

STRONGHOLD

NEWSEC | **NIAM**

**ANNUAL REPORT
and
CONSOLIDATED ACCOUNTS**

1 Jan 2022 – 31 Dec 2022

STRONGHOLD INVEST AB

556713–9067

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS FOR STRONGHOLD INVEST AB

The Board of Directors and the CEO of Stronghold Invest AB ("Stronghold Invest"), Corporate Registration Number 556713–9067, with its registered office in Stockholm hereby submit the Annual Report and consolidated accounts for the financial year from 1 January–31 December 2022.

ADMINISTRATION REPORT

Information about the business

Group

Stronghold Group (the "Group") is one of the leading group of companies in Northern Europe with a focus on professional services, advisory services, technology and fund management, primarily in properties and infrastructure. Customers mainly comprise institutional investors, property owners and premises users. The Group is active via three operating segments: Newsec, Niam and Stronghold Growth.

At year-end, the Group had a total of approximately 2,700 employees across eight countries in Northern Europe.

Parent Company

Stronghold is an investment company based in Stockholm with a long-term approach, entrepreneurial mindset and active ownership strategy. Stronghold invests in Business Services and Tech-Enabled businesses catering to the real estate and infrastructure sectors in Northern Europe.

Since its founding in 1994 and the buy-out from Investor AB/Sweco in 1997, Stronghold has successfully developed into one of Europe's leading owner and developer of businesses within real asset services. Stronghold leverages its deep industry expertise, market contacts and position in the ecosystem to identify investment opportunities and drive innovation. In addition, Stronghold offers a differentiated value proposition through its unique combination of know-how in real estate and technology to providing market access, insights and capital for supporting growth in its holdings.

Stronghold consists of a team of 13 dedicated employees governed by a highly experienced Board of Directors consisting of senior professionals with backgrounds from real estate, finance, private equity and management consulting.

Stronghold's ownership model

- Active owner with a long-term perspective.
- Clear focus on acting in the best interest of its holdings, ensure the right board composition and leadership in place to achieve the company's full potential.
- Actively involved in holdings, through board representation, transaction committees and by contributing with Stronghold's network and industry expertise.
- Adhere to an entrepreneurial mindset and sustainable business practices. As such, Stronghold operate with a flexible setup that promote long-term growth and value creation, both organic and via acquisitions.
- Growth, profitability, employee satisfaction and client satisfaction represent Stronghold's four key performance indicators, which Stronghold follow closely in its portfolio companies.

Newsec – the full-service property house in Northern Europe

Newsec, founded in 1994, is a leading full-service property house within Property Asset Management, Advisory, Energy Transition, Investment Management and Digital Solutions. Newsec offers real asset owners, investors and tenants a full range of services, addressing the complete value chain and ability to act as a one-stop shop for its customers. Through its service breadth and geographic reach, Newsec has a unique position in Northern Europe and is a market leader with a strong position in all its business areas.

Newsec currently has some 2,600 employees operating out of seven markets in the Nordic and Baltic regions. Newsec has approximately SEK 700 billion under management, annually signs leases of approximately 1.7 million square metres, manages real estate transactions of some SEK 36 billion and conducts real estate valuations of underlying property worth about SEK 2,980 billion. Within Energy Transition, Newsec has an unparalleled track-record in the Nordics with nine closed renewable energy transactions at a combined deal value of more than SEK 22 billion in 2022.

Niam

Niam, founded in 1998, is a leading multi-strategy real asset private equity manager in Northern Europe. Through extensive experience and expertise, Niam has since its inception successfully delivered exceptional fund returns through various business cycles and market conditions. Niam currently operates three fund strategies: Real Estate, Infrastructure and Credit. The Real Estate strategy covers i) Opportunistic investments in commercial, residential and logistics properties to achieve income and capital growth, and ii) Core investments in office, necessity driven retail, residential, logistics and public properties to achieve stable cash flows. The infrastructure strategy focuses on value-add, sustainable investments in renewable energy/energy transition, digital infrastructure/telecommunications and the future of transportation. The Credit strategy focuses on senior secured lending solutions for high-quality commercial real estate with strong ESG focus.

Niam has some 100 employees and offices in Stockholm, Helsinki, Oslo, Copenhagen and Luxembourg. Since inception, Niam has invested more than EUR 12 billion in properties, and now manages asset under management of approximately EUR 4 billion across its strategies, from 60 active investors.

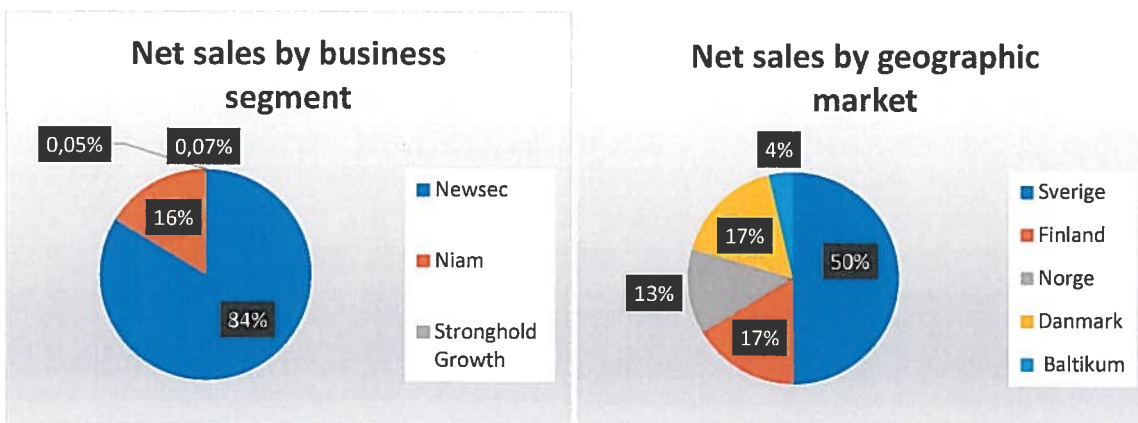
Stronghold Growth (previously Proptech)

Stronghold Growth was established in 2015 to capitalise on the digitalisation trend by leveraging Stronghold's unique position as a leading Nordic real estate services platform. Stronghold Growth invests in, and builds, companies in the intersection between real estate services and technology, to unlock digital transformation in the industry.

Since inception, Stronghold Growth has invested in 12 venture companies and incubated three businesses. Stronghold Growth continues to pursue attractive and transformative opportunities with great potential for value creation around three core investment themes; smart buildings & cities, energy transition / sustainability and connectivity tech. Through its early position in the Nordic proptech scene, and having founded Nordic PropTech Initiative and REDI (the Real Estate Digitalisation Initiative), Stronghold Growth benefit from large information flows and deep relationships in the real estate ecosystem including key decision makers.

Sales per segment and market

The diagram below shows the Group's net sales on 31 December distributed across the Group's three segments by country.



Significant events during the financial year

During 2022, Buildroid AB divested part of its holding in Netmore Group AB, which is a company that is listed on Nasdaq First North Growth Market. The divestment generated a large capital gain in Buildroid AB that was distributed to owners in November. In conjunction with this, Stronghold Invest received a dividend of SEK 122 million. The capital gain from the divestment of shares in Netmore Group is included in the Group as part of profit from associated companies.

In June, Fund IV was closed, which meant Stronghold received promote income of SEK 281 million, which was recognised as revenue within the operating result.

In 2022, shares in the Parent Company were redeemed and a subsequent bonus issue was carried out to restore share capital to its original value. Group and Parent Company equity decreased by SEK 210 million as a result of the transaction.

In May, Newsec Basale AS acquired all of the shares in a company named Hinna Park Facility Management AS. The acquisition was in line with the Group's goal to be the leading property manager in Northern Europe. The purchase consideration was SEK 22.8 million.

In July, Newsec Digital Solutions AB acquired 56 percent of the shares in a company named Zynka BIM AB. In connection with the acquisition, a directed share issue was conducted that diluted the minority shareholder after which the participating interest amounted to 63.87 percent. The acquisition was in line with the Group's goal to grow in digital real estate services. The purchase consideration was SEK 38.7 million and the new share issue SEK 15 million.

In November, 88.5 percent of Niam Credit Holding AB was acquired, including subsidiaries (previously Brunswick Holding AB). The acquisition was in line with the Group's goal to grow in the Niam segment and to increase the service offering in addition to the management of property funds. The purchase consideration was SEK 137.3 million. In December, some of the shares were sold to an external party and ownership on 31 December 2022 amounted to 83 percent.

Comments on operations, earnings and financial position

Sales and earnings

The Group's net sales increased almost 17 percent during the year to SEK 3,988 million (3,416). Sales are primarily from the Newsec segment, which reported income of SEK 3,338 million (3,085), while Niam accounted for SEK 645 million (327), Stronghold Growth for SEK 3 million (2) and other operations SEK 2 million (2).

The financial year was successful for all of the Group's business areas. The sales increase in Newsec is attributable mainly to the result of strong marketing efforts and an expanded mandate from existing customers in Newsec. Newsec secured new sales and valuation assignments that led to more stable and increasing sales for the operation. The sales increase in Niam is due primarily to a promote reported during the year of SEK 281 million related to the close of a Niam fund and a first close was held for Fund VIII, at the same time as several acquisitions took place in Niam Core Plus III.

Other operating income totalled SEK 33 million (84). In 2022, the item mainly comprised the sale of the Proptivity AB subsidiary and the remeasurement of the remaining associated company participation in the sold subsidiary at fair value. In the preceding year, earnings mainly comprised gains from the sale of associated companies and also the measurement of shares and participations at fair value in the Stronghold Growth segment.

Personnel costs amounted to SEK 2,332 million (2,129), of which variable remuneration to employees, including social security costs, totalled SEK 114 million (131). Personnel costs increased as the result of growth in the Group. Other external expenses increased, totalling SEK 1,092 million (863), and consisted primarily of costs for consultants, rent, marketing and IT. The increases year-on-year were primarily in consultancy costs and IT. IT costs increased as part of the Group's transition to a more digital approach. The increased threat in the business environment also imposed greater demands on the IT environment and IT security. Consultancy costs increased owing to growth, whereby recruitment was unable to keep pace with the need for staff.

Operating profit before depreciation and amortisation (EBITDA) amounted to SEK 662 million (529). EBITDA margin declined from 16 percent to 17 percent. The reported promote had a positive impact on the margin, but excluding this income stream EBITDA margin was 10 percent. The lower margin was mainly due to a change in the mix of the Group's income – from income with higher margins to income with lower margins. Depreciation for the year was SEK 188 million (160) and impairment SEK 24 million (9). Impairment for the year pertained to impairment of customer relationships in Newsec as a number of customers left the Group.

Operating profit amounted to SEK 450 million (360).

Profit after financial items amounted to SEK 465 million (356). The Group uses the mark-to-market method for assets and liabilities. The other financial holdings not included in the Stronghold Growth segment are measured at fair value through profit or loss in net financial items. In 2022, this resulted in financial income of SEK 4 million (2). The part of the Group's currency and interest rate-related derivatives, which are not subject to hedge accounting, are also measured at fair value through profit or loss and during the year this resulted in financial income of SEK 37 million (6), see Note 4 and Note 11 for more detail.

The Group's effective tax rate was 48 percent (13). The high tax rate in 2022 was due to a tax expense related to previous years of SEK 144 million. The Group lost a tax dispute that had been in progress for several years and the cost of this was recognised in 2022. For more information, refer to events after the balance sheet date. Adjusted for this non-recurring item, the effective tax rate was 17 percent. Refer to Note 14 for further details about the Group's effective tax.

Financial position

At year-end, the Group's cash and cash equivalents amounted to SEK 450 million, compared with SEK 393 million at the beginning of the year. On 31 December, equity amounted to SEK 720 million, compared with SEK 968 million at the beginning of the year. The Group's equity/assets ratio was 19.6 percent (30) on the balance sheet date.

Investments

Investment in tangible and intangible assets amounted to SEK 56 million (57). The Group continued to invest in operations and most of the investments concerned various customer-related systems. In addition to this, intangible assets arose in the form of customer relationships and goodwill valued at SEK 181 million (8). Customer relationships and goodwill that arose in 2022 mainly pertained to the acquisition of Brunswick Credit, which was later renamed Niam Credit, and also the acquisition of Hinna Park Facility Management AS as well as Zynka BIM AB. The largest items in 2021 pertained to the acquisition of customer relationships in conjunction with the acquisition of Helhetskontroll AS.

Cash flow

The Group's operating cash flow, cash flow from operating activities after investments and changes in working capital, amounted to SEK 104 million (243).

The change compared with the year-earlier period in respect of cash flow from operating activities, SEK 239 million (287), was mainly attributable to the following. The change in working capital had a negative impact of SEK -104 million on cash flow compared with SEK -105 million for the year-earlier period. During the year, the Group had more capital tied-up in accounts receivable while accounts payable increased, which meant the impact from working capital was less negative. The change in working capital was also impacted negatively by a discount of SEK 52 million paid to investors in one of the funds during the year. Cash flow from operating activities was positively impacted by a higher operating profit primarily due to the promote of SEK 281 million paid during the year, but negatively by tax paid by the Group in July 2022 of SEK 121 million relating to the tax dispute described in events after the balance sheet date.

Cash flow from investment activities amounted to SEK -135 million (-43). The major difference between the years is mainly due to more and larger acquisitions of subsidiaries in 2022. During the year, the Group also received a dividend from participations in associated companies, which had a positive impact of SEK 123 million on the cash flow from investment activities.

The negative cash flow from financing activities decreased compared with the preceding year. This was due to refinancing performed in 2022, which led to an increase in the bank loans. The substantial negative impact was mainly attributable to IFRS 16, where the amortisation of lease liabilities had an impact of SEK -116 million (-104). Financing activities were also influenced by dividend payments to majority and minority

shareholders of SEK -279 million (-221) as well as the redemption of shares in Stronghold Invest AB of SEK -210 million (-125).

During the year, a dividend of SEK 2.0661 per share was paid, totalling SEK 200 million. The decision was made at the Annual General Meeting. The dividend paid in 2021 amounted to SEK 175 million and SEK 175 per share. The Annual General Meeting on 22 June 2022 resolved on a 1:100 split, which means the dividend per share was lower compared with previous years.

Significant events after the end of the financial year

In January 2023, Newsec Basale AS acquired all of the shares in the company Rådgivende Ingeniører Løyning AS. The company complements existing activities in Norway and strengthens Newsec's service offering in energy optimisation. The acquisition price amounted to SEK 24 million. In conjunction with the acquisition, a customer relationship was identified of SEK 23 million, which will be amortised over seven years.

In early April 2023, the Administrative Court of Appeal issued its judgment on the tax dispute between the company and the Swedish Tax Agency that has been ongoing for several years. The dispute concerned whether the divestment of participations in partnerships during the 2017 income year should be considered as tax-exempt capital gain. The judgment clarifies that capital gain must be considered taxable income which means the Group must pay tax, interest expense and tax surcharges on the capital gain. Since this was considered an event that confirms a circumstance present on the balance sheet date, the impact of the judgment was taken into consideration in the annual accounts on 31 December. The tax imposed amounted to SEK 113 million, interest expense to SEK 8 million and tax surcharges to SEK 23 million, or a total cost of SEK 144 million. The entire cost was recognised as a tax expense.

In April, five senior executives in Niam Credit subscribed for warrants in Niam Credit Advisory AB. The value of the warrants is based on an established valuation model for market valuations of warrants. In total, the senior executives subscribed for 12,267 warrants at a value of SEK 63.89 per warrant.

In April 2023, the Parent Company participated in a new share issue in the associated company Proptivity AB. The invested capital amounted to SEK 12 million. Following the new share issue, ownership in Proptivity AB was diluted from 38 percent to 35 percent.

No other significant events have taken place after the balance-sheet date.

Material risks and uncertainties

All business operations are associated with risks that the Board and management must take into account and act accordingly. The Stronghold Group's geographic distribution and diversification of services helps to reduce risk exposure. The risks identified in the Group relate to three areas: general market risk, risks linked to specific customer relationships and loss of key employees.

Market risk

The situation in Eastern Europe that emerged and escalated beginning in March 2022 and its effects on the global geopolitical situation will naturally influence the global economy and thereby Stronghold's operations and customers in both the short and long term, as the result of circumstances such as a battery of sanctions and slowdown in several sectors. In addition to the uncertainty in Eastern Europe, the energy and supply crises that affected Europe have pushed inflation upward. Higher inflation also led to a higher level of interest rates worldwide. Overall, the global economy suffered a substantial downturn starting in autumn 2022. It is not possible at the present time to predict the duration or extent and thus the quantitative effects for the Group. The companies in the Group, which has a relatively high share of recurring income and diversified customer base, proactively use action plans to maintain a high level of preparedness and to offset market risk in the best possible manner.

Customer risk

Risk related to customers is primarily the risk that a customer chooses to end their collaboration with the Stronghold Group, or that a customer is unable to fulfil their commitments. The customer base for the

Group as a whole is diversified and certain subsidiaries have long-term agreements that create a stable foundation. However, some of the Group's subsidiaries include individual customers that account for a significant portion of the company's sales. The companies strive to actively manage customer relationships in the best possible manner.

Loss of key employees

The Stronghold Group conducts a number of knowledge-intensive activities and capitalises to a high degree on the expertise of employees. The Group's values – "Passion for colleagues and clients" – acknowledges the strategic approach to employees. To create the best possible conditions and stimulating work for employees, also provides better opportunities for satisfied customers, continued economic growth and profitability for the Group. The Group's ambition is to attract and recruit the best possible employees for the business. One part of this effort is offering variable incentives to employees, as well as offering opportunities for partnership to key colleagues.

Financial instruments and risk management

The Group's and Parent Company's business risks and risk management as well as the management of financial risks are described in Note 4.

Personnel

During the year, the Group had an average of 2,518 (2,301) employees, of whom 1,284 (1,180) were women. The increase in the number of employees is attributable to organic growth in the companies.

Non-financial disclosures

Sustainability

Sustainability reporting is an important part of increasing understanding of the environmental impact of the Stronghold Group and its subsidiaries. Niam AB and the Newsec Group prepare yearly sustainability reports.

Stronghold consider environmental, social and governance considerations to be fundamental in successfully developing companies to withstand in today's market environment and deliver sustainable growth and profitability. Equally, Stronghold consider that it is within the Group's duty to contribute and act responsibly as a long-term investor, employer and community builder.

The real estate industry is faced by climate change as the most predominant sustainability challenge, with ~40% of global CO₂ emissions being attributed to real estate and construction. Under the EU taxonomy regulation, real estate's emission has been identified as a key area in climate change mitigation and adaptation. As an investment company with a focus on business services and tech enabled businesses in the real asset industry, Stronghold has a significant opportunity to contribute to climate change mitigation and adaptation.

ESG is an integrated part of Stronghold's business. Our ESG priorities inform our operations through responsible business practices, we use it to influence our portfolio companies to integrate sustainability into their core business models and it is an integral factor in our investment approach. Stronghold's ESG priorities are formed based on the UN 2030 Agenda for Sustainable Development together with identified material ESG issues, and shaped to focus our efforts on the most material environmental, social and governance issues, drive performance and engage internal and external stakeholders.

Environmental responsibility

Stronghold actively seeks to leverage its position in the real asset industry to contribute to climate change mitigation and adaptation by developing and/or investing in business models that contribute to a reduction of greenhouse gas emissions, energy efficiency and the green energy transition.

Newsec supports its clients in strategic sustainability management, energy optimisation, as well as investments in renewable energy and electrification. Niam future proofs its real estate assets through sustainability initiatives and has a focus on sustainable infrastructure in its Infrastructure fund. Stronghold Growth is through its focus on investments in the intersection of real estate and technology well-positioned to invest in market opportunities that arise from sustainability trends.

In addition to the environmental focus in the service offering of Stronghold's portfolio companies, Stronghold also ensure that Stronghold's portfolio companies Newsec and Niam measure their greenhouse gas emissions (scope 1, 2 and relevant parts of scope 3), set relevant associated climate targets and focus on actions to reach the targets.

Social responsibility

Stronghold's ambition is to contribute to, and enhance, cities and communities' attractiveness and sustainable growth by being an active community builder in the cities it operates in. As an example, Stronghold Growth drives the development of smart cities through its investments and incubations of companies in the field, such as the 5G indoor neutral host Proptivity.

The foundation for Stronghold's core values is "Passion for colleagues and clients". Stronghold believes in developing its people in line with business needs – emphasising employee wellbeing and growth, as well as diversity and inclusion.

Governance responsibility

Stronghold's business practices are coded and conducted to maintain the highest level of integrity, morality and ethics. As an example, Stronghold emphasises having appropriate policies and reporting procedures in place to address material ESG aspects.

Personnel issues

A group such as the Stronghold Group, whose business is based on knowledge-intensive advisory services, is always heavily dependent on its employees. The Group pursues an active and long-term approach to performance management and leadership development and conducts annual employee surveys at the company.

Development of operations, financial position and earnings (Group)

Amounts in SEK thousand	2022	2021	2020	2019	2018
<i>Sales and earnings</i>					
Income	3,988,363	3,416,403	3,001,419	2,918,216	2,648,828
Operating profit before	661,602	528,828	387,684	962,209	211,398
Operating profit	449,810	359,635	217,133	658,281	168,793
Profit after financial items	465,464	356,438	191,258	635,302	172,490
Profit for the year	239,983	310,757	142,712	620,718	140,208
Change in sales	16.7%	13.8%	2.9%	10.1%	29.2%
Operating margin	16.6%	15.5%	12.9%	33.0%	8.0%
Profit margin	11.7%	10.4%	6.4%	21.4%	6.5%
<i>Capital structure</i>					
Non-current assets	2,218,671	1,989,800	1,961,849	1,815,627	1,566,347
Current receivables	992,748	792,321	661,725	665,903	680,837
Current investments	1,074	30,762	—	—	—
Cash and bank balances	450,177	393,269	661,520	799,216	197,011
Total assets	3,662,670	3,206,152	3,285,094	3,280,746	2,444,195
Equity, Parent Company owners	719,525	967,715	1,037,279	1,189,763	680,876
Non-controlling interests	140,461	135,693	86,095	73,506	58,401
Provisions/non-current liabilities	1,161,683	1,023,901	1,173,171	1,099,796	844,722
Current liabilities	1,641,001	1,078,843	988,549	917,681	860,196
Total equity and liabilities	3,662,670	3,206,152	3,285,094	3,280,746	2,444,195
Equity/assets ratio	19.6%	30.2%	31.6%	36.3%	27.9%
Capital employed	2,613,383	2,263,519	2,408,606	2,509,075	1,585,789
<i>Profitability</i>					
Return on capital employed	19.3%	16.9%	9.5%	27.2%	14.2%
Return on total capital	13.8%	12.0%	7.0%	20.8%	9.2%
Return on equity	33.4%	32.1%	13.8%	52.2%	20.6%
<i>Personnel</i>					
Average number of employees	2,518	2,301	2,096	1,941	1,743
Sales per employee	1,584	1,485	1,432	1,503	1,520
Profit before tax per employee	185	155	91	359	99

Return on equity: Profit for the year as a percentage of equity attributable to Parent Company shareholders

Return on capital employed: Profit before tax plus financial expenses as a percentage of capital employed

Return on total capital: Profit before tax plus financial expenses as a percentage of total assets

EBITDA: Operating profit before depreciation/amortisation

EBIT: Operating profit after depreciation/amortisation

Operating margin: Operating profit before depreciation/amortisation as a percentage of sales

Profit margin: Profit before tax as a percentage of sales

Total assets: Total assets excluding client deposits

Total liabilities/total assets: Total liabilities excluding client deposits

Equity/assets ratio: Equity as a percentage of total assets excluding client deposits

Capital employed: Total assets less non-interest-bearing liabilities and deferred tax liabilities

Sales: Excludes capitalised production costs

Change in sales: Sales for the year relative to the previous year's sales

Sales per employee: Sales divided by the average number of employees

Profit before tax per employee: Profit before tax divided by the average number of employees

Parent Company

The company's net sales amounted to SEK 54 million (51) and profit after net financial items was SEK 443 million (128). Profit for the year amounted to SEK 372 million (186). During the year, the associated company Buildroid AB sold participations in the listed company Netmore Group. Buildroid AB then distributed the gain from the sale to the owners of the company, whereof Stronghold Invest received a total of SEK 122 million. In conjunction with the dividend received, the value of the holding in the associated company was impaired to the value of the associated company's equity. This impairment amounted to SEK 72 million. The Parent Company also provided a contribution to a subsidiary of SEK 146 million, which was fully impaired. In addition to this, a promote was received for an investment in Niam's funds of SEK 281 million. The company also received dividends from subsidiaries of SEK 89 million (53).

