

Full-year report

Full-year (1 December 2020 – 30 November 2021)

- The H&M group's net sales in local currencies increased by 12 percent in the 2021 financial year. Converted into SEK the group's net sales increased by 6 percent to SEK 198,967 m (187,031).
- Gross profit increased to SEK 105,006 m (93,544). This corresponds to a gross margin of 52.8 percent (50.0).
- Profit after financial items increased to SEK 14,300 m (2,052).
- The group's profit after tax increased to SEK 11,010 m (1,243), corresponding to SEK 6.65 (0.75) per share.
- Cash flow from operating activities increased to SEK 44,619 m (25,900).
- Financial net cash increased to SEK 17,857 m (208). Cash and cash equivalents plus undrawn credit facilities amounted to SEK 42,649 m (46,595).
- The year's increase in profit means that SEK 224 m has been allocated to the H&M Incentive Program (HIP), which is for all employees.



#M

Fourth quarter (1 September 2021 – 30 November 2021)

- The H&M group's net sales in local currencies increased by 11 percent in the fourth quarter 2021. Converted into SEK net sales increased by 8 percent to SEK 56,813 m (52,549).
- Gross profit increased by 14 percent to SEK 31,341 m (27,375). This corresponds to a gross margin of 55.2 percent (52.1).
- Profit after financial items increased by 64 percent to SEK 6,003 m (3,665). Before the allocation to HIP, profit for the quarter increased by 70 percent. The strong result for the quarter is mainly a result of well-received collections with more full-price sales, lower markdowns and good cost control.
- The operating margin was 11.0 percent (7.4).
- The group's profit after tax increased to SEK 4,621 m (2,485), corresponding to SEK 2:79 (1:50) per share.
- The stock-in-trade decreased to SEK 37,306 m (38,209).

Profit after financial items
SEK 6,003 m
Fourth quarter 2021

Cash flow from
operating activities
SEK 44,619 m
Financial year 2021

- By 2030 at latest the H&M group is to double sales while at the same time halving its carbon footprint. Profitability is to exceed 10 percent over time.*
- To achieve the ambitious growth and climate goals, investments are being increased. For 2022 capex is expected to amount to around SEK 10 billion.
- In 2022 H&M will launch in six new markets: the first stores will open in Ecuador, Kosovo and North Macedonia, and via franchise in Costa Rica, Guatemala and Cambodia.
- The rollout of H&M online continues in 2022 with Belarus; Colombia, Kazakhstan, Peru and Ukraine.
- The board of directors proposes an ordinary dividend of SEK 6.50 per share to be paid in two instalments, and authorisation for a SEK 3 billion share buyback programme.
- For the period 1 December 2021 to 31 January 2022 sales in local currencies are expected to increase by 20 percent compared with the same period last year. The period was negatively affected by the latest wave of the pandemic and its consequences in many of the group's larger markets.

"We ended the year strongly, with sales back at the same level as before the pandemic and with profitability better than it has been for several years. Now that we are back to a more normalised situation with a strong financial position and good profitability, we can fully focus on growth again," says Helena Helmersson, CEO.

*The baseline for the sales goal is 2021. The H&M group's goal is to reduce its carbon footprint in absolute figures by 56 percent by 2030 (baseline 2019) in accordance with our commitment at COP26. Profitability refers to operating profit in relation to sales. The ambition is to achieve the profitability target no later than 2024. The group's target to increase sales by 10–15 percent per year with continued high profitability remains a long-term target.

Returning to growth

“The H&M group’s strong recovery continues. Customers are showing that they appreciate our customer offering with the best combination of fashion, quality, price and sustainability. By quickly taking decisive action we have succeeded in managing the negative effects of the pandemic. We ended the year strongly, with sales back at the same level as before the pandemic and with profitability better than it has been for several years. Now that we are back to a more normalised situation with a strong financial position and good profitability, we can fully focus on growth again. We see significant opportunities to grow both sustainably and profitably. The goal for 2030 is to double sales while at the same time halving our carbon footprint. Profitability is to exceed 10 percent over time.

The H&M group’s strong cash flow and financial position will be crucial for our ability to invest in sustainable growth. In 2022 we will double the level of investment. Alongside initiatives linked to each growth area we will invest further in infrastructure such as tech and the supply chain, but also in renewable energy and sustainable materials.

H&M. We will strengthen, develop and broaden the offering to include more products and services in order to develop our relationships with customers and attract even more customers around the world. The stores and the customer experience will continue to play a key role. The optimisation of the store portfolio remains successful. Now we are stepping up the pace of investment in both our physical and digital stores to elevate and strengthen the integrated experience further.

Portfolio brands and business ventures. We are consistently growing through our other brands, new business models and initiatives. All have great growth potential individually, but also in how they complement and strengthen the H&M group. All of them start from what customers ask for and in addition they help make the fashion industry more sustainable.

Investments and partnerships. Through our investment arm Co:lab we now have around 20 investments in new companies that are important for the H&M group’s growth strategy. In a short time these investments have created significant value both financially and in the existing operations, for example by improving the customer experience and enabling innovation in sustainable materials. In an industry in rapid transition exciting opportunities arise, and we are constantly evaluating investments and acquisitions that could contribute to the H&M group’s continued sustainable growth.

While we respect the ongoing challenges brought by the pandemic, we have demonstrated our ability to quickly adapt and seize opportunities that arise. Customer focus, quick action and flexibility have been key in managing the pandemic and will be just as important going forward. Customers must always feel confident that with us they will be able to find the best combination of fashion, price, quality and sustainability. With continued satisfied customers and strong relations with all our partners, we are optimistic about the opportunities for long-term and sustainable growth for the H&M group.”

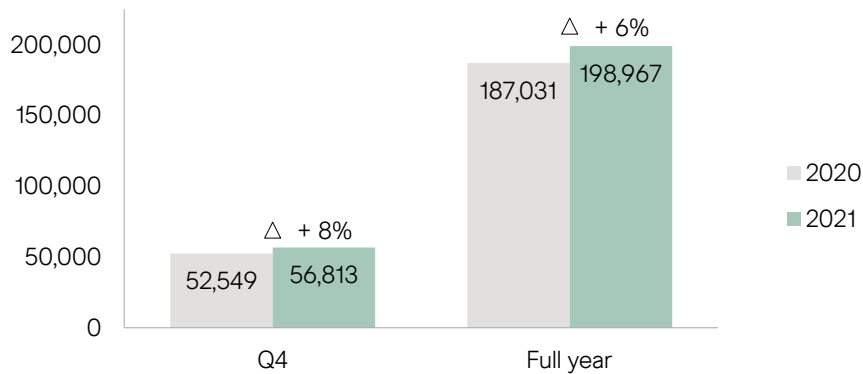
Helena Helmersson, CEO



H&M’s Innovation Circular Design Story, a ground-breaking sustainability initiative that focuses on forward-thinking design and innovative materials.

Sales

SEK m



COS

The H&M group's net sales in local currencies increased by 11 percent in the fourth quarter 2021 compared with the corresponding period last year. Converted into SEK net sales increased by 8 percent in the fourth quarter to SEK 56,813 m (52,549).

Despite continued restrictions and negative consequences of the pandemic, in the fourth quarter the H&M group's sales in local currencies were back at the same level as in 2019. At the start of the quarter around 100 stores were temporarily closed, mainly in Southeast Asia. At the end of the quarter around 115 stores were temporarily closed, mainly in Austria and Slovakia.

For the financial year 2021 the H&M group's net sales in local currencies increased by 12 percent. Converted into SEK net sales increased by 6 percent to SEK 198,967 m (187,031).

The H&M group's online sales continue to develop well, even as the stores have gradually been allowed to reopen. In the fourth quarter online sales increased by 10 percent in local currencies and by 6 percent in SEK, despite very strong comparative figures from last year.

