

HOLMSTRÖM
GRUPPEN

ANNUAL REPORT
2022





Despite a difficult market situation, we have managed to generate a return on equity of over 25% in the last 10 years. This is proof that the diversification of the business gives us stability. With a strong base, we look forward to continuing to form new collaborations and develop our business.

– FREDRIK HOLMSTRÖM
CHAIRMAN OF THE BOARD

2022 IN BRIEF

EHAB takes its place in the portfolio

During the year, Holmströmgruppen took a seat on the board of Esmailzadeh Holding AB ("EHAB"). EHAB was founded in 2020 after working for over ten years on developing innovative and niche companies into operational and profitable ones. EHAB's goal is to continue on this entrepreneurial journey, formalize the investments made over the years and make room for external capital. Holmströmgruppen's ownership is 11%.



Fredrik Holmström together with Saïed Esmailzadeh, chairman of EHAB.



Johan Karlsson and Jonas Andersson, CEO and CFO of Slättö, together with Erik Rune, CEO of Holmströmgruppen (in the middle).

Eleven property acquisitions during the year

During the year, Holmströmgruppen expanded its property portfolio with eleven new properties via the associated company Klippudden Fastigheter. Two properties are in Norrköping and cover a total of 1,773 m². The remaining nine properties, one of which is a community service property, are located in Kalmar and cover a total of 9,391 m².

JV with Slättö

Holmströmgruppen and Slättö established a JV in February 2022 for the ownership in Klippudden Fastigheter. Ownership is divided equally between Holmströmgruppen (50%) and Slättö (50%). The company and its owners aim to expand the property holdings, with Slättö accounting for a majority of the financing.



New management assignment: Valfisken 1, Västerås.



Hajen 4, Kalmar, was acquired during the year.

Four new property management assignments

During 2022, the Holmströmgruppen gained four new property management assignments:

- Two development projects in Östersund, two premises
- Development project in Bålsta, three premises
- New construction in Västerås, 82 apartments. Rental start April 2023.
- New construction in Knivsta, 412 apartments. Rental start June 2023.

KPIS, HOLMSTRÖMGRUPPEN	2022	2021
Profit/loss after financial items, SEK m	-255	2,131
Balance sheet total, SEK m	5,910	7,060
Return on equity, %	-6	58
Return on total capital, %	-3	29
Liquidity ratio, %	189	484
Equity/assets ratio, %	63	60

CONTENTS



Novi Medical Solutions.

New private equity investments

During the year, a number of new holdings were added to Holmströmgruppen's share portfolio. Some examples of these are EHAB, Tentacle, Nya Boendet and Novi Medical Solutions.



Holmströmgruppen works continually on additional insulation of the properties' attics.

Focus on sustainable development

Holmströmgruppen works actively to contribute to the development of a sustainable society. During the year, a number of energy efficiency measures were introduced. The aim of the measures are, among other things, to reduce heat and water consumption as well as to reduce energy use and improve comfort for our tenants.

ANNUAL REPORT 2022

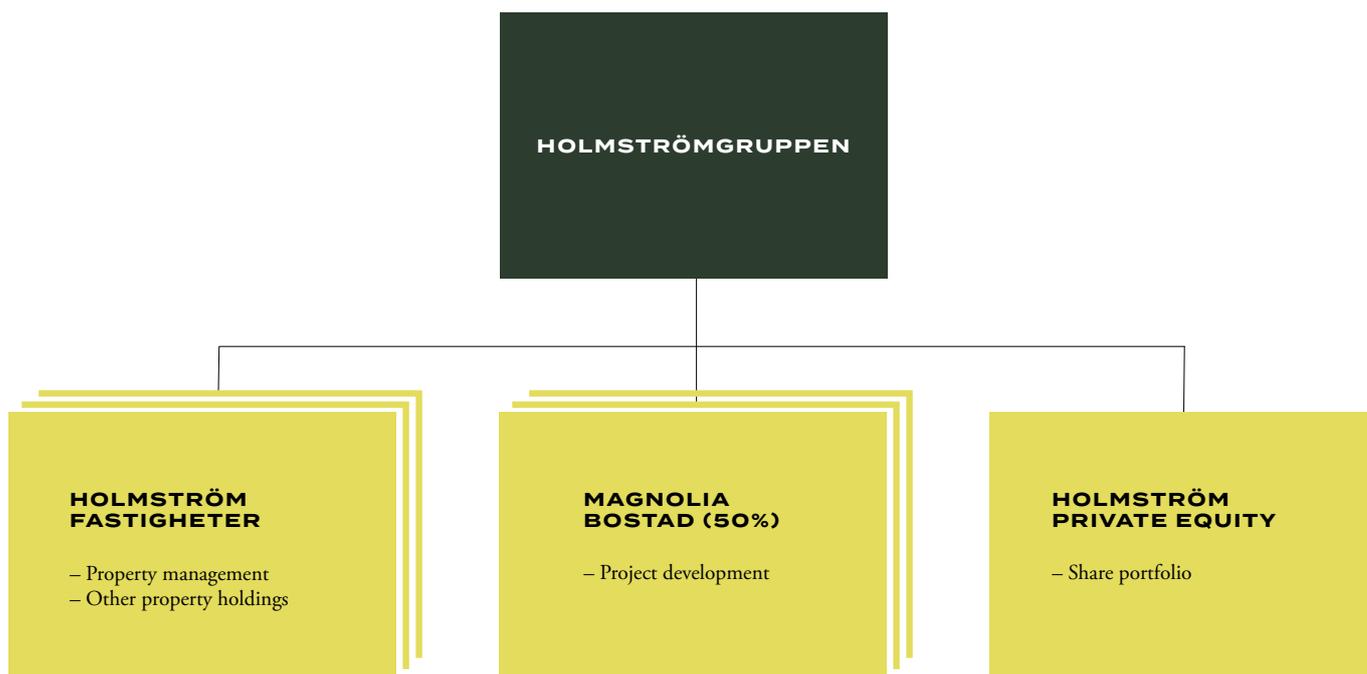
2022 in brief	2
This is Holmströmgruppen	4
A word from the CEO	8
Financial targets and strategy	10
Geographical spread	12
Executive management	14
Sustainability	16
A word from the Chairman	18
Holmström Fastigheter	20
Property management	24
Stockholm	24
Greater Stockholm	26
Linköping	28
Kalmar	30
Örnsköldsvik	32
Borgholm	34
Other locations	35
Other property holdings	36
Vincero Fastigheter	38
Ankarhagen	42
Klippudden Fastigheter	46
Project development	50
Projects and properties	54
Selected projects	56
Holmström Private Equity	58
EHAB	62
Novedo	64
Dentalum	65
Centripetal	66
Hidden Dreams	67
Stureplansgruppen	68
Sachajuan	69
Other holdings	70

FINANCIAL INFO AND ACCOUNTS

Board of Directors' report	74
Consolidated accounts	76
Parent company's accounts	81
Additional information	85
Auditors report	104

Holmströmgruppen's legal annual report, which contains the Directors' report and financial reports, can be found on pages 74–103.

This Annual Report is a translation of the original audited Swedish Annual Report, which prevails in the event of discrepancies between this translation and the Swedish original.



THIS IS HOLMSTRÖM-GRUPPEN

Holmströmgruppen’s operations are divided into three areas: ownership and management of properties, project development in the property sector and holdings of private equity companies.

Holmströmgruppen is in a strong financial position and thus has a good opportunity to be able to take initiatives and expand in all its business areas when suitable investment opportunities arise regardless of the economic situation.

HOLMSTRÖM FASTIGHETER

Holmströmgruppen has brought together the Group’s directly and indirectly owned properties, other property holdings and property management operations in the subsidiary Holmström Fastigheter.

Property management

Holmström Fastigheter manages both its own and external properties, currently totalling around 226,000 m², of which 77% is residential, 19% commercial premises and 4% community services property.

Other property holdings

Holmström Fastigheter owns 50% of Vincero VF5 (“Vincero Fastigheter”) which owns and manages 29 commercial properties comprising around 57,700 m² with good transport links in Stockholm, Huddinge and Uppsala.

Holmström Fastigheter also owns 20% of the property company Ankarhagen, which owns, manages and renovates commercial properties in the warehousing and light industry sectors in growth regions in Central Sweden. Ankarhagen currently owns 40 properties with a value of around SEK 1.2 billion.

Holmström Fastigheter owns 50% of Klippudden Fastigheter, which at the end of the year had a property portfolio consisting of 53 properties, located in Kalmar, Nybro, Borgholm, Linköping

HOLMSTRÖM FASTIGHETER

226,000 m²
managed area

PROJECT DEVELOPMENT

18,800 estimated
building rights in
Magnolia Bostad

HOLMSTRÖM PRIVATE EQUITY

15+ private equity
investments

and Norrköping. The properties comprise around 72,000 m², of which 81% are residential, 11% community service properties and 8% commercial premises. All properties are managed by Holmströmgruppen.

MAGNOLIA BOSTAD

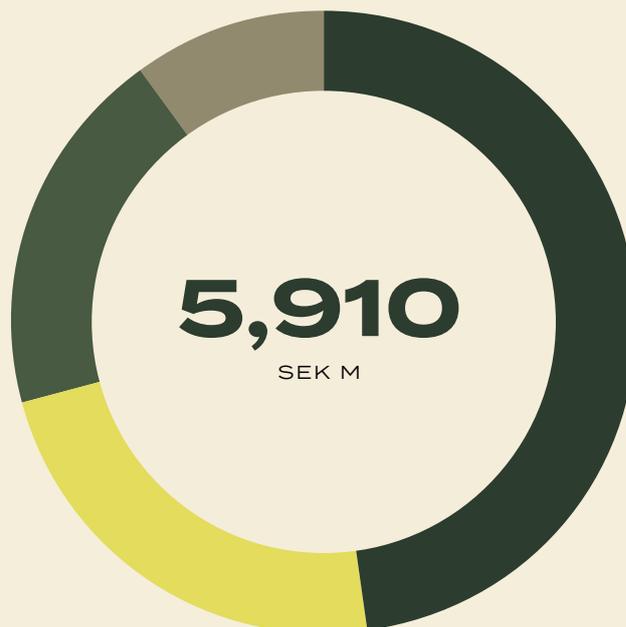
Project development takes place through the associated company Magnolia Bostad, an urban developer that creates new neighbourhoods and residential areas. The company develops rental and tenant-owned apartments, community service properties and hotels in Sweden's growth areas and metropolitan cities, partly for sale and partly for self-management. At the end of 2022, the company had just over 18,800 building rights in its building rights portfolio, and during the year around 900 residential units were completed. Holmströmgruppen owns 50% of Magnolia Bostad.

HOLMSTRÖM PRIVATE EQUITY

Parts of the positive cash flow generated from property operations are used to make investments in private equity. Holmströmgruppen works professionally with risk-adjusted return requirements on its investments. The portfolio consists of holdings in small or mid-sized companies with good conditions for growth.

During 2022, Holmström Private Equity was the business area that weathered the economic downturn best, which shows the importance of the company's diversification. At the end of the year, total assets amounted to about SEK 1.4 billion.

TOTAL ASSETS CARRYING AMOUNT



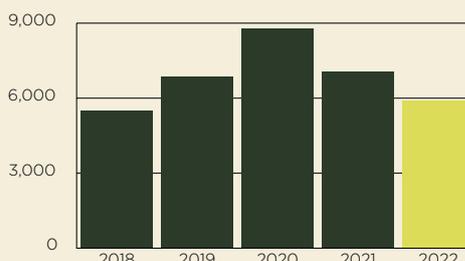
- » HOLMSTRÖM FASTIGHETER
SEK 2,847 M, 48%
- » HOLMSTRÖM PRIVATE EQUITY
SEK 1,379 M, 23%
- » MAGNOLIA BOSTAD
SEK 1,099 M, 19%
- » OTHER ASSETS
SEK 585 M, 10%

Property-related investments includes the carrying amounts of associated companies that carry out property management activities as well as attributable shareholder loans.