Income in the Parent Company consisted of royalties for the Niam and Newsec brands, some sales of consulting services and Group-wide costs that are re-invoiced. The company's costs largely pertained to costs for personnel, consultancy services, administration and premises.

Expected future development

Stronghold expects the Nordic property market will remain a relatively attractive investment option and asset class for domestic and international players. The continued consequences of the situation in Eastern Europe and its effects on the global geopolitical situation, the energy crisis, inflation and the higher level of interest rates will naturally influence Stronghold's operations in both the short and long term, due to factors including the significant economic slowdown in several sectors. It is not possible at the present time to predict the duration or extent and thus the quantitative effects for the Group.

At the same time, the Group's operations largely concern services with a very high level of recurring income, and a diversified customer portfolio that reduces the risk level and provides more stable earnings. Overall, the Board and management have a positive outlook for the Group's future development and underlying earnings over time.

Proposed appropriation of profit

At the disposal of the Annual General Meeting:

Parent Company

The following profits are at the disposal of the Annual General Meeting (SEK)

Retained earnings	533,183,332
Profit for the year	<u>226,015,155</u>
	<u>759,198,487</u>

The Board of Directors proposes that funds be distributed as follows

For distribution to shareholders	99,838,670
To be carried forward	<u>659,359,817</u>
	<u>759,198,487</u>

The Board of Directors' statement on the proposed dividend

The Board of Directors believes that the proposed dividend will not prevent the company and Group from fulfilling its obligations in the long or short term, nor from making necessary investments. Therefore, the proposed dividend can be justified in accordance with what is stated in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act (the prudence rule).

With reference to the Parent Company's and Group's earnings and financial position in general, refer to the following financial statements. All amounts are given in thousands of Swedish kronor unless otherwise indicated.

CONSOLIDATED INCOME STATEMENT

Amounts in SEK thousand	Note	2022	2021
Income	5, 6, 48	3,988,363	3,416,403
Other income	7, 48	33,180	83,615
		4,021,543	3,500,018
Capitalised production costs		14,406	10,777
<i>Operating expenses</i>			
Other external expenses	8, 9, 48	-1,092,006	-862,961
Personnel costs	10, 48	-2,332,458	-2,129,168
Depreciation/amortisation and impairment of tangible and intangible assets	15, 16, 17, 18	-211,792	-169,193
Other operating expenses		-14,882	-722
Share of profits of associated companies	20	64,999	10,884
		-3,586,139	-3,151,160
Operating profit		449,810	359,635
<i>Financial items</i>			
Financial income	11	54,597	23,555
Financial expenses	12	-38,943	-26,752
		15,654	-3,197
Profit before tax		465,464	356,438
Income tax	14, 48	-225,481	-45,681
Profit for the year		239,983	310,757
Attributable to:			
Parent Company shareholders		176,949	212,307
Non-controlling interests		63,034	98,450

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousand	Note	2022	2021
Profit for the year		239,983	310,757
Other comprehensive income			
<u>Items that may be reclassified to profit or loss:</u>			
Translation differences on translation of foreign subsidiaries		29,852	19,679
Hedge accounting		-3,075	-12,604
Total items that may be reclassified to profit or loss		26,777	7,075
Total comprehensive income		266,760	317,832
Attributable to:			
Parent Company shareholders		201,313	217,581
Non-controlling interests		65,447	100,251

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	15, 48	1,064,828	989,555
Customer relationships	16	303,310	199,491
Other intangible assets	16	151,887	99,737
		1,520,025	1,288,783
Tangible assets			
Equipment	17	30,480	36,789
Right-of-use assets	18	319,073	372,753
		349,553	409,542
Financial assets			
Participations in associated companies	20	36,171	88,875
Derivatives	4, 21	42,547	4,520
Other non-current receivables	4, 22	220,032	162,337
		298,750	255,732
Other non-current assets			
Deferred tax assets	37, 48	50,343	35,743
		50,343	35,743
Total non-current assets		2,218,671	1,989,800
Current assets			
Derivatives	4, 21	—	3,764
Accounts receivable	23	552,361	419,398
Contract assets	25	169,547	148,642
Receivables from associated companies		5,320	—
Current tax assets	48	62,034	26,539
Prepaid expenses and accrued income	26	78,671	62,389
Other current receivables	27	124,815	131,589
Current investments	28	1,074	30,762
Cash and cash equivalents	28	450,177	393,269
Client deposits	28	16,296	156,594
		1,460,295	1,372,946
TOTAL ASSETS		3,678,966	3,362,746

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT.

Amounts in SEK thousand	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital (92,443,213 shares, quotient value of SEK 0.11)	29	10,000	10,000
Translation reserve	30	70,216	42,777
Currency hedging reserve		-2,226	849
Retained earnings including profit for the year		641,535	914,089
Equity attributable to Parent Company shareholders	48	719,525	967,715
Non-controlling interests	35	140,461	135,693
		859,985	1,103,408
Non-current liabilities			
Liabilities to credit institutions	32	845,690	670,973
Derivatives	4, 21	—	—
Lease liabilities	34	201,720	260,714
Other non-current liabilities	33	13,313	24,877
Deferred tax liabilities	37	78,914	62,144
Other provisions	38	22,046	5,193
		1,161,683	1,023,901
Current liabilities			
Liabilities to credit institutions	32	446,677	56,026
Derivatives	4, 21	7,238	1,924
Lease liabilities	34	109,035	104,396
Accounts payable		256,156	136,369
Contract liabilities	39	76,677	82,275
Current tax liabilities		107,678	36,008
Other provisions	38	—	51,766
Other current liabilities		167,120	174,494
Accrued expenses and deferred income	40	470,420	435,585
Client deposits	28	16,296	156,594
		1,657,297	1,235,437
TOTAL EQUITY AND LIABILITIES		3,678,966	3,362,746

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousand	Share capital	Translation reserve	Currency hedging reserve**	Retained earnings including profit for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2021	10,000	24,899	13,453	988,927	1,037,279	86,095	1,123,374
Comprehensive income							
Profit for the year				212,307	212,307	98,450	310,757
<u>Other comprehensive income:</u>							
Translation differences		17,878			17,878	1,801	19,679
Hedge accounting			-12,604		-12,604		-12,604
Total other comprehensive	0	17,878	-12,604		5,274	1,801	7,075
Total comprehensive income	0	17,878	-12,604	212,307	217,581	100,251	317,832
Transactions with shareholders:							
Dividend				-175,000	-175,000	-46,245	-221,245
Shareholders' contributions paid/received minority					0	1,915	1,915
Sale of own shares				1,602	1,602	1,628	3,230
Acquisition of own shares				-1,721	-1,721	-1,754	-3,475
Warrants issued				1,205	1,205		1,205
Redemption of shares				-125,491	-125,491		-125,491
Changes to net assets in joint ventures after acquisition date				-11,468	-11,468		-11,468
Minority's withdrawal/contribution in limited partnerships during the year					0	-10,116	-10,116
Transactions with non-controlling interests*				23,728	23,728	3,919	27,647
Total transactions with shareholders	0	0	0	-287,145	-287,145	-50,653	-337,798
Closing balance, 31 December 2021	10,000	42,777	849	914,089	967,715	135,693	1,103,408
Opening balance, 1 January 2022	10,000	42,777	849	914,089	967,715	135,693	1,103,408
Comprehensive income							
Profit for the year				176,949	176,949	63,034	239,983
<u>Other comprehensive income:</u>							
Translation differences		27,439			27,439	2,414	29,853
Hedge accounting			-3,075		-3,075		-3,075
Total other comprehensive income	0	27,439	-3,075		24,364	2,414	26,778
Total comprehensive income	0	27,439	-3,075	176,949	201,313	65,448	266,761
Transactions with shareholders:							
Dividend				-200,000	-200,000	-78,879	-278,879
Shareholders' contributions paid/received minority					0	-3,374	-3,374
Redemption of shares				-209,963	-209,963		-209,963
Warrants issued						14,852	14,852
Changes to net assets in joint ventures after acquisition date				-9,723	-9,723		-9,723
Minority's withdrawal/contribution in limited partnerships during the year						1,715	1,715
Transactions with non-controlling interests*				-29,817	-29,817	5,006	-24,811
Total transactions with shareholders	0	0	0	-449,503	-449,503	-60,680	-510,183
Closing balance, 31 December 2022	10,000	70,216	-2,226	641,535	719,525	140,461	859,986

* The amounts in the preceding year pertained largely to the sale of participations in Niam AB. In 2022, the amount largely related to acquisitions of controlling interest in two different Newsec companies. For more information refer to Notes 45 and 46.

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK thousand	Note	2022	2021
Cash flows from operating activities			
Operating profit		449,810	359,635
Adjustments for non-cash items			
Depreciation	16,17,18	187,430	160,485
Impairment	15,16,17,18	24,362	8,709
Share of profits of associated companies	20	-64,999	-10,884
Acquisition-related items		2,926	—
Gain/loss from sale of shares and participations		-27,206	-3,439
Impairment of shares and participations		2,882	—
Gain/loss from sale of associated companies		—	-36,607
Measurement of shares and participations at fair value		5,904	-42,950
Unrealised derivative effects		6,515	16,775
Correction of SaaS systems		—	8,259
Bonus provisions		—	8,300
Discount provision according to contract funds		—	2,877
Other		-413	225
Interest received		6,084	5,264
Interest paid		-46,117	-18,289
Income tax paid		-203,978	-66,381
		238,551	391,979
Decrease (+)/increase (-) accounts receivable		-143,985	-40,626
Decrease (+)/increase (-) receivables		-2,906	-70,230
Decrease (-)/increase (+) accounts payable		106,579	19,539
Decrease (-)/increase (+) current liabilities		-64,337	-13,841
Cash flows from operating activities		238,551	286,821
Investment activities			
Acquisition of intangible assets	16	-46,548	-42,917
Sale of intangible assets	16	—	527
Acquisition of equipment	17	-9,668	-13,995
Sale of equipment	17	1,270	767
Repayment from funds		2,527	22,554
Other lending		-868	-2,621
Investment in shares and participations	20	-63,938	-35,730
Sale of shares and participations	20	—	26,785
Divestment of associated companies	22	598	43,308
Shareholders' contributions paid to associated companies	22	-8,900	-33,850
Dividends from associated companies		122,722	496
Current investments/terminated current investments		29,688	-30,762
Sale of own shares		—	3,230
Acquisition of own shares		—	-3,475
Acquisition of Group companies	43, 45	-182,897	-5,740
Divestment of Group companies as part of controlling interest	46, 47	21,282	28,054
Cash flows from investment activities		-134,732	-43,369
Financing activities			
Contributed capital from non-controlling interests		—	5,450
Withdrawn capital from non-controlling interests		-2,896	-13,654
Amortisation of liability/repayment of loans	44	-853,119	-155,132
Borrowings	44	1,398,775	100,000
Amortisation of lease liabilities' principal amount	44	-116,190	-103,778
Dividend to non-controlling interests		-78,879	-46,245
Dividend		-200,000	-175,000
Redemption of shares		-209,972	-125,491

Warrants subscribed		14,852	1,205
Cash flows from financing activities		-47,429	-512,642
Cash flow for the year		56,390	-269,190
Opening cash and cash equivalents		393,269	661,520
Conversion effect cash and cash equivalents		518	939
Closing cash and cash equivalents		450,177	393,269

PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK thousand	Note	2022	2021
Income	6	53,916	50,577
Other income	7	491	894
		54,407	51,471
<i>Operating expenses</i>			
Other external expenses	8, 9	-54,078	-31,619
Personnel costs	10	-33,799	-28,634
Depreciation/amortisation of tangible and intangible assets	17	-157	-527
Other operating expenses		-65	-16
		-88,099	-60,796
Operating profit		-33,692	-9,325
<i>Financial items</i>			
Financial income	11	581,991	161,799
Financial expenses	12	-250,887	-24,236
		331,104	137,563
Profit before tax		297,412	128,238
Appropriations	13	-16,796	64,128
Tax	14	-54,601	-6,321
Profit for the year		226,015	186,045

The Parent Company has no items recognised in other comprehensive income and accordingly does not present a statement of comprehensive income.

PARENT COMPANY'S BALANCE SHEET

Amounts in SEK thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Tangible assets			
Equipment	17	155	312
		155	312
Financial assets			
Participations in Group companies	19	502,340	516,691
Participations in associated companies	20	39,305	96,497
Receivables from Group companies	24	119,351	1,031,128
Other non-current receivables	22	124,599	69,509
		785,595	1,713,825
Total non-current assets		785,750	1,714,137
Current assets			
Current receivables			
Accounts receivable		907	7,453
Receivables from Group companies	24	502,242	194,296
Prepaid expenses and accrued income	26	3,034	1,353
Other current receivables	27	7,366	1,287
		513,549	204,389
Cash and cash equivalents	28	342	1,042
		513,891	205,431
TOTAL ASSETS		1,299,641	1,919,568
EQUITY AND LIABILITIES			
Equity			
<u>Restricted equity</u>			
Share capital (92,443,213 shares, quotient value of SEK 0.11)	29	10,000	10,000
		10,000	10,000
<u>Unrestricted equity</u>			
Retained earnings		533,183	757,101
Profit for the year		226,015	186,045
		759,198	943,146
Total equity		769,198	953,146
Untaxed reserves	31	17,270	17,270
Non-current liabilities			
Liabilities to credit institutions	32	124,250	670,973
		124,250	670,973
Current liabilities			
Liabilities to credit institutions	32	264,200	56,026
Accounts payable		10,366	2,682
Liabilities to Group companies	36	40,253	201,028
Other current liabilities		60,599	8,850
Accrued expenses and deferred income	40	13,505	9,593
		388,923	278,179
TOTAL EQUITY AND LIABILITIES		1,299,641	1,919,568

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousand	Restricted equity	Unrestricted equity		Total equity
	Share capital	Retained earnings	Profit for the year	
Opening balance, 1 January 2021	10,000	996,608	59,779	1,066,387
Transfer of previous year's profit		59,779	-59,779	0
Comprehensive income				
Profit for the year			186,045	186,045
Total comprehensive income	0	0	186,045	186,045
Transactions with shareholders				
Redemption of shares		-125,491		-125,491
Warrants issued		1,205		1,205
Dividend		-175,000		-175,000
Total transactions with shareholders	0	-299,286	0	-299,286
Closing balance, 31 December 2021	10,000	757,101	186,045	953,146
Opening balance, 1 January 2022	10,000	757,101	186,045	953,146
Transfer of previous year's profit		186,045	-186,045	0
Comprehensive income				
Profit for the year			226,015	226,015
Total comprehensive income			226,015	226,015
Transactions with shareholders				
Redemption of shares		-209,963		-209,963
Dividend		-200,000		-200,000
Total transactions with shareholders	0	-409,963	0	409,963
Closing balance, 31 December 2022	10,000	533,183	226,015	769,198

PARENT COMPANY'S STATEMENT OF CASH FLOWS

Amounts in SEK thousand	Note	2022	2021
Cash flows from operating activities			
Operating profit		-33,692	-9,325
Adjustments for non-cash items			
Depreciation	17	157	527
Promote received		281,131	
Interest received		34,513	41,021
Interest paid		-20,178	-17,521
Income tax paid/received		-3,617	-2,449
		258,314	12,253
Decrease (+)/increase (-) receivables		-15,189	-2,339
Decrease (-)/increase (+) accounts payable		7,684	35,428
Decrease (-)/increase (+) current liabilities		-185,115	179,959
Cash flows from operating activities		65,694	225,301
Investment activities			
Acquisition of subsidiaries	19	-140,217	-50
Divestment of subsidiaries	47	155,816	27,403
Shareholders' contributions paid to subsidiaries	19	-5,000	-38,848
Acquisition of associated companies	20	-6,700	—
Shareholders' contributions paid to associated companies	20	-8,900	-33,850
Divestment of associated companies	20	695	42,500
Investment in other shares and participations		-57,972	-30,665
Divestment of other shares and participations		—	16,431
Distribution received from limited partnerships		16,112	624
New interest-bearing intra-Group loans		-1,061,304	—
Repayment interest-bearing intra-Group loans		1,160,922	
Repayments received on interest-bearing intra-Group loans	24	259,267	64,287
Cash flows from investment activities		312,719	47,832
Financing activities			
Bank loans		489,691	100,000
Amortisation/repayment bank loans		-848,605	-151,649
Newly raised interest-bearing intra-Group loans		100,000	—
Group contributions received/paid		79,176	26,262
Redemption of shares		-209,963	-125,491
Warrants subscribed		—	1,205
Dividends received		210,588	52,500
Dividends paid		-200,000	-175,000
Cash flows from financing activities		-379,113	-272,173
Cash flow for the year		-700	960
Opening cash and cash equivalents		1,042	82
Conversion effect cash and cash equivalents		—	—
Closing cash and cash equivalents		342	1,042

NOTES

1. General information

STRONGHOLD INVEST AB ("Stronghold Invest"), Corporate Registration Number 556713-9067, is a limited liability company with registered office in Stockholm, Sweden. The address of the head office is Stureplan 3, SE-103 96 Stockholm.

The operations of the company and its subsidiaries (the "Group") encompass property-related advisory services, asset management and fund management.

The Parent Company of the Group is Stronghold Invest AB, Corporate Registration Number 556713-9067, with registered office in Stockholm. The company is a subsidiary of Pejoni AB, Corporate Registration Number 556716-2705.

2. Significant accounting policies

The consolidated accounts for Stronghold have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU, as well as interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. In accordance with the exception rules for unquoted companies, Stronghold has chosen not to adopt IAS 33 Earnings Per Share.

In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for Groups.

In the consolidated accounts, items have been measured at cost, except in the case of certain financial instruments measured at fair value. The significant accounting policies applied are described below.

New and amended standards adopted by the Group

Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework

The amendment to IFRS 3 means it refers to the 2018 Conceptual Framework instead of the 1989 Framework. The amendment also adds to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination. Lastly the addition to IFRS 3 of an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Amendments to IAS 16 Property, Plant and Equipment

The amendment prohibits deducting from the cost of an item of property, plant and equipment any consideration from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the consideration from selling such items, and the cost of producing those items, in profit or loss. In the opinion of executive management, the amendment to IAS 16 had no material effects on the Group.

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The amendment covers the costs to include in estimating the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous. The amendment specifies that the cost of fulfilling a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). In the opinion of executive management, the amendment to IAS 37 had no material effects on the Group.

Improvements to IFRSs 2018–2020

Improvements to IFRSs 2018–2020 – the cycle is an amendment package of improvements to various standards:

- IFRS 1 First-time adoption of IFRS: The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRSs.
- IFRS 9 Financial Instruments and fees in the 10 percent test: The amendment clarifies which fees an entity includes when it applies the 10 percent test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 Leases: The amendment to Illustrative Example 13 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 Agriculture: The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment is intended to adapt the requirement in the standard. This will ensure consistency with the requirements in IFRS 13.

In the opinion of executive management, the Improvements to IFRSs 2018–2020 had no material effects on the Group.

New and amended standards not yet in force

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Amendments to IAS 1 affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendment entails the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

IASB has amended IAS 1 to specify that only covenants that a company must fulfil during or before the reporting period shall impact the classification of the corresponding liabilities as current or non-current. A company is obligated to provide information in the notes that allow the users of financial statements to understand the risk that non-current liabilities under covenants may be repayable within 12 months. The changes also postpone the effective date for the amendments to IAS 1, the Classification of Liabilities as Current or Non-current referred to above, that were published in January 2020 by one year to the financial year beginning on or after 1 January 2024.

In the opinion of executive management, the amendment to IAS 1 will have no material effects on the Group.

Amendments to IAS 1 – Disclosure of accounting policies

The amendments impact the requirements in IAS 1 pertaining to disclosure of accounting policies. Through applying the amendments, a company discloses its material accounting policies instead of its significant accounting policies. Further amendments to IAS 1 explain how a company can identify a material accounting policy. Examples of when an accounting policy is likely to be material have been added. To support the amendments, the IASB has also produced guidance and examples to explain and demonstrate the application of the four-step materiality process as described in IFRS Practice Statement 2 (guidance on how

to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards). In the opinion of executive management, the amendment to IAS 1 will have no material effects on the Group.

Amendments to IAS 8 – Definition of estimates

IAS 8 was amended to replace the definition of changes in estimates with a definition of estimates. The new definition means that estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty." The previous definition of changes in estimates has been removed, but the IASB clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. In the opinion of executive management, the amendment to IAS 1 will have no material effects on the Group.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

The amendment make an additional exemption from the previous exemption for initial recognition of an asset or a liability (the "initial recognition exemption"). The amendment means that a company is not to apply the exemption from recognising deferred tax attributable to a transaction in which equal amounts of deductible and taxable temporary differences arise, and instead to recognise both deferred tax assets and tax liabilities. Transactions of this type also include right-of-use assets and lease liabilities recognised under IFRS 16, as well as provisions and assets recognised in conjunction with restoration obligations. Executive management is of the opinion that the amendment to IAS 1 will entail that a disclosure will be required of an increase in deferred tax assets and deferred tax liabilities of about SEK 60 million as the result of the gross amount of tax in leases being recognised.

Consolidated accounts

The consolidated accounts encompass the Parent Company Stronghold Invest AB and the companies over which the Parent Company has controlling interests (subsidiaries).

Controlling interest over an investee is achieved when the company has:

- Power over the investee through existing rights that give the company the ability to direct the relevant activities of the investee,
- exposure, exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The company considers all relevant facts and circumstances when assessing whether the company's voting rights in an investee are sufficient to give power, including the size of its holding of voting rights relative to the size and dispersion of voting rights held by other vote holders, potential voting rights held by the investor, other investors or other parties, rights from other contractual arrangements and additional facts and circumstances that indicate that the investor has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting patterns at previous general meetings.

The company assesses whether it has a controlling interest over the investee if facts and circumstances indicate that a change has taken place in one or more of the criteria that entails control.

Subsidiaries are included in the consolidated accounts from the date of acquisition until the date when control is relinquished.

The Group's earnings and components in other comprehensive income are attributable to the Parent Company shareholders and to non-controlling interests even if this leads to a negative value for the non-controlling interests.

The accounting policies in subsidiaries have been adjusted as required to align with the Group accounting policies. All intra-Group transactions, balances and unrealised gains and losses relating to intra-Group transactions were eliminated in preparing the consolidated accounts.

Business combinations

Business combinations are recognised using the acquisition method.

The purchase consideration for a business combination is initially measured at fair value on the date of acquisition, which is calculated as the sum of the fair values at the date of acquisition for received assets plus liabilities incurred or assumed as well as issued equity participations in exchange for control over the acquired business. Acquisition-related expenses are recognised in profit or loss when they arise.

