	1	100.0%	1	100.0%

*) As of 11 January 2021, the Board consisted of 4 members, of whom 50.0% were men.

Remuneration per senior executive and related parties of senior executives

Remuneration to senior executives during the 2020 financial year

Name (position)	Fixed compensation (SEK thousand)	Variable compensation (SEK thousand)	Other benefits (SEK thousand)	Pension costs (SEK thousand)	Total (SEK thousand)
Karl Tobieson, Chief Executive Officer ¹	380	–	4	90	474
Other senior executives (two persons, of whom one is a consultant) ²	487	–	6	54	547
Total	867	–	10³	144	1,021

For the CEO, a mutual notice period of 6 months applies.

Remuneration to related parties of senior executives during the 2020 financial year

Remuneration during the 2019 financial year

Name (position)	Salary	Variable compensation	Pensions cost	Other compensation
Bengt Julander (Chairman of the Board)	–	–	–	107
Henning Julander (Related to the Chairman of the Board)	193	–	–	–
Total	193	–	–	107

Note 8 Financial income and financial expenses

The Investment Company	01-01-2020	01-01-2019	01-01-2018
	31-12-2020	31-12-2019	31-12-2018
Financial income			
Interest income	244	352	1,229
Total financial income	244	352	1,229
Financial expenses			
Interest expenses	-8	-	-25
Total financial expenses	-8	-	-25
Income from financial items, net	236	352	1,204

Note 9 Tax

The Investment Company	01-01-2020	01-01-2019	01-01-2018
	31-12-2020	31-12-2019	31-12-2018
Current tax for the year	–	-131	-2,354
Deferred tax expense relating to temporary differences	-137,108	-6,285	12,929
Total income tax	-137,108	-6,416	10,575

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

The Investment Company	01-01-2020	01-01-2019	01-01-2018
	31-12-2020	31-12-2019	31-12-2018
Profit / loss before tax	970,288	602,595	305,352
Income tax calculated according to the current tax rate*	-207,642	-128,955	-67,177
Non-taxable income	2,462	783	8,463
Non-taxable change in value of portfolio holdings	61,339	121,757	69,293
Non-deductible expenses	-55	–	-3
Valuation of realised deficits in investments	6,794	–	–
Tax deficits for which no deferred tax liability is reported	-7	–	–
Income tax	-137,108	-6,415	10,575

*) The current tax rate is 21.4% in 2020 and 2019 and 22% in 2018.

As of 31 December 2020, there was SEK 32 million in accumulated deficits to utilise in the future.

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Deferred tax liabilities			
Investments in shares and securities	148,084	3,348	–
Investments in endowment insurance	–	–	–
Untaxed reserves	704	1,549	1,549
Unutilised tax losses	-6,783	–	–
Total deferred tax liabilities	142,005	4,897	1,549
Deferred tax assets			
Investments in shares and securities	–	–	2,937
Total deferred tax assets	–	–	2,937
Deferred tax liabilities, net	142,005	4,897	-1,388

*) Unutilised tax losses refer to securities, where tax losses can be utilised against future taxable profits attributable to securities ('trap losses'). These have been reported net against deferred tax liabilities as the debt and receivable relate to the same counterparty, there is a legal right to set off and Linc has an intention to set off the debts against the losses.

	31-12-2020	31-12-2019	31-12-2018
Deferred tax liabilities			
- deferred tax liabilities to be utilised after more than 12 months	142,005	4,897	
- deferred tax liabilities to be utilised within 12 months	–	–	–
Total deferred tax liabilities	142,005	4,897	–
Deferred tax assets			
- deferred tax assets to be utilised after more than 12 months	–	–	1,388
- deferred tax assets to be utilised within 12 months	–	–	–
Total deferred tax assets	–	–	1,388

The gross change regarding deferred taxes is as follows:			
The Investment Company	31-12-2020	31-12-2019	31-12-2018
At the beginning of the year	4,897	-1,388	11,541
Accounting in the income statement	137,108	6,285	-12,929
At year end	142,005	4,897	-1,388

See also Note 10 below: Investments in shares and securities valued at fair value for specification of deferred tax liabilities per holding.