EQUITY/ASSETS RATIO PER CENT



BALANCE SHEET TOTAL SEK M



“There’s a fantastic atmosphere here”

Malin Hagberg was employed at Holmströmgruppen during a very expansive period and was initially tasked with implementing a new property system and digital distribution solutions at the organization. Today, she is a systems manager and administrative assistant, a job that involves many contacts with, among other things, tenants, authorities and colleagues at other property companies.

“There’s a fantastic atmosphere and company culture here at Holmströmgruppen,” says Malin. “Perhaps it’s the combination of property management, property development and private equity that creates it. There is a drive that I enjoy. The variety and breadth of my duties means that it always feels developmental.”

“Since I started at Holmströmgruppen, a



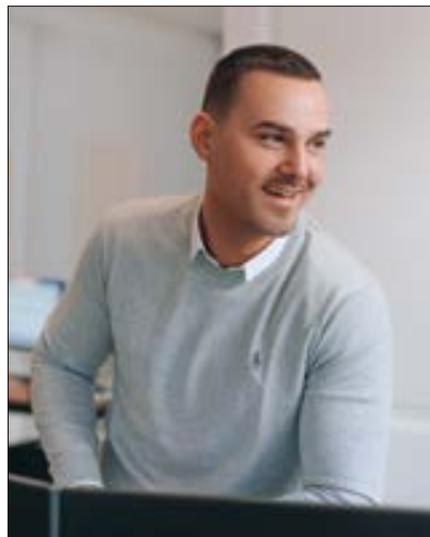
lot has happened. In our group, we have simplified and digitized processes and implemented systems for digital solutions of the administration. We have grown and gained a number of colleagues. I like the simplicity and openness of the organization.”

“No two days are the same”

Denis Trifunovic works as a property manager at Holmströmgruppen and is responsible for 53 properties in Kalmar, Norrköping and Linköping. He has a broad professional background, with experience from elite sports as well as from the service, retail and property sectors.

“I’m a former elite soccer player. Football has shaped me into who I am today and the mentality and discipline from the sport is something I bring with me to my job.”

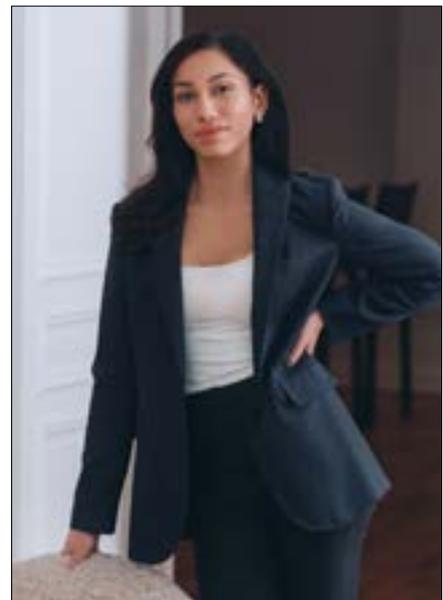
“I heard about Holmströmgruppen when I was studying to become a property manager. It was a dream to work for an expanding company in the property sector and it is an honour to be part of Holmströmgruppen’s journey.”



“I love working with service and meeting new people and here at Holmströmgruppen you get that combination. It is a varied job and no two days are the same.”



Andreas Lergård (Group Controller) and Marie Sandgren (Accountant) with Felicia Björkqvist (CEO’s assistant).



Olivia Henåker, Communications Manager.



An expanded, modern office

Holmströmgruppen's head office is on Sturegatan in Stockholm. During the year, the office was renovated and expanded with the aim of creating modern, attractive workspaces for the employees. The basis for the work was Holmströmgruppen's aim to create a positive, familiar atmosphere where employees can thrive and feel good. Among other things, we now have a very large dining room with adjacent social areas. Employees can take a break here, socialize or hold internal meetings in a relaxed environment. In addition to more social spaces, the expansion also provides room for the company's continued growth.



Tessi, office dog and mood enhancer.

Friends & Family increases commitment

Through Friends & Family, Holmströmgruppen's employees and other related people have the opportunity to invest in the Group. This arrangement increases employee commitment, helps us attract and retain the top expertise we need and gives key people the opportunity to share in Holmströmgruppen's financial success.

The market value of the seven investments that were made in the start-up phase of the company amounted to just over SEK 56 million at the end of December, and consisted entirely of unlisted holdings in a number of industries, but with a clear focus on growth and underlying investments in small to mid-sized companies. The largest holding, which at the end of the year accounted for 22% of the portfolio, is in Esmæilzadeh Holding, whose strategy is to invest long-term in and help build platforms for entrepreneurs on their growth journey.



Viktor Edlund, Transaction Analyst.



Ken Wendelin, CFO and Deputy CEO from May 2023.

OUR DIVERSIFICATION CONTRIBUTES TO STABILITY

The market situation has led to increases in interest rates as well as required returns on properties, which affects us negatively. At the same time, our diversification in various business areas has benefited us - our private equity holdings showed good results during the year. We believe that the tougher times ahead can offer us great business opportunities that we hope to take advantage of in collaboration with our partners.

2022 was shaping up to be a very special year. At the beginning of the year, the Coronavirus pandemic was still raging. In February, Russia launched its war of aggression against Ukraine, followed by an energy crisis, rising inflation and sharply increased interest rates. Like the rest of the Swedish economy, the capital markets were negatively affected, with a falling Stockholm stock exchange and an anxious bond market. In the property market, we saw falling valuations as a result of increasing required returns.

Even if the results for 2022 were disappointing showing an overall loss, our diversification in various business areas contributed to stability for the Group. Our private equity investments have continued to perform positively and contributed a strong result. On the negative side, Magnolia Bostad, which focuses on housing development, has had a particularly difficult year as a result of the deteriorating macroeconomic situation.

HOLMSTRÖM FASTIGHETER

We continue to make investments in our property portfolio with good profitability. During the year, our activities included the completion of heat and extracted air recycling projects and converting attics into apartments. In 2022, we carried out an energy inventory of all our properties, which

shows potential for continued investment in the portfolio.

At the beginning of 2022, we started our collaboration with Slättö, which meant that Slättö bought half of our subsidiary Klippudden Fastigheter. Klippudden Fastigheter is actively looking for opportunities to expand its property portfolio. The company also plans to make investments in energy-saving measures and Renovation, Reconstruction and Extension projects.

Holmströmgruppen owns 50% of Vincero Fastigheter, which owns a number of commercial properties with good transport links in Greater Stockholm and Uppsala. The intention is to develop building rights for housing on these properties. In 2022, the company's most important project, Sjödalen in Huddinge, went into the final consultation phase. It is an important milestone and a zoning plan is expected to be ready in 2024. The project includes around 2,000 residential units with good transport links to Stockholm's inner city.

MAGNOLIA BOSTAD

Magnolia Bostad experienced difficult market conditions during the year. Falling values for the end products coupled with rising construction costs meant that Magnolia Bostad, like many con-



tempories in the industry, postponed a number of construction starts. The company therefore carried out a review of its fixed costs and has adapted its workforce. We estimate that the uncertain market situation will last for some time and that it opens up opportunities for acquiring attractive building rights. The underlying demand for new housing remains strong and the general slowdown in new construction in Sweden will affect the housing deficit. When the market stabilizes, there will therefore be good conditions for new production to start up again in the markets where Magnolia Bostad is active.

HOLMSTRÖM PRIVATE EQUITY

Despite a challenging market situation, Holmström Private Equity has continued to show good results. Today, asset values amount to about SEK 1.4 billion. The largest investment during the year was in Esmailzadeh Holding, which saw good value development. I would also like to mention Novedo, which performed strongly with eleven company acquisitions in 2022. Sales growth was just under 400% with good organic growth and improved margins.

SUSTAINABILITY

Sustainability issues are an obvious and important part of Holmströmgruppen's business. In 2022, we carried out a climate risk assessment of parts of the portfolio to ensure compliance with certain parts of the EU Green Taxonomy Regulation. We also invested in a web-based platform for the collection, processing, analysis and visualization of energy data, and implemented a whistleblower function. In addition, we continued with our long-term sustainability investments. These include, among other things, energy mapping of our properties and implementation of energy-saving measures in the stock. In order to increase security

for our tenants, we offer a package that includes the installation of security doors, access systems, LED lighting and refurbishment of shared areas.

THE FUTURE

Although the property sector had a difficult year in 2022, I am looking to the future with confidence. We believe in the long term and strive to establish long-term collaborations with strong partners. During the second half of 2021, we started a collaboration with Areim, when we jointly bought out Magnolia Bostad from the stock exchange. Areim plans to add SEK 2 billion in capital to Magnolia Bostad, of which over one billion has already been added. At the beginning of 2022, we started another collaboration with a strong partner, this time Slättö. Together, we plan to expand Klippudden Fastigheter where Slättö will contribute the majority of the financing of the expansion. I am convinced that the solid experience, great knowledge and access to capital that our collaborations offer will lead us to new, exciting opportunities in the future.

Our private equity investments are well positioned for continued growth and increases in value. A few years ago, these constituted a smaller proportion of our assets, whereas today they are an increasingly important part of our business. We believe that this trend will continue.

I would like to thank our employees, the Board and our partners for working well together during a challenging 2022. We are now facing 2023 with the hope that the market will gradually strengthen.

Stockholm, April 2023

Erik Rune
CEO

FINANCIAL TARGETS

Holmströmgruppen's business concept is to be a committed and active property owner in selected markets. The company must also be active in property development and selectively invest in companies when the right business opportunities arise to achieve risk diversification. Added value is created through active and responsible ownership.

RETURN ON EQUITY

> 15%

Return on the Group's equity was -6% in 2022. The average return over the past five years has been 26%, exceeding the annual target of 15%.

Over the past five years, equity, excluding the minority shares, has grown by an average of 30% per year.

EQUITY/ASSETS RATIO

> 30%

At the end of 2022, the equity/assets ratio was 63%. On average over the past five years, the equity/assets ratio has reached 46%.



INVESTMENT STRATEGY
HOLMSTRÖM FASTIGHETER

Property management

- Mainly residential properties
- Purchases and sales are preceded by analysis where risks are weighed against the properties' development opportunities

Other property investments

- The investment range should normally be SEK 50-250 million
- Active ownership and long-term perspective



INVESTMENT STRATEGY
MAGNOLIA BOSTAD

- Properties are developed for sale as residential units, community service properties or hotels, based on current market conditions and the individual potential and characteristics of each property
- Projects are also developed for self-management with the aim of strengthening the balance sheet, generating a continual cash flow and creating long-term value growth
- Collaborations with strong and long-term partners



INVESTMENT STRATEGY
HOLMSTRÖM PRIVATE EQUITY

- The investment range should normally be up to SEK 100 million
- Investments should preferably be in growth companies
- An examination is carried out on an ongoing basis to determine whether the investment meets Holmströmgruppen's required return



Holmströmgruppen is represented in many areas around Sweden through property holdings and development projects. Ownership is through the subsidiary Holmström Fastigheter and associated companies Vincero Fastigheter, Klippudden Fastigheter, Ankarhagen and Magnolia Bostad.