The identifiable acquired assets and assumed liabilities as well as contingent assets are recognised at fair value at the date of acquisition with the following exceptions:

- Deferred tax assets or liabilities and liabilities or assets attributable to the acquired entity's contract concerning remuneration of employees is recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

Contingent liabilities assumed in a business combination are recognised as existing liabilities originating from events that have occurred and whose fair value can be reliably calculated.

For business combinations where the sum of the purchase consideration, any non-controlling interest and fair value on the acquisition date of previous shareholdings exceed the fair value on the acquisition date of identifiable acquired net assets, the difference is recognised as goodwill in the statement of financial position. If the difference is negative, it is recognised as a gain from a bargain purchase directly in profit or loss following reassessment of the difference.

For each business combination, the previous non-controlling interests in the acquired entity are measured either at fair value or the value of the proportion of the non-controlling interest in the acquired entity's identifiable net assets.

When the transferred consideration in a business combination includes assets and liabilities resulting from contingent considerations, the conditional purchase consideration is measured at its fair value at the date of acquisition and is included in the transferred consideration in the business combination. Changes in fair value of a contingent consideration that qualifies as an adjustment during the valuation period, are adjusted retroactively with a corresponding adjustment of the acquisition cost.

Subsequent changes in fair value of a contingent consideration that do not qualify as an adjustment during the valuation period, are recognised differently depending on the classification of the contingent consideration. A contingent consideration classified as equity is not remeasured in subsequent periods and subsequent settlement is recognised in equity. Contingent considerations classified as an asset or liability are remeasured in accordance with IAS 39 or IAS 37 Provisions Contingent Liabilities and Contingent Assets, depending on the applicable standard, and the corresponding gains or losses are recognised in profit or loss.

For step acquisitions, the Group's previous holding is remeasured at fair value at the date of acquisition (meaning the date when the Group obtains controlling interest) and any gains or losses are recognised in profit or loss. Amounts previously recognised in other comprehensive income related to holdings in the acquired entity prior to the date of acquisition, shall be reclassified to profit or loss on the same basis as required if these participations had been divested.

Transactions with non-controlling interests

For step acquisitions/sales that result in changes to the Parent Company's participating interest in a subsidiary that does not result in a loss of controlling interest, the transactions are recognised as an item in equity. Any difference between the amount recognised for the non-controlling interests and the fair value of the purchase consideration paid or received is recognised directly in equity and distributed between the Parent Company owners.

Loss of controlling interests

For step acquisitions when the Parent Company loses controlling interest over a subsidiary, the result of the transaction is determined upon divestment as the difference between:

- i) the sum of fair value for the payment received and the fair value of any remaining retained interest and
- ii) the previous carrying amounts of the subsidiary's assets (including goodwill) and liabilities and any non-controlling interests.

Gain or loss arising is recognised in profit or loss. Any changes in the value of the previous equity participations that prior to the date of acquisition were recognised in other comprehensive income are reclassified to profit or loss on the same basis as required if these participations had been divested.

Goodwill

Goodwill arising from the acquisition of subsidiaries represents the amount at which the sum of the purchase consideration, any non-controlling interest and fair value on the acquisition date of previous shareholdings exceed the fair value on the acquisition date of identifiable acquired net assets. Goodwill arising from the acquisition of subsidiaries is recognised at cost less any accumulated impairment losses.

When impairment testing, goodwill is allocated to the cash-generating units that are expected to benefit synergies resulting from the acquisition. Goodwill shall be tested annually for impairment, or more often whenever there is an indication that the carrying amount may not be recoverable. If the recoverable amount of a cash-generating unit has a lower value than the carrying amount, the impairment amount is allocated. Firstly, the carrying amount of goodwill assigned to the cash-generating unit is reduced and then the carrying amount of goodwill attributable to other assets in a unit. Recognised impairment losses on goodwill are not reversed in a subsequent period.

When a subsidiary is sold, the remaining carrying amount on goodwill is included in capital gain/loss.

Segment reporting

An operating segment is part of a company that conducts business operations from which it generates income and incurs costs and whose operating profit is regularly followed up by the company's chief operating decision maker and for which independent financial information is available. The company's reporting of operating segments concurs with the internal reports. The chief operating decision maker is the function that assesses the operating segments' results and decides on the allocation of resources. The company considers the Board of Directors to be the chief operating decision maker.

Income

The Group's income arises from property and fund management, consultancy services and interest and dividend income. Income is recognised to the extent that it is probably that the financial benefits will accrue to the Group and if this can be reliably calculated.

IFRS 15 contains a model to recognise income (five-step model) arising from contracts with customers. The fundamental principle of IFRS 15 uses a control approach, meaning companies are to recognise income to depict the transfer of the promised goods and services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for these goods or services. The five-step model means the Group's income shall be assessed using five steps:

1. Identify the contract with a customer

2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise income when (or as) the entity satisfies a performance obligation

The Group has the following significant income streams and these have been analysed using the five-step model. The criteria for a customer contract are deemed to have been satisfied with respect to the Group's contract. There are no incremental costs of obtaining a contract. Niam has only income streams in the form of management fees and promote. Promote is in certain cases also accrued by the Parent Company where the income is recognised as financial income. Regardless of which company recognises the income, promote is always deemed to belong to the Niam segment. The remainder of the Group's income streams can be found in Newsec.

Fixed-price contracts

In the Newsec segment, the Group primarily engages in the following services at a fixed price:

- technical management and financial management at fixed fees. The agreements typically run for several years and also include an option for additional services, such as leasing, renegotiations and project services. These income streams are described separately below.
- property management through fixed staffing and/or production cost agreements. The agreements often run for several years and require the Group to provide operation and maintenance services to properties specified in the agreement.
- valuation, strategic analysis and strategic advisory services, where most of the assignments are conducted at fixed prices.

A common thread in the description above is that the promise of providing services continuously during the contact period is considered a performance obligation (meaning a series of distinct services that are substantially the same and have the same pattern of transfer to the customer). These contracts include a performance obligation and the transaction price is fixed, which means an allocation of the transaction price does not apply (each provision of services should be regarded as a single performance obligation). The customer obtains the benefits of the company's performance when the company satisfies an obligation. The services are routine and recurring services in which it is possible to identify when the customer simultaneously receives and consumes all of the benefits provided by the company as the company performs. The pattern of services to customers, as well as the company's endeavours to fulfil the contract, will probably not vary much between months and the income is recognised straight-line over the contract term. Income is therefore recognised over time. Some fixed-price assignments in Newsec are different in nature and are recognised as income following final delivery to the customer.

Management fees

In the Niam segment, fund fees received for pledged or managed assets in funds are invoiced in accordance with the investor agreement. According to the investor agreement, the Group is to manage the funds throughout the fund's duration, which is considered a performance obligation (meaning a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer). The customer obtains the benefits of the Group's performance when the Group satisfies an obligation. The services are routine and recurring services in which it is possible to identify when the customer simultaneously receives and consumes all of the benefits provided by the company as the company performs. Income from fund management is recognised as the services are performed over time. The price is variable in that a fixed percentage is used throughout the fund's lifecycle, which is calculated using a base that changes over time. The price is initially calculated using pledged capital, but later in the fund's lifecycle invested capital is used as the base for calculating the management fee. Since there is great uncertainty

surrounding the future value of invested capital, this is not taken into consideration in income recognition but rather income for the period is calculated using the base that prevails at that time.

Additional services

Income from sales of additional services is found in the Newsec segment and is billed on a time and materials basis. An hourly fee is then agreed for the service (which is negotiated individually by contract). As there is only one performance obligation, an allocation of the transaction price is not applicable. One such additional project could, for example, be project management of office conversions. The company's performance obligation is then to create and/or refine an asset that the customer controls throughout the project. The performance is conducted on a continuous basis during the contracted period as work is carried out, and the income is therefore recognised in a similar manner.

Renegotiations and leasing

Income from Renegotiations and leasing is included in the Newsec segment. Many of the Group's customers are property owners and the Group's service range includes assisting customers in leasing their premises and renegotiating rental contracts with their customers. The price is often a percentage of annual rent as regulated in the contract. The performance obligation is to help customers to lease/renegotiate their premises and the customer obtains the benefits of the Group's performance when leasing is achieved. Income is therefore recognised when the lease is signed on behalf of the customer, meaning at a point in time.

Incentives

Incentive-based income is found in the Newsec segment and involves assignments when the Group on an exclusive basis is to act as advisor to the customer in the divestment of the customer's property. The Group's fee is a percentage of the property's purchase consideration and is thus variable payment. It is a success-based fee, which means the Group receives no payment if the transaction is not completed. The agreement has only one performance obligation and the transaction price is a percent rate of the purchase consideration, which means an allocation of the transaction price does not apply. The Group serves as advisor throughout the property sale, but the transaction is considered completed only when the buyer takes possession and pays the full purchase consideration for the property. The performance obligation is therefore to "sell the property". The customer obtains the benefits of the company's performance when the property is sold, and it is at this time that the consumption of the benefits of the company's performance can be identified. Income is therefore recognised when the transaction is completed and the sales contract signed. At this point, it is also considered highly probable that the income will not need to be reclassified in the future.

Other income related to the incentive is recognised when it can be confirmed that the Group's obligation in the underlying contract is satisfied and other conditions for payment have been met.

Promote

The company may receive excess returns attributable to investments in the funds, known as the promote, which is paid when the fund is closed. Promote is a variable payment and is reported to the extent that it is highly probable that a material reclassification of accumulated income recognised does not occur when the uncertainty associated with the variable payment subsequently ceases.

Materials and additional services

In Newsec, materials and services are purchased from subcontractors in order to carry out services on the properties to comply with agreements. These purchases are re-invoiced to customers with a certain mark-up. The Group's re-invoicing is recognised gross, meaning costs are reported separately and income as sales, as contracts with customers clearly state that the Group has a commitment to purchase materials and services to carry out a service on behalf of the Group's customers and bears the risk. The promise to provide materials/services required to carry out the services on the properties covered by the agreement is considered a performance obligation. The customer obtains the benefits of the company's performance when the Group provides the required material/service to the property, which in turn allows the Group to carry out its service in accordance with the agreement. The commitment is therefore very closely linked to

the commitment described in Fixed-price contracts and is reported in a similar manner over time. The income for re-invoicing is recognised in the period when the cost of the material/service arises.

In addition to that described, the Group has not identified any variable benefits, material financing components, non-cash benefits or other benefits paid to customers. Nor are there any material opening charges to fulfil the contract.

Dividend income is recognised when the shareholder's right to receive a dividend has been established.

Interest income is recognised on a time-proportion basis using the effective interest method. The effective interest rate is the rate that means the present value of all future incoming and outgoing payments during the fixed-interest period is equal to the carrying amount of the receivable.

Leases

Stronghold has conducted a detailed review and analysis of the Group's leases, after which the lease of premises and vehicles was identified as the material agreements that meet the requirements to be reported under IFRS 16. The Group also has leases for items such as office equipment, all of which are considered as low value. Stronghold has chosen to apply practical expedients related to short-term leases (12 months or less) and low-value leases. These are not recognised in the statement of financial position, but instead in operating profit in the same manner as the former operating leases.

The Group assesses whether an agreement is or contains a lease at the start of the contract. The Group recognises a right-of-use asset and a corresponding lease liability for all leases in which the Group is lessee with the exception of agreements falling under the expedients described above.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease. If this interest rate cannot easily be established, the Group uses the incremental borrowing rate. The incremental borrowing rate is the rate a lessee would have paid for loan financing over the same period, and with similar security, for the right-of-use of an asset in a similar economic environment.

Options are only included in the lease term when it is reasonably certain that it will exercise an extension option or when it is reasonably certain that a termination option will not be exercised. To reduce uncertainty for options that lie far in the future, only the first option period in a contract is included in the assessment. Executive management considers all available information that provides an economic incentive to exercise an extension or termination option, for example the opportunity to find suitable replacement premises, moving costs, current leasehold improvements or negotiation costs for entering a new lease. For termination options when both the lessee and lessor can exercise the option, executive management is of the opinion that significant penalties exist based on the lease's economic substance that are not entirely due to the form of the contract.

Lease payments included in the measurement of the lease liability comprise:

- * fixed lease payments (including in-substance fixed payments), less any lease incentives,
- * variable lease payments that are based on an index or a price, initially valued using an index or price at the commencement date,
- * amounts expected to be paid by the lessee under residual value guarantees,
- * the exercise price under a purchase option that the lessee is reasonably certain to exercise, and
- * payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option.

The lease liability is presented on a separate line in the consolidated statement of financial position. After initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (by using the effective interest method) and by reducing the carrying amount to reflect lease

payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the associate right-of-use asset) if:

- * the lease term changes or if there is a change in the assessment of an option to purchase the underlying asset. In such cases, the lease liability is revalued by discounting the amended lease payments using an amended discount rate,

- * lease payments change due to amendments to an index or price or changes to an amount expected to be paid under a residual value guarantee. In such cases, the lease liability is revalued by discounting the amended lease payments using the initial discount rate (unless the changes in lease payments are due to changes to floating interest rates, when an amended discount rate is instead used, or

- * a lease is changed and the change is not recognised as a separate lease. In such cases, the lease liability is remeasured by discounting the amended lease payments using an amended discount rate.

On the acquisition date, right-of-use assets are recognised at the value of the corresponding lease liability, lease payments made on or before the commencement date and any initial directly related costs. In subsequent periods, these are recognised at cost less accumulated depreciation and impairment. If the Group incurs an obligation for dismantling and removal of a leased asset, the restoration of the site or restoring the underlying asset to the condition stipulated in the terms of the lease, a provision is recognised in accordance with IAS 37. Such provisions are reported as part of the cost of the right-of-use asset, unless these costs arise in conjunction with the production of goods.

Right-of-use assets are depreciated over their estimated useful lives or over the agreed lease term, if this is shorter. If a lease transfers ownership rights to the underlying asset at the end of the lease term or if the cost of the right-of-use asset reflects an expectation by the Group that it will exercise a purchase option, the underlying asset is depreciated over its useful life. Depreciation begins on the commencement date of the lease.

Right-of-use assets are presented on a separate line in the consolidated statement of financial position. The Group applies IAS 36 Impairment of Assets to decide whether an impairment requirement exists for the right-of-use asset and in the same manner as that described in the principles for property, plant and equipment.

Variable lease payments that are not based on an index or price are not included in the measurement of the lease liability and right-of-use asset. Such lease payments are recognised as an expense in the period in which they arise and included on the Other external expenses line in the consolidated income statement.

Foreign currency

Items that are included in the financial statements from the various units in the Group are recognised in the currency used in the primary economic environment where the respective unit operates (functional currency). In preparing the consolidated accounts, assets and liabilities in foreign subsidiaries are translated into SEK, which is the Parent Company's functional currency and reporting currency, at the closing-day rate. Items of income and expenditure are translated using the average exchange rate for the period, unless the exchange rate fluctuated substantially during the period when the exchange rate on the transaction date is instead used. Any translation differences arising are recognised in other comprehensive income and accumulated in translation reserve in equity. On the disposal of a foreign subsidiary, such translation differences are recognised in profit or loss as part of capital gain/loss.

Transactions in foreign currency are translated to the functional currency in the Parent Company at the exchange rates prevailing on the transaction date. Monetary items in foreign currencies are translated at the closing-day rate on each balance sheet date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not translated.

Currency differences are recognised in profit or loss for the period in which they arise with the exception of items when hedge accounting is applied.

Borrowing costs

Borrowing costs that are directly related to purchases, development or production of an asset that necessarily takes a substantial period of time to complete for its intended use or sale, are included in the asset's cost, until the asset is completed for its intended use or sale. Interest income from the temporary investment of borrowed funds for the asset described above are deducted from the borrowing costs that may not be included in the asset's cost.

Other borrowing costs are recognised in profit or loss in the period in which they arise.

Government grants

Government grants are financial grants from government or supranational bodies received in exchange for the fulfilment of certain specified conditions by the Stronghold Group. The financial grants are recognised in the financial statements when there is reasonable assurance that the conditions will be met and the grants received. Due to the COVID-19 pandemic, Stronghold has received reorientation support and furlough support. The reorientation support received is recognised as other income in profit or loss. The furlough support received is recognised in profit or loss as a reduction in related personnel costs.

Employee benefits

Remuneration of employees, in the form of salaries, bonuses, paid holiday, paid sick leave and pensions is recognised as it is earned. Pensions and other post-employment benefits are classified as defined-contribution or defined-benefit pension plans. The Group has a defined-benefit pension plan consisting of the ITP plan. The ITP plan is a plan covering several employers and ensured by insurance in Alecta. Since Alecta cannot provide sufficient information to allow the Group to report this as defined-benefit, it is reported as defined-contribution.

Defined-contribution pension plans

In the case of defined-contribution plans the company pays a fixed fee to a separate, independent legal entity and is not obligated to pay further fees. The Group's earnings are charged for the costs as the benefits are earned, which usually coincides with the time when premiums are paid.

Severance pay

Severance pay is paid when employment is terminated before the normal age of retirement or when the employee accepts voluntary redundancy in exchange for such remuneration. The Group recognises

severance pay when it is demonstrably obligated either to terminate employment according to a detailed formal plan without any option for recall or to provide compensation in a case of termination of employment as a result of an offer made to encourage voluntary resignation from employment. Benefits that are due more than 12 months from the balance sheet date are discounted to current value.

Related party transactions

Related party relates to both legal and natural persons:

- all companies in the Stronghold Group
- Board members and executive management
- close family members of Board members and executive management
- companies controlled by Board members or executive management
- shareholders who control more than 10 percent of shares or votes

Taxes

The tax expense comprises the total of current and deferred tax.

Current tax

Current tax is calculated on taxable profit for the period. Taxable profit differs from recognised profit in profit or loss as this has been adjusted for non-taxable income and non-deductible expenses and for income and costs that are taxable or tax deductible in other periods. The Group's current tax liability is calculated according to tax rates decided or announced at the balance sheet date.

Deferred tax

Deferred tax is reported on all temporary differences between the carrying amount of assets and liabilities in the financial statements and the taxable value used in calculating taxable earnings. Deferred tax is reported using the balance sheet method. Deferred tax liabilities are reported in principle for all taxable temporary differences, and deferred tax assets are essentially reported for all deductible temporary differences to the extent it is likely that the amount can be utilised against future taxable surplus. Deferred tax liabilities and tax assets are not recognised when the temporary difference is due to goodwill or if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither recognised profit nor taxable profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences related to investments in subsidiaries, except in cases when the Group can control the timing of the reversal of the temporary difference and it is considered probable that such a reversal will not be made in the foreseeable future. Deferred tax assets attributable to deductible temporary differences pertaining to such investments are recognised only to the extent it is likely that the amount can be utilised against future taxable surplus and it is probable that such utilisation will be made in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at every balance sheet date and reduced to the extent that which it is no longer likely that sufficient taxable surpluses will be available to be used, partially or entirely, to offset the deferred tax asset.

Deferred tax is calculated in accordance with the tax rates expected to apply for the period when the asset is recovered or the liabilities are settled, based on the tax rates (and tax laws) adopted or announced at the balance sheet date.

Deferred tax assets and tax liabilities are offset when they relate to income tax charged by the same public authority and when the Group intends to settle the tax in a net amount.

Current and deferred tax for the period

Current and deferred tax are reported as an expense or income in profit or loss, except when the tax is attributable to transactions that are recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or directly in equity. For current and deferred tax arising from the recognition of business combinations, the tax effect is reported in the acquisition analysis.

Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and any impairment.

Cost comprises the purchase price, expenditure that is directly attributable to the asset to bring it to its place of use and prepare it for use as well as estimated expenditure for dismantling and removal of the asset and restoration of the site. Subsequent costs are only included in the asset or recognised as a separate asset, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably calculated. All other costs for repairs and maintenance and subsequent costs are recognised in profit or loss for the period in which they arise.

Depreciation of tangible assets is expensed so the value of the asset, less estimated residual values at the end of the useful life, are depreciated straight-line over their estimated useful life which are estimated at:

Equipment	5 years
Leasehold improvements	3–6 years
Right-of-use assets	3–8 years

Equipment of lesser value is expensed immediately at the time of purchase, as are computers, which are considered to have limited service lives. Estimated total useful lives, residual values and depreciation methods are reviewed not later than the end of each financial period, the effect of any changes in judgements are recognised prospectively.

The carrying amount of a tangible asset is derecognised from the statement of financial position when it is disposed of or divested, or when no future financial benefits are expected from the use or disposal/divestment of the asset. The profit or loss that arises when the asset is disposed of or divested, comprises the different between any proceeds from the divestment and its carrying amount, is recognised in profit or loss in the period in which the asset is derecognised from the statement of financial position.

Intangible assets

Separately acquired intangible assets

Intangible assets with determinable useful lives acquired separately are recognised at cost less accumulated depreciation and any accumulated impairment. Assets are amortised on a straight-line basis over their estimated useful lives. Intangible assets consist mainly of customer relationships that are amortised over 2–20 years and software that is amortised over three to five years. Estimated total useful lives and amortisation methods are reviewed not later than the end of each financial year, the effect of any changes in judgements are recognised prospectively.

Any cloud services that are classified as Software-as-a-Service (SaaS) are not capitalised in the balance sheet. No software licenses or rights to take possession of the software are received in contracts of this type. The software usually remains on the seller's hardware, and the buyer accesses the software only via an Internet connection. Control over an SaaS system is not obtained, and the agreement only grants the right to access the supplier's application during the term of the contract. If the fees for an SaaS system do not meet the definition of an intangible asset, an assessment should be made of whether the costs can be capitalised as an advance payment or must be expensed as they arise.

Internally accrued intangible assets: capitalised expenditure for product development

Internally accrued intangible assets arising from the Group's product development are only recognised if the following conditions are met:

- It is technically feasible to complete the intangible asset and utilise or sell it,
- The company intends to complete the intangible asset and utilise or sell it,
- There are prerequisites in place to utilise or sell the intangible asset,
- The company can demonstrate that the intangible asset will generate probable, future economic benefits,
- There are adequate technical, economic and other resources available to complete the development and to utilise or sell the intangible asset and
- The expenditure associated with the intangible asset during its development can be calculated in a reliable manner.

If it is not possible to report an internally created intangible asset the costs for development are recorded as expenses in the period in which they occur. After initial recognition, internally accrued intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment.

The carrying amount of an intangible asset is derecognised from the statement of financial position when it is disposed of or divested, or when no future financial benefits are expected from the use or disposal/divestment of the asset. The profit or loss that arises when the asset is disposed of or divested is recognised in profit or loss in the period in which the asset is derecognised from the statement of financial position.

Impairment of tangible and intangible assets excluding goodwill

On every balance sheet date, the Group analyses the carrying amount of tangible and intangible assets to determine whether there are any indications that the value of these items has declined. Where this is the case, the asset's recoverable amount is calculated to establish the value of any impairment. When it is not possible to measure the recoverable amount for an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment annually or when there is an indication of a decline in value.

The recoverable amount is the higher of fair value less selling expenses and value in use. When calculating the value in use, the estimated future cash flow is discounted to present value using a discount rate that is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is set to a lower value than the carrying amount, the carrying amount of the asset (or the cash-generating unit) is impaired to the recoverable amount. Impairment is immediately expensed in profit or loss.

When impairment is reversed, the asset's (the cash-generating unit's) carrying amount increases to the remeasured recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been determined if no impairment had taken place of the asset (or the cash-generating unit) in previous years. The reversal of an impairment is recognised directly in profit or loss.

Financial Instruments

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the instrument's contractual terms. A financial asset or portion of a financial asset is derecognised from the balance sheet when the rights in the agreement are realised, expire or the company loses control over it. A financial liability or portion of a financial liability is derecognised from the balance sheet when the contractual obligation is discharged or otherwise extinguished.