In the financial year online sales increased by 30 percent in local currencies and by 24 percent in SEK, and represented 32 percent of the group's total sales.

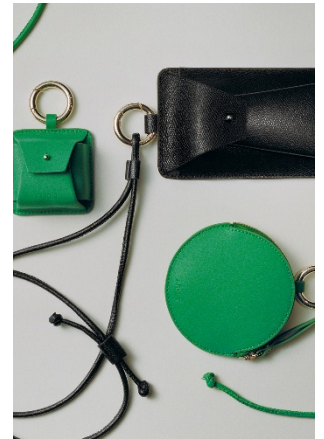
Sales for Portfolio Brands in the fourth quarter increased by 20 percent in local currencies and by 18 percent in SEK. For the financial year the increase was 15 percent in local currencies and 11 percent in SEK.

Sales and stores per segment, fourth quarter

	Q4 - 2021	Q4 - 2020	Change in %		30 Nov - 21	Stores	
	SEK m	SEK m	SEK	LCY	No. of stores	New	Closed
Europe and Africa	38,158	35,459	8	10	2,884	17	53
Asia and Oceania	6,905	8,150	-15	-12	1,160	15	37
North and South America	11,750	8,940	31	34	757	4	1
Total	56,813	52,549	8	11	4,801	36	91

Sales in top ten markets, fourth quarter

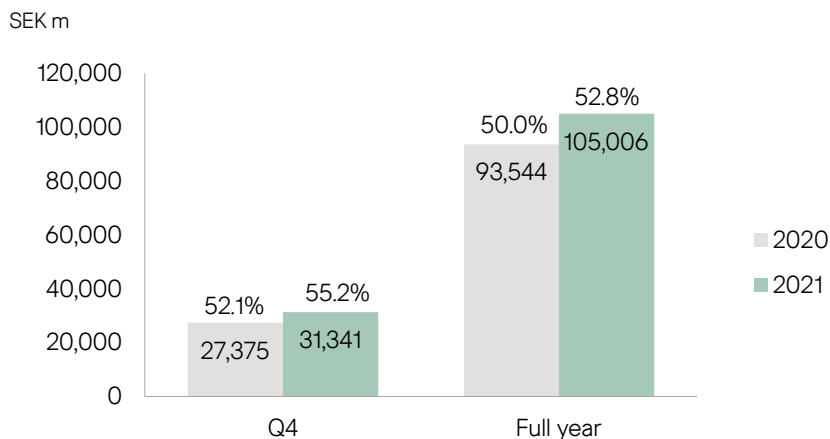
	Q4 - 2021	Q4 - 2020	Change in %		30 Nov - 21	Stores	
	SEK m	SEK m	SEK	LCY	Number of	New	Closed
Germany	8,625	8,721	-1	3	441	1	4
USA	7,691	6,030	28	31	548	0	1
UK	4,288	3,155	36	33	265	1	8
France	2,563	2,198	17	20	216	0	3
Sweden	2,209	2,128	4	4	148	1	8
Russia	2,071	1,831	13	12	168	7	0
Italy	1,933	1,743	11	14	169	0	1
China	1,789	2,917	-39	-41	445	4	31
Spain	1,634	1,534	7	10	146	1	9
Netherlands	1,579	1,601	-1	2	121	1	2
Others	22,431	20,691	8	12	2,134	20	24
Total	56,813	52,549	8	11	4,801	36	91



ARKET

Gross profit and gross margin

Gross profit and gross margin are a result of many factors, internal as well as external, and are mostly affected by the decisions that the H&M group takes in line with its strategy to always have the best customer offering in each individual market – based on the combination of fashion, quality, price and sustainability.



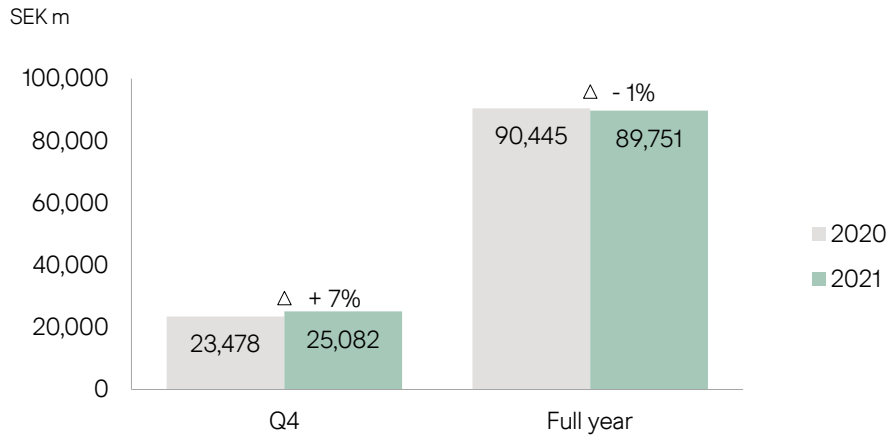
Gross profit increased by 14 percent to SEK 31,341 m (27,375) in the fourth quarter, corresponding to a gross margin of 55.2 percent (52.1). For the financial year, gross profit increased to SEK 105,006 m (93,544), corresponding to a gross margin of 52.8 percent (50.0).

Costs for markdowns in relation to sales decreased by around 1 percentage point in the fourth quarter of 2021 compared with the same quarter the previous year, which was better than the company had initially estimated. This is mainly a result of successful collections but also of the initiatives in recent years relating to the supply chain and tech, which mitigated the effects of the disruptions in product supply.

Despite substantially higher shipping and raw materials prices, for the fourth quarter the market situation as regards external factors that influenced purchasing costs was slightly positive overall compared with the same purchasing period the previous year. Increased prices for shipping and raw materials were offset by a more advantageous US dollar exchange rate.

For purchases made for the first quarter 2022 the overall market situation as regards external factors is expected to be neutral compared with the same purchasing period the previous year.

Selling and administrative expenses



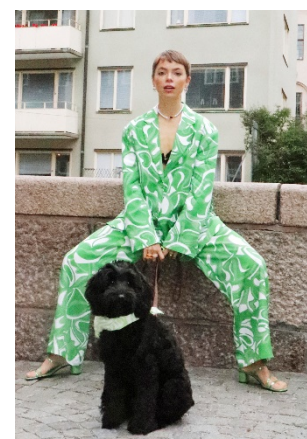
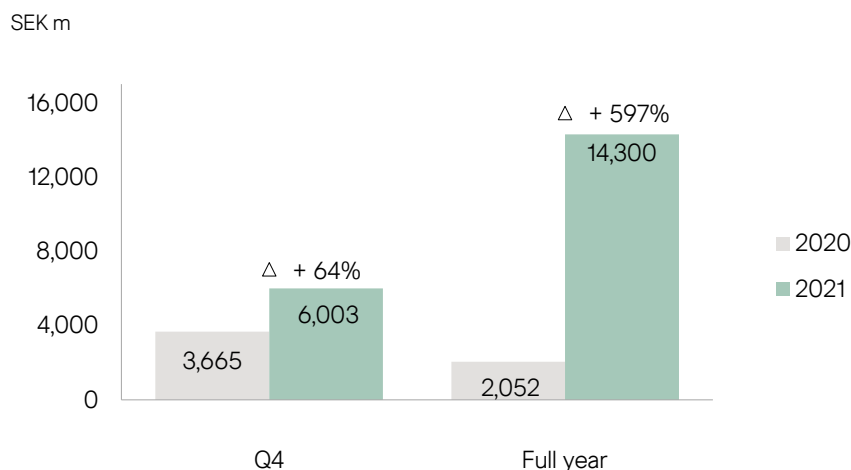
& other Stories

Continued good cost control. Selling and administrative expenses increased by 8 percent in local currencies in the fourth quarter. Converted into SEK, these expenses increased by 7 percent to SEK 25,082 m (23,478).