Note 10 Investments in shares and securities valued at fair value
Investments in shares and securities – the year's changes

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Acquisition value of shares and other securities			
At the beginning of the year	385,561	460,523	370,909
The year's acquisitions	84,212	112,200	111,478
Divestments during the year	-21,770	-86,291	-21,865
Reclassifications	8,570	-100,871	0
Total acquisition value	456,574	385,561	460,523
Change in fair value of shares and other securities			
At the beginning of the year	1,163,464	539,911	294,487
Change in value for the year via the income statement	975,708	593,333	297,444
Less: change in value attributable to divestments during the period	-11,165	-70,651	-52,020
Reclassifications	–	100,871	–
Total change in fair value	2,128,006	1,163,464	539,911
Carrying amount at year end	2,584,580	1,549,025	1,000,434

Investments in endowment insurance and fixed income funds – changes in the year

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Investments in endowment insurance and fixed income funds			
At the beginning of the year	68,355	22,758	16,992
The year's acquisitions	–	4,346	50,000
Divestments during the year	-55,971	–	-44,234
Reclassifications	-8,570	41,251	–
Total acquisition value	3,813	68,355	22,758
Change in fair value of endowment insurance and fixed income funds			
At the beginning of the year	9,726	4,780	3,221
Change in value for the year via the income statement	-2,181	4,946	1,120
Less: change in value attributable to divestments during the period	-936	–	440
Reclassifications	8,570	–	–
Total change in fair value	15,180	9,726	4,780
Carrying amount at year end	18,993	78,081	27,538

The Investment Company's changes in holdings during the year – impact on cash flow

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Opening balance at the beginning of the year	1,627,106	1,027,971	685,612
Paid liquid investments in portfolio companies	84,212	136,585	147,844
Cash received from divestments of portfolio companies	-77,831	-136,222	-125,832
Valuation at fair value through the income statement*	973,106	598,458	298,962
Items not affecting cash flow	-2,580	492	21,385
Other items	-439	-178	–
At year end	2,603,573	1,627,106	1,027,971

*) Changes in fair value have not affected cash flow and have been reversed as an adjustment. The cash flow analysis also includes dividends, which have been reclassified in the cash flow to form part of the investment operations and are included in returned non-cash flow-affecting items.

See Note 21, holdings in subsidiaries and Note 22, holdings in associated companies and jointly controlled companies regarding classifications of the holdings.

Not 10 Investments in shares and securities valued at fair value, continuing
The Investment Company's changes in holdings during the year 2020

Name	Acquisition value at end of period	Fair value at the beginning of the period	The period's investments	The period's divestments	The period's re-classifications	Value change in the period	Fair value at the end of the period
Arcoma AB	20,018	68,214	-	-	-	7,579	75,793
Calliditas Therapeutics AB	108,426	351,269	-	-	-	296,513	647,782
Elos Medtech AB	25,806	55,117	-	-12,716	-	-2,708	39,693
FluoGuide AS	5,287	-	5,287	-	-	80,294	85,581
InDex Pharmaceuticals Holding AB	58,644	51,656	1,496	1,389	-	-10,757	41,006
MedCap AB	46,523	426,861	-	-8,480	-	263,786	682,167
Medivir AB*	8,570	-	-	-	8,570	-202	8,368
Sedana Medical AB	23,950	260,315	-	-3,440	-	394,722	651,597
Stille AB	34,730	260,653	-	-	-	-73,309	187,344
AdderaCare AB	25,000	-	25,000	-	-	10,625	35,625
Total listed shares and holdings	356,954	1,474,085	31,783	-26,026	8,570	966,543	2,454,955
Swevet Holding AB	6,161	8,600	500	-3,707	-	7,923	13,316
Part Production Sweden AB	11,107	11,701	5,067	-	-	15,649	32,417
Society AB	3,000	3,000	-	-	-	-	3,000
Athera Biotechnologies AB	16,020	18,120	1,020	-	-	-19,140	-
Epicyt Pharma AB	787	-	787	-	-	-	787
Synartro AB	5,696	-	5,696	-	-	499	6,195
Gesynta Pharma AB	27,266	16,765	12,499	-	-	6,696	35,960
Cinclus Pharma Holding AB	12,882	2,726	10,588	-	-	5,292	18,606
nWise AB	-	7,243	-	-68	-	-7,176	-
nWise ägare AB	138	-	138	-	-	6,148	6,286
Animal Probiotics AB (f.d ProEquo AB)	3,563	6,785	-	-	-	-6,728	57
Cavis Technologies AB	-	-	3,135	-3,135	-	-	-
OncoZenge AB	3,000	-	3,000	-	-	-	3,000
Sixera Pharma AB	10,000	-	10,000	-	-	-	10,000
Total unlisted shares and holdings	99,619	74,939	52,431	-6,910	-	9,164	129,624
Total investments in shares and securities	456,574	1,549,024	84,213	-32,935	8,570	975,707	2,584,579
SEB Primeräntefond	-	20,275	-	-20,998	-	723	-
Kapitalförsäkring Avanza	3,000	11,537	-	-	-	7,457	18,994
Kapital försäkring Nordea*	921	46,268	-	-27,338	-8,570	-10,360	-
Total investments in endowment insurance	3,921	78,080	-	-48,336	-8,570	-2,180	18,994
Total investments	460,495	1,627,105	84,213	-81,271	-	973,526	2,603,573