Classification and measurement

On each balance sheet date, expected credit losses on a financial asset or group of financial assets are calculated.

Financial assets are classified based on the business model used to manage the asset and the asset's cash flow characteristics. If the financial asset is being held as part of a business model, the goal of which is to collect contractual cash flows (hold to collect) and the contracted terms for the financial asset give rise at fixed points in time to cash flows that comprise solely payments of principal and interest on the principal outstanding, the asset is recognised at amortised cost.

If the business model's goal is instead achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell) and the contracted terms for the financial asset give rise at fixed points in time to cash flows that comprise solely payments of principal and interest on the principal outstanding, the asset is measured at fair value through other comprehensive income.

All other business models (other) when the aim is speculation, held for trading or where the cash flow characteristic excludes other business models, are measured at fair value through profit or loss.

Financial assets and financial liabilities that in subsequent reporting are not measured at fair value through profit or loss, are initially measured at fair value with added or deducted transaction costs. Financial assets and financial liabilities that in subsequent reporting are measured at fair value through profit or loss, are initially measured at fair value. Financial instruments are subsequently recognised at their amortised cost or fair value depending on the initial classification.

On initial recognition, a financial asset or financial liability is classified in one of the following categories:

Financial assets

- Amortised cost
- Fair value through other comprehensive income
- Fair value through profit or loss

Financial liabilities

- Fair value through profit or loss
- Amortised cost

Fair value of financial instruments

The fair value of financial assets and financial liabilities is decided as follows:

- Level 1 – Fair value of financial assets and liabilities is determined on the basis of the observable quoted price in an active market for identical assets or liabilities.
 - Level 2 – The fair value of financial assets and liabilities is determined on the basis of valuation models that use other observable data for the asset or liability, such as listed prices for similar assets and liabilities and other data that may be used as a basis for price assessment, such as market rate and yield curves.
 - Level 3 – The fair value of financial assets and liabilities is determined on the basis of valuation models when significant inputs are based on unobservable data.
- The carrying amounts for all financial assets and liabilities are considered reasonable approximations of their fair value, unless otherwise specified in subsequent notes.

Amortised cost

Amortised cost relates to the initial amount of the asset or liability less repayments, additions or deductions for accumulated allocations in accordance with the effective interest method of the initial difference between received/paid amounts and the amount to pay/receive on the due date and less impairment.

The effective interest rate is the rate used when discounting all expected cash flow over the expected duration to result in the initial carrying amount of the financial asset or the financial liability.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and recognised at a net amount in the balance sheet when there is a legally enforceable right to offset and when there is an intention to settle the items on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash funds and bank balances as well as other current liquid investments that can easily be converted into cash and are subject to an insignificant risk of change in value. To qualify for classification as cash and cash equivalents, the duration may not exceed three months from the date of acquisition. Cash funds and bank balances are classified as financial assets measured at amortised cost. Since bank deposits are payable on demand, amortised cost corresponds to the nominal value. Current investments are classified as financial assets measured at amortised cost. Like bank funds, amortised cost is considered to be matched by a nominal amount. The Group invests its surplus liquidity periodically in fixed-interest accounts with a maturity period of three months. The investment is in line with the financial policy adopted by the Board.

It was not considered of material importance to report a loss allowance for expected credit losses regarding cash and cash equivalents.

Accounts receivable

Accounts receivables are measured at amortised cost. Since the expected maturity of an accounts receivable is short, a nominal value without discounting is recognised. Deduction is made for bad debts arising from an individual assessment of the receivable. In addition, a collective assessment is carried out of the expected credit risk based on further impairment losses. Impairment of accounts receivable is recognised in operating expenses.

Impairment of accounts receivable

Definition of default:

Based on historical experience, the Group presumes the following events indicate that an account receivable will not be paid:

- * when the customer contravenes financial covenants
- * when either internal information or information from external sources indicates that it is very likely that the customer will be unable to pay their debts.
- * when the receivable is older than 90 days.

Basis for collective assessment:

When documentation is not yet available for an assessment of the credit risk at an individual level, the accounts receivables are grouped together based on the remaining maturities. The Group's customers all operate in the property sector, and it is therefore not considered relevant to make further divisions.

Category	Description	Impairment related to credit risk, %
Very low risk	The counterparty has no amounts due. There are no indications of reduced payment capacity.	0.12
Low risk	The counterparty has amounts up to 30 days past due. There are no indications of reduced payment capacity.	2.4
Medium risk	The counterparty has amounts more than 30 days past due or with an indication of increased credit risk.	3.6
High risk	The counterparty has amounts more than 60 days past due or there is evidence of increased credit risk.	8.3
Write-off	The counterparty has amounts more than 90 days past due or there is clear evidence and events indicating that the counterparty has serious financial problems and the Group therefore has no realistic possibility of receiving payment.	100

Refer to Note 23 for how impairment related to credit risk has changed over time.

To reduce the risk of credit losses, the Group regularly monitors the maturity structure and risk rating.

No credit risk provision has been calculated on contract assets as these are deemed immaterial since none are past due and there are no indications of a reduced payment capacity. These are therefore included in the Very low risk category.

Risk management process for accounts receivable:

The average payment terms on sale of services is 30 days.

The Group uses the modified retrospective approach with a matrix for accounts receivable when calculating expected credit losses. The matrix is created based on historical credit losses whereby the historical probability of default is calculated on the basis of the number of days of delayed payment and thereafter adjusted to current conditions and forward-looking factors. The adjustment for future expectations has been assessed based on asset-specific and current factors among the Group's customers. Accounts receivable more than 90 days past due are written down in full.

The probability of default is considered to have increased slightly compared with 2021 due to the macro-economic uncertainty. Refer to Note 23 for further information on this. No other changes in respect of significant assumptions related to credit assessments and impairment took place during the current reporting period.

The Group writes down accounts receivable on an individual basis when there is information that indicates that the counterparty has serious financial problems and there is no realistic possibility of receiving payment, such as when the counterparty is under liquidation or has initiated bankruptcy proceedings. An estimate of expected credit losses is conducted on all accounts receivable in accordance with the description above.

When a new customer is accepted, an assessment is carried out of the customer's payment capacity, which is continuously monitored. In conjunction with the monthly closing, an individual review is conducted on all accounts receivables due, and also the payment capacity of these customers, to ensure that impairment takes place as needed. The Group's senior executives believe this reduces the Group's credit risk.

The Group's accounts receivable comprise a large number of customers spread across various geographic areas where the Group operates. The vast majority of customers are active in the property sector in one way or another. Of the accounts receivable at year-end, SEK 37.7 million pertains to the Group's two largest customers. In addition to this, the Group has no significant credit risk exposure to any specific counterparty or group of related counterparties, meaning members of the same group. The concentration of credit risk to the Group's two largest companies does not exceed 3 percent of the Group's liquid assets at any time during the year. The Group's credit risk is limited as it has a large number of customers that are independent in relation to each other.

Accounts payable

Accounts payable are measured at amortised cost. Since the expected maturity of an accounts payable is short, the liability is reported as a nominal value without discounting.

Liabilities to credit institutions and other borrowings

Interest-bearing bank loans, overdraft facilities and other loans are measured at amortised cost. Any difference between the loan amount received (net after transaction costs) and the loan's repayment amount is allocated across the term of the loan using the effective interest method and recognised in profit or loss as an interest expense.

Derivatives

An interest-rate derivative consists of a financial asset or liability measured at fair value together with changes in value through profit or loss. To manage exposure to fluctuations in the market interest rate in accordance with the established financial policy, Stronghold has entered into interest-rate derivatives. When using interest-rate derivatives, changes in value arise depending primarily on changes in the market interest rate. The interest-rate derivative is initially recognised in the balance sheet at cost on the transaction date, and valued thereafter at fair value together with changes in value through profit or loss.

Stronghold utilises hedging instruments as a currency hedge for net investments in Norway, Finland and the Baltic region, which is achieved by raising credits in the functional currency of the foreign company. In 2022, the Group's bank loans were refinanced, when the Parent Company repaid all bank loans and new loans were raised. Even after the refinancing, hedge accounting continued as before.

The Group has currency derivatives to hedge substantial flows in EUR, NOK and DKK. The Group has chosen to subject some of these currency derivatives to hedge accounting. Historically, hedge accounting has occurred for the currency derivatives used to hedge major future cash flows related to promote that will be received in EUR. In June 2022, payment was received for the promote and the derivatives were divested and thus the hedge accounting pertaining to the currency derivatives ended and the effects of the hedge were reversed in the consolidated income statement. The currency derivatives subjected to hedge accounting were initially recognised in the balance sheet at cost on the transaction date, and thereafter at fair value when the effective portion of the exchange rate change related to the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised as a change in value through profit or loss. The closing-day rate is used to determine fair value.

On the date on which the hedge was entered into, hedging documentation describes the hedge and the company's strategy and risk management and describes the hedge's effectiveness and how it is measured and followed up. The hedges are considered highly effective based on the criteria below. An economic link exists between the hedged item and the hedging instrument. The effect of the credit risk does not dominate the changes pursuant to the economic relationship. The hedge ratio for the hedging relationship is the same as the quantity of the hedged item that the company is actually hedging and the quantity of the hedging instrument that the company is actually using to hedge the amount of hedged items. If a hedge ceases to be effective for reasons related to the hedge ratio but nothing is changed in the risk strategy, the company will rebalance the hedge. The Group discontinues hedge accounting only when the hedge no longer fulfils the qualification criteria, such as when the hedging instrument is divested or redeemed or when a hedge forecast no longer fulfils the requirement of highly probable.

The Group's hedge accounting pertaining to the hedge of net investments before refinancing in June 2022 had an impact of SEK 5.9 million on comprehensive income. Hedge accounting pertaining to the hedge of net investments after refinancing had an impact of SEK 2.2 million on comprehensive income.

Hedge accounting pertaining to currency derivatives (cash flow hedge) had an impact of SEK 6.3 million on comprehensive income until June 2022 and thereafter the total accumulated effect in comprehensive income was reclassified to the consolidated income statement and had an impact of SEK -7.2 million when the hedging relationship ended.

Other currency derivatives are measured at fair value together with changes in value through profit or loss. Currency derivatives were marked to market using the spot rate on the balance sheet date, which is considered a good approximation of the forward rate on the balance sheet date.

Provisions

A provision is recognised in the balance sheet when the Group has an existing obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The size of the provision is the most reliable estimate of the amount required to settle the existing commitment on the balance sheet date, taking into account risks and collateral associated with the obligation. When a provision is calculated by using an estimate of the expenditure required to settle the obligation, this corresponds to the present value of these payments.

When part or all of the amount required to settle an obligation is expected to be reimbursed by a third party, the compensation is recognised as a separate item as an asset in the statement of financial position when it is essentially certain that it will be paid if the company settles the obligation and the amount can be reliably calculated.

Accounting policies for the Parent Company

The Parent Company applies the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. The application of RFR 2 requires that the Parent Company shall as far as possible apply all IFRS adopted by the EU within the framework of the Annual Accounts Act and with consideration of the relationship between accounting and taxation. Differences between the Parent Company's and Group's accounting policies are presented below.

Changes in accounting policies

For 2022, the Swedish Financial Reporting Board resolved not to introduce any changes or amendments to:

- Amendments to IFRS 9, IAS 39 and IFRS 7: IBOR reform (Phase 2)

For 2022, the Swedish Financial Reporting Board resolved to introduce changes to:

- Extensions of the expedients in RFR 2 as a result of the changes to IFRS-16 – COVID-19 related rent concessions

Approved changes to RFR 2 not yet applied

The Swedish Financial Reporting Board resolved not to introduce any changes or amendments to:

- Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- Improvements to IFRSs 2018–2020
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

Proposed changes to RFR 2 not yet approved

The Swedish Financial Reporting Board has proposed, but not resolved to introduce, changes or amendments to:

- Amendments to IAS 1 – Disclosure of accounting policies
- Amendments to IAS 8 – Definition of estimates
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

Presentation format for financial statements

Stronghold Invest AB's income statement and balance sheet are presented in accordance with the stipulations of the Swedish Annual Accounts Act. The difference compared with IAS 1 Presentation of Financial Statements, which is applied in the presentation of the Group's financial statements, is primarily that the Parent Company's financial statements do not include a statement of comprehensive income.

Dividend

Dividends to the Parent Company shareholders are recognised as a liability in the consolidated financial statements in the period when the dividend is approved by the Parent Company shareholders and payment has not yet taken place. Dividend income is recognised when the right to receive payment has been established.

Participations in subsidiaries

Participations in subsidiaries are recognised at cost less potential impairment losses. Acquisition-related costs for subsidiaries, which are expensed in the consolidated accounts, are included as part of the acquisition value of participations in subsidiaries.

Participations in associated companies

Participations in associated companies are recognised in the Parent Company using the cost method. Dividends received are recognised as income in profit or loss only on the condition that these arise from profit earned after the acquisition. Dividends that exceed this earned profit are regarded as a repayment of the investment and reduce the carrying amount of the participation in the balance sheet.

Group contributions and shareholders' contributions received

Group contributions received and paid are recognised in profit or loss as appropriations.

Shareholders' contributions paid are recognised by the donor as an increase in the item participations in Group companies, after which impairment testing is conducted on the value of the participations. Shareholders' contributions received are recognised by the recipient directly against unrestricted equity.

Pensions

The Parent Company has only pension plans that are classified as defined-contribution pension plans.

Leases

The Parent Company recognises all lease payments from leases as other operating expenses.

Untaxed reserves

In the Parent Company, untaxed reserves including deferred tax liabilities are recognised. However, in the consolidated accounts, untaxed reserves are divided into deferred tax liabilities and equity.

Financial assets and liabilities

The Parent Company applies the exemption provided for in RFR 2 from applying IFRS 9 in a legal entity. The Parent Company applies a method based on cost in accordance with the Swedish Annual Accounts Act. The impairment requirements under IFRS 9 are applied despite the Parent Company's decision to apply the exemption in RFR 2.

3. Significant judgements and assumptions

The preparation of financial statements in accordance with IFRS requires that executive management makes judgements and assumptions that affect the amounts recognised for assets, liabilities, income and expenses. These judgements are based on historical experience and on various factors considered reasonable under the prevailing conditions. Actual outcomes may differ from these judgements if other assumptions are made or other circumstances are in place. Judgements and assumptions are regularly reviewed. Changes in judgements are recognised in the period in which the change is made if the change only affects that period, or the period in which the change is made and future periods if the change affects both the period in question and future periods.

Impairment testing

A number of significant assumptions and judgements must be made when value in use is measured based on the expected future discounted cash flows associated with the asset, for example pertaining to factors such as discount rate, growth and working capital requirements. Forecasts of future cash flows are based on the best possible judgements of future income and operating expenses, using historical developments,

general market conditions, development and forecasts for the industry and other available information. Refer to Note 15 for a more detailed description of assumptions made.

Controlling and significant interest

According to IFRS 10, an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the wholly owned subsidiary Niam AB, the Group's conducts the management of property funds where financial investors are offered to invest in the Nordic markets through the Group's funds. Niam takes care of the day-to-day management and control of the funds, which is regulated in investor agreements between Niam and the investors. However, the investor agreements entail substantial limitations for Niam to exercise any influence as all investor interests must be taken into account. The returns received by Niam are a combination of fixed payments and variable payments, which means they are exposed to variable returns. The variable returns to which Niam is exposed are however limited, since the holding in the funds is less than 1 percent. In light of the limitations included in the agreement, which means the interests of other investors must be taken into account, executive management is of the opinion that the Group does not have a controlling interest but instead acts as an agent for other investors in terms of management and control of the funds. The holding in the funds is therefore not consolidated.

4. Financial risk management and financial instruments

Through its operations, the Group is exposed to various types of financial risks, such as credit, liquidity, currency and price risks. The company's Board is ultimately responsible for exposure, management and follow-up of the Group's financial risks. The framework that applies to exposure, management and follow-up of the financial risks is established by the Board in a financial policy, which is revised every year. Within the framework of this policy, the Group strives to achieve a low risk profile. The Board can decide to make temporary derogations from the established financial policy. The Board has delegated the daily management of risks to the CFO, who reports to the Board every quarter. Risk reporting and policy compliance is included in the report, as is decision data for any modifications to the financial policy.

Credit risks

Investments of cash and cash equivalents may only be made in high-quality interest-bearing investments that is guaranteed by means of the counterparty's rating. Investments in addition to the amounts in bank accounts are made in short-term interest-bearing investments (three months) with major banks. Derivatives may only be used for the purpose of risk management.

The Group's credit risk relating to customers is considered minor as customers mainly comprise mid-sized and large companies and Groups that operate professional and long-term businesses under strong brands. Bad debt losses have historically been small. Any credit assessments of the Group's customers that have been conducted by independent appraisers are used. If there are none, a risk assessment of the customer's credit ratings is performed, taking into account the customer's financial position, past experience and other factors. Exposure corresponds to the carrying amount of accounts receivable as well as cash funds and financial investments.

Liquidity risk

To ensure short- and long-term supply of capital, the Group has established regular liquidity budgets and liquidity forecasts and guarantees the short-term access to funds by maintaining a liquidity reserve in the form of cash and cash equivalents and unutilised committed credits. Liquidity risk is minimised in the long term by guaranteeing long-term financing in the form of committed loan facilities and risk-bearing capital. Available cash and cash equivalents amounted to SEK 450 million (393) on 31 December 2022. The Group had an unutilised overdraft facility of SEK 77 million (77). The Group is not exposed to any material liquidity risk due to lease liabilities. Lease liabilities are monitored by the Group's treasury function.

The Group's liabilities had maturities as below:

Group 31 Dec 2022	Within 3 months	3–12 months	1–5 years	Over 5 years	Total carrying amount
Liabilities to credit institutions	49,151	397,527	845,690	—	1,292,367
Lease liabilities	—	109,035	201,720	—	310,755
Other non-current liabilities	—	—	13,313	—	13,313
Derivatives	—	7,238	—	—	7,238
Accounts payable	256,156	—	—	—	256,156
Other current liabilities	26,131	—	—	—	26,131
Total	331,438	513,800	1,060,723	—	1,905,960

Group 31 Dec 2021	Within 3 months	3–12 months	1–5 years	Over 5 years	Total carrying amount
Liabilities to credit institutions	13,000	43,026	670,973	—	726,999
Lease liabilities	—	104,396	233,965	26,749	365,110
Other non-current liabilities	—	—	24,877	—	24,877
Derivatives	—	1,924	—	—	1,924
Accounts payable	136,369	—	—	—	136,369
Other current liabilities	8,328	2,700	—	—	11,028
Total	157,697	152,046	929,815	26,749	1,266,307

Parent Company 31 Dec 2022	Within 3 months	3–12 months	1–5 years	Over 5 years	Total
Liabilities to credit institutions	3,550	260,650	124,250	—	388,450
Accounts payable	10,366	—	—	—	10,366
Other current liabilities	42,041	—	—	—	42,041
Total	55,957	260,650	124,250	—	440,857

Parent Company 31 Dec 2021	Within 3 months	3–12 months	1–5 years	Over 5 years	Total
Liabilities to credit institutions	13,000	43,026	670,973	—	726,999
Accounts payable	2,682	—	—	—	2,682
Other current liabilities	201,684	—	—	—	201,684
Total	217,366	43,026	670,973	—	931,365

A large share of the Group's and Parent Company's liabilities fall due within 1–5 years. Such risks are managed through continuous discussions with the counterparty.

The outflow for the Group over the next 12 months is estimated at SEK 845 million, which exceeds the liquidity reserve of SEK 727 million (amounts in bank accounts including unutilised overdraft facilities and unutilised scope in the revolving credit facility). The main reason for this is that a large share of the Group's bank loans were short term on 31 December 2022. Discussions are already taking place with the bank about future financing needs and about the conversion of the one-year loan into a regular loan. In addition to this, the business is expected to generate an inflow of liquidity in 2023.

The nominal value is a reasonable approximation of fair value for all balance-sheet items. With regard to the bank loans, interest is variable and the credit margin is unchanged on the balance sheet date, and fair value is therefore not essentially different from nominal value.

Currency risk

The Group has two types of currency risk, transaction exposure and translation effects. Currency risk in the form of transaction exposure is limited by invoicing and costs primarily arise in each Group company's local currency. Major transactions are hedged whenever necessary.

The Group hedges expected future cash flows and on 31 December the hedged amount was EUR 10 million (32), DKK 129 million (48) and NOK 0 million (15) with a maximum maturity of approximately 1 year.

Translation effects arise when translating the balance sheets and income statements of foreign subsidiaries. On 31 December, the Group had exposure to EUR, NOK, DKK, GBP and USD. The net exposure to EUR, in

the form of receivables and liabilities, was SEK 206 million on 31 December. The net exposure to the remaining currencies was as follows: DKK 387 million, NOK 155 million, GBP 0.2 million and USD 11 million.

Interest-rate risk

The Group is a net borrower and a change in interest rates impacts the Group's net financial items mainly through the valuation effect but also to a lesser extent through net interest income. To minimise interest-rate risk, the Group has swapped floating interest rates in bank financing to fixed for 42 percent (91) of the Group's total external financing. The share of swap bank loans has fallen since a larger share of the Group's financing is of a short-term nature maturing in 2023. It was therefore not considered necessary to use interest-rate swaps combined with the high level of interest rates when the loan was taken out and thereafter.

Price risk

Price risk is the risk that the fair value or future cash flow from a financial instrument is influenced by changes to the instrument's market price. To limit price risk, the Group only invests in instruments with a liquid market, unless the investment is long-term and strategic. Derivatives may only be used for the purpose of risk management.

Sensitivity analysis (transaction risk, interest-rate risk)

Group	31 Dec 2022		31 Dec 2021	
	Earnings	Equity	Earnings	Equity
<i>Transaction exposure, %</i>				
EUR +5	1,205	10,333	3,778	3,132
EUR -5	-1,205	-10,333	-3,778	-3,132
NOK +5	491	7,774	1,064	5,989
NOK -5	-491	-7,774	-1,064	-5,989
DKK +5	-2,367	18,482	-1,206	14,454
DKK -5	2,367	-18,482	1,206	-14,454
<i>Interest</i>				
Impact on future net financial items +1 percent	-12,918	-12,918	-7,116	-7,116
Impact on future net financial items -1 percent	12,918	12,918	7,116	7,116

Parent Company	31 Dec 2022		31 Dec 2021	
	Earnings	Equity	Earnings	Equity
<i>Transaction exposure, %</i>				
EUR +5	1,320	1,320	-6,835	-6,835
EUR -5	-1,320	-1,320	6,835	6,835
NOK +5	1,650	1,650	-3,807	-3,807
NOK -5	-1,650	-1,650	3,807	3,807
DKK +5	114	114	4,730	4,730
DKK -5	-114	-114	-4,730	-4,730
<i>Interest</i>				
Impact on future net financial items +1 percent	2,643	2,643	3,641	3,641
Impact on future net financial items -1 percent	-2,643	-2,643	-3,641	-3,641

The Parent Company's transaction exposure has changed significantly compared with the year-earlier period. This is the result of a changed financing structure in the Group that means both bank loans in foreign currency and intra-Group receivables in the Danish subsidiaries are now in one of the Group's other holding companies, Newsec AB.

Categorisation of financial instruments

The carrying amounts for financial assets and liabilities are allocated by valuation category and presented in the table below.