Government support associated with the pandemic has decreased selling and administrative expenses by a total of around SEK 83 m (500) in the fourth quarter. As the situation in many markets has gradually improved, government assistance has decreased. In Sweden, for example, no government assistance has been received for the period since 31 March 2021.

For the financial year, selling and administrative expenses increased by 3 percent in local currencies and decreased by 1 percent in SEK compared with the same period last year.

Profit after financial items



MONKL

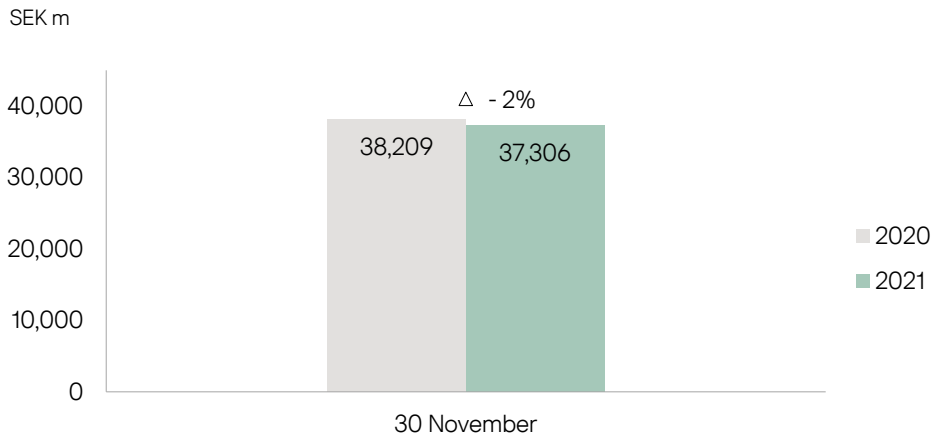
Profit after financial items in the fourth quarter increased by 64 percent to SEK 6,003 m (3,665). Before the allocation to HIP, profit in the fourth quarter increased by 70 percent. The strong result for the quarter is mainly a result of well-received collections with more full-price sales, lower markdowns and good cost control. Profit after financial items for full-year 2021 increased to SEK 14,300 m (2,052).

Income statement including and excluding IFRS 16 effects

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
SEK m				
Net sales	56,813	52,549	198,967	187,031
Gross profit	31,341	27,375	105,006	93,544
Gross profit excl. IFRS 16	31,327	27,353	104,947	93,484
Operating profit	6,259	3,897	15,255	3,099
<i>Operating margin, %</i>	<i>11.0</i>	<i>7.4</i>	<i>7.7</i>	<i>1.7</i>
Operating profit excl. IFRS 16	6,065	3,554	14,220	1,788
<i>Operating margin, % excl. IFRS 16</i>	<i>10.7</i>	<i>6.8</i>	<i>7.1</i>	<i>1.0</i>
Net financial items	-256	-232	-955	-1,047
Net financial items, excl. IFRS 16	-80	-16	-177	-97
Profit after financial items	6,003	3,665	14,300	2,052
Profit after financial items, excl. IFRS 16	5,985	3,538	14,043	1,691
Profit for the period	4,621	2,485	11,010	1,243
Profit for the period, excl. IFRS 16	4,608	2,387	10,813	965
Depreciation & amortisation	5,539	5,869	22,320	25,953
Depreciation & amortisation, excl. IFRS 16	2,692	3,245	10,332	12,084

For definitions of alternative performance measures, see page 26.

Stock-in-trade



#MHOME

The carrying amount of the stock-in-trade in SEK decreased by 2 percent compared with the corresponding point in the previous year and amounted to SEK 37,306 m (38,209). Currency adjusted the stock-in-trade was at the same level as last year.

The stock-in-trade in SEK represented 18.7 percent (20.4) of sales.

The ongoing transformation – including a more efficient supply chain and further integration of the sales channels – combined with a gradual improvement in the Covid-19 situation provides a good basis for continued lower stock levels going forward.

Growth and expansion through integrated channels

The pandemic has accelerated the already ongoing transformation of the industry, with increased digitalisation that has rapidly changed customers' behaviour. The current situation has changed the preconditions for, among other things, rental terms for stores. The H&M group is continuing to renegotiate a large number of leases as part of the company's intensified store optimisation, which also involves rebuilds and adjustment of the number of stores and of store space to ensure the best store portfolio in each market. The H&M group's contracts allow around a third of leases to be renegotiated or exited each year.

In the 2021 financial year the H&M group opened 104 (129) new stores and closed 321 (187) stores, resulting in a net decrease for the year of 217 (58) stores. For 2022 the plan is to open around 120 new stores and close around 240 stores, making a net decrease of around 120 stores. Most of the openings will be in growth markets, while the closures will mainly be in established markets.

In September the first H&M store in Panama opened successfully via franchise and Monki was launched on the e-commerce platform Zalora in the Philippines. In the fourth quarter H&M was also launched online in Chile, and & Other Stories was launched with its first store in Israel via franchise, on The Yes and on Nordstrom online in the US. In addition, Weekday was launched on Thread in the UK and Arket at The Hyundai in Korea. In December 2021 Arket opened its first store in Russia, & Other Stories launched on Yoox.com and COS launched online in Saudi Arabia via franchise.

In 2022 H&M will launch in six new markets: the first stores will open in Ecuador, Kosovo and North Macedonia, and via franchise in Costa Rica, Guatemala and Cambodia.

& Other Stories will launch in Singapore and Arket will open its first store in France in the second half of 2022.

The rollout of H&M online continues in 2022 with Belarus, Colombia, Kazakhstan, Peru and Ukraine.

COS will launch online in Australia, and via Zalora in the Philippines. Monki will be launched on About You, and on Zalora in Singapore and Malaysia.

For more information about initiatives for an improved customer experience see page 13.

Brand	No. of markets 30 Nov - 2021		Expansion 2021	Expansion 2022
	Store	Online	New markets	New markets
H&M	75	54	Store: Panama (franchise) Online: Qatar (franchise), Chile	Store: Ecuador, Kosovo, North Macedonia, Cambodia (franchise), Costa Rica (franchise), Guatemala (franchise) Online: Belarus, Colombia, Kazakhstan, Peru, Ukraine
COS	47	36	Store: Greece, Estonia, Philippines	Online: Australia, Saudi Arabia (franchise)*
Monki	20	30	-	-
Weekday	16	30	-	-
& Other Stories	24	33	Store: Israel, China	Store: Singapore
ARKET	9	32	Store: South Korea, China	Store: France, Russia*
Afound	0	4	-	-
H&M HOME	51	42	Store: Thailand (franchise)	-

* Opened in December 2021

COS, Weekday, Monki, Weekday, & Other Stories and ARKET offer Global selling which enables customers in around 70 additional markets to shop online. The exact number of markets per brand that have this service varies.



WEEKDAY

Store count by brand

As at 30 November 2021 the H&M group had 4,801 (5,018) stores, i.e. the total number of stores has decreased by 217 compared with 30 November 2020. In the current financial year 104 (129) new stores have opened and 321 (187) stores have closed. A total of 273 (269) of the group's stores are operated by franchise partners.

Brand	New Stores 2021 (net)		Total No of stores	
	Q4	Full year	30 Nov - 2021	30 Nov - 2020
H&M	-47	-187	4,242	4,429
COS	-1	-16	275	291
Monki	-10	-25	98	123
Weekday	0	0	57	57
& Other Stories	3	4	78	74
ARKET	1	3	24	21
Afound	-3	-6	0	6
H&M HOME*	2	10	27	17
Total	-55	-217	4,801	5,018

* Concept stores. H&M HOME is also included with shop-in-shop in 394 H&M stores.