- Holmström Fastigheter
- Vincero Fastigheter
- Klippudden Fastigheter
- Ankarhagen
- Magnolia Bostad (Project development)



Alex Snäckerström, Riksbyggen, and Maria Cheung, Magnolia Bostad, inspect solar panels on the roof of Senapsfabriken.



Postmästaren 2, Nynäshamn.



Rapsen 6, Kalmar.

EXECUTIVE MANAGEMENT

At the start of 2022, Holmströmgruppen's management team consisted of CEO Erik Rune, Head of Finance Katarina Strömberg and Head of Property and Sustainability Marija Nikolic. In May 2023, Ken Wendelin will join as CFO and Deputy CEO.



Erik Rune

CEO (since 2020)
Working for the Group since 2015
Born: 1973

Most recently deputy CEO and COO of Magnolia Bostad. Previously CFO of CBRE Global Investors and CEO of London and Regional Properties' Nordic operations. Has also worked in property finance at Eurohypo and SEB and property consulting at SEB Enskilda.

MSc. in Business and Economics from the Stockholm School of Economics



Ken Wendelin

CFO and Deputy CEO
Working for the Group since 2023
Born: 1975

Most recently CFO and deputy CEO of Aros Bostad (Publ). Previously Director and Global Co-Head Real Estate at SEB Enskilda and worked at SEB Industry & Corporate Analysis Real Estate and Infrastructure, Corem Property Group (Publ) and Catella.

MSc. in Business and Economics from the Stockholm School of Economics.



Holmströmgruppen's executive management.



Katarina Strömberg

Head of Finance
 Working for the Group since 2019
 Born: 1970

Most recently CFO at JLL, previously Nordic CFO at SIX Financial Information.

MSc in Economics from Uppsala University.



Marija Nikolic

Head of Property and Sustainability
 Working for the Group since 2019
 Born: 1971

Most recently Head of Property at HEBA Fastighets AB (publ), previously Head of Property at Savills.

Studied Property at Stockholm University.

SUSTAINABILITY

Contributing to the development of a sustainable society with regard to the environment and people is a given for us. We are convinced that a healthy approach to sustainability issues will bring large profits, both for us as a company, for our employees and for the world as a whole. For us, sustainability is about understanding our role in society and acting responsibly in our business areas.



ENVIRONMENT AND CLIMATE

In February, Holmströmgruppen and Slättö established a JV for the ownership of Klippudden Fastigheter, which has created an even greater opportunity for sustainable development and allocation of capital in environmental efforts.

“We have carried out an energy mapping of the portfolio and selected nine properties for deeper study before energy investment projects take place. When the selected investments are completed, we expect to save about 35% of the energy,” says Marija Nikolic, Head of Sustainability at Holmströmgruppen.

A priority area for Holmströmgruppen is that the property portfolio’s energy use must be resource-effective to contribute to a lower climate impact and a strong economy. Due to this, the workforce has been strengthened with leading expertise in the field in the form of an energy controller who will take up the position at the beginning of 2023.

To facilitate and streamline resource use, energy monitoring systems have been implemented. This allows us to get a quick overview of the total climate impact.

Examples of energy efficiency measures implemented in 2022 are:

▶ EVENTS IN 2022

- Introduced a whistleblower function
- Encouraged purchasing eco-friendly service vehicles
- Introduced a web-based platform for the collection, processing, analysis and visualization of energy data
- Carried out energy mapping of our properties
- Installed security doors, LED lighting and access systems for safe living.
- Introduced numerous energy efficiency measures
- Carried out a climate risk assessment of parts of the portfolio to ensure compliance with the EU’s green taxonomy regulation and other climate goals

- Installation of a new FX system. In addition to reduced energy use, an FX system also provides improved comfort for tenants.
- Lighting changes to LED lighting carried out on a continual basis
- Additional insulation of attics
- Energy mapping of selected properties to identify possible investments in geothermal energy and solar cells
- Digital connection of our properties for efficient control of sub-stations
- Installation of electric charging posts
- Introduced measures in parts of the portfolio, aimed at reducing heat and water consumption



Marija Nikolic, Head of Property and Sustainability Manager, with Tommy Jansson, Head of Asset Management at Slättö.

- In September 2015, the world's heads of state and government adopted a new development agenda and global goals for sustainable development. Agenda 2030 consists of 17 global goals for sustainable development that aim to eradicate poverty, stop climate change and create peaceful and secure societies.

We have chosen to prioritize three global goals within the UN's Agenda 2030 at Holmströmgruppen. The goals and areas we focus on in our sustainability work are good health and well-being, sustainable energy for all, and sustainable cities and communities.

"We must create long-term values and nurture and refine them in our daily operations," says Marija Nikolic, Head of Sustainability at Holmströmgruppen. "Our property investments and decisions must include a sustainability perspective. As an example, we work actively on energy optimization and heat recovery in our properties."

"We see it as a matter of course to take responsibility for the impact we make on the climate and the environment, and want to enable a more sustainable life for everyone who stays in and around our properties."

SOCIAL RESPONSIBILITY

"Our employees' expertise and well-being are important for us to be a long-term sustainable and successful company," says Marija. "To be a success-

ful operator, it's important to take care of our staff. If we have healthy people who enjoy their work and feel good, we are convinced that this has a positive impact on the organization's operations and profitability."

As an employer, we want our employees to thrive in a safe, sustainable working environment, so in 2022 we implemented a whistleblower function.

Holmströmgruppen has developed a social business plan for the property portfolio. It includes security measures and improvements to communal areas and activity centres to contribute to increased health, security and self-image.

Diversity and equality

A decisive aspect for growth and profitability is diversity and equality within the organization, which contributes to increasing understanding of partners, customers and the local market. If Holmströmgruppen does not work with diversity and equality, there is a major risk that the company will not succeed in attracting the talents that are necessary for the company's growth and thus miss business opportunities. Holmströmgruppen's Code of Conduct, staff handbook and policy regarding diversity, contain guidelines regarding diversity and equality. Today, Holmströmgruppen's workforce consists of as many women as men. Fifty per cent of the company's management team are women.

WE ARE EQUIPPED FOR TOUGHER TIMES

During 2022, we saw high inflation and rising interest rates, putting pressure on both households and companies. When I sum up 2022, I can state that it is the first year since 2009 that our Group results are in the red.

The Swedish economy has entered a recession and we expect it to get worse before it gets better again. Holmströmgruppen made a couple of larger strategic deals in 2021 that reduced our financial exposure. However, all of our operations are now affected by the deteriorating market conditions.

Usually, upturns take place gradually over a longer period of time, while downturns are sharper and over a shorter period. We have financial targets

It is through our employees that we find new business and new collaborations, and continue to refine what we already have. With three clear platforms, a good financial position, a strong organization and a constant entrepreneurial spirit, we are well equipped for the future.

– FREDRIK HOLMSTRÖM,
CHAIRMAN OF THE BOARD

and experience that give us margins to manage the economic changes that are often difficult to predict.

Our traditionally strong areas, housing development and investment properties, have been hit hard due to increased construction costs and

higher capital costs. In the same way that in a strong market we had the advantage of the external factors for many years, they are now against us. We focus on what we can influence and I am very satisfied with how our organization and our partners have worked together in difficult times.

We have built up Magnolia Bostad's attractive portfolio of building rights over many years and we have a well-managed property management portfolio. These businesses have created great value for many years, but we can now see that they are being negatively affected by the current market. However, our third area, private equity, has performed better.

For a long time our strategy has been to have investment properties in good locations with safe cash flows as a basis and to use the returns from these for investments in housing development, as well as private equity. These investments involve higher risk, but over time they also potentially provide better returns.

Financially, we work to mortgage the investment properties where there is a cash flow that covers the interest payments, while within housing development we finance projects and in private equity we only make unsecured investments.

Over the past ten to fifteen years, we have gradual-



ly moved from being a pure property company to an investment company with three distinct areas of operation. In property and development, we have usually started the companies ourselves. We are then happy to expand with capital partners where Holmströmgruppen is the manager and catalyst. This has been a successful strategy where we have collaborated with larger Nordic institutions and we hope to continue to create new collaborations in the future.

When it comes to private equity, we are not tied to a specific focus, but rather are guided by who is behind the company and the management that runs the company. We are a relationship-driven investor with a focus on people and believe that the right individual with the right incentives can

create good returns over time.

For the past year, I would particularly like to highlight all the fantastic employees that we have managed to attract to the company. The organization has gradually grown in recent years and today it is our most important asset. It is through our employees that we find new business and new collaborations, and continue to refine what we already have. With three clear platforms, a good financial position, a strong organization and a constant entrepreneurial spirit, we are well equipped for the future.

Stockholm, April 2023

Fredrik Holmström
Chairman, Holmströmgruppen

HOLMSTRÖM FASTIGHETER



In early 2022, we established a JV with Slättö for the ownership of Klippudden Fastigheter. Together, we face climate issues in a systematic, structured and innovative way. Therefore, we have invested aggressively in allocating capital to sustainable investments in the environment and energy.

– MARIJA NIKOLIC
HEAD OF PROPERTY AND SUSTAINABILITY

HOLMSTRÖM FASTIGHETER



Berga 10:6, Österåker.

PROPERTY MANAGEMENT

Holmströmgruppen's property management activities are conducted within the wholly-owned subsidiary Holmström Fastigheter. The property management portfolio currently comprises 225,808 m², divided into 77% residential units, 19% commercial premises and 4% community service properties.

The property business is run with an emphasis on delivering active management with excellent service for sustainable, comfortable residential and commercial premises. Holmström Fastigheter works focussing on the long-term with the goal of managing the property for many generations.

Read more about Holmströmgruppen's property management on the following pages.

► EVENTS IN 2022

- Holmström Fastigheter established a JV with Slättö for the ownership of Klippudden Fastigheter
- The portfolio in Norrköping expanded with two more properties via Klippudden Fastigheter
- The portfolio in Kalmar expanded with nine properties via Klippudden Fastigheter
- New property management assignments:
 - Östersund about 1,350 m²
 - Bålsta about 2,100 m²
 - Knivsta about 17,300 m²
 - Västerås, about 3,900 m²
- Signed agreement with Vitec Marknad and Nya Boendet aimed at streamlining the rental of vacant properties
- Completed new production of four attic apartments in Skarpnäck
- Implemented a water saving project in selected properties
- Decided on and introduced a number of energy-efficient measures



Storängen etapp 2 is a project in Huddinge being developed by Vincero Fastigheter.



Östanvinden 4 in Karlstad is a property owned by Ankarhagen.



Duvan 7 is a property in Kalmar owned by Klippudden Fastigheter.

OTHER PROPERTY HOLDINGS

Vincero Fastigheter

Holmström Fastigheter owns 50% of Vincero Fastigheter, which owns and manages 29 commercial properties comprising around 57,700 m² with good transport links in Greater Stockholm and Uppsala.

Ankarhagen

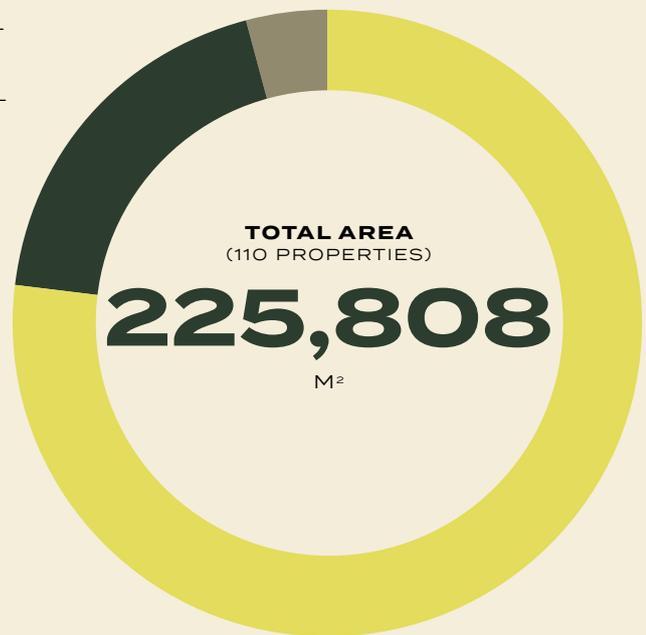
Holmströmgruppen also owns 20% of the property company Ankarhagen, which owns, manages and develops commercial properties in the warehousing and light industry sectors, in expanding regions in Central Sweden. Ankarhagen currently owns 40 properties covering around 117,900 m² of lettable area.