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
<i>Financial assets</i>				
Fair value through profit or loss				
<i>Derivatives held for trading</i>	42,547	8,284	—	—
<i>Shareholdings</i>	204,944	136,092	—	—
Fair value through comprehensive income				
<i>Derivatives for hedge accounting</i>	—	—	—	—
Amortised cost	1,287,281	1,122,804	777,124	1,235,206
Total financial assets	1,534,772	1,267,180	777,124	1,235,206
<i>Financial liabilities</i>				
Fair value through profit or loss				
<i>Derivatives held for trading</i>	7,238	493	—	—
Fair value through comprehensive income				
<i>Derivatives for hedge accounting</i>	—	1,431	—	—
Amortised cost	2,039,711	1,427,849	444,457	934,204
Total financial liabilities	2,046,949	1,429,773	444,457	934,204

Net gains and losses from financial assets and liabilities are allocated by valuation category and presented in the table below. Disclosures are provided solely for the Group as the Parent Company has no assets/liabilities measured at fair value through profit or loss.

	Group	
	2022	2021
Derivatives		
<i>Currency-related</i>	-9,997	-20,219
<i>Interest rate-related</i>	38,054	9,834
Shareholdings	-4,540	45,044
Net profit/loss	23,517	34,659

Of the SEK 28.1 million pertaining to the earnings impact related to derivatives for 2022 according to the above Note, an amount of SEK -6.5 million was reclassified to the business to meet the realised impact of the ended currency derivatives that the subsidiary recognised as part of its sales. The remaining impact in net financial items was, therefore, only SEK 34.6 million. However, net financial items also included an impact during the year in the Parent Company of SEK -2.3 million, meaning the total impact of derivatives was SEK 32.3 million. For shareholdings, SEK -8.9 million of the revaluation effect was recognised in operating profit. Together, this means the figure above does not correspond to the figure in Note 11 Financial income.

Calculation of fair value

Financial assets and financial liabilities measured at fair value in the balance sheet are classified at one of three levels based on the information used to determine fair value. The tables below present the Group's and Parent Company's classification of financial assets and liabilities measured at fair value. During the periods, no material transfers took place between the levels.

Level 1 – Financial instruments where fair value is determined on the basis of observable (unadjusted) quoted prices in active markets for identical assets or liabilities. A market is regarded as active if quoted prices from an exchange, broker, industry group, pricing service or regulatory authority are easily and regularly available, and these prices represent actual and regularly occurring arm's length market transactions.

Level 2 – Financial instruments where fair value is determined on the basis of valuation models when inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as price listings) or indirectly (i.e. derived from price listings).

Examples of observable data in level 2 include:

- Listed prices for similar assets or liabilities.
- data that may be used as a basis for price assessment, such as market rate and yield curves.

The assets and liabilities measured at fair value based on Level 2 are currency and interest rate-related derivatives whose fair value has been calculated based on documentation from the banks where the derivatives were acquired, which shows the fair value of the derivatives based on current exchange rates or interest levels as of the end of the accounting period.

Level 3 – Financial instruments where the fair value is determined on the basis of valuation models when significant inputs are based on unobservable data. A portion of the assets measured at fair value in Level 3 are holdings in property funds, whose fair value was measured on the basis of the value of the minority share in the fund. The other portion is measured at fair value based on external measurements, primarily in the form of cross-checks of multiples and key ratios in relation to comparable companies that have been carried out by well-known appraisers. The multiples and key ratios used in the measurement were enterprise value per sale, sales increase and EBITDA margin. A ten-percent change on market value does not substantially impact the consolidated income statement.

The Group holds assets related to currency derivatives and interest-rate swaps, which were measured at fair value through profit or loss and at fair value through comprehensive income. The value of these assets was SEK 43 million (8) on 31 December 2022. The Group also held liabilities related to currency derivatives and interest-rate swaps, which are measured at fair value through profit or loss and at fair value through comprehensive income. The value of these liabilities was SEK 7 million (2) on 31 December 2022. The derivatives measured at fair value in comprehensive income are derivatives which are subject to hedge accounting. Hedge accounting was used until 30 June 2022, but the hedging relationship had been concluded by the closing of the annual accounts and the accumulated effect transferred to the consolidated income statement.

The Group also has shareholdings measured at fair value through profit or loss. The value of these was SEK 205 million (136) on 31 December 2022. No other items are measured at fair value. For derivatives in level 2, fair value is calculated by discounting expected cash flow based on market data.

Group, SEK thousand	31 Dec 2022			31 Dec 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:						
Shareholdings	1,269	—	203,675	13,148	—	122,944
Derivatives						
<i>Currency-related</i>	—	—	—	—	3,771	—
<i>Interest rate-related</i>	—	42,547	—	—	4,513	—
Total financial assets	1,269	42,547	203,675	13,148	8,284	122,944
Financial liabilities:						
Derivatives						
<i>Currency-related</i>	—	7,238	—	—	1,924	—
<i>Interest rate-related</i>	—	—	—	—	—	—
Total financial liabilities	—	7,238	—	—	1,924	—

No reclassifications took place between Levels 1, 2 and 3 in 2021 and 2022.

For the Group's other financial assets and liabilities, the carrying amounts are considered a reasonable approximation of fair values. A calculation of fair value based on discounted future cash flows, where a discount rate that reflects the counterparty's credit risk provides the most material input data, is not expected to produce a material difference compared with the carrying amount.

5. Segment information

The information reported to the chief operating decision maker, as a basis for the distribution of resources and assessment of the segments' results, comprises the Group's business areas: Newsec, Niam and Stronghold Growth. The business areas represent the Group's reportable operating segments.

Operating segments

- **Newsec:** This segment consists of property management and advisory services. Income from property management comprises fees for technical and financial management on behalf of property owners, as well as income from leasing and property development on behalf of the Group's management customers. The income from advisory services is received from consultant fees for property valuation and analysis, fees for purchasing and sales advisory services and property brokerage services.
- **Niam:** Income from Niam comprises fund fees received for pledged or managed assets in funds.
- **Stronghold Growth:** Income from Stronghold Growth pertains primarily to onward invoicing of management time invested for the major shareholdings in the segment.
- **Other:** comprises Group-wide costs and other minor companies in the Group.

Segment income and earnings

An analysis of the Group's income and earnings for each reportable segment is shown below:

Group 2022	Newsec	Niam	Stronghold Growth	Other	Elimination	Group
External sales	3,338,478	645,046	2,664	2,175	—	3,988,363
Internal sales	425,281	171,136	—	49,435	-645,852	—
Total income	3,763,759	816,182	2,664	51,610	-645,852	3,988,363
Operating profit	94,298	314,553	59,137	-18,178	—	449,810
Financial income						54,597
Financial expenses						-38,943
Profit before tax						465,464
Tax						-225,481
Profit for the year						239,983

External sales in Niam increased compared with the year-earlier period due to the reported promote. For more information, refer to Note 6.

Group 2021	Newsec	Niam	Stronghold Growth	Other	Elimination	Group
External sales	3,084,734	327,527	2,000	2,142	—	3,416,403
Internal sales	320,008	101,018	2,350	109,275	-532,651	—
Total income	3,404,742	428,545	4,350	111,417	-532,651	3,416,403
Operating profit	263,523	17,562	83,125	-4,575	—	359,635
Financial income						23,555
Financial expenses						-26,752
Profit before tax						356,438
Tax						-45,681
Profit for the year						310,757

The Other operating segment includes Stronghold Invest AB.

The accounting policies for reportable segments are consistent with the Group's accounting policies, which are described in notes 1–4. The segments' earnings correspond to the earnings for each segment, financial expenses and income tax. This is an earnings measure reported to the chief operating decision maker, as a basis for the distribution of resources and assessment of the segments' earnings.

Other segment information

	Depreciation/amortisation		Impairment	
	2022	2021	2022	2021
Newsec	-176,416	-148,814	-24,362	-8,709
Niam	-10,937	-11,231	—	—
Other	-77	-439	—	—
Total	-187,430	-160,484	-24,362	-8,709

The Stronghold Growth segment had no depreciation, amortisation and impairment in 2022 and 2021.

	Company's share of profit from associated companies	
	2022	2021
Newsec	133	710
Stronghold Growth	64,866	10,174
Total	64,999	10,884

Information on geographic areas

The Group conducts operations in five main geographic areas – Sweden (the company's registered office), Finland, Norway, Denmark and the Baltic region.

The Group's income from sales to external customers based on the physical location of operations and non-current assets is specified below. Non-current assets excluding deferred tax assets.

	Income from external customers		Non-current assets	
	2022	2021	2022	2021
Sweden (the company's registered office)	1,987,721	1,548,093	1,140,286	971,061
Finland	663,207	611,528	38,423	46,355
Norway	516,479	477,043	273,128	240,790
Denmark	672,372	643,238	683,450	670,899
Baltic region	148,584	136,501	33,041	24,952
Total	3,988,363	3,416,403	2,168,328	1,954,057

Information regarding the major customers

The Group has three customers that comprised 3.9 percent (4.9), 3.7 percent (3.5) and 3.4 percent (3.6) of the Group's income in 2022. Income from the customers amounted to SEK 145 million, SEK 136 million and SEK 127 million respectively and was included in the Newsec and Niam segments.

The segments' assets and liabilities

No information is disclosed about assets and liabilities by segment as this is not part of internal reporting to the chief operating decision maker. For the same reason, no information is disclosed about investments in non-current assets.

6. Income

Information about purchasing and sales within the same Group

	Parent Company	
	2022	2021
Sales	91%	93%
Purchasing	10%	19%

Significant income streams in the Group

The Group's significant income streams (external sales), which are identified in accordance with IFRS 15, are allocated as follows in the Group segment. There is also a table below showing the date of income recognition.

Group 2022	Newsec	Niam	Stronghold Growth	Other	Total
Fixed-price contracts	1,866,455	—	—	—	1,969,455
Management fees	—	328,040	—	—	328,040
Additional services	627,636	—	—	—	627,636
Renegotiations and leasing	159,803	—	—	—	159,803
Incentives	344,402	—	—	—	261,402
Materials and additional services	295,649	—	—	—	295,649
Promote	—	281,131	—	—	281,131
Other income	24,533	35,875	2,664	2,175	65,247
Total income	3,338,478	645,046	2,664	2,175	3,988,363

Group 2021	Newsec	Niam	Stronghold Growth	Other	Total
Fixed-price contracts	1,828,916	—	—	—	1,839,693
Management fees	—	295,239	—	—	295,239
Additional services	529,542	—	—	1,213	530,755
Renegotiations and leasing	150,739	—	—	—	150,739
Incentives	285,741	—	—	—	285,741
Materials and additional services	255,389	—	—	—	255,389
Other income	34,407	32,288	2,000	929	69,624
Total income	3,084,734	327,527	2,000	2,142	3,416,403

Group 2022	Newsec	Niam	Stronghold Growth	Other	Total
<i>Over time:</i>					
Fixed-price contracts	1,707,644	—	—	—	1,707,644
Management fees	—	328,040	—	—	328,040
Additional services	627,636	—	—	—	627,636
Renegotiations and leasing	—	—	—	—	—
Incentives	—	—	—	—	—
Materials and additional services	295,649	—	—	—	295,649
Other income	24,533	—	2,664	2,175	29,372
	2,655,462	328,040	2,664	2,175	2,988,341
<i>At a point in time:</i>					
Fixed-price contracts	178,811	—	—	—	261,811
Management fees	—	—	—	—	—
Additional services	—	—	—	—	—
Renegotiations and leasing	159,803	—	—	—	159,803
Incentives	344,402	—	—	—	261,402
Materials and additional services	—	—	—	—	—
Promote	—	281,131	—	—	281,131
Other income	—	35,875	—	—	35,875
	683,016	317,006	—	—	1,000,022
Total	3,338,478	645,046	2,664	2,175	3,988,363

Group 2021	Newsec	Niam	Stronghold Growth	Other	Total
<i>Over time:</i>					
Fixed-price contracts	1,690,169	—	—	—	1,690,169
Management fees	—	295,239	—	—	295,239
Additional services	529,542	—	—	1,213	530,755
Renegotiations and leasing	—	—	—	—	—
Incentives	—	—	—	—	—
Materials and additional services	255,389	—	—	—	255,389
Other income	34,407	—	2,000	929	37,336
	2,509,507	295,239	2,000	2,142	2,808,888
<i>At a point in time:</i>					
Fixed-price contracts	138,747	—	—	—	138,747
Management fees	—	—	—	—	—
Additional services	—	—	—	—	—
Renegotiations and leasing	150,739	—	—	—	150,739
Incentives	285,741	—	—	—	285,741
Materials and additional services	—	—	—	—	—
Other income	—	32,288	—	—	32,288
	575,227	32,288	—	—	607,515
Total	3,084,734	327,527	2,000	2,142	3,416,403

7. Other income

	Group		Parent Company	
	2022	2021	2022	2021
Government reorientation support	—	708	—	—
Gain from sale of associated companies*	—	36,518	—	—
Gain from sale of subsidiaries**	17,784	—	—	—
Remeasurement of remaining associated company participation at fair value**	9,422	—	—	—
Gain from sale of shares and participations*	—	3,439	—	—
Measurement of shares and participations at fair value	5,974	42,950	—	—
Other	—	—	491	894
Total	33,180	83,615	491	894

* Capital gains from the sale of associated companies and other shares and participations was classified in the Group as other operating income since they were part of earnings for the Stronghold Growth segment. In the Parent Company, these were classified as financial income.

** During the year, 60 percent of the shares in Proptivity AB were divested, which generated a capital gain of SEK 17.9 million. In conjunction with the step acquisition, which meant the company was an associated company to the Group at the end of the year, the remaining participations in the company were measured at the transaction price. This generated income of SEK 9.4 million.

8. Information about fees and remuneration of auditors

	Group		Parent Company	
	2022	2021	2022	2021
Deloitte				
audit assignment	5,466	4,558	328	485
audit-related services	680	626	—	—
tax advice	—	90	—	—
other services	3,411	1,613	73	1,035
EY				
audit assignment	204	528	—	—
audit-related services	—	—	—	—
tax advice	57	131	—	—
other services	—	—	—	—
Other auditors				
audit assignment	150	132	—	—
audit-related services	—	—	—	—
tax advice	17	—	—	—
other services	—	—	—	—
Total	9,985	7,678	401	1,520

Audit assignment refers to the auditor's fee for the statutory audit. The work includes the audit of the annual accounts as well as accounting records, the management of the Board of Directors and the CEO as well as fees for audit advice provided in connection with the audit assignment.

Audit services in addition to the audit assignment concern such services that are not part of the statutory audit.

Other services refer to services in addition to the above-mentioned categories.

9. Leases

The disclosures below for 2021 are in accordance with IFRS 16 for the Group and the Swedish Annual Accounts Act and RFR 2 for the Parent Company, which has chosen not to apply IFRS 16.

Leases – lessee, Group

	Group	
	2022	2021
Depreciation of right-of-use assets	109,055	98,165
Interest expense on lease liabilities	6,722	7,097
Expense relating to short-term leases	1,309	1,880
Expense relating to low-value leases	12,590	10,326

Rent payments for most commercial contracts increase every year in accordance with an index linked to the CPI and include no variable components. Nor do lease payments for vehicles include variable components.

On 31 December 2022, the Group had obligations for short-term leases of SEK 1.4 million (1.5) for the years ahead. Obligations for the Group regarding low-value leases over the next five years amounted to SEK 20.0 million (15.6).

The total cash flow for lease payments was SEK 116.2 million (103.8).

Operating leases – lessee, Parent Company

Cost for operating leases for the year in the Parent Company amounted to SEK 2.8 million (2.5).

On the balance sheet date, the Parent Company had obligations outstanding in the form of minimum leasing fees under non-cancellable operating leases, with maturity dates as follows:

	Parent Company	
	2022	2021
Within 1 year	2,922	2,811
Between 1 and 5 years	8,129	10,791
Total	11,051	15,751

Operating leases primarily pertain to the commercial lease for the headquarters, leasing vehicles and office equipment.

The lease term for operating vehicle leases is three years and for various office equipment this varies between three and five years.

10. Number of employees, salaries, other benefits and social security costs

Average number of employees	2022		2021	
	No. of	Of whom men	No. of	Of whom men
Parent Company				
Sweden	13	46%	13	54%
Total, Parent Company	13	46%	13	54%
Subsidiaries				
Sweden	887	52%	780	52%
Finland	631	38%	602	39%
Norway	302	77%	277	77%
Denmark	537	45%	527	41%
Baltic region	148	45%	102	41%
Total, subsidiaries	2,505	50%	2,288	49%
Total, Group	2,518	49%	2,301	49%

Breakdown of senior executives on the balance sheet date	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Board members				
Women	19	19	1	1
Men	47	50	6	7
Total	66	69	7	8
Other executives, incl. CEO				
Women	17	15	3	2
Men	45	37	2	3
Total	62	52	5	5
Salaries, other remuneration, etc.	2022		2021	
	Salaries and other remuneration	Social security costs (of which pension costs)	Salaries and other remuneration	Social security costs (of which pension costs)
Parent Company	20,252	9,825	19,033	8,065
		(3,705)		(3,230)
Subsidiaries	1,694,442	442,243	1,564,835	417,270
		(191,415)		(179,879)
Total Group	1,714,694	452,064	1,583,868	425,335

Salaries and other compensation distributed between Board members, etc. and employees	2022		2021	
	Board and CEO (of which bonuses, etc.)	Other Employees (of which bonuses, etc.)	Board and CEO (of which bonuses, etc.)	Other Employees (of which bonuses, etc.)
Parent Company	4,062	16,190	3,065	15,968
	(893)	(2,338)	(—)	(2,040)
Subsidiaries in Sweden	28,953	561,825	24,734	520,661
	(7,781)	(49,919)	(7,793)	(44,580)
Subsidiaries, abroad				
Finland	7,638	374,779	7,830	353,023
	(1,473)	(8,289)	(2,107)	(17,980)
Norway	14,725	231,795	14,076	205,234
	(4,362)	(19,870)	(3,228)	(30,465)
Denmark	10,479	410,561	8,775	390,246
	(3,617)	(3,750)	(2,691)	(1,250)
Baltic region	5,219	48,468	3,574	36,682
	(845)	(6,310)	(716)	(7,758)
Total Group	71,076	1,643,618	62,054	1,521,814
	(18,971)	(90,476)	(16,535)	(104,073)

Pensions

The Group's expense for defined-contribution pension plans amounted to SEK 195.1 million (183.1). The Parent Company's expense for defined-contribution pension plans amounted to SEK 3.7 million (3.2).

For salaried employees in Sweden, defined-benefit pension obligations for retirement and family pensions (or alternately family pensions) under the ITP 2 plan are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting on the ITP 2 Plan

funded through insurance with Alecta, this is a multi-employer defined-benefit plan. For the 2022 financial year, the company did not have access to information that would enable it to account for its proportionate share of the plan's obligations, plan assets and expenses, which meant it was not possible to recognise it as a defined-benefit plan. Accordingly, the ITP 2 pension plan secured via insurance with Alecta was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously earned pension entitlement and estimated remaining period of employment. The expected fees for the next reporting period for ITP 2 insurance signed with Alecta totalled SEK 13.2 million (2021: 13.4). The Group's share of the total contributions for the plan, and the Group's share of the total number of active members in the plan, amounted to 0.05848 percent and 0.04362 percent, respectively (2021: 0.06423 percent and 0.04863 percent).

The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 percent and 175 percent. One measure of strengthening the consolidation level if it is deemed to be too low may be increasing the contractual price for new subscriptions and expanding existing benefits. If the consolidation level exceeds 150 percent, premium reductions may be implemented. At year-end 2022, Alecta's surpluses in the form of the collective consolidation level were 172 percent (2021: 172).

Remuneration of senior executives

No fees were payable to the Chairman and members of the Board in accordance with a decision of the Annual General Meeting.

2022	Basic salary/ Fees	Variable remuneration	Other benefits	Pension costs	Total
CEO	2,540	984	75	437	4,036
Deputy CEO	1,125	281	53	189	1,648
Other senior executives*	4,515	567	144	925	6,151
Total	8,180	1,832	272	1,551	11,835
2021	Basic salary/ Fees	Variable remuneration	Other benefits	Pension costs	Total
CEO	3,060	—	5	—	3,065
Deputy CEO	2,700	600	152	435	3,887
Other senior executives (3 persons)	4,010	55	115	920	5,100
Total	9,770	655	272	1,355	12,052

*During 2021 and until August 2022, the management team comprised the CEO, Deputy CEO and three more senior executives. As of September 2022, the management team comprised the CEO and four more senior executives.

Pensions

The retirement age for the President, who is also Stronghold Invest AB's CEO, is 65. For the other senior executives the retirement age is 65. The pension premium follows a plan similar to the ITP plan, but is a defined-contribution plan.

Severance pay

The company and the CEO have a reciprocal notice period of six months. If employment is terminated by the company, the CEO is to receive severance pay corresponding to an annual salary when the employment contract ends. In the case of other senior executives, employment is subject to a mutual notice of termination of three to six months.

11. Financial income

	Group		Parent Company	
	2022	2021	2022	2021
Dividends from Group companies	—	—	88,588	52,500
Dividends from associated companies	—	—	122,000	—
Share of profit from other financial investments	—	—	101	—
Interest income, Group companies	—	—	34,435	32,598
Promote****	—	—	281,131	—
Exchange-rate differences	9,462	4,860	—	—
Interest income, external	5,255	2,827	—	—
Related gains on financial instruments	—	—	—	2,096
Gains on instruments at fair value	36,645	10,607	—	—
Gain from sale of subsidiaries*	—	—	5,424	23,826
Gain from sale of associated companies**	—	—	97	38,327
Gain from sale of shares and participations**	—	—	—	12,452
Reversed impairment of shares in subsidiaries	—	—	11,255	—
Other***	3,235	5,261	38,960	—
Total financial income	54,597	23,555	581,991	161,799

* There is a capital gain in the Parent Company from the sale of subsidiaries in both 2022 and 2021. Since this involved transactions as part of the controlling interest, there was no corresponding capital gain in the Group.

** In 2021, the Group sold part of its holding in the associated company Tessin Holding AB. In the Parent Company, gains from the sale of associated companies and the sale of shares and participations, were classified as financial income. This was recognised in the Group as other income, since it was the sale of shareholdings that was part of the Stronghold Growth segment.

*** In 2022, the Parent Company sold a number of interest-rate swaps and currency derivatives to a subsidiary. The sale was at fair value on the date of the sale. Since the carrying amount of the sold assets was zero, the capital gain in the Parent Company corresponds to the selling price. The capital gain was SEK 39.0 million.

**** In the Parent Company, the promote received was classified as financial income. The Group recognised this as sales in accordance with IFRS 15.

12. Financial expenses

	Group		Parent Company	
	2022	2021	2022	2021
Interest expense, leases	-6,722	-7,097	—	—
Interest expenses, external	-29,005	-18,440	-17,649	-17,499
Impairment of financial	—	-58	-2,882	—
Impairment of associated companies	—	—	-72,194	—
Impairment of shares in subsidiaries	—	—	-150,792	—
Exchange-rate differences	—	—	-2,852	-5,786
Other	-3,216	-1,157	-4,518	-951
Total financial expenses	-38,943	-26,752	-250,887	-24,236

13. Appropriations

	Parent Company	
	2022	2021
Group contributions paid	-101,122	—
Group contributions received	84,326	79,178
Provision to tax allocation reserve	—	-15,050
Total	-16,796	64,128

14. Tax

Current tax	Group		Parent Company	
	2022	2021	2022	2021
Current tax on profit for the year	-99,541	-63,292	-54,601	-9,301
Adjustments recognised in the current year	-144,032	3,295	—	2,980
Total	-243,573	-59,997	-54,601	-6,321
Deferred tax	Group		Parent Company	
	2022	2021	2022	2021
Deferred tax on temporary differences	15,786	8,109	—	—
Adjustments recognised in the current year pertaining to deferred tax from previous years	2,306	6,207	—	—
Total	18,092	14,316	—	—
Total tax	-225,481	-45,681	-54,601	-6,321

Income tax in Sweden was calculated using 20.6 percent of taxable profit for the year. Tax in other jurisdictions was calculated using the tax rate that was applicable in each jurisdiction. Below is a reconciliation between recognised profit and tax expense for the year:

Reconciliation of tax expense for the year:

Reconciliation of tax expense for the year	Group		Parent Company	
	2022	2021	2022	2021
Profit before tax	465,464	356,438	426,616	192,366
Tax expense for the year	-23,536	-45,681	3,312	-6,321
Tax according to Swedish tax rate	-95,886	-73,426	-57,807	-39,627
Difference in tax rate between Parent Company and foreign subsidiaries	3,408	2,125	—	—
Tax attributable to previous years***	-141,726	9,502	—	2,980
Tax effect of non-deductible expenses****	-8,732	-3,415	-48,381	-178
Tax effect of non-taxable income**	6,097	16,532	44,518	26,137
Interest deductions from other Group companies	—	—	7,068	4,367
Profit/loss associated companies included in profit before tax*	13,390	2,193	—	—
Loss carryforwards utilised (not recognised in year-earlier balance)	—	—	—	—
Deficit on which deferred tax was not recognised	-1,867	—	—	—
Other	-165	808	—	—
Total	-225,481	-45,681	-54,601	-6,321

* The Group's profit before tax included profit from associated companies that already included a tax effect. Associated companies are not tax subjects in the Group and are therefore not included in the Group's tax expense.