The Investment Company's changes in holdings during the year 2019

Name	Acquisition value at the end of the period	Fair value at the beginning of the period	The period's investments	The period's divestments	The period's re-classifications	Change in value in the period	Fair value at the end of the period
Arcoma AB	20,018	48,050	-	-1,402	-	21,566	68,214
Calliditas Therapeutics AB	108,426	204,172	-	-	-	147,097	351,269
Doro AB*	-	20,490	-	-	-22,200	1,710	-
Elos Medtech AB	36,337	7,455	29,049	-	-	18,613	55,117
InDex Pharmaceuticals Holding AB	59,495	18,322	41,987	-	-	-8,653	51,656
Optioner InDex Pharmaceuticals AB	-	1,453	-	-1,453	-	-	-
MedCap AB	48,170	251,773	-	-4,250	-	179,338	426,861
Medivir AB*	-	22,951	-	-	-19,051	-3,900	-
Sedana Medical AB	24,167	147,968	22,220	-20,720	-	110,847	260,315
Stille AB	34,730	128,042	-	-1,998	-	134,609	260,653
Midsona AB	-	105,047	-	-85,867	-	-19,179	-
Pledpharma AB	-	-	2,867	-2,996	-	128	-
Total listed shares and holdings	331,344	955,722	96,123	-118,686	-41,251	582,176	1,474,085
Swevet Holding AB	9,487	8,600	-	-	-	-	8,600
Part Production Sweden AB	6,040	-	6,040	-	-	5,661	11,701
Sciety AB	3,000	3,000	-	-	-	-	3,000
Athera Biotechnologies AB	15,000	13,120	5,000	-	-	-	18,120
Gesynta Pharma AB	14,767	8,666	7,001	-	-	1,098	16,765
Cinclus Pharma Holding AB	2,294	1,858	273	-	-	595	2,726
Nwise AB	68	3,318	-	-	-	3,924	7,243
Animal Probiotics AB (previously ProEquo AB)	3,563	6,148	631	-	-	6	6,785
Total unlisted holdings and holdings	54,218	44,710	18,945	-	-	11,285	74,940
Total investments in shares and securities	385,561	1,000,433	115,068	-118,686	-41,251	593,461	1,549,025
SEB Primeräntefond	19,838	19,466	-	-	-	809	20,275
Kapitalförsäkring Avanza	3,000	8,072	-	-	-	3,465	11,537
Kapitalförsäkring Nordea*	45,596	-	4,346	-	41,251	672	46,268
Total investments in endowment insurance and fixed income funds	68,435	27,538	4,346	-	41,251	4,946	78,080
Total investments	453,996	1,027,971	119,414	-118,686	-	598,407	1,627,105

*) Holdings in Doro AB and Medivir AB are included in the holding of endowment insurance with Nordea at the end of 2019.

Not 10 Investments in shares and securities valued at fair value, continuing

Investments in shares and securities and applied valuation method:

Name	Corporate identity number	Registered office	Share of equity	Number of shares / participating interests	Valuation method / level
Arcoma AB	556410-8198	Växjö	26.89%	3,445,131	1 A
Calliditas Therapeutics AB	556659-9766	Stockholm	9.29%	4,640,271	1 A
Elos Medtech AB	556021-9650	Gothenburg	4.56%	367,526	1 A
FluoGuide AS	39296438	Copenhagen	6.82%	718,500	1 A
InDex Pharmaceuticals Holding AB	559067-6820	Stockholm	10.00%	8,875,650	1 A
MedCap AB	556617-1459	Stockholm	20.05%	2,965,946	1 A
Medivir AB	556238-4361	Stockholm	4.15%	1,008,283	1 A
Sedana Medical AB	556670-2519	Danderyd	8.24%	1,899,701	1 A
Stille AB	556249-4848	Eskilstuna	42.18%	2,036,355	1 A
AdderaCare AB	556936-0752	Helsingborg	23.17%	7,812,500	1 A
Swevet Holding AB	556892-6108	Stockholm	27.04%	11,843,558	3 D
Part Production Sweden AB	556545-7032	Stockholm	50.00%	500	3 D
Society AB	556990-3692	Stockholm	6.68%	5,310	3 B
Athera Biotechnologies AB	556620-6859	Stockholm	10.91%	957,000	3 F
Epicyt Pharma AB	556821-8167	Gothenburg	6.36%	104,942	3 A
OncoZenge AB	559261-9968	Stockholm	5.00%	30,000	3 A
Synartro AB	556866-4220	Uppsala	13.78%	34,800	3 A
Sixera Pharma AB	556901-4763	Solna	9.85%	8,772	3 A
Gesynta Pharma AB	559103-6628	Solna	13.57%	38,013	3 A
Cinclus Pharma Holding AB	559136-8765	Malmö	2.67%	7,029	3 A
nWise Ägare AB	559276-8385	Stockholm	50.00%	125	3 C
Animal Probi AB (previously ProEquo AB)	556657-1179	Lund	16.74%	104,290	3 F
Kapitalförsäkring Avanza			-	-	1 A
Kapitalförsäkring Nordea			-	-	1 A

Explanation of valuation method:	3 B – Most recent investment adjusted	3 F – Other valuation method
1 A – Latest trading price	3 C – Most recent known transaction of shares	3 F – Annan värderingsmetod
2 A – Other observable data	3 D – Relative valuation / Multiple valuation	
3 A – Latest new issue	3 E – Discounted cash flow	

Level 1: Fair value determined according to prices quoted on an active market for the same instrument

Level 2: Input data other than quoted prices that are observable on the market

Level 3: Fair value determined on the basis of input data that is not observable on the market

The Investment Company	31-12-2020	Level 1	Level 2	Level 3
Holdings in portfolio companies valued at fair value via profit / loss	2,603,573	2,473,949	-	129,624
At year end	2,603,573	2,473,949	-	129,624

The Investment Company	31-12-2019	Level 1	Level 2	Level 3
Holdings in portfolio companies valued at fair value via profit / loss	1,627,106	1,552,166	-	74,940
At year end	1,627,106	1,552,166	-	74,940

The following holdings are categorised as non-business-related holdings and give rise to taxation on divestment and / or dividends.

Holding 31-12-2020	Taxable value	Fair value	Temporary difference	Deferred tax*	Tax rate**
Elos Medtech AB	25,806	39,693	13,887	2,972	21.4%
InDex Pharmaceuticals Holding AB	58,644	41,006	-17,639	-3 775	21.4%
Sedana Medical AB	253,752	651,597	397,846	85,139	21.4%
Calliditas Therapeutics AB	440,612	647,782	207,170	44,334	21.4%
FluoGuide AS	5,287	85,581	80,294	17,183	21.4%
Medivir AB	8,570	8,369	-202	-43	21.4%
AdderaCare AB	25,000	35,625	10,625	2,274	21.4%
Summa	817,670	1,509,652	691,981	148,084	
Untaxed reserves				704	22.0%
Deficit deduction***				-6,783	21.4%
Total	817,670	1,509,652	691,981	142,005	

Holding 31-12-2019	Taxable value	Fair value	Temporary difference	Deferred tax	Tax rate
Elos Medtech AB	36,337	55,117	18,779	4,019	21.4%
InDex Pharmaceuticals Holding AB	59,495	51,656	-7,838	-1,677	21.4%
Sedana Medical AB	256,049	260,315	4,266	913	21.4%
SEB Primeräntefond	19,838	20,275	437	94	21.4%
Summa	371,719	387,363	15,644	3,348	
Obeskattade reserver				1 549	22,0%
Total	371 719	387 363	15 644	4 897	

Tax value may deviate from acquisition value in those cases where the holdings change category during the holding period.

*) Deferred tax is calculated on holdings that are not business-related. In the event of a change in character, major fluctuations may occur regarding deferred tax liabilities – which are reported in the income statement. The remaining part of deferred tax refers to untaxed reserves.