Klippudden Fastigheter

Klippudden Fastigheter is owned equally by Holmström Fastigheter and Slättö. The portfolio is located in central locations in Kalmar, Nybro, Linköping, Norrköping and Borgholm. The properties comprise around 72,000 m², of which 81% is residential, 11% community service properties and 8% commercial premises. All properties are managed by Holmströmgruppen.

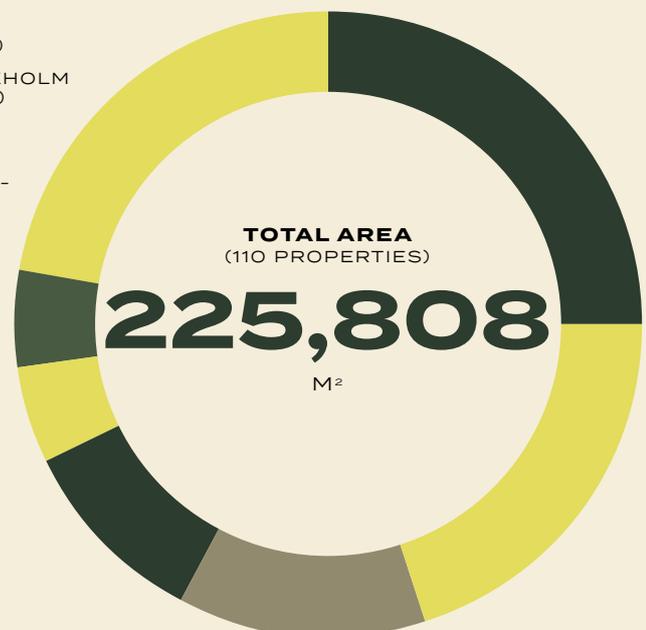
DISTRIBUTION BY PROPERTY TYPE MANAGED PROPERTIES

- » RESIDENTIAL
173,394
(77%)
- » COMMERCIAL
PREMISES
43,736
(19%)
- » COMMUNITY
SERVICE
PROPERTIES
8,678
(4%)

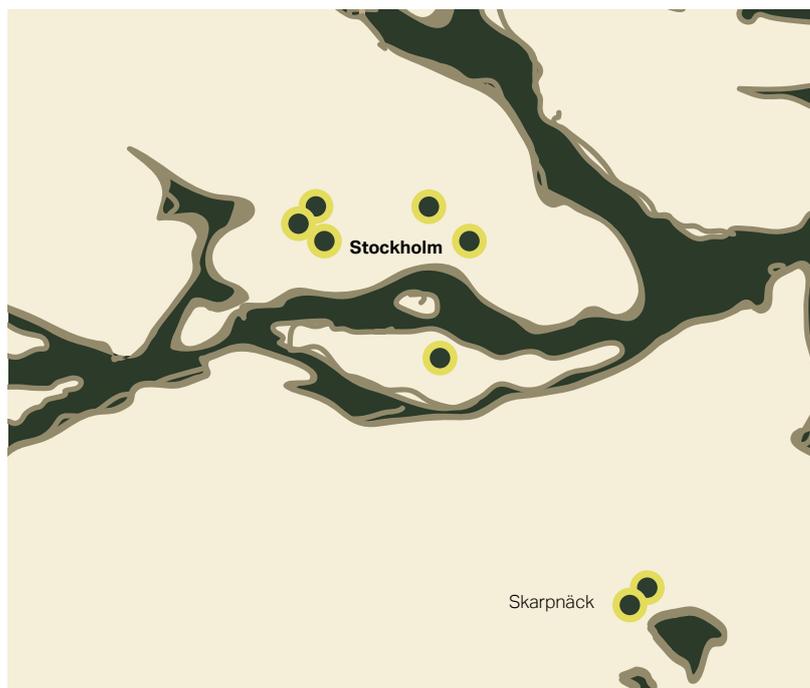


GEOGRAPHICAL DISTRIBUTION MANAGED PROPERTIES

- » KALMAR
56,698 (25%)
- » STOR-STOCKHOLM
45,949 (20%)
- » LINKÖPING
29,106 (13%)
- » ÖRNSKÖLDS-
VIK
22,278 (10%)
- » STOCKHOLM
11,213 (5%)
- » BORGHOLM
10,313 (5%)
- » OTHER
LOCATIONS
50,251 (22%)



STOCKHOLM



Holmströmgruppen manages eight properties in the Stockholm municipality, of which six are owned by Holmströmgruppen and two are privately owned by Fredrik Holmström. The properties comprise a total of 11,213 m² divided into 122 residential units and 13 commercial premises.

The properties at Skeppargatan 13 and Danderydsgatan 17, which are owned by Fredrik Holmström, comprise a total of 1,938 m², of which 67% is residential.

Holmströmgruppen owns and manages two properties in Skarpnäck. In order to develop and streamline our existing portfolio, we completed the production of four attic apartments in Skarpnäck during the year. This has led to an increase in living space of 224 m² and an increase in property value.



Fajansen 11, Stockholm.

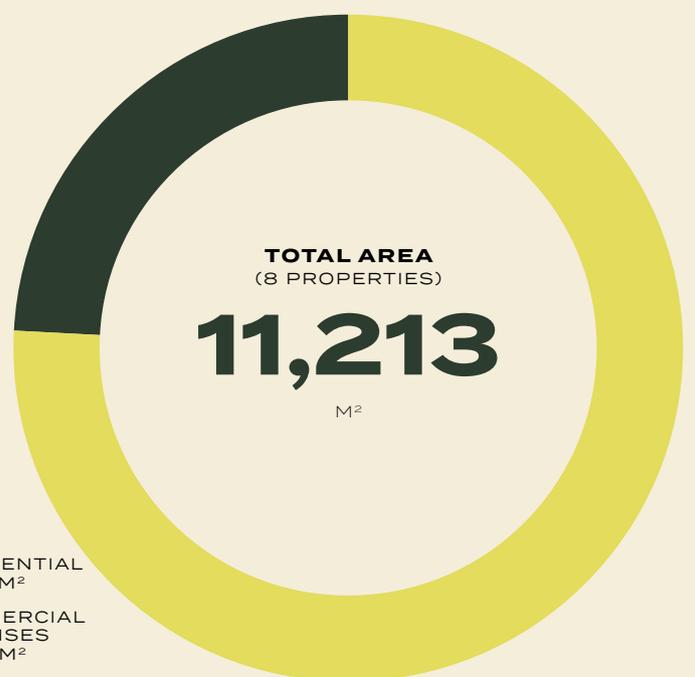


Kyrkogården 12, Stockholm.



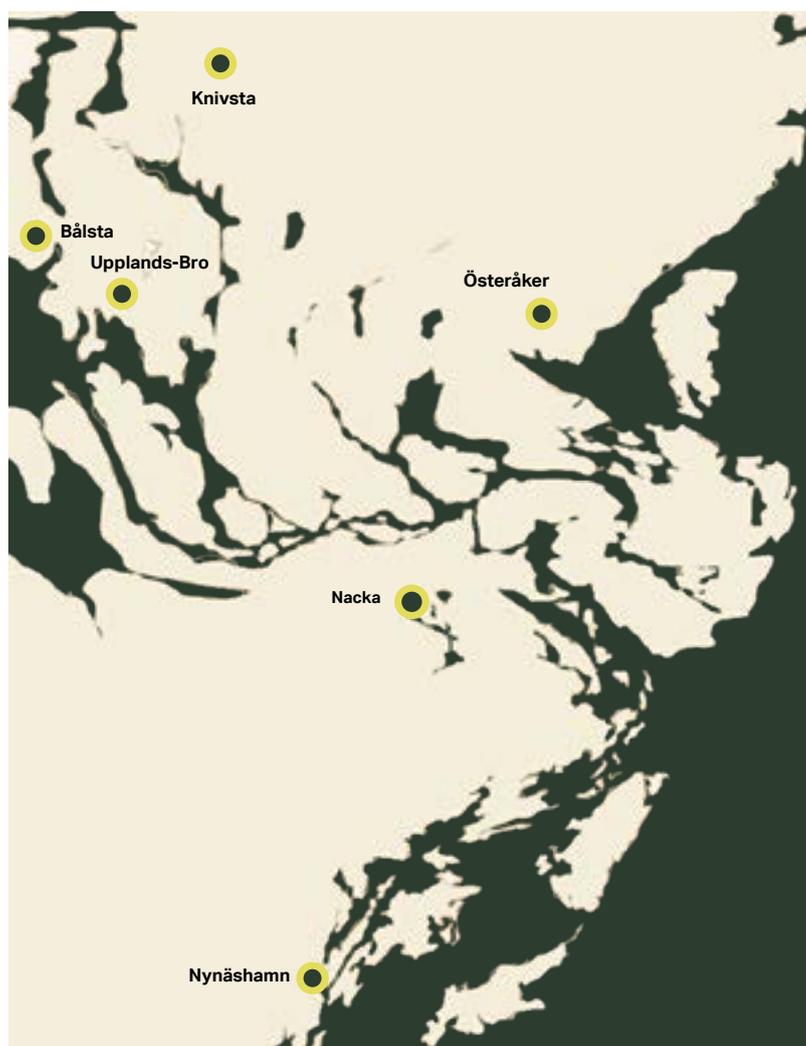
Näktergälen 30, Stockholm.

**STOCKHOLM
MANAGED PROPERTIES**



- » RESIDENTIAL
8,612 M²
- » COMMERCIAL
PREMISES
2,601 M²

GREATER STOCKHOLM



Holmströmgruppen manages six properties, comprising a total of 45,949 square meters, in Greater Stockholm.

Holmströmgruppen's property in Nynäshamn covers a total of 9,282 m² and is centrally located about 200 metres from the railway station. The surrounding buildings mainly consist of buildings with shops on the ground floor. The location is very good for residential purposes and also attractive for office and retail use. The property consists of four buildings built on 3-4 floors, which together form an entire neighbourhood. In total, the properties include 81 apartments and 18 commercial premises.

The Berga 10:6 property is located near the centre of Åkersberga in Österåker municipality. The property, which was built in 1991, has 41 apartments and eight commercial premises. In total, the property covers 4,718 m².

The Orminge 52:1 property in Orminge consists of 21 commercial premises distributed over 6,494 m².

Holmströmgruppen also manages the Brogård 1:169 property in Upplands-Bro. It covers a total of 6,065 m² and consists of 112 apartments.

During 2022, Holmströmgruppen took on two new property management assignments in Greater Stockholm. One is for the new production of 412 apartments in Knivsta with a rental start in June 2023. The other is a development project in Bålsta, and includes three commercial premises.