Store count by segment

Segment	New Stores 2021 (net)		Total No of stores	
	Q4	Full year	30 Nov - 2021	30 Nov - 2020
Europe & Africa	-36	-144	2,884	3,028
Asia & Oceania	-22	-51	1,160	1,211
North & South America	3	-22	757	779
Total	-55	-217	4,801	5,018

Tax

The H&M group's tax rate for the 2021 financial year was 23.0 (39.4) percent. The final tax rate for the year depends on the results of the group's various companies and the corporate tax rates in each country. Last year's historically high tax rate was Covid 19-related, since the proportion of non-deductible expenses has a greater percentage impact on the tax rate when earnings before tax decrease so substantially compared with a normal year.

The H&M group's tax rate for the 2021/2022 financial year is expected to be approximately 23-24 percent. In the first three quarters of the year it is planned that a tax rate of 23 percent will be used to calculate tax expense on the result of each period.

Employees

To meet the increased digitalisation in society, with new customer behaviours and a changed competitive situation, transformation work is under way within the H&M group which encompasses all parts of the company. The ongoing pandemic has further accelerated the shift in the industry and thus the H&M group's transformation work. In general, the need for people to work in online-related parts of the business such as tech and logistics has increased, while the reverse applies to those associated with operations in the physical stores.

The reduction in employee numbers is mostly due to the expiry of temporary contracts, probationary employment coming to an end and natural attrition. The average number of employees in the group as at 30 November 2021, converted into full-time positions, was 107,375 (110,325), of which 10,540 (10,214) are employed in Sweden.

Current quarter

For the period 1 December 2021 to 31 January 2022 sales in local currencies are expected to increase by 20 percent compared with the same period last year. The period was negatively affected by the latest wave of the pandemic and its consequences in many of the group's larger markets.

The cost of markdowns in relation to sales is expected to decrease by around one percentage point in the first quarter 2022 compared with the same period last year.

Financing and liquidity

The H&M group aims to secure financial flexibility and freedom of action on the best possible terms. As previously, the efforts focus on continued improvements in working capital, cash flow and more efficient financing.

Cash flow and working capital

Cash flow from operating activities in the full-year amounted to SEK 44,619 m (25,900). Excluding IFRS 16 cash flow from operating activities amounted to SEK 32,304 m (11,726).

The cash flow is a result of positive development in sales and earnings and of improvements in working capital achieved by decreasing inventories and by streamlining invoice management and payment processes.

Liquidity and debt financing

The H&M group's liquidity remains very good. As at 30 November 2021 cash and cash equivalents amounted to SEK 27,471 m (16,540). In addition, the group has undrawn credit facilities of SEK 15,178 m (30,055). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 42,649 m (46,595).

As at 30 November 2021 the group had interest-bearing liabilities of SEK 9,614 m (16,332) in the form of commercial papers, bonds and loans from credit institutions. The average maturity of interest-bearing liabilities was 5.6 (2.1) years. The financial net cash amounted to SEK 17,857 m (208).

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities is given in the table below.



H&M

Year	Commercial papers	Bonds (EMTN)	Loans from credit institutions	Unused credit facilities
2022	275	-	161	-
2023	-	-	2,051	8,000
2024	-	-	-	7,178
2025	-	-	-	-
2026	-	-	2,000	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	5,127	-	-
Total SEK m	275	5,127	4,212	15,178



COS

The following significant events took place during full-year 2021.

- To secure access to the bond market on the best possible terms, a credit rating from Standard & Poor's was obtained. The rating is BBB with a stable outlook.
- The H&M group issued its first sustainability-linked bond. The amount was EUR 500 m with a term of 8.5 years and an annual coupon rate of 0.25 percent. The bond generated great interest and was 7.6 times oversubscribed.
- The revolving credit facility opened in April 2020 for EUR 980 m was closed.
- Interest-bearing liabilities decreased by SEK 6,718 m to SEK 9,614 m (16,332).

The group is continuing its work for more efficient financing. This includes the renegotiation of existing and new credit facilities, as well as continual monitoring of the bond market. If the need and the right market conditions arise, it is possible to issue further bonds.

Capital structure

The H&M group advocates a conservative leverage ratio, aiming for a strong capital structure with strong liquidity and financial flexibility. It is essential that, as in the past, expansion and investments can proceed with continued freedom of action. The capital structure is defined as net debt in relation to EBITDA. It should not exceed 1.0 x EBITDA over time. Net debt/EBITDA excluding IFRS effects was -0.7 (0.0) as at 30 November 2021.

IFRS 16 Leases, which is being applied from 1 December 2019, has substantial effects on the reporting of liabilities, assets and EBITDA. However, the H&M group will continue to define the capital structure exclusive of IFRS 16 effects. The company considers this to provide a clearer picture of the actual debt/equity ratio, and it is also the measure used in internal monitoring.

Dividend policy

The board of directors' intention is for the H&M group to continue to provide shareholders with a good return while ensuring that growth and investments in the business can proceed with a continued strong financial position and freedom of action. Based on this, the board of directors has proposed a dividend policy stating that the ordinary dividend over time is to exceed 50 percent of profit after tax and additionally that identified surplus liquidity – taking into consideration the capital structure target and investment requirements – can be distributed to shareholders through an extra dividend or a buyback programme.

The Annual meeting 4 May 2022: In accordance with the dividend policy the board is proposing an ordinary dividend as well as authorisation for a share buyback programme.

Proposed distribution of earnings

The funds at the disposal of the parent company are SEK 20,104 m. The board of directors is proposing to the annual general meeting that a dividend of SEK 6.50 per share is paid, totalling SEK 10,758 m, and that the remaining earnings of H & M Hennes & Mauritz AB of SEK 9,346 m are carried forward. The proposed dividend corresponds to 98 percent of the group's profit after tax. The dividend will be paid in cash, split into two instalments. The first payment of SEK 3.25 will be made in May and the second payment of SEK 3.25 will be made in November.

Proposed share buyback programme

The board will also propose to the annual general meeting 2022 that the board is authorised to pass resolutions on the buyback of shares for a total amount of SEK 3 billion in the period up to and including the 2023 annual general meeting. The intention is that the repurchased shares will be withdrawn, thereby reducing the group's share capital. It is intended that the reduction will be met by a corresponding bonus issue so that the level of share capital is restored.

The board's assessment is that the proposed distribution of earnings and the proposed authorisation for a buyback programme is justifiable taking into consideration the full-year result, the good cash flow, the continued strong financial position and the ability to make future investments (capex). The proposals take into consideration the financial position and continued freedom of action of the group and the parent company, the capital structure target and the requirements that the nature and extent of the business, and its risks, expansion and development plans impose on the group's and the parent company's equity and liquidity.

Annual general meeting 2022

The 2022 annual general meeting will be held on Wednesday 4 May 2022, starting at 15:00 CEST.

Annual and Sustainability report 2021

The annual and sustainability report and the corporate governance report are expected to be published on 31 March 2022 on hmgroup.com and will be sent out by post to shareholders that have so requested. The documents will also be available at the company's head office.

Accounting principles

The group applies International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee as adopted by the EU. This report has been prepared according to IAS 34 Interim Financial Reporting, the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary Rules for Consolidated Financial Statements and the Swedish Annual Accounts Act.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which essentially involves applying IFRS. In accordance with RFR 2, the parent company does not apply IFRS 9 when measuring financial instruments, nor does it capitalise development costs. IFRS 16 is also not applied in the parent company.