**) Deferred tax is calculated based on the tax rate at the balance sheet date. From 1 January 2021, a lower tax rate of 20.6% applies. If the deferred tax at the balance sheet date were calculated at this tax rate, the deferred tax would have decreased by SEK 5.2 million.

***) There is a realised loss in respect of the sale of shares in Medivir AB with a tax loss that can be utilised against future taxable gains on the sale of securities. The deferred tax asset has been reported as a deduction item in the deferred tax liabilities.

Note 10 Investments in shares and securities valued at fair value, continuing

Sensitivity analysis

The share price risk in Linc's portfolio can be illustrated by the fact that a change of 2 per cent of the prices of the listed shareholdings valued at fair value would have affected the Investment Company's earnings and equity by SEK 49.1 million (2019: SEK 29 million), before tax. For holdings valued on the basis of the most recent investment or transaction, a 5 per cent change in value would have affected the Investment Company's earnings and equity by SEK 4.2 million (2019, SEK 2.4 million).

For holdings valued on the basis of the multiples of comparable companies, a change in the multiples would have the following effect on Linc's net asset value.

	+/- 5%	SEK million	+/- 10%	SEK million	+/- 15%	SEK million
Part Production Sweden	+/-	3.5	+/-	6.9	+/-	10.4
Swevet	+/-	0.7	+/-	1.4	+/-	2.1

Derivatives

01-01-2020 - 12-31-2020	Fair value	Quantity	Subscription period
Call options MedCap	222	4,652	03-12-2022
Put options Sedana	10	12,900	07-10-2021
Put options Stille	190	22,200	18-05-2021
	422		
At beginning of the year	–		
Options issued during the year	422		
Total	422		
Of which short-term portion	200		
Of which long-term portion	222		
Total derivatives	422		

Note 11 Loan receivables portfolio companies

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Opening balance at the beginning of the year	–	–	2,940
Loans paid	16,333	–	–
Loans repaid	-8,682	–	-2,940
At year end	7,651	–	–

Note 12 Other financial assets

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Opening balance at the beginning of the year	1,998	–	–
New receivables	3,440	1,998	–
Outgoing receivables	-860	–	–
Reclassifications to other current receivables	-4,578	-	-
At year end	–	1,998	–

Note 13 Other current receivables

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Current tax assets	72	484	–
Reclassification from other financial assets	4,578	–	–
Other items	353	–	1,751
Total prepaid expenses and accrued income	5,003	484	1,751

Note 14 Prepaid expenses and accrued income

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Prepaid insurance costs	–	–	23
Accrued income	255	12	16
Total prepaid expenses and accrued income	255	12	39

Note 15 Share capital and other contributed capital

Specification of changes in equity is in the report Changes in equity, which follows immediately after the balance sheet.

The number of shares is 1,000, with a nominal value of SEK 100 per share. Each share corresponds to one vote. All shares registered on the balance sheet date are fully paid up.

Note 16 Other current liabilities

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Value added tax liability	–	–	59
Employee-related liabilities	243	10	5
Total other liabilities	243	10	64

Note 17 Accrued expenses and prepaid income

The Investment Company	31-12-2020	31-12-2019	31-12-2018
Accrued holiday pay	110	–	–
Accrued social security contributions	34	–	–
Other personnel-related items	319	–	–
Other information	453	141	100
Total accrued expenses and prepaid income	916	141	100

Note 18 Transactions with related parties

For a description of salaries and other remuneration to senior executives – see Note 7 Remuneration to employees .

As related parties, the Company has defined the Company management, the Board of the Company, subsidiaries and associated companies of Linc AB, and other companies in which Linc exercises significant influence in other ways than an ownership of more than 20% of the votes, and the owners of Linc AB and related parties of them.

01-01-2020 – 31-12-2020	Dividend / repayment Shareholder contributions	Shareholder contributions	Share issue	Purchase (+)/ sale (-) of assets Linc	Promissory loans	Promissory am- ort-isation	Interest
SweVet	521	–	–	–	–	–	–
Part Production Sweden	–	-5,067	–	6,321	-8,615	2,964	49
nWise Ägare	–	-138	–	68	-2,000	–	2
Total	521	-5,205	–	6,389	-10,615	2,964	51

01-01-2019 – 31-12-2019	Dividend / repayment Shareholder contributions	Shareholder contributions	Share issue	Purchase (+)/ sale (-) of assets Linc	Promissory loans	Promissory amortisation	Interest
Stille	2,985	–	–	–	–	–	–
Part Production Sweden	–	-6,000	–	–	-23,000	23,000	333
Total	2,985	-6,000	–	–	-23,000	23,000	333