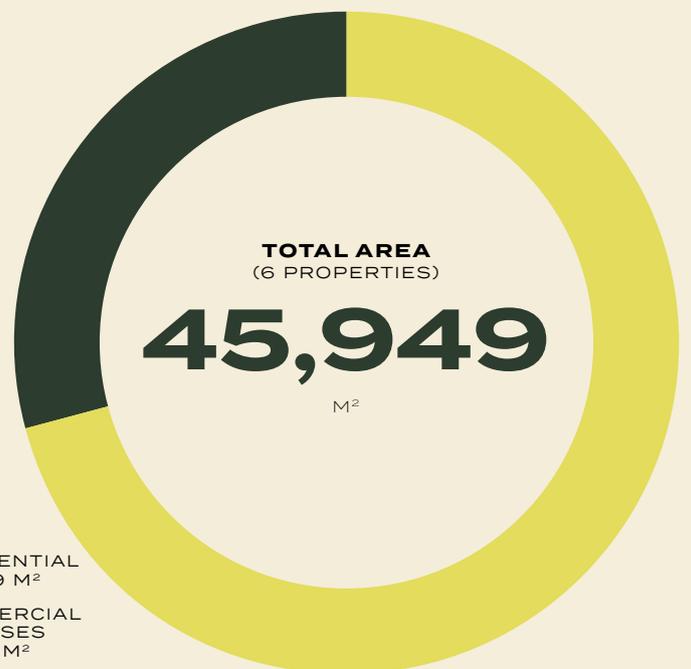


Postmästaren 2, Nynäshamn.



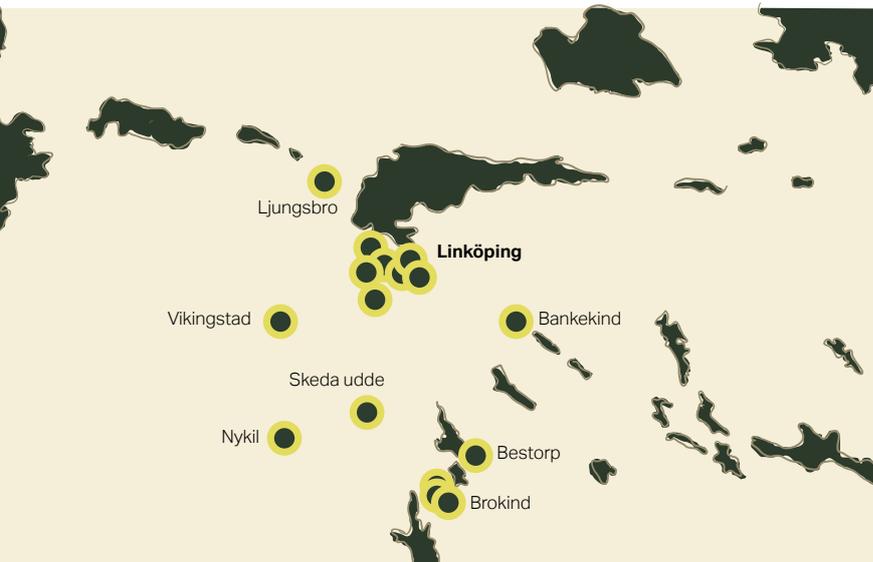
Berga 10:6, Österåker.

**GREATER STOCKHOLM
MANAGED PROPERTIES**



- » RESIDENTIAL
32,799 M²
- » COMMERCIAL
PREMISES
13,150 M²

LINKÖPING



Holmströmgruppen manages 13 properties in Linköping, comprising a total of 29,106 m².

Two of the properties are owned by Klippudden Fastigheter. They comprise a total of 2,263 m², divided into 42 residential units and one commercial premises.

The other 11 properties are owned by Bonäsudden. They comprise a total of 26,843 m², divided into 220 residential units and 34 commercial premises. In addition, there are 119 parking spaces.



Amor 4, Linköping.

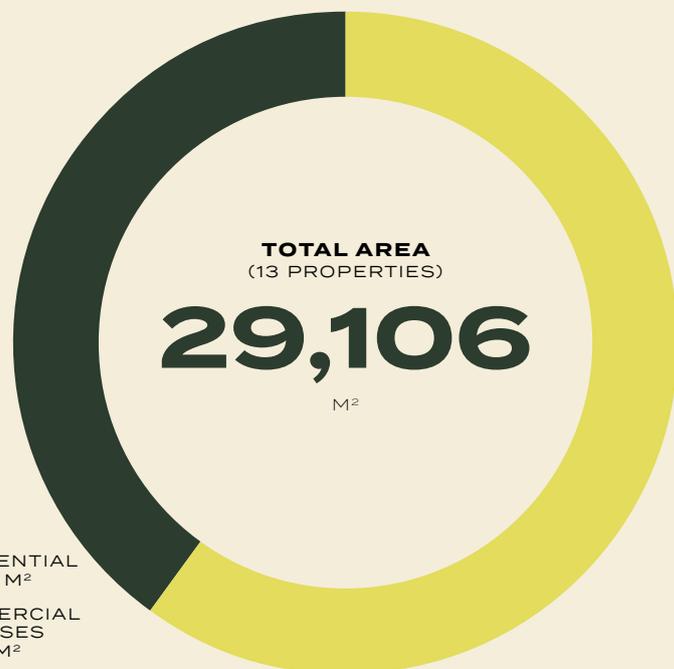


Kardanen 1 and 2, Linköping.



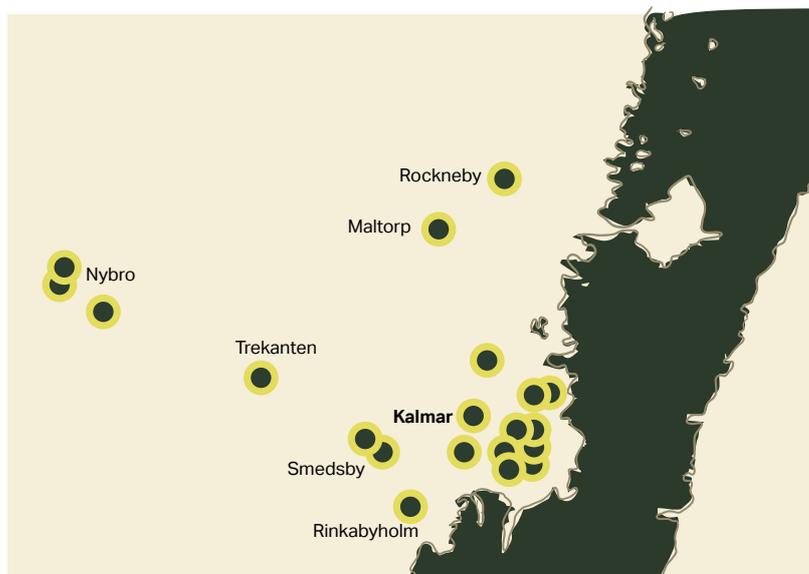
Apeln 9, Linköping.

LINKÖPING
MANAGED PROPERTIES



- » RESIDENTIAL
17,435 M²
- » COMMERCIAL
PREMISES
11,671 M²

KALMAR



In 2022, Klippudden Fastigheter acquired nine more properties in Kalmar. This means that the Group currently manages 43 properties in Kalmar and the surrounding area. The new properties, one of which is a community service property, comprise a total of 10,224 m².

The portfolio in Kalmar comprises a total of 56,698 m², divided into 670 residential units, 41 commercial premises and 9 community service properties. In addition, there are 610 parking spaces.



Bofinken 8, Kalmar.



Kastanjen 2, Kalmar.

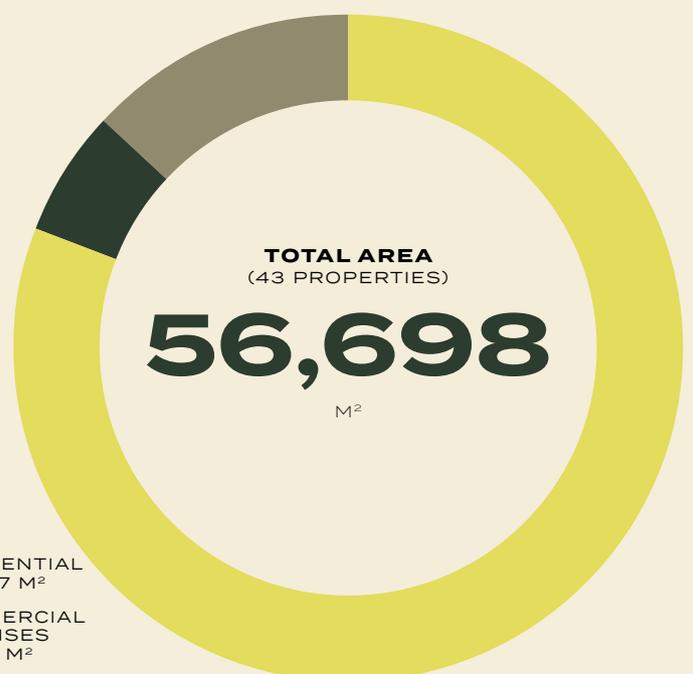


Måsen 6, Kalmar.



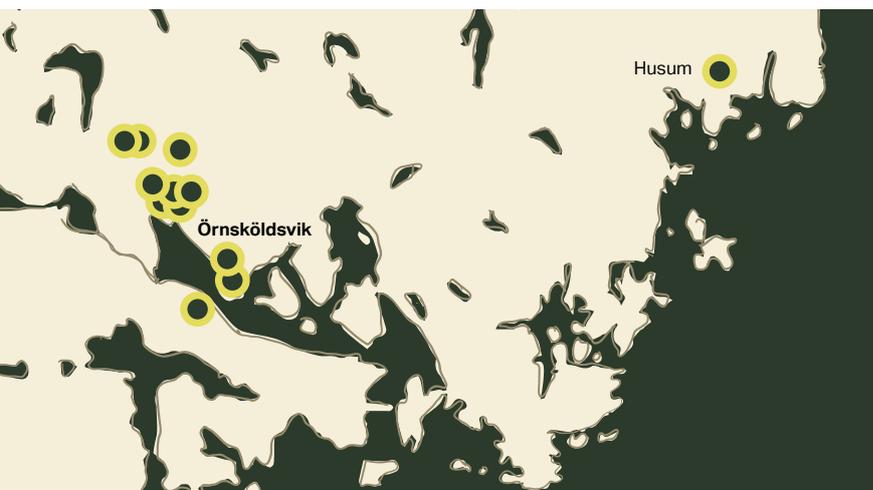
Bjällklaget 11, Kalmar.

KALMAR
MANAGED PROPERTIES



- » RESIDENTIAL
45,667 M²
- » COMMERCIAL
PREMISES
3,506 M²
- » COMMUNITY
SERVICE
PROPERTIES
7,525 M²

ÖRNSKÖLDSVIK



Holmströmgruppen manages 21 properties in Örnköldsvik, of which 20 are owned by the partly-owned subsidiary Pelle Holmström Fastigheter KB.

The properties comprise a total of 22,278 m², divided into 260 apartments and 22 commercial premises. In addition, there are 261 parking spaces.



Norrlungänger 2:201, Örnköldsvik.



Husum 1:217, Örnköldsvik.