Other than as stated below regarding non-current financial assets, the accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the annual report and consolidated financial statements for 2020. No new or revised IFRS standards or interpretations applied from 1 December 2020 have had any significant impact on the consolidated financial statements.

For a more detailed description of the accounting principles applied to the group and the parent company in this interim report see pages 64–65 of the annual report for the 2020 financial year.

Non-current financial assets

The H&M group has previously assessed cost as being a reasonable approximation of the value of all investments in companies. During the year this assessment was reviewed in light of changed market conditions, which has meant a faster increase in value than expected and also that the increase in value was assessed to be permanent in the sense that the price is still variable but within a higher expected range. As of the third quarter, therefore, the H&M group has revalued those interests where the increase in value is assessed to be affected by this; primarily Klarna and Renewcell. As at 30 November 2021 the valuation has led to an increase of SEK 3,644 m. In view of the strategic nature of the interests, this is recognised in other comprehensive income and is also reflected in financial assets in the balance sheet. The valuation of Renewcell is based on the share price as at 30 November 2021 (level 1). The valuation of Klarna is based on the latest performed funding round in Klarna (level 3).



ARKET

Government assistance in connection with the Covid-19 situation

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance – due to the extraordinary situation brought about by the pandemic the H&M group received government assistance in certain markets, mainly in respect of rents and staffing.

The H&M group has chosen to report these grants as a reduction in the cost of the items to which the grants relate. The grants are reported in the income statement and balance sheet when it is reasonably certain that the grants will be received.

Financial instruments

The H&M group's financial instruments consist mainly of accounts receivable, other receivables, cash and cash equivalents, accounts payable, interest-bearing securities and liabilities, and currency derivatives.

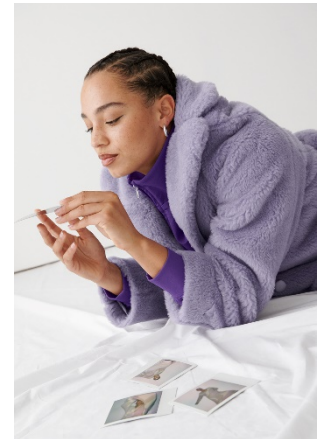
Currency derivatives are measured at fair value based on Level 2 inputs in the IFRS 13 hierarchy. As of 30 November 2021, forward contracts with a positive market value amount to SEK 1,422 m (992), which is reported under other current receivables. Forward contracts with a negative market value amount to SEK 1,015 m (590), which is recognised in other current liabilities. Equity instruments are measured at fair value, either through profit or loss or through other comprehensive income. Where equity interests are assessed to be strategic, the H&M group has chosen to recognise changes in value in other comprehensive income.

Other financial assets and liabilities are measured at amortised cost. Liabilities to credit institutions accrue interest at rates which essentially correspond to current market rates, and therefore the fair values of these and other financial instruments are assessed to be approximately equal to their book values.

Risks and uncertainties

Risks may be due to events in the outside world and affect a certain sector or market, or they may be associated with the group's own business. The H&M group carries out regular risk analysis for both operational and financial risks. Operational risks are mainly associated with the business and the external risks that affect the group. Business decisions determine whether action is to be taken to reduce the likelihood of the risk in question occurring and if so, to what extent. Business decisions also determine the extent to which the consequences of a risk that has occurred may be mitigated.

There are external risks and uncertainties affecting the H&M group that are related to the shift in the industry, fashion, competitors, information security and cybersecurity, sustainability issues, weather, macroeconomics and geopolitical events, pandemics, foreign currencies, taxes, customs duty, and various regulations and ordinances, but also in connection with expansion into new markets, the launch of new concepts and how the brands are managed. More detailed information concerning the financial risks is given in H&M Group's annual report.

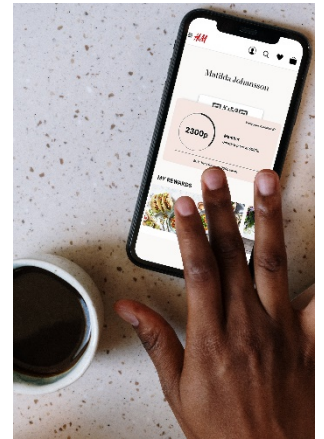


& other stories

Initiatives for an improved customer experience

Customer behaviour is changing rapidly, and the H&M group works continually on improvements in order to offer customers the best possible shopping experience. Here are some examples of ongoing initiatives:

- **H&M's customer loyalty programme** rewards members not just for purchases, but also for commitment – such as bringing in old clothes for H&M's garment collecting, choosing climate-smart delivery options, bringing their own bag when shopping and choosing products made from more sustainable materials. Continue to being rolled out in more markets.
- **More payment options.** Members of H&M can pay now or later through the H&M app, whether shopping in store or online.
- **Digital receipts.** Customers can receive digital receipts in the H&M app in most markets.
- **Visual Search.** Image recognition helps customers by making recommendations and suggesting potential buys based on pictures that the customer has taken or been inspired by.
- **Next day delivery and express delivery** continue to be rolled out in more markets.
- **Climate-smart delivery options.** H&M customers in the Netherlands, Sweden, Italy and France can opt to receive and return items using a bicycle delivery service, a solution that is much appreciated by customers. Combined with using biogas vehicles from the logistics centre, this reduces CO2 emissions. In Sweden and Norway deliveries are also made to climate smart lockers. Various kinds of climate-smart deliveries are offered in different markets.
- **Find in Store.** On seeing an item online, customers can use their mobile to find it quickly and easily in the size they want in a physical store as well as online.
- **Scan & Buy.** Customers can scan the QR code on a product in store to find and buy the item online in the size and colour they want.
- **In-Store Mode** allows customers to see on their mobiles which items are in the store they are currently in, as well as online.
- **Click & Collect** allows customers to pick up online purchases in store.
- **Online returns in store** is a service that continues to be rolled out.
- **#HMxME** enables customers to share their own fashion stories from Instagram while also providing an easy way to buy the items.
- **Size Guide** helping customers to find right size online, also for external brands, not only H&M Group products. Launched in the US, Germany and Sweden, being rolled out to more markets during 2022.
- **Rate & Review** lets customers rate and review H&M products.
- **RFID (Radio Frequency Identification)** means items with a digital price tag can be located quickly, to get precise information on an item's availability.
- **Self-service checkouts** have been much appreciated by customers and are being rolled out to more markets.
- **Instagram.** In the US, H&M customers can shop directly from inspirational images and videos on Instagram and get notifications on Instagram when H&M releases new collections.
- **H&M HOME X Augmented Reality.** H&M is continuously seeking new ways to engage its customers and reduce its carbon footprint. One example of this is the group's augmented reality pilot. Customers can preview selected H&M HOME products by virtually "placing" them in their own environment simply using the camera on their mobile.
- **Rental in store.** Offers customers the opportunity to rent occasional wear. Customers book an appointment in the store to view available garments. Available in selected H&M stores in the Netherlands, Sweden and Germany.
- **Styleboard.** Members can create their own moodboard in the H&M app and shop directly from it. In the styleboard customers can add items from other brands outside the H&M universe as well. Currently available in Sweden, will be launched in Germany during spring.



Product flow

The H&M group is continuing to fully integrate the channels in an omni model. An important part of this is the group's logistics systems and investments within tech and AI. Several initiatives involving new highly automated logistics centres with a focus on innovation are in progress globally. This will create additional capacity, flexibility and speed between sales channels as well as increasing assortment availability.

A new highly automated logistics centre is under construction in Ajax, Canada. This will supplement the logistics centres that have opened on the US East and West Coasts, creating further capacity for the H&M group's continued expansion in North America. The new logistics centre is scheduled for completion in late 2022/early 2023.

Sustainability

The H&M group's sustainability vision is to lead the transition to circular, climate positive fashion as a fair and equal company across the entire value chain.