01-01-2018 – 31-12-2018	Dividend / payment Shareholder contributions	Shareholder contributions	Share issue	Purchase (+)/ sale (-) of assets Linc	Promissory loans	Promissory am- ortisation	Interest
Bengt Julander	-	-	-	-7,155	-	-	-
Stille	2,710	-	-	-	-	-	-
SweVet	-	-	-9,579	-	-	2,940	-
Total	2,710	-	-9,579	-	-	2,940	-

Call options acquired by the Company's CEO and CFO

The Company's CEO and CFO have acquired call options issued by the Company's owners. The call options run until 1 October 2023 with an exercise price of SEK 65.7 per share, after adjusting for the bonus issue and share split as resolved by the Annual General Meeting on 12 April 2021. Upon acquisition, a premium corresponding to the market value of the options (Black-Scholes valuation) has been paid. After adjusting for the bonus issue and share split as resolved by the Annual General Meeting on 12 April 2021, the call options comprise a maximum of 3,000,000 shares in the Company. Any exercise of the call options does not lead to any increase or dilution of the share capital in Linc AB.

Note 19 Investment commitments

At the end of the financial year, Linc made subscription commitments corresponding to pro rata in the announced rights issues in Medivir (approximately SEK 7 million) and Index Pharmaceuticals (approximately SEK 50 million). In addition to the pro-rata subscription, the Company has undertaken to guarantee an amount of up to SEK 17 million in Medivir's issue. During the year, Linc also entered into an investment agreement regarding Gesynta Pharma with a commitment of a number of sequential investments, so-called "tranches", based on the Company achieving defined milestones linked to the ongoing clinical research study. At the end of the financial year, there is a commitment from Linc to invest SEK 12.5 million if the last defined milestone is achieved. Linc has also made a commitment to subscribe for its pro-rata share in the planned new share issue in OncoZenge and to guarantee a subscription amount of up to SEK 14.9 million (including the pro-rata share). For guarantee commitments in Medivir and OncoZenge, Linc will receive guarantee compensation of 7-8% of the guarantee amounts.

Not 20 Events after the balance sheet date

- Linc subscribed for shares in Index Pharmaceuticals' issue, corresponding to approximately SEK 50 million through the exercise of subscription rights and an additional approximately SEK 20 million through the acquisition of additional subscription rights.
 - Linc subscribed for shares in Medivir's issue, corresponding to approximately SEK 7 million and an additional approximately SEK 1.6 million through oversubscription.
 - The holding in Elos Medtech was divested.
 - After the end of the period, Linc has first secured approximately SEK 150 million in additional liquidity by entering into a credit facility agreement with SEB. Linc's shares in MedCap, Calliditas and Medivir will be used as security in the event of utilisation of the credit. Linc has subsequently secured up to SEK 100 million in additional liquidity (a total of up to SEK 250 million) through an extended credit facility agreement with SEB.
 - The board members Ulrika Dellby and Marianne Dicander Alexandersson acquire call options corresponding to a maximum of 0.5% each of the number of shares in Linc AB from the Company's owner.
 - The spread of Covid-19 means that many companies may find themselves in a financially strained situation with liquidity problems, declining sales and in the long term a strong impact on earnings. Against this background, the Board is working to identify short-term solutions and find long-term alternatives that are specific for the situation. The Board's assessment is that the Investment Company can handle the situation that arises in the short term, but that there is a high risk that the business will be affected negatively by the Covid-19 outbreak, above all if the negative effects on the global economy become long-term.
 - The Annual General Meeting on April 12 2021, resolves on a share split of 1:40,000 and a bonus issue of SEK 3.9 million.
 - The Extraordinary General Meeting of Gesynta Pharma decided to proceed with tranche 3 of the existing financing plan. Linc has previously made an investment commitment corresponding to approximately SEK 12.5 million.
 - Linc invests SEK 17.5 million in a directed issue and enters subscription and guarantee commitments amounting to SEK 4.2 million and SEK 13.3 million respectively in the upcoming rights issue in Initiator Pharma.
 - Linc acquires additional shares in Calliditas corresponding to SEK 59 million, and thereby increases its ownership from 9.3% to 10.3%.
 - OncoZenge is listed on First North and is thus included as a listed holding in the portfolio. Linc invests SEK 3.9 million. Further, additional shares are acquired in OncoZenge for SEK 4 million, and Linc's ownership is thereby increased from 5.0% to 9.0%.
- Acquisition of shares in Cinclus Pharma for SEK 0.5 million and Synartro for SEK 0.6 million through the exercise of pre-emptive rights in shareholder agreements completed. On April 16 2021, additional shares in Cinclus Pharma were acquired, corresponding to SEK 1.3 million with settlement date in April.