** In 2022, the Group's non-taxable income mainly consisted of the capital gain from the sale of parts of the subsidiary Proptivity AB. In the Parent Company, this was primarily dividends from subsidiaries. In 2021, the Parent Company's non-taxable income largely comprised the sale of participations in associated companies and other shareholdings classified as participations held for business purposes as well as dividends from subsidiaries. In the Group, non-taxable income also comprised the remeasurement of shares and participations held for business purposes at fair value.

*** The Group was engaged in a tax case against the Swedish Tax Agency for a number of years. In April 2023, the Group lost the dispute in the Administrative Court of Appeal and therefore an amount of SEK 144 million was expensed as current tax pertaining to previous years on 31 December 2022. Refer to Note 48 Events after the balance sheet date for further information. Tax attributable to previous years 2021 comprised interest deductions from other Group companies not taken into consideration in the Parent Company's tax calculation in 2020. This was taken into consideration for the first time in conjunction with the tax return for the 2020 financial year. It also comprised a correction with respect to deferred tax recognised on a transaction in 2019 where it was determined that the transaction pertained to participations held for

business purposes and should therefore not be subject to deferred tax. The amounts were not considered to be sufficiently material to warrant a retroactive adjustment.

**** Non-deductible expenses in the Parent Company in 2022 mainly comprised impairment of shares in subsidiaries.

New legislation on tax relief for interest expenses and reduction of corporation tax

On 1 January 2019, new tax legislation entered force, which includes limits to tax relief for interest expenses – all in accordance with the EU Directive. The legislation essentially means the maximum deduction of net interest income of 30 percent of taxable EBITDA. Furthermore, corporation tax was reduced in two stages: 21.4 percent from 2019 and 20.6 percent as of 2021. Despite the new limits on tax relief for interest expenses in 2021 and 2022, Stronghold could claim deductions for most of the Group's total interest expense.

15. Goodwill

	Group	
	31 Dec 2022	31 Dec 2021
Cost	989,555	980,124
Acquisition of subsidiaries	31,211	—
Impairment	—	-8,709
Exchange rate differences	44,062	18,140
Closing carrying amount	1,064,828	989,555
	Group	
	31 Dec 2022	31 Dec 2021
Newsec	918,666	874,604
Niam	146,162	114,951
Closing carrying amount	1,064,828	989,555

There is no goodwill allocated to the Stronghold Growth segment.

In conjunction with the impairment testing of goodwill, an impairment requirement was identified in the preceding year with respect to Newsec's operations. This impairment amounted to SEK 8.7 million. No impairment was considered necessary in 2022.

The Group's goodwill is tested annually for impairment and when there are indications that a write-down may be necessary. Goodwill arising in conjunction with business combinations was allocated at the time of acquisition to the cash-generating unit in the Group that are expected to benefit from the acquisition. An external valuation conducted by a well-known assessor is used as a basis for impairment testing of goodwill pertaining to opening balance.

The recoverable amount of a cash-generating unit is determined based on calculations of value in use. The calculations are based on estimated future cash flows using financial forecasts approved by management covering a five-year period. The calculation of future cash flows includes assumptions on, primarily, sales growth, operating margin and discount rate. The estimated growth rate during the five-year period is based on forecasts and is expected to amount to 2–8 percent (2–8) with a growth rate of up to 9 percent (12) for individual years. The discount rate, which is 10.7–12.4 percent (8.7–10.0 percent) depending on the cash-generating unit is a pre-tax rate and reflects specific risks associated with the asset. The forecast operating margin is based on past performance and management's expectations of the market. Growth during periods beyond the five-year period is estimated to reach 2 percent (2), which corresponds to the Group's long-term assumption for inflation and the market's long-term growth.

Based on the assumptions presented above the value in use exceeds the carrying amount per cash-generating unit. Reasonable changes in these assumptions would not entail any impairment requirement relating to goodwill.

16. Other intangible assets

Customer relationships

	Group	
	31 Dec 2022	31 Dec 2021
Opening cost	455,729	437,453
Acquisitions*	149,540	8,429
Exchange rate differences	26,325	9,847
Closing accumulated cost	631,594	455,729
Opening amortisation	-105,472	-71,344
Amortisation for the year	-35,182	-32,783
Exchange rate differences	-5,463	-1,345
Closing accumulated amortisation	-146,117	-105,472
Opening impairment	-150,766	-148,402
Impairment for the year**	-19,937	—
Exchange rate differences	-11,464	-2,364
Closing accumulated amortisation	-182,167	-150,766
Closing carrying amount	303,310	199,491

*Four acquisitions took place in 2022. In February, the Baltic group BPT Real Estate was acquired. In conjunction with the acquisition, customer relationships valued at approximately SEK 2 million were identified. Amortisation will take place over seven years. In May, the Norwegian company Hinna Park Facility Management AS was acquired, with customer relationships estimated at SEK 20 million, which will be amortised over seven years. At the beginning of July, Zynka BIM AB was acquired, which included customer relationships valued at SEK 29 million that will be amortised over five years. At the end of November, the Brunswick Credit Group was acquired (renamed Niam Credit). In conjunction with the acquisition, customer relationships were identified valued at SEK 99 million, which will be amortised over nine years.

In 2021, one acquisition was carried out in Norway. The Norwegian company Helhetskontroll AS was acquired in December 2021. In conjunction with the acquisition, customer stock valued at SEK 8 million was identified. Amortisation will take place over seven years.

** During the year, Newsec Property Asset Management Denmark A/S lost one of its largest customers, which led to the amortisation of customer relationships by SEK 16.7 million. The newly acquired company Zynka BIM AB also lost an important customer, which resulted in the amortisation of customer relationships by SEK 3.2 million.

Brands

	Group	
	31 Dec 2022	31 Dec 2021
Opening cost	141,687	134,885
Exchange rate differences	5,666	6,802
Closing accumulated cost	147,353	141,687
Opening impairment	-141,687	-134,885
Exchange rate differences	-5,666	-6,802
Closing accumulated amortisation	-147,353	-141,687
Closing carrying amount	—	—

No brands were identified or considered material during the acquisitions completed in 2022 and 2021.

Other intangible assets

	Group	
	31 Dec 2022	31 Dec 2021
Opening cost	140,682	109,403
Capitalisation of production costs	14,406	10,777
Acquired subsidiaries	32,756	—
Purchasing	32,142	32,140
Adjustment of systems classified as SaaS systems	—	-9,895
Sales/disposals	-3,805	-2,669
Exchange rate differences	6,937	926
Closing accumulated cost	223,118	140,682
Opening amortisation	-40,896	-31,785
Sales/disposals	3,805	2,142
Amortisation for the year	-25,347	-10,711
Exchange rate differences	-4,318	-542
Closing accumulated amortisation	-66,756	-40,896
Opening impairment	-49	-49
Impairment for the year**	-4,426	—
Exchange rate differences	—	—
Closing accumulated amortisation	-4,475	-49
Closing carrying amount	151,887	99,737

Other intangible assets primarily comprise investments in IT and infrastructure. A large part of the investments in IT and infrastructure had not yet been deployed in 2021, but most of these were deployed in 2022 and depreciation began. The closing value of work in progress amounted to SEK 16 million (57). In conjunction with the acquisition of Zynka BIM AB, an IT system was acquired valued at SEK 32.8 million. The system is used in the company's service provision to customers. During the year, parts of a system for managing customer delivery invoices in Newsec were depreciated as a decision was taken not to implement it in all countries.

In 2021, a review of the Group's IT systems was carried out to determine whether any of the systems are SaaS systems that the Group does not control and thus cannot capitalise as a non-current asset in the balance sheet. At the end of 2021, capitalised SaaS systems amounted to SEK 10 million. No retroactive change was made. Instead, the error was corrected in 2021, with SEK 6 million expensed in the consolidated income statement and the remaining SEK 4 million reclassified to prepaid expenses.

17. Equipment

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Opening cost	205,568	186,530	2,567	2,567
Acquisition of companies	918	—	—	—
Purchasing	9,668	13,995	—	—
Sales/disposals	-70,640	-2,389	—	—
Exchange rate differences	9,988	7,432	—	—
Closing accumulated cost	155,502	205,568	2,567	2,567
Opening amortisation	-164,900	-142,332	-2,255	-1,728
Sales/disposals	69,370	1,622	—	—
Amortisation for the year	-17,846	-18,826	-157	-527
Exchange rate differences	-7,764	-5,364	—	—
Closing accumulated amortisation	-121,140	-164,900	-2,412	—
Opening impairment	-3,879	-3,716	—	—
Exchange rate differences	-3	-163	—	—
Closing accumulated amortisation	-3,882	-3,879	—	—
Closing carrying amount	30,480	36,789	155	312

18. Right-of-use assets

The Group leases a number of assets, such as buildings and vehicles. Leases are normally signed for fixed periods of three to five years. The average lease term is five years. The Group recognises lease payments for short-term leases and where the underlying asset has a low value in accordance with the exemption rule in IFRS 16, item 6. The lease for commercial premises is negotiated separately and locally for each contract and contains a wide range of different terms and conditions. The Group has no call options nor does it guarantee residual values. The lease includes no special conditions, covenants or restrictions that would allow the contracts to be cancelled, but the leased assets may not be sold or pledged or used as collateral for a loan.

With regard to leases for commercial premises, the Group must maintain the properties in good condition and restore the premises to an acceptable condition when the lease ends. Furthermore, the Group must perform and pay for necessary maintenance as set out in the rental contract.

Extension options are included in a number of commercial property leases across the Group to increase flexibility in operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the Group will extend (or not terminate) the lease. On 31 December 2021, there were both extension periods included in the lease term and extension options that were not deemed reasonably certain and therefore not included in the lease liability.

Lease payments are predominantly fixed payments. A number of leases include future lease payments based on a consumer price index and are not included in the lease liability/value of the right-of-use asset unless there is a change in the consumer price index or variable interest rate. Costs for property tax is considered a variable lease payment and are therefore not included in the lease liability.

Vehicles	Group	
	31 Dec 2022	31 Dec 2021
Cost		
January	33,291	26,805
Adjustment of additional right-of-use assets	16,760	12,136
Adjustment of terminated right-of-use assets	-7,759	-5,817
Exchange rate differences	863	167
Closing accumulated cost	43,155	33,291
Accumulated depreciation		
January	-20,364	-17,337
Adjustment of terminated right-of-use assets	7,438	5,432
Amortisation for the year	-9,666	-8,385
Exchange rate differences	-357	-74
Closing accumulated Depreciation/amortisation	-22,949	-20,364
Closing carrying amount	20,206	12,927

Buildings	31 Dec 2022	31 Dec 2021
	Cost	
January	588,555	527,415
Adjustment of additional right-of-use assets	25,809	58,422
Adjustment of terminated right-of-use assets	-6,853	-6,307
Exchange rate differences	24,169	9,025
Closing accumulated cost	631,680	588,555
Accumulated depreciation		
January	-228,729	-142,201
Adjustment of terminated right-of-use assets	6,646	6,188
Amortisation for the year	-99,389	-89,780
Exchange rate differences	-11,341	-2,936
Closing accumulated Depreciation/amortisation	-332,813	-228,729
Closing carrying amount	298,867	359,826

An estimated fifth of vehicle leases expired during the current financial year. The expired leases will be replaced by new leases for the underlying assets. The remaining increase of SEK 9 million was due to an increase in the number of employees in the Group. The proportion of building leases that expired during the current year was low and the additional right-of-use assets during the year largely pertained to new premises as operations have grown, but also contract extensions for existing premises.

19. Participations in Group companies

	Parent Company	
	31 Dec 2022	31 Dec 2021
Opening cost	516,691	507,319
Acquisition of subsidiaries	140,217	50
Shareholders' contributions repaid	-15,867	—
Shareholders' contributions paid	151,000	13,548
Divestment of subsidiaries	-150,392	-3,801
Share of profits of limited partnerships	101	217
Distribution from limited partnerships	-245	-632
Reversed impairment	11,255	—
Impairment	-150,792	—
Other	372	-10
Closing cost	502,340	516,691

In 2022, the Parent Company acquired shares in the Brunswick Credit Group (later renamed Niam Credit). The holding was then resold at book value to one of the Group's subsidiaries and an external minority owner.

During the year, the Parent Company also sold two holdings to a subsidiary in the Newsec Group. The Parent Company also reversed an impairment from 2020 pertaining to shares in Niam V Co-Invest AB, since an impairment requirement no longer exists. In 2022, the Parent Company paid SEK 146 million as shareholders' contributions to the company in the Group affected by a tax expense arising from the lost tax dispute described in Note 48. The shareholders' contributions paid were written down in full in the Parent Company since these were paid solely to restore the subsidiary's equity.

In 2021, the Parent Company sold part of its holding in Niam AB.

Company, Corporate Registration Number	Registered office	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		Share of equity, %*	Share of equity, %*	Carrying amount	Carrying amount
Stronghold Group AB, 556947-5329	Stockholm	100	100	409	65
Newsec AB, 556644-2348	Stockholm	100	100	251,820	251,820
Newsec Digital Solutions AB, 559330-7043 1)	Stockholm	100	—		
Zynka BIM AB, 556960-2864 2)	Gothenburg	63.85	—		
Newsec Investment AB (formerly Westpartner AB), 556730-2731	Stockholm	100	—		
Newsec Infra AB, 556652-7148	Stockholm	51	51		
Newsec Infra High Coast AB, 559263-2599, 3)	Stockholm	100	50.2		
Newsec Advisory A/S, 32271316	Copenhagen	50.16	50.16		
Newsec Advisory Sweden AB, 556695-7592	Stockholm	51	51		
Newsec Advice AB, 556305-7008, 4)	Stockholm	—	100		
Newsec Capital Markets AB, 556339-0797 4)	Stockholm	—	100		
Newsec Capital Markets West & South, 556699-3563 3)	Gothenburg	100	51		
Newsec Advisory AB (formerly Competence AB), 556557-8555	Stockholm	100	100		
Newsec Property Asset Management AB, 556899-7489	Stockholm	100	100		
Newsec Holding Denmark ApS, 38802224	Copenhagen	100	100		
Newsec Property Asset Management Denmark A/S, 25326296	Copenhagen	100	100		
Newsec Property Asset Management Finland OY, 0726489-3	Helsinki	100	100		
Newsec Property Asset Management Sweden AB, 556348-0283	Stockholm	100	100		
Riba AB, 559001-7537	Stockholm	100	100		
Newsec Property Leasing AB, 559008-4900	Stockholm	100	100		
Newsec Basale AS, 959 718 482	Trondheim	100	100		
Newsec Project AS, 984 500 106	Oslo	100	100		
Newsec Fornebu AS, 920 216 641	Oslo	100	100		
Newsec Basale Naeringsmegling AS, 866 323 372	Trondheim	100	100		
Newsec Drift AS, 993 276 863	Trondheim	100	100		
Newsec Sør AS, 816 223 202	Kristiansand	51	51		
Agder Vaktmester AS, 821 191 912	Kristiansand	66.7	66.7		
Sameiedrift AS, 998 314 712	Trondheim	100	100		
Sameiedrift 2 AS, 912 494 462	Trondheim	100	100		
Felleservice AS, 914 827 507	Trondheim	100	100		
OCCI Drift AS, 915 439 241	Trondheim	100	100		
Galleriet Drift AS, 917 312 087	Oslo	100	100		
Tjuvholmen Drift AS, 991 060 014	Oslo	100	100		
Tryggvason Drift AS, 994 250 752	Melhus	60	60		
Helhetskroll AS, 988 979 686	Oslo	50	50		
Hinna Park Facility Management AS, 918 159 703 5)	Stavanger	100	—		
Newsec AS, 986 033 033	Oslo	51	51		
Newsec Maps AS, 926 090 011	Oslo	100	100		
Newsec Advisory Finland Oy, 2259752-2	Helsinki	51	51		
Newsec Advisory Baltics UAB, 302310538	Vilnius	53.83	53.83		
Newsec Valuations UAB, 126212869	Vilnius	100	100		
Newsec Valuations LV SIA, 40103216919	Riga	100	100		
Newsec Advisers EE OÜ, 11388266	Tallinn	100	100		
Newsec Valuation EE OÜ, 11930446	Tallinn	100	100		
NWC Valuations LT UAB, 302310552	Vilnius	100	100		
Newsec Advisers LT UAB, 302504219	Vilnius	100	100		
Newsec LV, SIA, 40103379173 3)	Riga	100	90		
Newsec Project Management UAB, 304910019	Vilnius	100	100		
Resolution LT UAB, 300631876	Vilnius	100	100		

Newsec PAM Baltics, UAB, 305743092	Vilnius	53.83	53.83		
Newsec Property Management UAB, 300050216	Vilnius	100	100		
Resolution Property Management LV SIA, 40103216783	Riga	100	100		
Newsec Property Management EE OÜ, 11266439	Tallinn	100	100		
Newsec Finance LT UAB, 302819916	Vilnius	100	100		
BPT Real Estate AS, 12203487 6)	Tallinn	100	—		
BPT Real Estate UAB, 302702539	Vilnius	100	—		
BPT Real Estate SIA, 4003674473	Riga	100	—		
Projector OU, 11045626	Tartu	51	—		
Projector UAB, 302698585	Vilnius	100	—		
Projector Sia, 40103323292	Riga	100	—		
Niam AB, 556339-0789 7)	Stockholm	—	98.9	—	252,762
Niam Holding AB, 559305-4777 7)	Stockholm	98.9	100	249,987	25
Proptivity AB, 559312-6088 8)	Stockholm	0	100		
Niam AB, 556339-0789 7)	Stockholm	100	—		
Niam VI Investment KB, 969773-9291	Stockholm	64.2	64.2		
Hammareken VII Investments KB, 969787-1151	Stockholm	52.7	53.3		
Niam Core Plus II Investment KB, 969778-3224	Stockholm	60.2	60.2		
Niam OY, 2129219-6	Helsinki	100	100		
Niam AS, 991 478 361	Oslo	100	100		
Niam Danmark A/S, 33495137	Copenhagen	100	100		
Niam Project Development AB, 556783-9922	Stockholm	100	100		
Niam Lux Management S.à.r.l, B169272	Luxembourg	100	100		
Niam Fund Accounting, 556987-0966	Stockholm	100	100		
Niam VI Co-Investment AB, 556865-2837	Stockholm	100	100		
Niam Core-Plus II Luxembourg S.à r.l. B208704	Luxembourg	100	100		
Niam Lux Management III S.à.r.l. B243495	Luxembourg	100	100		
Hyvelgranen Danmark AB, 559319-0092	Stockholm	50	50		
Hyvelgranen S.à.r.l, B257244	Luxembourg	12	12		
Hyvelgranen AB, 559319-0100	Stockholm	51.7	51.7		
Hyvelgranen S.à.r.l, B257244	Luxembourg	88	88		
Borrinden AB, 559322-4198	Stockholm	40	40		
Niam Core Plus Holding AB, 559193-5381 11)	Stockholm	—	100		
Niam Infrastructure AB, 559305-4785	Stockholm	70	70		
Niam Credit Advisory AB, 556908-2471 9)	Stockholm	83.7	—		
Skruttallen II AB, 559349-7281 10)	Stockholm	60.9	—		
Newsec Digital Solutions AB, 559330-7043 1)	Stockholm	—	100	—	10,025
Niam Core Plus Investment KB, 969715-3907	Stockholm	55.2	55.2	1	1
Niam IV Co-Investment AB, 556740-4297	Stockholm	100	100	59	59
Niam V Co-Investment AB, 556833-1192	Stockholm	78	78	64	1,784
Newsec Investment AB (formerly Westpartner AB), 556730-2731 1)	Stockholm	—	100	—	150
Niam Credit Holding AB, 556906-4628 9)	Stockholm	84	—	—	—
Niam Credit S.à.r.l. B177649	Luxembourg	100	—		
				502,340	516,691

* Also share of voting power, except in the following companies. The share of voting power is 97.14 percent in Borrinden AB, 97.7 percent in Hyvelgranen AB and 97.62 percent in Hyvelgranen Danmark AB.

- 1) During the year, the Parent Company sold its shares in Newsec Digital Solution AB and Newsec Investment AB (formerly Westpartner AB) to Newsec AB.
- 2) During the year, Newsec Digital Solutions acquired 63.85 percent of the shares in Zynka BIM AB.
- 3) During the year, the Group acquired additional participations in the controlling interest in Newsec Infra High Coast AB, Newsec Capital Markets MidCap AB and Newsec LV Sia.
- 4) During the year, Newsec Advice AB and Newsec Capital Markets AB were merged into the Parent Company Newsec Advisory Sweden AB.
- 5) During 2022, 100 percent of the Norwegian company Hinna Park Facility Management AS was acquired.
- 6) During the year, the Baltic group BPT Real Estate was acquired.

7) During the year, the Parent Company provided a non-cash issue to Niam Holding AB consisting of shares in Niam AB. At the end of the year, the Parent Company thereby owns 98.9 percent of Niam Holding AB which in turn owns 100 percent of Niam AB.

8) Niam Holding AB sold Proptivity AB during the year. 60 percent of the shares were sold to a party outside the Group and 40 percent to Stronghold Invest AB. On 31 December 2022, Proptivity AB was therefore an associated company.

9) In November 2022, the Parent Company acquired 88.7 percent of the Brunswick Credit Group, which was then renamed Niam Credit. In December, 4.8 percent was sold to an external party and Niam Credit Advisory AB was sold to Niam AB. The carrying amount of Niam Credit Holding AB in the Parent Company amounts to zero.

10) During the year, the limited liability company Skruvtallen II AB was established.

11) During the year, Niam Core Plus Holding AB was liquidated

20. Participations in associated companies and joint ventures

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Opening cost	88,875	67,492	96,497	69,635
Share of profit, operating	64,999	10,884	—	—
Sales	-598	-6,701	-598	-4,173
Reclassification to shares and participations	—	-4,032	—	-2,815
Dividends received	-122,722	-496	—	—
Changes to net assets in joint ventures	-9,723	-11,468	—	—
Acquisitions	6,700	—	6,700	—
Impairment	—	—	-72,194	—
Shareholders' contributions paid	8,900	33,850	8,900	33,850
Exchange rate differences	-260	-654	—	—
Closing cost	36,171	88,875	39,305	96,497

Associated companies and joint ventures, Corporate Registration Number	Registered office	31 Dec 2022	31 Dec 2021
		Share of equity, %*	Share of equity, %*
Buildroid AB, 559221-4257	Stockholm	50	50
Proptivity AB, 559312-6088	Stockholm	38.4	—
NAS Näringsmedling AS, 922 183 155	Stavanger	45.4	45.4

* Also share of voting power

2022

In 2022, shareholders' contributions of SEK 0.8 million were paid to Buildroid AB and SEK 8.1 million to Proptivity AB. In 2021, Proptivity AB was a subsidiary, but during the second quarter of 2022 60 percent was sold to a party outside the Group. The holding was therefore reclassified as an associated company. During the third quarter, an additional minor share of the company was sold and ownership by the closing of the annual accounts amounted to 38.4 percent.