Enhanced climate goals. Having worked actively for many years with the highest possible ambitions and aligned with science, the group is committed to halving its carbon emissions every 10 years, setting a goal of a 56 percent reduction by 2030 from a 2019 baseline. This is in accordance with the company's commitment at COP26. The long-term vision is a fossil-free supply chain. The group will therefore no longer onboard new suppliers that use coal-based fuels.

Green investments. H&M Group is increasing its investments. One example is the partnerships with renewable energy developers connected to the company's commitment to use 100 percent renewable electricity in own operations no later than 2030. During 2022 the H&M group is investing SEK 3 billion to reduce its climate footprint.

H&M Group launches circular design tool. The Circulator, a guide and digital tool that will bring the company one step closer to becoming circular, has been developed in collaboration with a range of experts such as the Global Change Award winner circular.fashion, and will support the realisation of the Ellen McArthur Foundation's vision of a circular fashion industry. The Circulator aims to raise awareness and simplify circular design decisions.

H&M Group one of top three brands on Oxfam's Nice List, where fashion brands are assessed on their progress towards improving wages in the textiles industry. The group was recognised for its commitment, its transparency and its policy of ring-fencing labour costs. Similarly, the Platform Living Wages Financials (PLWF), an alliance of 18 financial institutions, rated the group's work to improve wages as Advanced – the only one of the companies assessed to achieve this rating. The H&M group ring-fences labour costs in price negotiations to ensure that the wages paid to the textile workers are not affected. This is part of the company's responsible purchasing practices, a key enabler to improve wages systematically across the industry.

Dow Jones Sustainability Index. In 2021 the group was included in the Dow Jones Sustainability World Index for the tenth year running, scoring well above the industry average. The company achieved the highest possible scores in several areas, including environmental and social reporting and for having taken far-reaching steps in its climate strategy.

Large-scale study by H&M Group and IKEA shows the potential for changing the way that recycled textiles are used. Through broad industry collaboration the companies have been able to create a large-scale database in order to understand potentials and challenges presented by recycled textiles from a chemical contamination perspective. The findings will now be used to raise awareness concerning the chemical content of recycled textiles and to impact legislation around the circular economy.

H&M expands resell segment. From February 2022 H&M will start offering a curated selection of second-hand products, via its partner Sellpy, on hm.com – initially in Sweden, and later in Germany.

Monki partners with the BDD Foundation to raise awareness around Body Dysmorphic Disorder (BDD) and the effect of altered images in social media.

Product transparency. H&M continues to roll out the first version of the Higg Index tool. The tool measures the environmental impact of the materials used to make a product and provides customers with information on the use of water and fossil fuels, global warming and water pollution in a transparent and comparable way. The tool is available for a large range of products on hm.com in 32 markets, and during 2022 the programme will be scaled up to include more products.

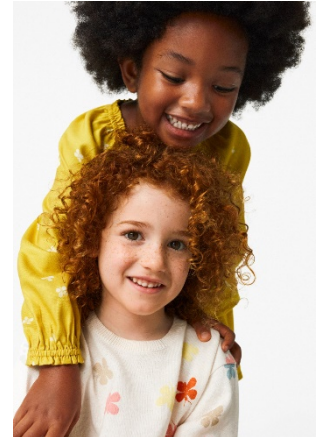


#MHOME

Read more about many of the initiatives taken and our sustainability work at [hmgroupp.com](https://www.hmgroupp.com).

Calendar

15 March 2022	Sales development in the first quarter, 1 Dec 2021 – 28 Feb 2022
31 March 2022	Three-month report, 1 Dec 2021 – 28 Feb 2022
31 March 2022	Annual and Sustainability report 2021
4 May 2022	Annual general meeting
15 June 2022	Sales development in the second quarter, 1 Mar 2022 – 31 May 2022
29 June 2022	Six-month report, 1 Dec 2021 – 31 May 2022
15 September 2022	Sales development in the third quarter, 1 Jun 2022 – 31 Aug 2022
29 September 2022	Nine-month report, 1 Dec 2021 – 31 Aug 2022
15 December 2022	Sales development in the fourth quarter, 1 Sep 2022 – 30 Nov 2022
27 January 2023	Full-year report, 1 Dec 2021 – 30 Nov 2022



H&M

This full-year report has not been audited by the company's auditors.

Stockholm, 27 January 2022
Board of Directors

Communication in conjunction with the full-year report

The full-year report for the 2021 financial year, i.e., 1 December 2020 – 30 November 2021, will be published at 08:00 CET on 28 January 2022, followed by a telephone conference at 09:00 CET for the financial market and media. The telephone conference will be held in English, hosted by CEO Helena Helmersson, CFO Adam Karlsson and Head of IR Nils Vinge.

For log in details for the telephone conference please register at hmgroupp.com or via this link: <http://emea.directeventreg.com/registration/4189924>.

To book interviews in conjunction with the full-year report on 28 January 2022, please contact: Kristina Stenvinkel, telephone: +46 70 796 54 40, stenvinkel@hm.com.

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For more information about the H&M group visit hmgroupp.com.

Information in this interim report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the EU Market Abuse Regulation (EU) No 596/2014. The information was submitted for publication by the abovementioned persons at 08:00 (CET) on 28 January 2022. This full-year report and other information about the H&M group, is available at hmgroupp.com.

H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands COS, Monki, Weekday, & Other Stories, H&M HOME and ARKET as well as Afound. The H&M group has 54 online markets and approximately 4,800 stores in 75 markets including franchise markets. In 2021, net sales were SEK 199 billion. The number of employees amounts to approximately 155,000. For further information, visit hmgroupp.com.

GROUP INCOME STATEMENT (SEK m)

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net sales	56,813	52,549	198,967	187,031
Cost of goods sold	-25,472	-25,174	-93,961	-93,487
GROSS PROFIT	31,341	27,375	105,006	93,544
<i>Gross margin, %</i>	55.2	52.1	52.8	50.0
Selling expenses	-22,667	-21,119	-80,535	-81,425
Administrative expenses	-2,415	-2,359	-9,216	-9,020
OPERATING PROFIT	6,259	3,897	15,255	3,099
<i>Operating margin, %</i>	11.0	7.4	7.7	1.7
Interest income	67	49	203	252
Interest expense and similar items	-323	-281	-1,158	-1,299
PROFIT AFTER FINANCIAL ITEMS	6,003	3,665	14,300	2,052
Tax	-1,382	-1,180	-3,290	-809
PROFIT FOR THE PERIOD	4,621	2,485	11,010	1,243

All profit for the year is attributable to the shareholders of the parent company H & M Hennes & Mauritz AB.

Earnings per share, SEK*	2.79	1.50	6.65	0.75
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	5,539	5,869	22,320	25,953
of which cost of goods sold	357	466	1,617	1,949
of which selling expenses	4,953	5,072	19,831	22,755
of which administrative expenses	229	331	872	1,249

* Before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY (SEK m)

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
PROFIT FOR THE PERIOD	4,621	2,485	11,010	1,243
Other comprehensive income				
<i>Items that are or may be reclassified to profit or loss</i>				
Translation differences	1,120	-397	1,430	-3,673
Change in hedging reserves	215	-207	-101	92
Tax attributable to change in hedging reserves	-30	43	26	-21
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of defined benefit pension plans	187	-113	187	-113
Tax related to the above remeasurement	-43	26	-43	26
Revaluation of financial assets	297	-	3,644	-
OTHER COMPREHENSIVE INCOME	1,746	-648	5,143	-3,689
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,367	1,837	16,153	-2,446

All comprehensive income is attributable to the shareholders of the parent company H & M Hennes & Mauritz AB.