Note 21 Appropriation of profits

The Board of Directors proposes that profits in the parent company available for appropriation by the Annual General Meeting be appropriated as follows:

	01-01-2020
	31-12-2020
Retained earnings	485,671,268
Net income for the year	-32,582,748
Total	453,088,520

The Board proposes that the 2021 Annual General Meeting resolve on:

The Board proposes that	
Carried forward	453,088,520
Total	453,088,520



The auditors' report in respect of the historical financial information

REPORT FROM INDEPENDENT AUDITOR

To the Board of Linc AB (publ), corporate identity number 556232-0811

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have performed an audit of the consolidated financial statements of Linc AB (publ) for the financial year ending 31 December 2020. The Company's consolidated financial statements are included on pages 152–181 in this document.

In our opinion, the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and provide a true and fair view of the Group's financial position as of 31 December 2020 and of its financial results and cash flow for the financial year ending 31 December 2020 according to International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act.

Basis for opinion

We have 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 section The Auditor's Responsibilities. We are independent in relation to the Group according to generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities under these requirements.

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

Responsibilities of the Board and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for ensuring that the consolidated financial statements are prepared and that they give a true and fair view in accordance with the Swedish Annual Accounts Act and in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for the internal control that they deem necessary to prepare consolidated financial statements that do not contain any material misstatement, whether due to irregularities or errors.

In preparing the consolidated financial statements, the

Board of Directors and the Chief Executive Officer are responsible for assessing the ability of the Company and the Group to continue operations. They disclose, when applicable, any matters that may affect the ability to continue operations and use the going concern basis for continued operations. However, the going concern basis shall not be applied if the Board and the Chief Executive Officer intend to liquidate the Company, cease operations, or have no realistic alternatives to doing so.

The Auditor's responsibilities

Our objectives are to achieve a reasonable degree of certainty as to whether the consolidated financial statements as a whole are free from material inaccuracies, whether due to fraud or error, and to submit an Auditor's Report that contains our opinions. Reasonable certainty is a high degree of certainty, but is no guarantee that an audit conducted in accordance with ISA and good auditing practice in Sweden will always detect a material error when such exists. Misstatements may arise due to fraud or error, and are considered to be material if, individually or in the aggregate, they can reasonably be expected to affect the financial decisions that users make on the basis of the Annual Report and consolidated financial statements.

As part of an audit under ISA, we use professional judgment and have a professionally sceptical attitude throughout the audit. We also:

- identify and assess the risks of material misstatements in the Annual Report and consolidated financial statements, whether due to fraud or error, design and perform review measures on the basis of these risks, and obtain audit evidence that is sufficient and appropriate to form a basis for our opinions. The risk of not detecting a misstatement as a result of fraud is higher than for one due to error, as irregularities may involve collusion, forgery, intentional omissions, misrepresentations, or the setting aside of internal control.
- we gain an understanding of the part of the Company's internal control that is important for our audit to design review measures that are appropriate to the circumstances, but not to comment on the effectiveness of the internal control.
- we evaluate the appropriateness of the accounting principles used and the reasonableness of the Board's and the Chief Executive Officer's estimates in the accounting and related information.



- we draw a conclusion on the appropriateness of the Board and the Chief Executive Officer using the assumption of continued operation in the preparation of the consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether there is any material factor of uncertainty regarding such actions or circumstances that may lead to significant doubts about the ability of the Group to continue operations. If we conclude that there is such a material factor of uncertainty, we must draw attention in the Auditor's Report to the information in the consolidated financial statements regarding the material uncertainty factor or, if such information is insufficient, modify our opinions regarding the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may mean that a group can no longer continue operations.
- we evaluate the overall presentation, structure and content of the consolidated financial statements including the information, and whether the consolidated financial statements reproduce the underlying transactions and events in a way that gives a true picture.

- obtain sufficient and relevant audit evidence regarding the financial information for the units or business activities within the Group in order to formulate an opinion regarding the consolidated financial statements. We are responsible for the management, monitoring, and execution of the Group audit. We are solely responsible for our opinions.