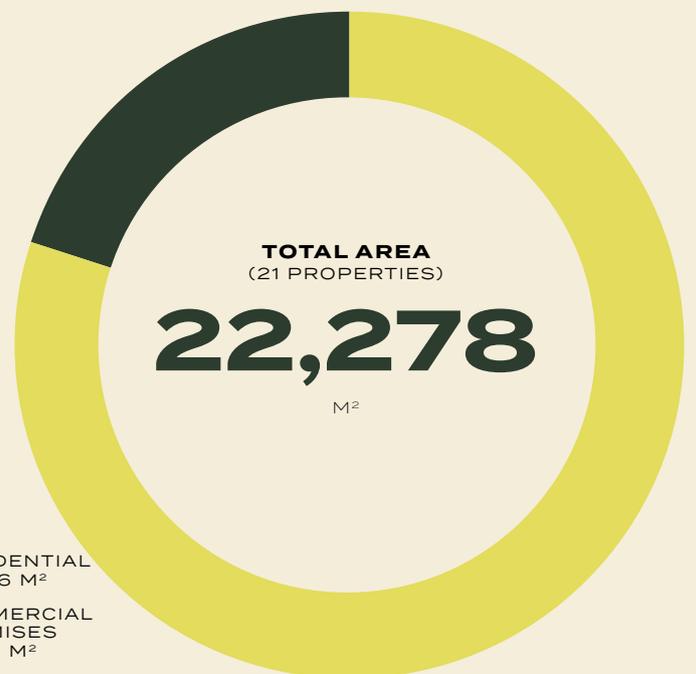


Turkiet 7, Örnsköldsvik.



Husum 1:113, Örnsköldsvik.

ÖRNSKÖLD SVIK
MANAGED PROPERTIES

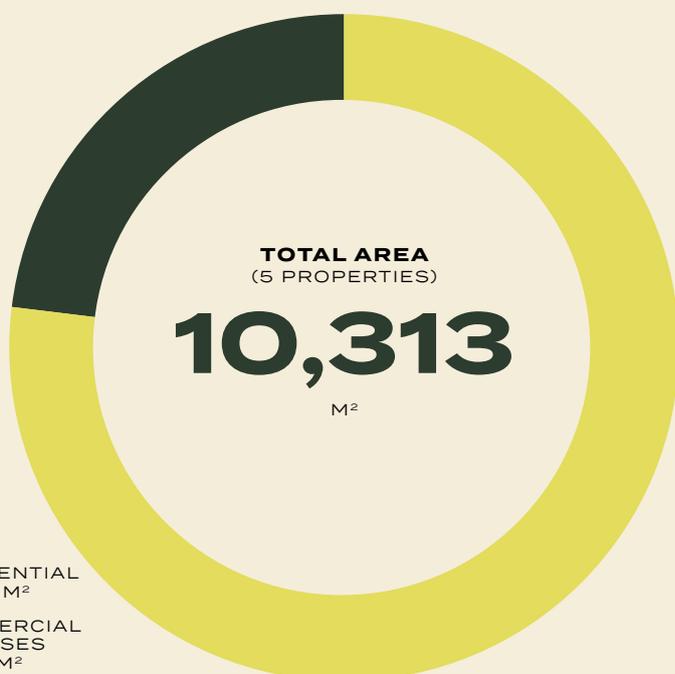




Verdandi 5, Borgholm.

BORGHOLM

BORGHOLM MANAGED PROPERTIES



- » RESIDENTIAL
8,804 M²
- » COMMERCIAL
PREMISES
1,509 M²

Holmströmgruppen manages five properties in Borgholm. All are owned by the partly-owned associated company Klippudden Fastigheter. They comprise a total of 10,313 m², divided into 122 residential units and 13 commercial premises. In addition, there are 74 parking spaces.



Åkaren 25, Borgholm.



**OTHER LOCATIONS
MANAGED PROPERTIES**



- » RESIDENTIAL
42,171 M²
- » COMMERCIAL
PREMISES
6,927 M²
- » COMMUNITY SERVICE PROPERTIES
1,153 M²

OTHER LOCATIONS

LOCATION	NUMBER OF PROPERTIES	RESIDENTIAL UNITS M ²	COMMERCIAL PREMISES M ²	COMMUNITY SERVICE PROPERTIES M ²	TOTAL M ²
Östersund	3	9,366	1,354	0	10,720
Norrköping	4	6,139	1,278	1,153	8,570
Örebro	1	8,481	0	0	8,481
Eskilstuna	1	6,008	0	0	6,008
Luleå	1	5 099	29	0	5,128
Uppsala	1	0	4,157	0	4,157
Västerås	1	3,890	0	0	3,890
Visby	1	3,188	0	0	3,188
Falsterbo	1	0	109	0	109
TOTAL	14	42,171	6,927	1,153	50,251

OTHER PROPERTY HOLDINGS

VINCERO FASTIGHETER



Robin Rutili, CEO
Vincero Fastigheter.

The start of 2022 was difficult to predict. Relatively speaking, Vincero Fastigheter has had a good year where, for natural reasons, we have been a little more cautious with our expansion plans.

– ROBIN RUTILI, CEO



Fjärdingen 27:5, Uppsala.

Vincero Fastigheter owns, manages and develops commercial properties with good transport links in Greater Stockholm and Uppsala. The focus is to create the right conditions for its tenants' businesses and thereby increase returns over time.

Vincero Fastigheter was established in 2016 and on 31 December 2022, the portfolio comprised 29 properties, covering around 57,700 m².

The company is not expanding its own organization but ensures expertise in both commercial and financial management through a management agreement with Vincero AB, run by brothers Robin and Andreas Rutili. Vincero AB and Holmströmgruppen both own 50% of Vincero Fastigheter. The company has the potential to continue being an active buyer in the coming years.

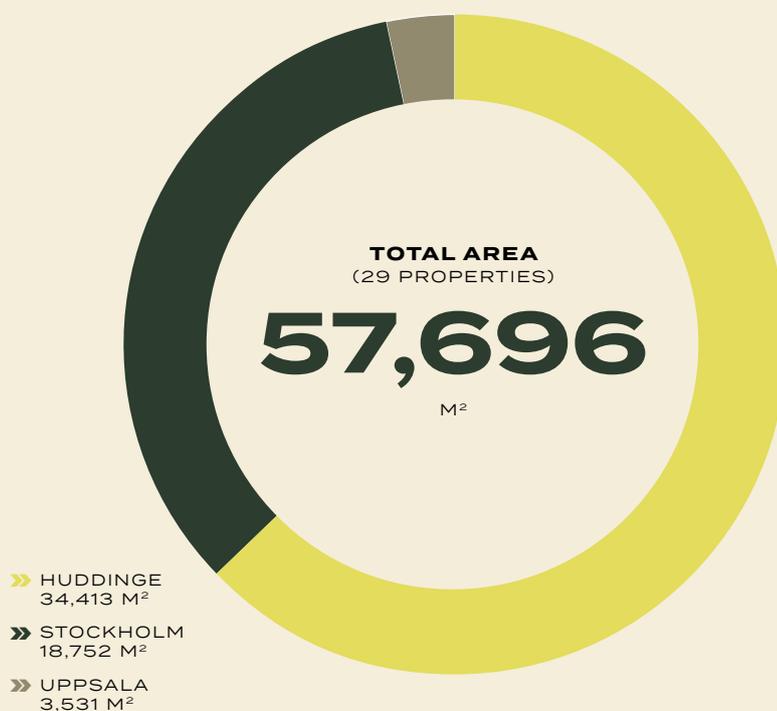


Parken block 4 stage 4, Huddinge.

► EVENTS IN 2022

- The company's most important project, Sjødalen in Huddinge, went to consultation, an important milestone for the project. A complete zoning plan is expected to be available in 2024.
- Acquired four properties in Segeltorp, Huddinge municipality, covering a total of 6,150 m². The company intends to eventually develop building rights for housing in the properties.
- Completed 40 apartments in central Uppsala. The residencies were sold to a tenant-owner association.

VINCERO FASTIGHETER GEOGRAPHICAL DISTRIBUTION



INNOVATIVE URBAN DEVELOPMENT

Vincero Fastigheter acquires and manages commercial properties with good transport links in Greater Stockholm that are being transformed into attractive residential areas through active urban planning. In Storängen, which is next to the centre of Huddinge, Vincero Fastigheter has innovative ambitions of developing a major residential area of around 2,000 homes.

Andreas and Robin Rutili, founders of Vincero Fastigheter.



“Through innovative urban planning, we are creating areas with unique qualities for their residents that contribute to more sustainable urban environments,” says Andreas Rutili, who founded Vincero Fastigheter together with his brother Robin. With our large, pooled, development volumes, we are well placed to invest in the latest technology and next generation solutions.

In Storängen, less than a kilometre east of Huddinge centre, Vincero Fastigheter has acquired over 20 properties grouped within an area of 90,000 m². Storängen has good potential to become an attractive residential area with good transport links and proximity to services, schools and recreation. Central Stockholm is 15 minutes away by commuter train from Huddinge town centre and Flemingsberg is just a few minutes away. Flemingsberg is one of the fastest growing development areas in the country, and will become a hub for transportation, education and work in the south of the city.

Vincero Fastigheter has ambitions of developing a next-generation residential area in Storängen in eight large neighbourhoods. To understand how residential areas will be developed in the future, the company has chosen to work with around fifty of Sweden’s and Europe’s leading experts in areas such as energy, mobility, digitalisation, the environment and social issues. These specialists, who come from industry, academia and government, have been working for a couple of years to develop an innovation programme to form the basis for the development of the next-generation residential area in Storängen. This innovation programme will also act as guidelines for urban planning in other residential areas developed by the company.



Parken block 1 stage 4, Huddinge.



Storängen stage 2, Huddinge.



Stage 1-5, Storängen.

ANKARHAGEN



Markus Sjövall, Ankarhagen's CEO.

Ankarhagen continued to develop its business and property portfolio well during 2022. During the year, rental income, net operating income and the property management earnings all increased. Despite new macroeconomic conditions, we are optimistic about the future.

– MARKUS SJÖVALL, CEO

“Despite completely new market conditions, 2022 was a successful year for Ankarhagen. Rental income increased by 28% to SEK 83 million (64), net operating income went up by 40% to SEK 68 million (49) and the property management earnings rose to SEK 25 million (22). The surplus rate in the property portfolio amounted to 82% (76).

upward adjustment of rents, where this year's CPI figure amounted to 10.9%. Despite increased yield requirements, the portfolio achieved a marginal increase in value against the background of improved cash flows.

Several listed property companies have been forced to reduce their leverage, which has resulted in a large supply of properties for sale. Since a large part of the supply did not manage to find buyers at the requested price levels, the market swung from having been a “seller's market” to a pronounced “buyer's market”.

In terms of demand for Ankarhagen's type of premises, it was a good year. Ankarhagen has its vacant premises scattered in several locations and we have seen a continuous wide influx of interested parties who are looking for larger premises or a new place to establish themselves in. At the time of writing, we see continued strong demand for the Group's premises.

ON SOLID GROUND

Ankarhagen manages 40 properties well spread out in growing regional cities in Central Sweden. The properties house over 105 tenants spread over 120 leases, 97% of which are indexed to the CPI. Our tenants operate in widely different industries from industry and manufacturing to services and trade. The properties are located in established industrial zones within urban areas. The buildings are flexible, and in a scenario where a premises becomes vacant it is relatively easy to convert to a new business. On average, our tenants pay around SEK 850 per m², which is a level that is below the rent for newly built premises in these locations. Ankarhagen's portfolio is valued at around SEK 10,000 per m², which is well below the cost of new production for new corresponding buildings. With the aforementioned conditions, we feel confident that our asset pool has a strong long-term resistance to increased vacancies.

Ankarhagen

During the year, we continued to carry out our active management, and the total contract value now amounts to SEK 376 million (328). In addition, eight acquisitions were completed and the value of the property portfolio at the end of the year was SEK 1,213 million (989). The balance sheet total was SEK 1,325 million (1,081) with an equity/assets ratio of 35%.

During the year, we also continued to work according to our business plan with a focus on growth, which was established in 2021 and extends to 2026. To enable continued growth, we are continuing to work on building long-term structural capital. As part of this, the management organization has been increased by four people and a sustainability manager has been recruited to proactively meet our stakeholders' increased demands for sustainable business. We have transitioned from being a private to a public limited company in order to broaden the Group's financing options going forward.