GROUP BALANCE SHEET (SEK m)

ASSETS	30 Nov - 2021	30 Nov - 2020
NON-CURRENT ASSETS		
Intangible non-current assets		
Leasehold and similar rights	224	191
Capitalised expenditure	9,268	10,177
Goodwill	64	64
	9,556	10,432
Property, plant and equipment		
Buildings and land	724	745
Equipment, tools, fixture and fittings	25,852	30,894
Right-of-use assets	53,086	59,535
	79,662	91,174
Non-current financial assets		
Interests in associates	686	247
Other shares and interests	4,405	539
	5,091	786
Other non-current assets		
Long-term receivables	860	907
Deferred tax assets	5,626	5,714
	6,486	6,621
TOTAL NON-CURRENT ASSETS	100,795	109,013
CURRENT ASSETS		
Stock-in-trade	37,306	38,209
Current receivables		
Accounts receivable	3,059	3,086
Tax assets	2,834	1,686
Other receivables	3,509	2,397
Prepaid expenses	4,807	3,440
	14,209	10,609
Cash and cash equivalents	27,471	16,540
TOTAL CURRENT ASSETS	78,986	65,358
TOTAL ASSETS	179,781	174,371

GROUP BALANCE SHEET (SEK m)

EQUITY AND LIABILITIES	30 Nov - 2021	30 Nov - 2020
EQUITY		
Share capital	207	207
Reserves	2,345	990
Retained earnings	57,466	53,426
TOTAL EQUITY	60,018	54,623
LIABILITIES		
Long-term liabilities		
Provisions for pensions*	428	612
Deferred tax liabilities	3,601	3,988
Liabilities to credit institutions*	9,178	8,433
Other interest-bearing liabilities*	45,379	50,458
	58,586	63,491
Current liabilities		
Accounts payable	20,382	9,511
Tax liabilities	1,441	1,708
Liabilities to credit institutions**	436	7,899
Other interest-bearing liabilities**	11,698	13,275
Other liabilities	5,149	3,983
Accrued expenses and prepaid income	22,071	19,881
	61,177	56,257
TOTAL LIABILITIES	119,763	119,748
TOTAL EQUITY AND LIABILITIES	179,781	174,371

* Interest-bearing long-term liabilities amounts to SEK 54,985 m (59,503), excluding IFRS 16 SEK 9,606 m (9,045).

** Interest-bearing current liabilities amounts to SEK 12,134 (21,174) m, excluding IFRS 16 SEK 436 m (7,899).

GROUP CHANGES IN EQUITY (SEK m)

All shareholders' equity is attributable to the shareholders of the parent company, H & M Hennes & Mauritz AB.

	Share capital	Translation effects	Hedging reserves	Retained earnings	Total shareholders' equity
Shareholder's equity, 1 December 2020	207	725	265	53,426	54,623
Profit for the year	-	-	-	11,010	11,010
Other comprehensive income					
Translation differences	-	1,430	-	-	1,430
Change in hedging reserves	-	-	-101	-	-101
Tax attributable to hedging reserves	-	-	26	-	26
Revaluations relating to defined benefit pension plans	-	-	-	187	187
Tax attributable to the above revaluation	-	-	-	-43	-43
	-	-	-	3,644	3,644
Other comprehensive income	-	1,430	-75	3,788	5,143
Total comprehensive income	-	1,430	-75	14,798	16,153
Dividend	-	-	-	-10,758	-10,758
Shareholder's equity, 30 November 2021	207	2,155	190	57,466	60,018

	Share capital	Translation effects	Hedging reserves	Retained earnings	Total shareholders' equity
Shareholder's equity, 1 December 2019	207	4,398	194	52,270	57,069
Profit for the year	-	-	-	1,243	1,243
Other comprehensive income					
Translation differences	-	-3,673	-	-	-3,673
Change in hedging reserves	-	-	92	-	92
Tax attributable to hedging reserves	-	-	-21	-	-21
Revaluation of defined benefit pension plans	-	-	-	-113	-113
Tax attributable to the above revaluation	-	-	-	26	26
Other comprehensive income	-	-3,673	71	-87	-3,689
Total comprehensive income	-	-3,673	71	1,156	-2,446
Dividend	-	-	-	-	-
Shareholder's equity, 30 November 2020	207	725	265	53,426	54,623

GROUP CASH FLOW STATEMENT (SEK m)

	Full year 2021	Full year 2020
Operating activities		
Profit after financial items*	14,300	2,052
<i>Adjustment for non-cash items</i>		
- Provisions for pensions	-13	22
- Depreciation	22,320	25,953
Tax paid	-4,974	-3,719
Cash flow from operating activities before changes in working capital	31,633	24,308
Cash flow from changes in working capital		
Current receivables	-736	1,373
Stock-in-trade	1,263	-1,980
Current liabilities	12,459	2,199
CASH FLOW FROM OPERATING ACTIVITIES	44,619	25,900
Investing activities		
Investments in leasehold and similar rights	-178	-48
Investments in other intangible assets	-559	-1,448
Investments in equipment	-2,727	-3,606
Other investments	-614	-142
CASH FLOW FROM INVESTING ACTIVITIES	-4,078	-5,244
Financial activities		
Short-term loans	-7,671	995
New long-term loans	5,127	4,400
Amortization of long-term loans	-4,604	-6,380
Amortization lease	-12,279	-14,174
Dividend	-10,758	-
CASH FLOW FROM FINANCIAL ACTIVITIES	-30,185	-15,159
CASH FLOW FOR THE YEAR	10,356	5,497
Cash and cash equivalents at beginning of the financial year	16,540	12,312
Cash flow for the year	10,356	5,497
Exchange rate effect	575	-1,269
Cash and cash equivalents at end of the financial year**	27,471	16,540

* Interest paid for the group amounts to SEK 380 m (349).

Received interest for the group amounts to SEK 203 m (252).

** Cash and cash equivalents and short-term investments at the end of the financial year amounted to SEK 27,471 m (16,540).

FIVE YEAR SUMMARY**Full year, 1 December - 30 November**

	2017*	2018*	2019*	2020	2021
Net sales, SEK m	200,004	210,400	232,755	187,031	198,967
Change net sales from previous year in SEK, %	4	5	11	-20	6
Change net sales previous year in local currencies, %	3	3	6	-18	12
Operating profit, SEK m	20,569	15,493	17,346	3,099	15,255
Operating margin, %	10.3	7.4	7.5	1.7	7.7
Depreciations for the year, SEK m	8,488	9,671	11,051	25,953	22,320
Profit after financial items, SEK m	20,809	15,639	17,391	2,052	14,300
Profit after tax, SEK m	16,184	12,652	13,443	1,243	11,010
Cash and cash equivalents and short-term investments, SEK m	9,718	11,590	12,312	16,540	27,471
Stock-in-trade, SEK m	33,712	37,721	37,823	38,209	37,306
Equity, SEK m	59,713	58,546	57,069	54,623	60,018
Number of shares, thousands**	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK**	9.78	7.64	8.12	0.75	6.65
Equity per share, SEK**	36.08	35.37	34.48	33.00	36.26
Cash flow from operating activities per share, SEK**	13.04	12.86	17.51	15.65	26.96
Dividend per share, SEK	9.75	9.75	6.5***	-	6.5****
Return on equity, %	26.8	21.4	23.3	2.2	19.2
Return on capital employed, %	31.0	21.2	23.0	3.2	11.8
Share of risk-bearing capital, %	61.0	53.6	51.0	33.6	35.4
Equity/assets ratio, %	56.0	49.3	47.4	31.3	33.4
Total number of stores	4,739	4,968	5,076	5,018	4,801
Average number of employees	120,191	123,283	126,376	110,325	107,375

* Excluding IFRS 16.