We must inform the Board about the planned scope and focus of the audit and the timing of it. We must also inform on significant observations during the audit, including any deficiencies in the internal control that we have identified.

Stockholm, 19 May 2021

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorised Public Accountant

REPORT FROM INDEPENDENT AUDITOR

To the Board of Linc AB

Corporate identity number 556232-0811

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 01-01-2018-31-12 2018 AND 01-01-2019-31-12-2019 REPORTED IN THE PROSPECTUS, PAGES 152 TO 181 IN "INVITATION TO ACQUIRE SHARES IN LINC AB (PUBL)".

Opinion

I have performed an audit of the consolidated financial statements of the parent company and the financial report for the Investment Company for Linc AB for the financial years 2018 and 2019, with audited reports submitted according to the standard format dated 07 June 2019 and 06 May 2020.

In my opinion, the consolidated financial statements for 2018 and 2019 have been prepared in accordance with the Swedish Annual Accounts Act and provide a true and fair view of the Group's financial position presented in the Prospectus as of 31 December 2019 and 31 December 2018 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and provide a true and fair view of the Group's financial position as of 31 December 2019 and 31 December 2018 and of its financial results and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act.

Basis for opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the section The Auditor's Responsibilities. I am independent in relation to the parent company Linc AB and the Investment Company according to generally accepted auditing standards in Sweden and have otherwise fulfilled my ethical responsibilities under these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my statements.

Responsibilities of the Board of Directors

The Board of Directors and the Chief Executive Officer are

responsible for ensuring that the consolidated financial statements are prepared and that they give a true and fair view in accordance with the Swedish Annual Accounts Act and in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for the internal control that they deem necessary to prepare consolidated financial statements that do not contain any material misstatement, whether due to irregularities or errors.

In preparing the consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the ability of the Company and the Group to continue operations. They disclose, when applicable, any matters that may affect the ability to continue operations and use the going concern basis for continued operations. However, the going concern basis shall not be applied if the Board and the Chief Executive Officer intend to liquidate the Company, cease operations, or have no realistic alternatives to doing so.

The Auditor's responsibilities

My objectives are to achieve a reasonable degree of certainty as to whether the consolidated accounts as a whole are free from material inaccuracies, whether due to fraud or error, and to submit an Auditor's Report that contains my opinions. Reasonable certainty is a high degree of certainty, but is no guarantee that an audit conducted in accordance with ISA and good auditing practice in Sweden will always detect a material error when such exists. Misstatements may arise due to fraud or error, and are considered to be material if, individually or in the aggregate, they can reasonably be expected to affect the financial decisions that users make on the basis of the Annual Report.

As part of an audit under ISA, I use professional judgement and have a professionally sceptical attitude throughout the audit. In addition:

- I identify and assess the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, design and perform review measures on the basis of these risks, and obtain audit evidence that is sufficient and appropriate to form a basis for my opinions. The risk of not detecting a misstatement as a result of fraud is higher than for one due to error, as irregularities may involve collusion, forgery, intentional omissions, misrepresentations, or the setting aside of internal control.
- I gain an understanding of the part of the Company's internal control that is important for my audit to design review measures that are appropriate to the circumstances, but not to comment on the effectiveness of the internal control.

- I evaluate the appropriateness of the accounting principles used and the reasonableness of the Board's estimates in the accounting and related information.
 - I draw a conclusion on the appropriateness of the Board using the assumption of continued operation in the preparation of the consolidated financial statements. I also draw a conclusion, based on the audit evidence obtained, as to whether there is any material factor of uncertainty regarding such actions or circumstances that may lead to significant doubts about the ability of the Company to continue operations. If I conclude that there is such a material factor of uncertainty, I must draw attention in the Auditor's Report to the information in the consolidated financial statements regarding the material uncertainty factor or, if such information is insufficient, modify my opinions regarding the consolidated financial statements. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may mean that a group can no longer continue operations.
 - I evaluate the overall presentation, structure and content of the consolidated financial statements including the information, and whether the consolidated financial statements reproduce the underlying transactions and events in a way that gives a true view.
- I must inform the Board about matters including the planned scope and focus of the audit and the timing of it. I must also inform on significant observations during the audit, including any deficiencies in the internal control that I have identified.

Eskilstuna 19 May 2021

Johan Rudengren
Authorised Public Accountant

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