THE MARKET

The new market situation affected several parts of Ankarhagen's operations. The Group's single largest cost item, interest costs, increased significantly over the year, with Ankarhagen's average interest rate going from 2.16% in January to 4.63% at the end of the year. In addition, the valuation of the property portfolio was also affected against the background of generally increased yield requirements. Inflation has led to a historically high



Likströmmen 6, Västerås.

ACTIVE SUSTAINABILITY WORK

The year began with a new sustainability policy being adopted by the Board to provide direction and control in the sustainability work. A sustainability manager was appointed during Q3 to ensure continuity in the work and that sustainability runs through the entire operation. We started several environmental construction projects. At the time of writing, we have received the Sweden Green Building Council's silver certification for our newly produced facility in Jordbro. In addition to this, we have four buildings in the certification processes with the Sweden Green Building Council.

One of our goals was achieved during the year when we reached 100% renewable electricity in the facilities where we, as the landlord, have control over subscriptions. Furthermore, we continued to increase the proportion of green leases, which is a contributing factor to our tenants also reducing their environmental impact.

When we finished 2022 and started 2023, there was continued uncertainty in the market. However, we feel secure in our underlying business model, which we know is sustainable in the long-term, regardless of the market situation. It's no secret that the property sector is having a tough time right now. At the same time, the changing market situation opens up exciting business opportunities. Thus, it is with confidence that we enter 2023.

In conclusion, I would like to thank Ankarhagen's Board and our tenants for a good cooperation. Furthermore, I would like to thank all employees who worked hard during 2022 to drive the company forward.

Markus Sjövall
CEO and President

ANKARHAGEN

GEOGRAPHICAL DISTRIBUTION BY PROPERTY VALUE



COMMERCIAL PREMISES IN CENTRAL SWEDEN

Ankarhagen invests in commercial properties, mainly in the warehouse and light industry sectors. Ankarhagen's geographic market is Central Sweden's regional cities, more specifically Mälardalen and Karlstad.



Jordbromalm 1:10, Haninge

In 2021, Holmströmgruppen acquired shares corresponding to 20% in the property company Ankarhagen.

Ankarhagen, founded in 2011, invests mainly in commercial properties in Mälardalen and Central Sweden with its main focus on the warehouse and light industry sectors and commercial premises close to the city. The company's business concept is to acquire, manage and improve commercial properties in the warehouse and light industry sectors in locations close to the city in growth regions in Central Sweden.

The company also runs the project development of previously unused land where new premises are developed and built for new and existing customers.

Ankarhagen's properties are in Greater Stockholm and in other larger cities in Mälardalen and the rest of central Sweden. In total, the Group owns 40 properties covering around 500,000 m² of land with zoning plans and a total lettable area of 117,900 m².



Östanvinden 4, Karlstad.



Nattvinden 5, Karlstad.



Fotbromsen 2, Karlskoga.

KLIPPUDDEN FASTIGHETER

Klippudden Fastigheter is a joint venture between Holmströmgruppen and Slättö. The company's property portfolio is centrally located in Kalmar, Borgholm, Linköping and Norrköping. All properties are managed by Holmströmgruppen.



Rapsen 6 is one of the properties acquired in Kalmar in 2022.

► EVENTS IN 2022

- Early in the year, Slättö became a 50% partner in the JV that owns the Klippudden Group. Slättö's investment will contribute to facilitating further growth and the implementation of energy-saving investments in the company.
- During the year, Klippudden Fastigheter made eleven property acquisitions, nine in Kalmar and two in Norrköping
- A number of energy-efficient measures were introduced during the year

Klippudden Fastigheter is owned equally by Holmström Fastigheter (50%) and Slättö (50%). The company and its owners aim to expand the property holdings, with Slättö accounting for the majority of the financing. The properties are managed by Holmströmgruppen.

LOCATION

Klippudden Fastigheter's portfolio is centrally located in Kalmar, Nybro, Linköping, Norrköping and Borgholm and currently consists of 81% residential properties, 11% community service properties and 8% commercial premises.



Johan Karlsson (CEO) Slättö, Erik Rune (CEO) Holmströmgruppen and Jonas Andersson (CFO) Slättö.



Hajen 4 in Kalmar was also acquired in 2022.

KLIPPUDDEN FASTIGHETER IS

Selective

The main focus is on existing residential and community service properties in selected cities in Sweden.

Long-term

The goal is long-term ownership where active property management, value creation, customer satisfaction and energy efficiency are at the centre.

Stable

Stable cash flows with a high occupancy rate and low vacancy risk in strong markets.

SELECTED PROPERTIES



Asken 3, Kalmar.



Verdandi 5, Borgholm.



Bofinken 8, Kalmar.

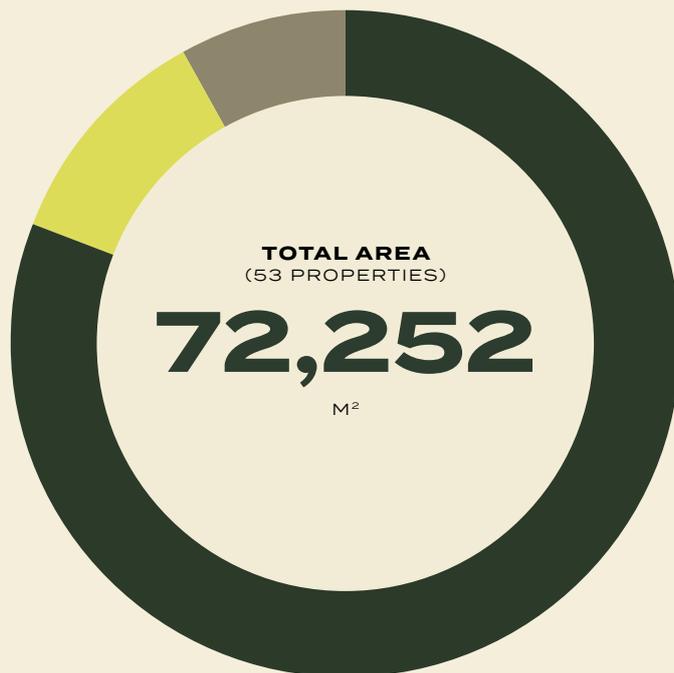


Plommonträdet 7, Kalmar.



Åkaren 25, Borgholm.

KLIPPUDDEN FASTIGHETER
DISTRIBUTION BY PROPERTY TYPE



- » RESIDENTIAL
58,524 M²
(81%)
- » COMMUNITY SERVICE PROPERTIES
7,948 M² (11%)
- » COMMERCIAL PREMISES
5,780 M² (8%)

KLIPPUDDEN FASTIGHETER
DISTRIBUTION BY MARKET VALUE



- » KALMAR (INCL. NYBRO)
SEK 1,390 M (83%)
- » BORGHOLM
SEK 117 M (7%)
- » LINKÖPING
SEK 67 M (4%)
- » NORRKÖPING
SEK 101 M (6%)

PROPERTY DEVELOPMENT



To adapt to new conditions, we worked during the year with cost savings and reviewed the building rights portfolio to make it better balanced for the prevailing conditions. Due to continued high contracting costs, we have chosen to postpone the start of production for a number of projects.

– JOHAN TENGELIN,
CEO, MAGNOLIA BOSTAD

MAGNOLIA BOSTAD



Johan Tengelin, CEO, Magnolia Bostad.

MAGNOLIA

“ In recent years, we have witnessed revolutionary events in the world around us. First the pandemic that struck about three years ago and then Russia’s unjustifiable invasion of Ukraine in February 2022. We see increased uncertainty in the geopolitical situation and in macroeconomic development.

During 2022, we experienced rampant inflation and sharply rising interest rates. We also learned the difficulty of gaining access to the financing market. New market conditions started to prevail, and Magnolia Bostad was naturally also affected. With cost increases to turnkey contracts, more expensive financing, and higher yield requirements, it has been difficult to start the production on new projects.

REVIEWING AND STREAMLINING

In order to adapt to the new conditions, we have during the last year been working on reducing costs and we made a review of our building rights portfolio to make it better balanced for the

prevailing conditions. Due to turnkey contract costs remaining high we have postponed the production start for a number of projects and we have cancelled acquisitions where the conditions were not in place to execute the projects according to plan, affecting around 1,500 building rights. In addition to this, we have also sold roughly 700 building rights.

We have in 2022 experienced negative valuation effects and impairments, partly due to higher financing costs, which bring with them higher yield requirements and partly because of higher contracting costs. Also the Court of Appeal’s rulings on limited rent increases for newly produced apartments with presumptive rents has impacted the valuations.

PRODUCTION STARTS AND RESIDENTIAL UNITS IN PRODUCTION

During the year, we started the production of around 950 residential units and completed around 900 units. At the end of the year, we had around 9,300 residential units in production, of

which around 2,000 are for self-management and around 7,300 units have been sold to external buyers. These ongoing projects are continuing and will be managed according to existing schedules.

THE FUTURE

This changed environment of new market conditions has led to significantly lower activity on the transaction market and an extremely pronounced slowdown in the production of new housing in Sweden, the full effects of which we have not yet seen. However, the fundamental conditions for our business are still in place. There is an extensive shortfall of housing in Sweden and the need for effective new production will be significant to cope with economic and social development in Sweden in the coming.

We have strong, committed owners who give us the platform to take advantage of opportunities in the current market. In total during the year, we received SEK 700 million in capital injections from our owner company HAM Nordic AB. Despite a difficult bond market, we were able to issue another green bond in the first half of the year and redeem a bond before it matured. Sustainability in financing, as well as in project development, is a condition for all our work. We only use green bonds and during the year also started to use green building credits.

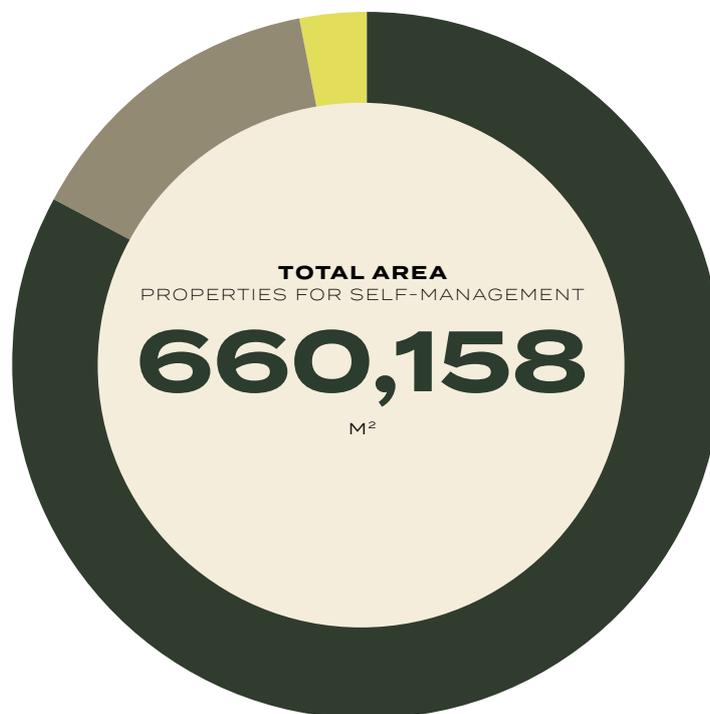
I don't think it will be too long before inflation returns to more normal levels, which should lead to lower interest rates, improved financing options, less uncertainty in cost trends and a generally increased willingness to invest. This would provide us with better conditions for the purchase of turn-key contracts at reasonable levels and start more new projects. Until then, we will work on existing opportunities in the current market. We have a strong market position and a high implementation capacity with good opportunities to continue developing residential units and new communities even under prevailing tough market conditions.