** Before and after dilution.

*** Dividend paid during 2021.

**** Proposed by the Board of Directors.

For definitions and explanations of the alternative performance measures in this report see note 32 in the annual report.

SEGMENT REPORTING (SEK m)

	2021	2020
Asia and Oceania*		
External net sales	26,304	28,586
Operating profit	427	270
Operating margin, %	1.6	0.9
Assets excluding tax receivables	11,579	12,090
Liabilities excluding tax liabilities	2,789	2,607
Investments in intangible and tangible fixed assets	280	617
Depreciation	1,467	1,751
Europe and Africa*, **		
External net sales	132,434	128,440
Operating profit	2,884	2,646
Operating margin, %	2.2	2.1
Assets excluding tax receivables	29,221	42,436
Liabilities excluding tax liabilities	15,355	15,167
Investments in intangible and tangible fixed assets	1,556	445
Depreciation	3,868	4,331
North and South America*		
External net sales	40,229	30,005
Operating profit	866	181
Operating margin, %	2.2	0.6
Assets excluding tax receivables	16,494	20,405
Liabilities excluding tax liabilities	8,491	8,018
Investments in intangible and tangible fixed assets	625	917
Depreciation	2,671	2,877
Group Functions		
Net sales to other segments	54,775	54,619
Operating profit	11,078	2
Operating margin, %	20.2	0.0
Assets excluding tax receivables	114,027	92,040
Liabilities excluding tax liabilities	88,085	88,260
Investments in intangible and tangible fixed assets*	1,003	3,121
Depreciation	14,314	16,994
Eliminations		
Net sales to other segments	-54,775	-54,619
Total		
External net sales	198,967	187,031
Operating profit	15,255	3,099
Operating margin, %	7.7	1.7
Net financial items	-955	-1,047
Profit after financial items	14,300	2,052
Assets excluding tax receivables	171,321	166,971
Liabilities excluding tax liabilities	114,720	114,052
Investments in intangible and tangible fixed assets*	3,464	5,100
Depreciation	22,320	25,953

*Excluding IFRS 16

**South Africa

PARENT COMPANY INCOME STATEMENT (SEK m)

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net sales	1,154	1,110	3,981	3,605
GROSS PROFIT	1,154	1,110	3,981	3,605
Administrative expenses	38	-18	-46	-111
OPERATING PROFIT	1,192	1,092	3,935	3,494
Income from participation in group companies	8,376	3,082	8,376	2,627
Interest income and similar items*	10	291	38	300
Interest expense and similar items**	-35	-48	-242	-258
PROFIT AFTER FINANCIAL ITEMS	9,543	4,417	12,107	6,163
Year-end appropriations	-4	-3,439	-4	-3,439
Tax	-275	455	-825	-16
PROFIT FOR THE PERIOD	9,264	1,433	11,278	2,708

* Interest income and similar items in the quarter consists of SEK 10 m (291) in interest income and SEK 0 m (0) in translation effects from group companies and in the full-year of SEK 10 m (291) in interest income and SEK 28 m (9) in translation effects from group companies.

** Interest expense and similar items in the quarter consists of SEK -35 m (-48) in interest expense and SEK - m (-) in translation effects from group companies and in the full-year of SEK -242 m (-258) in interest expense and SEK - m (-) in translation effects from group companies.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
PROFIT FOR THE PERIOD	9,264	1,433	11,278	2,708
Other comprehensive income <i>Items that have not been and will not be reclassified to profit or loss</i>				
Remeasurement of defined benefit pension plans	7	-3	7	-3
Tax related to the above remeasurement	-1	1	-1	1
OTHER COMPREHENSIVE INCOME	6	-2	6	-2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,270	1,431	11,284	2,706

PARENT COMPANY BALANCE SHEET (SEK m)

	30 Nov - 2021	30 Nov - 2020
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and land	125	132
Equipment, tools, fixture and fittings	48	57
	173	189
Non-current financial assets		
Shares and interests	819	819
Receivables from subsidiaries	78	78
Long-term receivables	116	113
Deferred tax assets	86	80
	1,099	1,090
TOTAL NON-CURRENT ASSETS	1,272	1,279
CURRENT ASSETS		
Current receivables		
Accounts receivable	8	7
Receivables from subsidiaries	29,598	35,153
Tax assets	-	24
Other receivables	17	-
Prepaid expenses	90	57
	29,713	35,241
Cash and cash equivalents	-	-
TOTAL CURRENT ASSETS	29,713	35,241
TOTAL ASSETS	30,985	36,520

PARENT COMPANY BALANCE SHEET (SEK m)

	30 Nov - 2021	30 Nov - 2020
EQUITY AND LIABILITIES		
EQUITY		
Restricted equity		
Share capital	207	207
Restricted reserves	88	88
	295	295
Non-restricted equity		
Retained earnings	8,820	16,872
Profit for the year	11,284	2,706
	20,104	19,578
TOTAL EQUITY	20,399	19,873
UNTAXED RESERVES	32	38
LIABILITIES		
Long-term liabilities		
Provisions for pensions*	144	169
Liabilities to credit institutions*	9,233	8,468
	9,377	8,637
Short-term liabilities		
Accounts payable	4	5
Tax liabilities	519	-
Liabilities to credit institutions*	275	7,498
Other liabilities	188	257
Accrued expenses and prepaid income	191	212
	1,177	7,972
TOTAL LIABILITIES	10,554	16,609
TOTAL EQUITY AND LIABILITIES	30,985	36,520

* Only provisions for pensions and liabilities to credit institutions are interest-bearing.

ALTERNATIVE PERFORMANCE MEASURES

For other alternative performance measures see note 32 in the annual report.

Financial net debt/net cash

	Full year 2021	Full year 2020
Interest-bearing liabilities excluding lease liabilities and provisions for pensions	9,614	16,332
Cash and cash equivalents	-27,471	-16,540
Financial net debt (+) / net cash (-)	-17,857	-208

Definition: Interest-bearing liabilities excluding lease liabilities and provisions for pensions reduced by cash and cash equivalents.

Reason for use: Used to display the net value of the company's borrowings and cash and cash equivalents.

Gross profit excl IFRS 16

	Q4 - 2021	Q4 - 2020	Full year 2021	Full year 2020
Gross profit	31,341	27,375	105,006	93,544
IFRS 16 effect	-14	-22	-59	-60
Gross profit excl IFRS 16	31,327	27,353	104,947	93,484

Definition: Gross profit adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Operating profit excl IFRS 16

	Q4 - 2021	Q4 - 2020	Full year 2021	Full year 2020
Operating profit	6,259	3,897	15,255	3,099
IFRS 16 effect	-194	-343	-1,035	-1,311
Operating profit excl IFRS 16	6,065	3,554	14,220	1,788

Definition: Operating profit adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Net financial items excl IFRS 16

	Q4 - 2021	Q4 - 2020	Full year 2021	Full year 2020
Net financial items	-256	-232	-955	-1,047
IFRS 16 effect	176	216	778	950
Net financial items excl IFRS 16	-80	-16	-177	-97

Definition: Net financial items adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Profit after financial items excl IFRS 16

	Q4 - 2021	Q4 - 2020	Full year 2021	Full year 2020
Profit after financial items	6,003	3,665	14,300	2,052
IFRS 16 effect	-18	-127	-257	-361
Profit after financial items excl IFRS 16	5,985	3,538	14,043	1,691

Definition: Profit after financial items adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Profit for the period excl IFRS 16

	Q4 - 2021	Q4 - 2020	Full year 2021	Full year 2020
Profit for the period	4,621	2,485	11,010	1,243
IFRS 16 effect	-13	-98	-197	-278
Profit for the period excl IFRS 16	4,608	2,387	10,813	965

Definition: Profit for the period adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.