During the year, the joint venture Buildroid AB sold most of the shares in Netmore Group AB, which resulted in a large capital gain in the Buildroid Group and subsequently also a large dividend payment to Stronghold Invest AB. Netmore Group AB was therefore no longer a subsidiary of the Buildroid Group on 31 December 2022 and the balance sheet in Buildroid therefore decreased significantly compared with the year-earlier period. A number of transactions related to Netmore Group AB before the holding was sold also impacted equity in the Buildroid Group, which in turn impacted the associated company participation and the Stronghold Group equity by SEK -9,723 thousand. The transactions involved events related to the controlling interest in the subsidiaries of joint ventures after the acquisition date, which the Stronghold Group recognised as an effect on equity in accordance with common practice.

In the Parent Company, the holding in Buildroid AB was written down to the value of equity in the Buildroid Group, which was reduced due to the dividend.

2021

In 2021, the Parent Company paid shareholders' contributions of SEK 33.9 million (7.8) to Buildroid AB. Two divestments of associated companies also took place in 2021. UAB Trecia Diena was divested in early 2021, resulting in a capital gain of SEK 0.1 million. Shares in Tessin AB were also divested in the first quarter of 2021, resulting in a capital gain of SEK 36.5 million in the Group and SEK 38.3 million in the Parent Company. The capital gain in the Group was classified as operating profit, while the capital gain in the Parent Company was classified as financial income. The remaining shares in Tessin AB were reclassified to other shares and participations.

During 2021, the joint venture Buildroid AB acquired additional shares in Netmore Group, and Netmore Group AB therefore became a subsidiary of the Buildroid Group. Previously, it was an associated company of Buildroid AB. As a result, the scope of Buildroid's balance sheet increased significantly compared with 2020. A number of transactions related to Netmore Group AB also impacted equity in the Buildroid Group, which in turn impacted the associated company participation and the Stronghold Group equity by SEK 11.5 million. The transactions involved events related to the controlling interest in the subsidiaries of joint ventures after the acquisition date, which the Stronghold Group recognised as an effect on equity in accordance with common practice.

Condensed financial information for associated companies and joint ventures	31 Dec 2022	31 Dec 2021
Total assets	78,713	337,410
Total liabilities	-19,301	-156,953
Total net assets	59,412	180,457
Group's share in net assets from associated companies	36,171	88,875
Total income	23,848	43,448
Total profit/loss for the year	128,926	23,805
Group's share in profits of associated companies	64,999	10,884
Impairment*	—	—
Group's share of other comprehensive income in	—	—

* No impairment took place at Group level in 2022. However, the Parent Company wrote down the value of the shares in Buildroid AB to correspond to the value of equity in conjunction with the payment by the Buildroid Group of a large dividend.

21. Derivatives

Group	31 Dec 2022		31 Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Currency futures	—	7,238	3,771	1,924
Interest-rate swaps	42,547	—	4,513	—
Total	42,547	7,238	8,284	1,924
Of which, non-	42,547	—	4,520	—
Of which, current	—	7,238	3,764	1,924
Total	42,547	7,238	8,284	1,924

Derivatives are only used for the purpose of risk management.

Derivatives held for sale are classified as financial assets/current assets or non-current liabilities/current liabilities depending on when they fall due.

The Group had no netted items in the balance sheet. For derivative counterparties, netting agreements exist under certain conditions. The effect of these is shown in the table below.

	Value of derivatives	Set-off amount	Net
Derivatives with a positive value	42,547	-7,238	35,309
Derivatives with a negative value	-7,238	7,238	—

22. Other non-current receivables

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Securities held as non-current assets	204,944	136,092	124,599	69,509
Other non-current receivables	15,088	26,245	—	—
Total	220,032	162,337	124,599	69,509

Securities held as non-current assets referred to shares in funds owned by Niam V Holding AB and Niam VI Holding AB as well as a number of shareholdings in various companies. During the year, distributions were received from the funds, which reduced the shareholding, and a number of investments were also made in new and existing shareholdings. In 2022, the Parent Company invested SEK 32 million in Piscada AS, SEK 13 million in Avy AB and SEK 8 million in Accessy AB. The shareholding is measured in the Group at fair value through profit or loss.

Other non-current receivables in the Group mainly comprised receivables from Niam V Holding AB and Niam VI Holding AB.

23. Accounts receivable

	Group	
	31 Dec 2022	31 Dec 2021
Accounts receivable, gross	569,137	428,575
Expected credit losses, general assessment	-12,823	-6,875
Expected credit losses, individual assessment	-3,953	-2,302
Total accounts receivable, net after provision for expected credit losses	552,361	419,398

Management is of the opinion that the carrying amount for accounts receivable, net after expected credit losses, is a reasonable approximation of the receivables' fair value.

Group Age analysis of accounts receivable	31 Dec 2022		
	Accounts receivable, gross	Provision expected credit losses, individual	Accounts receivable, net
Not due	464,565	—	464,565
30 days past due	73,041	—	73,041
31–60 days past due	12,105	—	12,105
61–90 days past due	5,816	-53	5,763
90–120 days past due	8,498	-339	8,159
> 120 days past due	5,112	-3,561	1,551
Total	569,137	-3,953	565,184

Group Age analysis of accounts receivable	31 Dec 2021		
	Accounts receivable, gross	Provision expected credit losses, individual	Accounts receivable, net
Not due	366,757	—	366,757
30 days past due	45,247	-240	45,007
31–60 days past due	6,280	—	6,280
61–90 days past due	2,714	-51	2,663
90–120 days past due	2,550	-77	2,473
> 120 days past due	5,027	-1,934	3,093
Total	428,575	-2,302	426,273

General expected credit losses 2022	Share defaulted, %	Adjustment for expectations, %	Probability of default, %
Not due	0	0.12	0.12
30 days past due	0	2.4	2.4
31–60 days past due	0	3.6	3.6
61–90 days past due	3.8	4.5	8.3
> 90 days past due	—	—	100

General expected credit losses 2021	Share defaulted, %	Adjustment for expectations, %	Probability of default, %
Not due	0	0.12	0.12
30 days past due	0	1.2	1.2
31–60 days past due	0	2.4	2.4
61–90 days past due	4.1	3.0	7.1
> 90 days past due	—	—	100

The probability of default is considered to have increased slightly compared with 2021 due to the macro-economic uncertainty.

	31 Dec 2022		
	Accounts receivable, net	Adjustments*	Expected credit losses, general
Not due	464,565	-3,053	-510
30 days past due	73,041	—	-1,753
31–60 days past due	12,105	—	-444
61–90 days past due	5,763	—	-478
> 90 days past due	9,710	-72	-9,638
Total	565,184	-38,343	-12,823

	31 Dec 2021		
	Accounts receivable, net	Adjustments*	Expected credit losses, general
Not due	366,757	-3,611	-435
30 days past due	45,007	-503	-534
31–60 days past due	6,280	—	-151
61–90 days past due	2,663	—	-189
> 90 days past due	5,566	—	-5,566
Total	426,273	-4,114	-6,875

* An adjustment was made when calculating general expected credit losses. The adjustment pertained to receivables where there is deemed to be no risk to be calculated based on the Group's ECL model since these are receivables from Niam's funds. Historically, there have been no bad debt losses related to these receivables and the business structure stipulates that payment occurs when the funds begin to generate a given return. Even though these receivables are older than 90 days, they were included in the category that is written down by 0.1 percent.

24. Receivables from Group companies

Non-current	Parent Company	
	31 Dec 2022	31 Dec 2021
Opening cost	1,031,128	1,088,453
Additional receivables	171,917	—
Currency translations	15,597	6,962
Settled receivables	-1,099,291	-64,287
Closing accumulated cost	119,351	1,031,128
Current	Parent Company	
	31 Dec 2022	31 Dec 2021
Opening cost	194,296	182,300
Additional receivables	751,694	194,296
Currency translations	6,573	—
Settled receivables	-450,321	-182,300
Closing accumulated cost	502,242	194,296

25. Contract assets

	Group	
	31 Dec 2022	31 Dec 2021
Accrued fund management fees	41,385	32,217
Accrued fee income	128,162	116,425
Total	169,547	148,642

In all material respects, the contract assets present in 2021 were invoiced to customers in 2022.

The accrued fee income was in the Newsec segment. Given the nature of activities in this segment, prepaid fees are an item that fluctuates substantially as it is dependent on when contracts are closed and invoiced. For example, in the case of property transactions income recognition takes place when the sales contract has been signed while invoicing does not take place until the property is transferred to the new purchaser. In property management, monthly fees are invoiced in arrears to certain customers.

Accrued fund management fees are attributable to the Niam segment and fluctuate depending on the funds ongoing and the invoicing terms for each fund.

26. Prepaid expenses and accrued income

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Prepaid insurance	6,821	2,827	—	—
Prepaid expenses for IT and infrastructure	21,662	11,484	—	—
Prepaid salary-related expenses	4,923	5,606	—	—
Other prepaid expenses	40,278	32,026	1,589	398
Other accrued income	4,987	10,446	1,445	955
Total	78,671	62,389	3,034	1,353

Most of the Group's accrued income pertained to accrued interest income.

27. Other current receivables

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Tax account	31,102	27,101	6,973	1,123
Recoverable VAT	2,412	430	—	—
Receivable Niam Nordic Inv. Fund VI, VII and Core Plus	36,709	51,069	—	—
Other current receivables	54,592	52,989	393	164
Total	124,815	131,589	7,366	1,287

28. Cash and cash equivalents and client deposits

	Group		Parent Company	
	31 Dec 2021	31 Dec 2021	31 Dec 2022	31 Dec 2021
Cash and bank balances	450,177	393,269	342	1,042
Client deposits	16,296	156,594	—	—
Total	466,473	549,863	342	1,042

The approved bank overdraft facility amounted to SEK 77 million (77). The bank overdraft facility was not utilised at the balance sheet date.

Client deposits

Cash and cash equivalents are managed in the subsidiaries Newsec Asset Management AB, Newsec Asset Management Oy, Newsec Basale AS, Newsec Datea A/S and Newsec AS on behalf of customers. The funds are managed under management agreements, which normally run for three years. Client deposits on the liabilities side pertain to liabilities on behalf of customers and correspond to an equivalent amount on the

assets side. The funds do not belong to the Group and are not included in the Group's pool of assets when calculating key metrics. Nor are client deposits included in the Group's cash flow statement.

29. Share capital

At the start of the 2021 financial year, the registered share capital amounted to 1,000,000 shares at a quotient value of SEK 10. In 2021, shares in the Parent Company were redeemed, a bonus issue was carried out in order to restore the share capital to its original value and a 1:100 split was carried out. As a result, the registered share capital at the end of 2021 amounted to 96,800,400 shares at a quotient value of SEK 0.10. During 2022, shares were again redeemed and a bonus issue was carried out and as a result the registered share capital at the end of 2022 amounted to 92,443,213 shares at a quotient value of SEK 0.11.

30. Translation reserve

The foreign currency translation reserve includes the exchange rate differences that occur when converting financial statements from foreign operations that have been prepared in a currency other than that used in the presentation of the Group's financial statements. Financial statements for the Parent Company and Group are presented in Swedish kronor.

31. Untaxed reserves

	Parent Company	
	31 Dec 2022	31 Dec 2021
Provision to tax allocation reserve	16,574	16,574
Excess depreciation	696	696
Total	17,270	17,270

32. Liabilities to credit institutions

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Liabilities to credit institutions	1,192,367	726,999	388,450	726,999
Revolving credit facility	100,000	—	—	—
Total	1,292,367	726,999	388,450	726,999

On 31 December 2022, SEK 447 million (56) was classified as current liabilities in the Group and SEK 264 million (56) as current liabilities in the Parent Company. In July 2022, refinancing took place when all bank loans were repaid and new loans raised. A large share of the Group's loans were raised in one of the subsidiaries, which is a difference compared with earlier years when the Group's financing was entirely in the Parent Company. In 2022, a larger share of the bank loans were current as the Parent Company has bridge financing that falls due in June 2023 and portions of the revolving credit facility were utilised during the year.

In addition to the bank loans, there was an unutilised overdraft facility of SEK 77 million (77).

There was also a revolving credit facility of SEK 300 million (150). During 2022, SEK 100 million was utilised, and the unutilised scope was therefore SEK 200 million on 31 December 2022. In 2021, SEK 100 million of this revolving credit facility was utilised during a short period of time and repaid at the end of the year. In 2021, the Group also has a credit line for acquisitions in an unutilised amount of SEK 216 million.

The Group's financing means the banks follow up two different covenants, which are reported every quarter. The covenants are as follows. Net debt/EBITDA which means the Group's debt level in relation to EBITDA must not exceed 3.5. In addition to this, the interest coverage ratio is monitored, which shows that the Group's current earnings cover the payment of interest. The ratio must not fall below 5. The Group was not in breach of any covenants on 31 December 2022.

The tables below present the loans' maturity structure and interest maturity structure for interest-bearing liabilities to credit institutions.

Maturity structure of loan agreements	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
2023	350,000	726,999	250,000	726,999
2025	942,367	—	138,450	—
Total	1,292,367	726,999	388,450	726,999

The Group's bank loans totalled SEK 1,292 million in 2022. Of the bank loans, SEK 300 million (307) is in interest-only loans.

Interest maturity structure

In 2021, all external loans were in the Parent Company, and the interest maturity structures for the Parent Company and the Group corresponded to each other. In 2022, the interest maturity structure differs between the Group and the Parent Company.

In 2022, SEK 755 million of the Group's loans were not hedged with interest-rate swaps. These carried interest at a variable rate plus a contracted margin. The equivalent figure in 2021 was SEK 64 million. The main reason for this was another type of structure on bank financing with current bridge financing of SEK 250 million and utilisation of the revolving credit facility of SEK 100 million. Moreover, part of Group's loans were raised in close connection with the higher level of interest rates and there was therefore less incentive to fix the interest rates. The need for further interest-rate swaps is evaluated on a continuous basis.

The interest-rate swaps fall due between December 2024 and January 2026 and have an average fixed-interest period of 1.08 years. The fixed-interest period is exceptionally low as a substantial portion of the Group's bank loans is not hedged with swaps but has a 3-month rate.

Interest maturity	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
2023	7,875	19,003	5,625	19,003
2025	65,255	—	14,247	—
Total	73,130	19,003	19,872	19,003

33. Other non-current liabilities

	Group	
	31 Dec 2022	31 Dec 2021
Shareholder loans	5,251	7,693
Non-current bonus liabilities	8,062	16,797
Other	—	387
Total	13,313	24,877

Other non-current liabilities mainly comprised non-current liabilities pertaining to bonuses. In addition, there was also a non-current shareholder loan to minority shareholders in the Danish company Newsec Advisory A/S.

34. Leases

The Group as lessee has leases relating to passenger cars and premises for which liabilities are entered in the consolidated statement of financial position. A maturity analysis of the lease liabilities is presented in Note 4. The non-current component amounted to SEK 201.7 million (260.7) and the current component to SEK 109.0 million (104.4).

35. Non-controlling interests

The Stronghold Group has a number of non-wholly owned subsidiaries and sub-groups, of which two sub-groups are considered to have significant non-controlling interests.

Baltic group

The Baltic sub-group, with UAB Resolution Holdings (302 310 538) and Newsec PAM Baltics UAB (305 743 092) as parent company, have been merged. Together, they had a minority holding of 46.17 percent (46.17) of shares and voting rights in the company. During the financial year, profit attributable to the minority share amounted to SEK 6.5 million (19.4) and the accumulated minority interest amounted to SEK 12.4 million (21.1) on 31 December 2022. A summary of financial information for the Baltic sub-group is presented below:

<i>Income statement summary</i>	2022	2021
Net sales	148,206	136,194
Operating profit	15,721	48,986
After-tax profit for the period before minority	13,587	41,946
Other comprehensive income	511	208

<i>Balance sheet summary</i>	31 Dec 2022	31 Dec 2021
Non-current assets	30,254	26,815
Current assets	54,414	69,718
Total assets	84,668	96,533
Non-current liabilities	10,635	10,577
Current liabilities	40,023	35,830
Total liabilities	50,658	46,407
Equity attributable to Parent Company shareholders	21,618	29,059
Non-controlling interests	12,392	21,067

Newsec Sweden group

The Newsec Sweden group, with Newsec Sweden AB (556695–7592) as the Parent Company, includes the Swedish advisory services companies. The minority holding amounted to 49 percent (49) of shares and voting rights in the company on 31 December 2022. During the financial year, profit attributable to the minority share amounted to SEK 18.7 million (25.5) and the accumulated minority interest amounted to SEK 25.4 million (28.8) on 31 December 2022. A summary of financial information for the sub-group is presented below:

<i>Income statement summary</i>	2022	2021
Net sales	246,122	246,295
Operating profit	46,289	55,162
After-tax profit for the period before minority	35,285	42,583
Other comprehensive income	—	—

Balance sheet summary	31 Dec 2022	31 Dec 2021
Non-current assets	34,862	41,811
Current assets	93,736	101,302
Total assets	128,598	143,113
Non-current liabilities	24,462	29,261
Current liabilities	73,510	66,433
Total assets	97,972	95,694
Equity attributable to Parent Company shareholders	5,261	18,599
Non-controlling interests	25,365	28,820

During 2022, Newsec Advisory Sweden AB acquired the remaining participations in Newsec Capital Markets West & South AB and its participating interest is thereafter 100 percent. This transaction within the controlling interest had a negative impact on the majority shares of equity of approximately SEK 17 million.

Other minority holdings

The Niam Group, with Niam Holding AB (559305-4777) as Parent Company in 2022 and Niam AB (556339-0789) as Parent Company in 2021, includes the Group's fund management company and limited partnership through which staff invest capital in Niam's funds. The minority holding amounted to approximately 1.4 percent (1.4) of shares and voting rights in the company on 31 December 2022. During the financial year, profit attributable to the minority amounted to SEK 1,618 thousand (4,269) and the accumulated minority interest amounted to SEK 25,492 thousand (9,445) on 31 December 2022. The accumulated minority interest in balance sheet increased compared with the year-earlier period, due primarily to the acquisition of the Niam Credit Group. No further information was presented about the Niam Group since the minority share is still considered to have an immaterial impact on the consolidated income statement.

The Group owns 100 percent of the shares in Newsec AB. In 2022, a warrant programme was launched for senior executives, which was recognised as part of minority shares of equity. The impact was approximately SEK 14 million. For more information about the warrant programme, refer to the note concerning related-party transactions.

36. Liabilities to Group companies

Current	Parent Company	
	31 Dec 2021	31 Dec 2021
Opening cost	201,028	46,262
Additional expenses	40,253	201,028
Settled receivables	-201,028	-46,262
Closing accumulated cost	40,253	201,028

37. Deferred tax

Temporary differences exist where the recognised and tax value of the assets or liabilities differ. The Group's and Parent Company's temporary differences resulted in deferred tax liabilities and deferred tax assets regarding the following items:

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Deferred tax assets				
Temporary differences attributable to derivatives	1,307	804	—	—
Loss carry-forwards	30,447	11,407	—	—
Temporary differences attributable to credit losses accounts receivable	2,167	1,416	—	—
Adjustment of capitalised SaaS systems*	6,729	3,673	—	—
Other**	9,693	18,443	—	—
Total deferred tax assets	50,343	35,743	—	—
Deferred tax liabilities				
Untaxed reserves	14,902	15,046	—	—
Derivatives	2,353	1,060	—	—
Acquisitions***	57,276	33,919	—	—
Capitalised production costs	3,014	2,220	—	—
Temporary differences attributable to other assets at fair value	864	5,093	—	—
Other	505	4,806	—	—
Total deferred tax liabilities	78,914	62,144	—	—
Total deferred tax assets and tax liabilities, net	-28,571	-26,401	—	—

* A temporary taxable difference arose when SaaS systems, which the Group does not control, were recognised in accordance with IASB's IFRIC agenda decision for IAS 38 while the subsidiaries continued to recognise these expenditures as intangible assets in their local accounting.

** In 2021, this item included deferred tax on the provision made in an amount pertaining to contractual discounts in one of the funds amounting to SEK 10.7 million. The provision was settled in 2022. For a more detailed description, refer to Note 38.

*** Acquisitions refer to deferred tax arising on temporary differences in connection with acquired customer relationships.

Of the deferred tax assets in respect of deficits, most relate to SEK 19.4 million (10.5) in Denmark and SEK 7.5 million (0) the newly acquired company Niam Credit. This is no time limit on the utilisation of recognised loss carry-forwards. The deficits expected to be utilised within the foreseeable future based on the companies' budget and future forecasts.

The Group has not recognised deferred tax assets attributable to loss carry-forwards of SEK 0.2 million (0.2). This is no time limit on the utilisation of the temporary differences not recognised.

Changes to the deferred tax assets and tax liabilities during the year are presented below:

Group Change in deferred tax assets	Loss carry- forwards	Temporary differences accounts receivable	Derivatives	Adjustment of SaaS systems	Other	Total
On 1 January 2021	9,405	1,094	3,199	—	16,357	30,055
Recognised in profit or loss	2,002	322	-2,395	3,673	2,086	5,688
On 31 December 2021	11,407	1,416	804	3,673	18,443	35,743
On 1 January 2022	11,407	1,416	804	3,673	18,443	35,743
Acquisitions	7,456	—	—	—	—	7,456
Recognised in profit or loss	11,584	751	503	3,056	-8,750	7,144
On 31 December 2022	30,447	2,167	1,307	6,729	9,693	50,343

Group Change in deferred tax liabilities	Temporary differences attributable to other assets at fair value	Acquisi- tions	Untaxed reserves	Derivatives	Other	Capitalise d productio n costs	Total
On 1 January 2021	-9,456	-38,660	-11,441	-5,556	-5,453	—	-70,566
Customer relationships	—	-1,520	—	—	—	—	-1,520
Hedge accounting	—	—	—	1,314	—	—	1,314
Recognised in profit or loss	4,363	6,261	-3,605	3,182	647	-2,220	8,628
On 31 December 2021	-5,093	-33,919	-15,046	-1,060	-4,806	-2,220	-62,144
On 1 January 2022	-5,093	-33,919	-15,046	-1,060	-4,806	-2,220	-62,144
Customer relationships	—	-29,158	—	—	—	—	-29,158
Recognised in other	—	—	—	1,440	—	—	1,440
Recognised in profit or loss	4,229	5,801	144	-2,733	4,301	-794	10,948
On 31 December 2022	-864	-57,276	-14,902	-2,353	-505	-3,014	-78,914

38. Other provisions

	Group	
	31 Dec 2022	31 Dec 2021
Opening cost	56,959	54,047
Warranty provisions settled	-5,193	-5,158
Discount settled according to fund contracts	-51,766	—
Provisions for warranties	4,780	5,193
Provisions for option, acquisition contract	17,266	—
Discount provision according to fund contracts	—	2,877
Closing accumulated cost	22,046	56,959

In the Niam segment, a current provision was made last year of SEK 51.8 million related to a contractual discount that was to be paid to investors when a specific fund closed. This was settled in full in 2022.

In the Newsec segment, a provision arose in conjunction with the acquisition of Zynka BIM AB due to the valuation of a warrant in the acquisition contract.

39. Contract liabilities

	Group	
	31 Dec 2022	31 Dec 2021
Prepaid fund management fees	27,823	23,019
Prepaid fee income	48,854	59,256
Total	76,677	82,275

No significant income was recognised in 2022 that was attributable to performance obligations in prior periods. Prepaid invoicing concerns short periods. Contract liabilities on 31 December 2022 are expected to be recognised within one or two months of when the work is performed.

Contract liabilities pertaining to fund management fees depend on how invoicing is carried out for various funds and the item therefore fluctuates. The amount of prepaid fee income depends on the invoicing terms in the customer contract and this item therefore fluctuates.

40. Accrued expenses and deferred income

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Personnel-related expenses	395,385	378,970	7,390	5,069
Accrued interest expenses	8,831	4,724	2,997	3,258
Rent compensation *	4,822	8,267	—	—
Accrued license costs	4,100	—	—	—
Accrued management expenses	14,217	6,958	—	—
Other accrued costs	43,065	36,666	3,118	1,266
Total	470,420	435,585	13,505	9,593

* In 2018, one of the Group's Norwegian companies took over a rental contract with a rent that was significantly higher than market rents. To compensate for this, the company received a one-off payment of NOK 22 million. The rent compensation was settled over time as a reduction in rental expenses paid.

41. Pledged assets and contingent liabilities

Pledged assets

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
For lease liabilities				
Vehicles, non-current assets	20,206	12,927	None	None
For loan liabilities and bank overdraft facility				
Office furniture and accounts receivable*	19,798	17,290	—	—
Shares in subsidiaries**	817,232	802,630	504,607	504,582
Total	857,236	832,847	504,607	504,582

* In one of the Group's Danish subsidiaries, office furniture and accounts receivable are pledged as collateral for bank overdraft facilities. One of the Group's Norwegian subsidiaries has pledged accounts receivable as collateral for a lease.

** Shares in Newsec Property Asset Management AB, Newsec Property Asset Management Sweden AB, Newsec Basale AS, Newsec Asset Management Oy and Newsec PAM Denmark Aps are pledged as collateral for Newsec AB's bank loan. Shares in Newsec AB and Niam Holding AB are pledged as collateral for the Parent Company's bank loans. The subsidiary's net assets are used as collateral value in the Group. The Parent Company also issued a Parent Company guarantee as collateral for Niam's ISDAs. There is also a Parent Company guarantee issued pertaining to a partnership with a company related to one of the Group's associated companies.

Contingent liabilities

	Group		Parent Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Contingent liabilities Fastigo	5,782	5,009	None	None
Lease guarantee	8,973	6,144	None	None
Total	14,755	11,153	None	None

42. Related party transactions

Transactions between the company and its subsidiaries, which are related to the company, were eliminated upon consolidation and disclosures regarding these transactions are therefore not presented in this note. Disclosures regarding transactions between the Group and other related parties are presented below.

Sale of goods and services	Parent Company	
	2022	2021
Subsidiaries in the Group	49,435	47,638
Total	49,435	47,638
Purchase of goods and services		
	Parent Company	
	2022	2021
Subsidiaries in the Group	9,134	11,546
Total	9,134	11,546

Sales of goods and services to subsidiaries in the Group mainly consisted of royalty that was invoiced to Newsec AB and Niam AB. Purchased goods and services mainly pertained to the purchase of IT services from Newsec Property Asset Management AB, accounting services from Newsec Property Asset Management Sweden AB and the lease of premises from Newsec Advisory Sweden AB.

Receivables and liabilities at year end

Receivables	Parent Company	
	31 Dec 2022	31 Dec 2021
Subsidiaries in the Group	767,593	1,225,424
Total	767,593	1,225,424
Liabilities		
	Parent Company	
	31 Dec 2022	31 Dec 2021
Subsidiaries in the Group	40,253	201,028
Total	40,253	201,028

Most of the receivables from Group companies on 31 December 2022 pertained to interest-bearing lending to Newsec AB and Niam AB. In 2021, most of the receivables again comprised interest-bearing lending, then to Newsec Basale AS, Newsec Property Asset Management AB, Newsec Denmark Holding ApS and Newsec Property Asset Management Denmark As. During 2022, the internal loans were restructured and all lending to the Newsec Group is now conducted via Newsec AB. In addition to this, the items in 2022 and 2021 mainly comprised received and paid Group contributions.

Other related party transactions

The President's ownership in Stronghold Invest AB is via an owner company. The Group provided this company with various administrative services and re-invoiced office space amounting to SEK 0.4 million (0.3). In 2021, part of the President's salary was also re-invoiced to this owner company. The amount totalled SEK 3.6 million. No such re-invoicing of salary took place in 2022.

During the year, the Parent Company sold consultancy services for SEK 2.0 million (2.4) to the associated company Buildroid AB, in which one of the Parent Company's senior executives is a Board member. The price is deemed to be on market terms.

In 2022, a number of senior executives of Newsec AB subscribed to warrants in Newsec AB. The value of the warrants was based on an established valuation model for market valuations of warrants. In total, the two senior executives subscribed for approximately 8,400 warrants at a value of SEK 1,770 per warrant.

During 2022, one of the Group's Baltic companies purchased services from two different companies, the owners of which were members of the Board of the Baltic subsidiary. The purchased services amounted to SEK 6.5 million and the liability in the balance sheet amounted to SEK 3.3 million on 31 December 2022. The price of the services is deemed to be on market terms.

In 2021, Stronghold Invest AB sold 1.14 percent of Niam AB to a company under the name of Niamab Management AB, which was initially owned 100 percent by Stronghold Invest AB. 99.96 percent of Niamab

Management AB was subsequently sold to senior executives in Niam AB. For a more detailed description of this related-party transaction, refer to Note 46.

In 2021, two senior executives of the Parent Company subscribed to warrants in the Parent Company. The value of the warrants was based on an established valuation model for market valuations of warrants. In total, the two senior executives subscribed for 1,500,000 at a value of SEK 0.6886 per warrant.

During 2021, three Board members of the Parent Company received remuneration for consultancy services performed. The amount totalled SEK 3.5 million. The price is deemed to be on market terms. No such consultancy services were performed in 2022.

Remuneration of senior executives

Information regarding remuneration of senior executives is presented in Note 10.

43. Business combinations

2022

Hinna Park Facility Management AS

On 20 May 2022, Newsec Basale AS acquired all of the shares in a company named Hinna Park Facility Management AS. The acquisition was in line with the Group's goal to be the leading property manager in Northern Europe. The acquisition complemented existing operations in Newsec Basale and in the Nordic region in terms of service range, shared customers and expertise.

Transferred consideration	
<i>Amounts in SEK thousand</i>	
Total transferred consideration	22,824

No acquisition-related costs arose in connection with the acquisition.

Carrying amount at the date of acquisition for acquired net assets	
<i>Amounts in SEK thousand</i>	
Assets	
Tangible assets	226
Accounts receivable	4,443
Other receivables	2,259
Cash and cash equivalents	5,696
Liabilities	
Current liabilities	-1,995
Accounts payable	-4,048
Identifiable assets and liabilities, net	6,581
Minority shares of identifiable assets and liabilities, net	—
Transferred consideration	22,824
Customer relationships	19,817
Deferred tax liabilities	-3,574

Net cash flow in business combinations	
<i>Amounts in SEK thousand</i>	
Cash consideration paid including acquisition costs	22,824
Less: Acquired cash and cash equivalents	-5,696
Net cash flow	17,128

Net cash flow of SEK 17.1 million was classified in cash flow as acquisition of subsidiary.

Impact of acquisition Group's earnings

Of the Group's income, SEK 12.7 million was attributable to the acquisition of Hinna Park Facility Management AS, which contributed SEK 0.4 million to the Group's earnings (profit after financial items). If the acquisition had taken place on 1 January 2022, the Group's income would have amounted to SEK 3,716 million and the Group's earnings to SEK 465.8 million (profit after financial items).

Zynka BIM AB

On 4 July 2022, Newsec Digital Solutions AB acquired 56 percent of the shares in a company called Zynka BIM AB. The acquisition was in line with the Group's goal to grow in digital real estate services. The acquisition complemented existing operations in Newsec Digital Solutions AB in terms of service range, shared customers and expertise. On the acquisition date, a directed share issue of SEK 15 million was conducted that diluted ownership for previous owners and provided the Group with an additional participating interest of 7.85 percent. Total ownership was thereby 63.85 percent. The acquisition contract included a selling option and three purchase options, which were also largely dependent on each other. The selling option was considered immaterial and the associated purchase option was also therefore considered immaterial. The two other purchase options pertained to former owners and management. These were appraised and recognised as a liability already on the acquisition date. The liability to utilise these purchase options was SEK 17.2 million. The purchase option relating to management impacted minority shares of equity and the purchase option relating to former owners impacted the value of customer relationships.

Transferred consideration	
<i>Amounts in SEK thousand</i>	
Total transferred consideration	38,722

No material acquisition-related costs arose in connection with the acquisition.

Carrying amount at the date of acquisition for acquired net assets	
<i>Amounts in SEK thousand</i>	
Assets	
Intangible assets	32,756
Tangible assets	418
Accounts receivable	6,859
Other receivables	18,712
Cash and cash equivalents	-5,124
Liabilities	
Current liabilities	-12,922
Accounts payable	-6,169
Identifiable assets and liabilities, net	34,530
Minority shares of identifiable assets and liabilities, net*	2,814
Transferred consideration	38,722
Customer relationships	29,272
Deferred tax liabilities	-5,000
Bonus option	-17,266

*Minority shares of identifiable assets and liabilities, net in the table above did not amount to the minority participating interest (36.15 percent). This is due to the option recognised against the minority shares of equity in conjunction with the acquisition.

Net cash flow in business combinations	
<i>Amounts in SEK thousand</i>	
Cash consideration paid including acquisition costs	38,722
Less: Acquired cash and cash equivalents	5,124
Net cash flow	43,846

Net cash flow of SEK 43.8 million is classified in cash flow as acquisition of subsidiary. The new share issue of SEK 15 million did not entail any liquidity outflow from the Group. Similarly, the recognition of the option had no impact on liquidity.

Impact of acquisition Group's earnings

Of the Group's income, SEK 28 million was attributable to the acquisition of Zynka BIM AB, which contributed SEK -12.2 million to the Group's earnings (profit after financial items). If the acquisition had taken place on 1 January 2022, the Group's income would have amounted to SEK 3,735 million and the Group's earnings to SEK 463.8 million (profit after financial items).

Niam Credit Holding AB

On 21 November 2022, 88.5 percent was acquired of Niam Credit Holding AB, including subsidiaries. The acquisition was in line with the Group's goal to grow in the Niam segment and to increase the service offering in addition to the management of property funds. The acquisition complements and further develops existing operations in Niam in terms of service range, shared customers and expertise. The goodwill identified in conjunction with the acquisition mainly comprised synergies and staff expertise.

Transferred consideration	
<i>Amounts in SEK thousand</i>	
Total transferred consideration	137,291

Acquisition-related costs connected to the acquisition totalled SEK 2.9 million.

Carrying amount at the date of acquisition for acquired net assets	
<i>Amounts in SEK thousand</i>	
Assets	
Deferred tax assets	7,267
Other receivables	1,523
Cash and cash equivalents	39,168
Liabilities	
Current liabilities	-12,427
Accounts payable	-4,307
Identifiable assets and liabilities, net	31,224
Minority shares of identifiable assets and liabilities, net	-3,591
Transferred consideration	137,291
Customer relationships	98,800
Goodwill	31,211
Deferred tax liabilities	-20,353

Net cash flow in business combinations	
<i>Amounts in SEK thousand</i>	
Cash consideration paid including acquisition costs	140,217
Less: Acquired cash and cash equivalents	-39,168
Net cash flow	101,049

Net cash flow of SEK 101 million was classified in cash flow as acquisition of subsidiary.

Impact of acquisition Group's earnings

Of the Group's income, SEK 4.1 million was attributable to the acquisition of the Niam Credit Group, which contributed SEK -5.2 million to the Group's earnings (profit after financial items). If the acquisition had taken place on 1 January 2022, the Group's income would have amounted to SEK 3,760 million and the Group's earnings to SEK 473 million (profit after financial items).

BPT Real Estate

On 1 February 2022, Newsec PAM Baltics UAB acquired all of the shares in a company called BPT Real Estate. The acquisition is in line with the Group's goal to be the leading property manager in Northern

Europe. The acquisition complements existing operations in Newsec's Baltic operations in terms of service range, shared customers and expertise. The acquisition price amounted to SEK 1.7 million and customer relationships valued at SEK 1.8 million were identified in conjunction with the acquisition. Net cash flow at the time of acquisition was SEK 0.6 million.

2021

Helhetskontroll AS

On 14 December 2021, Newsec Basale AS acquired 50 percent of the shares in a company called Helhetskontroll AS. The acquisition was in line with the Group's goal to be the leading property manager in Northern Europe. The acquisition complemented existing operations in Newsec Basale and in the Nordic region in terms of service range, shared customers and expertise. Since Basale AS has the casting vote in the Board, Helhetskontroll AS is deemed to be a subsidiary.

Transferred consideration	
<i>Amounts in SEK thousand</i>	
Total transferred consideration	7,844

No acquisition-related costs arose in connection with the acquisition.

Carrying amount at the date of acquisition for acquired net assets	
<i>Amounts in SEK thousand</i>	
Assets	
Accounts receivable	2,035
Other receivables	838
Cash and cash equivalents	2,816
Liabilities	
Current liabilities	-3,327
Accounts payable	-492
Identifiable assets and liabilities, net	1,870
Minority shares of identifiable assets and liabilities, net	936
Transferred consideration	7,844
Customer relationships	8,429
Brands	—
Deferred tax liabilities	-1,520

Net cash flow in business combinations	
<i>Amounts in SEK thousand</i>	
Cash consideration paid including acquisition costs	7,844
Less: Acquired cash and cash equivalents	-2,816
Net cash flow	5,028

Net cash flow of SEK 5.0 million was classified in cash flow as acquisition of subsidiary.

Impact of acquisition Group's earnings

None of the Group's income and earnings was attributable to the acquisition of Helhetskontroll AS. If the acquisition had taken place on 1 January 2021, the Group's income would have amounted to SEK 3,437 million and the Group's earnings to SEK 358.2 million (profit after financial items).

44. Financing activities

Group 31 Dec 2022	Opening balance	Loans	Loan repayments	Change in fair value	Change in exchange rates	Repayment	Accrued interest	Closing balance
Other non-current financial liabilities *	8,080	—	—	—	746	-4,266	691	5,251
Non-current liabilities	670,973	852,935	—	—	15,446	-693,664	—	845,690
Financial lease liabilities	365,110	41,509	-116,190	—	13,604	—	6,722	310,755
Current financial liabilities	56,026	545,840	-51,444	—	—	-103,745	—	446,677

*The non-current liability pertaining to bonuses was not included in this note disclosure.

Group 31 Dec 2021	Opening balance	Loans	Loan repayments	Change in fair value	Change in exchange rates	Reclassification	Accrued interest	Closing balance
Other non-current financial liabilities *	10,995	—	-3,483	—	152	—	416	8,080
Non-current liabilities	708,545	—	—	951	13,126	-51,649	—	670,973
Financial lease liabilities	385,556	70,223	-103,778	—	6,012	—	7,097	365,110
Current financial liabilities	54,595	100,000	-151,649	—	1,431	51,649	—	56,026

*The non-current liability pertaining to bonuses was not included in this note disclosure.

The Parent Company's non-current liabilities and current financial liabilities corresponded to the Group's in 2021. Refinancing took place in 2022 and as a result the Parent Company's and the Group's bank loans are no longer aligned. The change during the year relating to the Parent Company's current and non-current bank loans is presented in the Parent Company's cash flow statement. Other than these, there are no liabilities to disclose in the Parent Company as part of its financing activities.

45. Transactions with non-controlling interests – acquisitions of additional participations in subsidiaries

2022

During 2022, Newsec Advisory Sweden AB acquired the remaining participations in Newsec Capital Markets West & South AB for SEK 19.6 million, and after the acquisition Newsec Advisory Sweden AB owns 100 percent of the company. At the acquisition date, non-controlling interests decreased by SEK 2.4 million and equity attributable to Parent Company shareholders was impacted by SEK 17.2 million.

During 2022, Newsec Infra AB acquired the remaining participations in Newsec Infra High Coast AB for SEK 18 million, and after the acquisition Newsec Infra AB owns 100 percent of the company. At the acquisition date, non-controlling interests decreased by SEK 6 million and equity attributable to Parent Company shareholders was impacted by SEK 12 million. This acquisition had no impact on liquidity on 31 December 2022 and will not be settled until 2023.

In 2022, a number of immaterial changes took place to the participating interest in the Group's limited partnership, with a total impact on the majority's equity of SEK 0.6 million.

2021

In 2021, the Group acquired additional participations in Niam VII Investment KB for SEK 0.7 million, after which (and the sale described in Note 46 below) the Group owns 50.55 percent of the company. The participations were acquired from employees who held participations in the limited partnership and left during the year. At the acquisition date, non-controlling interests decreased by SEK 0.3 million and equity attributable to Parent Company shareholders was impacted by SEK 0.4 million.

Impact on equity	31 Dec 2022	31 Dec 2021
Carrying amount of acquired portion of non-controlling interests	-7,783	-288
Purchase consideration paid to non-controlling interests	37,600	712
Purchase consideration paid exceeding carrying amount, recognised in equity	29,817	424

46. Transactions with non-controlling interests – divestment of participations in subsidiaries

2022

On 21 November 2022, the Parent Company acquired 88.5 percent of the Niam Credit Group. At the end of December 2022, the entire holding in the operating company was sold. 5.4 percent of the participations in Niam Credit were sold to an external party and the remaining sold within the Group to Niam AB. The selling price to the external party was SEK 7.6 million, corresponding to the value of the sold participating interest in the Group and Parent Company, and therefore had no impact on the majority shares of equity and no capital gain arose in the Parent Company.

No other material divestment of participations in subsidiaries took place with non-controlling interests during the year.

2021

Last year, the Group sold participations in the company Niam VII Investment KB. The sales price was SEK 0.7 million.

In January 2021, Stronghold Invest sold 1.017 percent of its ownership in Niam AB to a newly established company under the name of Niamab Management AB, which was initially owned 100 percent by Stronghold Invest. A number of key individuals in Niam AB subsequently purchased 99.96 percent of the shares in Niamab Management. Payment was made in cash and the acquisition price corresponded to the market value of the shares. If the key individuals were to quit their positions in the Group, the agreement stipulates that the shares may only be sold on certain terms depending on the amount of time since the shares were acquired. During the year, two additional divestments of shares in Niam AB were made to Niamab Management AB. The total acquisition price for the shares amounted to SEK 27.4 million and the total participating interest in Niam AB to 1.14 percent. At the acquisition date, the sale increased non-controlling interests by SEK 2.3 million and equity attributable to Parent Company shareholders was impacted negatively by SEK 25.1 million. The purpose of the transaction was to align the key individuals more closely with the company. Since the key individuals pay market value for the shares, the transaction was not expensed in the period.

47. Sales of operations

2022

In May 2022, the Group sold 60 percent of its holding in Proptivity AB to an external party. Last year, the company was owned by Niam Holding AB, but in conjunction with the sale the remaining 40 percent was divested to Stronghold Invest AB. The sales price was SEK 13.8 million, which was also the net cash flow from the sale as the divested cash and cash equivalents amounted to an immaterial amount. The divested company's balance sheet was immaterial and is therefore not included in the table. Sold identifiable assets and liabilities, net, amounted to SEK -6.8 million.

Calculation of capital gain	
<i>Amounts in SEK thousand</i>	
Consideration received	13,700
Sold net assets (negative value), 60 percent	4,084
Group capital gain	17,784

In conjunction with the incremental sales, the remaining associated company participations in Proptivity AB were remeasured to the value of the transaction that took place in May 2022. This resulted in a remeasurement of SEK 9.4 million in the Group.

2021

No subsidiaries were divested in 2021.

48. Events after the balance sheet date

In January 2023, Newsec Basale AS acquired all of the shares in the company Rådgivende Ingeniører Løyning AS. The company complements existing activities in Norway and strengthens Newsec's service offering in energy optimisation. The acquisition price amounted to SEK 24 million. In conjunction with the acquisition, a customer relationship was identified of SEK 23 million, which will be amortised over seven years.

In early April 2023, the Administrative Court of Appeal issued its judgment on the tax dispute between the company and the Swedish Tax Agency that has been ongoing for several years. The dispute concerned whether the divestment of participations in partnerships during the 2017 income year should be considered as tax-exempt capital gain. The judgment clarifies that capital gain must be considered taxable income which means the Group must pay tax, interest expense and tax surcharges on the capital gain. Since this was considered an event that confirms a circumstance present on the balance sheet date, the impact of the judgment was taken into consideration in the annual accounts on 31 December. The tax imposed amounted to SEK 113 million, interest expense to SEK 8 million and tax surcharges to SEK 23 million, or a total cost of SEK 144 million. The entire cost was recognised as a tax expense.

In April, five senior executives in Niam Credit subscribed for warrants in Niam Credit Advisory AB. The value of the warrants is based on an established valuation model for market valuations of warrants. In total, the senior executives subscribed for 12,267 warrants at a value of SEK 63.89 per warrant.

In April 2023, the Parent Company participated in a new share issue in the associated company Proptivity AB. The invested capital amounted to SEK 12 million. Following the new share issue, ownership in Proptivity AB was diluted from 38 percent to 35 percent.

No other significant events have taken place after the balance-sheet date.

49. Dividend

The dividends adopted by the Annual General Meeting and paid in 2021 and 2022 amounted to SEK 175 million (SEK 175 per share) and SEK 200 million (SEK 2.0661 per share) respectively. In 2021, the number of shares increased (refer to description in Note 29) from 1,000,000 shares to 96,800,400 shares, and dividends per share therefore decreased between the years.

At the Annual General Meeting on 23 May 2023, a dividend of SEK 1.08 per share will be proposed for 2022. In 2022, the number shares changed from 96,800,400 to 92,443,213 as a result of the events described in Note 29.

50. Proposed distribution of profit

Proposed appropriation of profit

The following amounts are at the disposal of the Annual General Meeting:

Parent Company

The following profits are at the disposal of the Annual General Meeting (SEK)

Retained earnings	533,183,332
Profit for the year	226,015,155
Dividend	-99,838,670
	659,359,817
The Board of Directors proposes that funds be distributed as follows	
to be carried forward	659,359,817
	759,198,487

51. Approval of financial statements

The annual accounts have been adopted by the Board of Directors and approved for publication on 18 April 2023.

The Board of Directors and the CEO hereby certify that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities and provide a true and fair account of the company's financial position and earnings, and that the administration report provides a true and fair account of the company's operations, financial position and earnings and describes the material risks and uncertainties faced by the company. The Board of Directors and the CEO hereby certify that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair account of the Group's financial position and earnings, and that the administration report for the Group provides a true and fair account of the Group's operations, financial position and earnings and describes the material risks and uncertainties faced by the companies that form the Group.

Stockholm, 18 April 2023

Urban Edenström
Chairman of the Board

Per Edenström
Board member

Anders Lönnqvist
Board member

Risto Silander
Board member

Mikael Lövgren
Board member

Håkan Johansson
Board member

Petra Scharin
CEO

Our Auditor's Report was submitted on 21 April 2023

Deloitte AB

Jonas Ståhlberg
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Stronghold Invest AB
corporate identity number 556713-9067

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Stronghold Invest AB for the financial year 2022-01-01 - 2022-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters

related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Stronghold Invest AB for the financial year 2022-01-01 - 2022-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of

assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm April 21, 2023

Deloitte AB

Signature on Swedish original

Jonas Ståhlberg
Authorized Public Accountant