I would like to thank all my committed employees, our partners and our Board for the past year and look forward to the future with confidence.

Stockholm in April 2023

Johan Tengelin
CEO

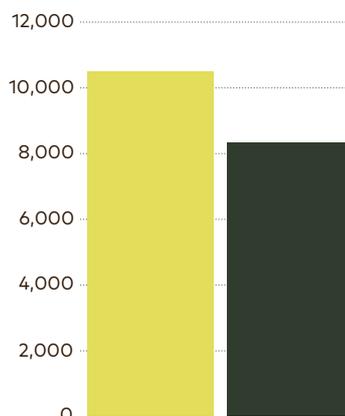
PROJECT STATUS PROPERTIES FOR SELF-MANAGEMENT



- » NOT PRODUCTION STARTED
83%
- » IN PRODUCTION
14%
- » COMPLETED
3%

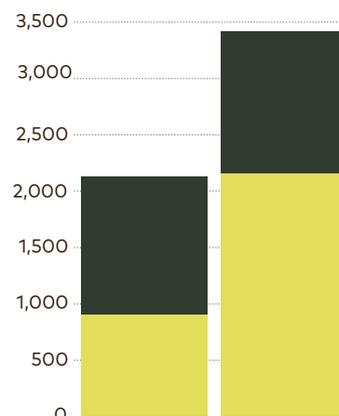
BUILDING RIGHTS PORTFOLIO

NUMBER



PRODUCTION STARTS IN THE BUILDING RIGHTS PORTFOLIO

NUMBER



■ For self-management ■ For sale

PROJECTS AND PROPERTY

Magnolia Bostad has one of Sweden's largest building rights portfolios and develops rental properties as well as tenant-owned apartments, community service properties and hotels. Housing is developed as individual projects or as part of a larger project when a completely new district is emerging.



Magnolia Bostad's building rights portfolio consisted of around 18,800 estimated building rights at the end of December 2022. Just over half are intended for developing for self-management and the other half for sale. The company's aim is to reach a margin of at least 10% for all projects that are developed for sale.

NUMBER OF ESTIMATED BUILDING RIGHTS IN THE PROJECT PORTFOLIO

18,800

The company estimated at the turn of the year to be able to start production of just over 2,000 residential units in 2023 and over 3,000 production starts in 2024. These estimates may change, partly because the portfolio will be replenished with newly acquired building rights and partly because of adjustments due to the current market situation.

NUMBER OF RESIDENTIAL UNITS IN PRODUCTION

9,300

On 31 December 2022, Magnolia Bostad had just over 9,300 residential units in production. The greater part, around 80%, are sold units and around 20% are being built for self-management.

NUMBER OF RESIDENTIAL UNITS COMPLETED IN 2022

900

In line with Magnolia Bostad's aim to increase the number of residential units intended for self-management and eventually become a significant property manager, the proportion of units for self-management in production will increase in the future.

During 2022, the company completed around 900 residential units. Since the company's founding in 2009, over 6,700 units have been completed.



The Bro Mälärstrand project in Upplands-Bro.



The Strandblick project in Östersund.

SELECTED PROJECTS



One of Magnolia Bostad's new rental apartment projects is called Öresjö Ängar Centrum. Here, the company is developing around 300 residential units that are close to nature about five kilometres outside Borås. The project is located in the new area of Öresjö Ängar, where Magnolia Bostad is developing over 530 residential units in total. The project was developed for Magnolia Bostad's self-management and the first ground was broken in October 2022.



The Norrskan project in Östersund has been sold through forward funding to Hemsö. Occupancy will begin in April 2023. The accommodation is only a couple of minutes' walk from the centre of Östersund. The building is constructed in solid wood and the architecture connects to the culture of Jämtland and its beautiful nature. From the roof terrace, the residents have a view of Storsjön with Jämtlandsfjällen as a backdrop.



Västra Sjöstaden is located just outside Ystad and was originally an industrial area that has been converted into a residential area with 224 residential units. The buildings are certified according to the Swedish Green Buildings silver certification and the roofs have solar panels for the property's electricity. Occupancy of the first stage took place in November 2022, and the project is expected to be completed in autumn 2023.



In Upplands-Bro, Magnolia Bostad is developing 2,300 residential units next to Lake Mälaren and close to central Stockholm. Some of the units are being developed for Magnolia Bostad's own long-term self-management and others for selling. In the area, there will be rental properties, tenant-owned apartments, villas and terraced houses. At the end of 2022, 818 units were occupied. The entire area is expected to be completed in 2030.



The rental apartment project Ångloket with 412 residential units is located in Knivsta, close to the centre and within walking distance to beautiful nature with lakes to swim in, mushroom forests and ski trails. The area is also only a few minutes' walk from Knivsta station, from where it is easy to get to both Stockholm and Uppsala.



The rental apartment project Sportflygaren in Södra Ladugårdsängen in Örebro was completed in 2022. The project is close to green areas, golf courses and hiking trails and at the same time close to the city centre. The 180 rental apartments are distributed over five blocks, of which four are apartment buildings and one is a terraced house with six residential units. There is a variety of different housing: attics, private entrances from the street, extra generous ceiling height, sloping roofs or dormer windows.

HOLMSTRÖM PRIVATE EQUITY



In recent years, Holmströmgruppen has increased its activity within private equity, but we maintain our philosophy: every investment decision focuses on the people more than the business. We also want to feel that we can contribute to growth – this may be through capital, financial expertise and/or contact networks.

– FREDRIK TIBELL,
ADVISORY BOARD

HIGH ACTIVITY IN THE PORTFOLIO IN 2022

2022 was a successful year for Holmströmsgruppen's private equity holdings. During the financial year, the portfolio grew with a number of new holdings. The majority of the holdings have shown impressive growth in their respective sectors.

Holmström Private Equity is becoming an increasingly important part of the Group's operations. Reported assets for the companies were valued at SEK 1,379 million at the end of the year.

During the financial year, the portfolio grew with new holdings, the largest of which in terms of market value being EHAB. The majority of Holmström Private Equity's holdings saw strong growth in their respective sectors.

STRATEGY AND TARGETS

By choosing companies with good conditions for growth and by taking an active ownership role, the foundations are laid for good growth in the value growth of investments. The portfolio companies operate in different sectors and are in different phases, which spreads the risk in a suitable manner.

▶ EVENTS IN 2022

- Holmström Friends & Family was founded so that people within and close to the company can invest in unlisted holdings.
- Total assets have increased by SEK 643 million compared to the book value the previous year
- The portfolio has been expanded with new holdings, including EHAB, Nya Boendet, Tentacle and Novi Medical Solutions

Holmströmgruppen generally remains as owner for many years. Divestments normally take place only when it is appropriate with regard to other owners and often coincides with the companies entering a new development phase. The target is for the portfolio to show an annual growth in value of 20% over time, a target we have historically met.

ESMAEILZADEH
HOLDING

NOVEDO

DENTALUM

CENTRIPETAL

HIDDEN
DREAMS

STUREPLANSGRUPPEN

SACHAJUAN

ChainTraced

tentacle

VIVIUM

NOVI
MEDICAL SOLUTIONS

Goldlogic
THE SPECIAL TISSUE HOLDINGS

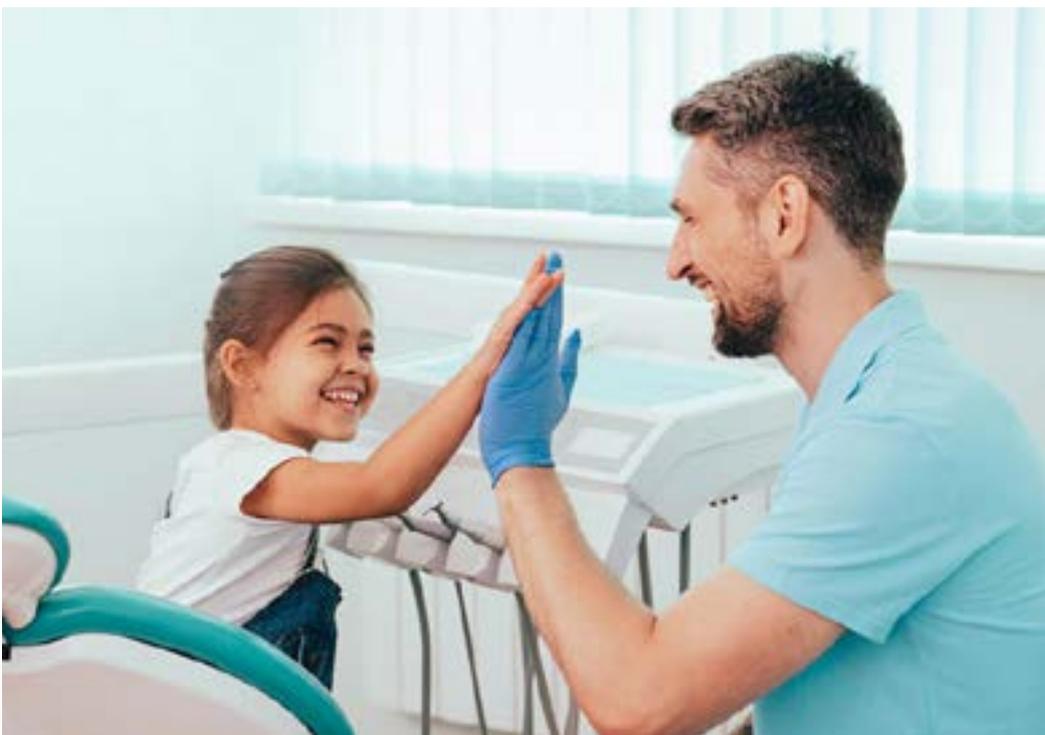
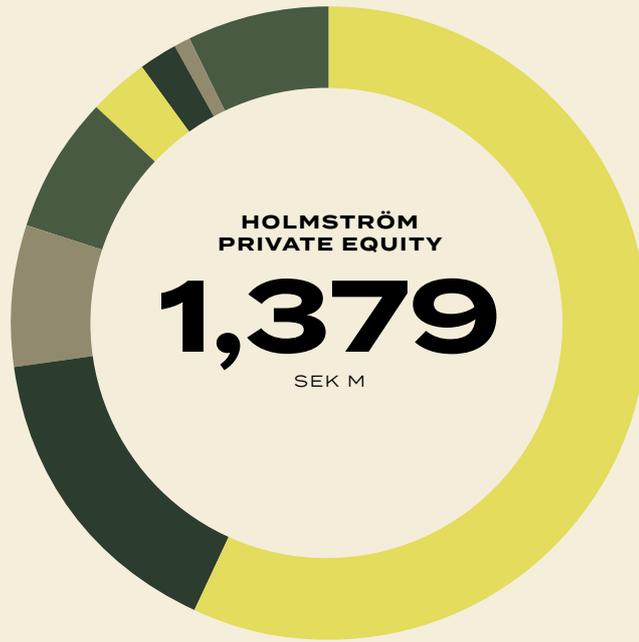
Nya
boendet

MUTATE

SWEED

HOLMSTRÖM PRIVATE EQUITY
MARKET VALUE IN SEK M

- » EHAB, 57%
- » NOVEDO, 16%
- » DENTALUM, 7%
- » CENTRIPETAL, 7%
- » SACHAJUAN, 3%
- » STUREPLANSGRUPPEN, 2%
- » HIDDEN DREAMS, 1%
- » ÖVRIGA, 7%



Dentalum provides dental care at 31 clinics around Sweden.



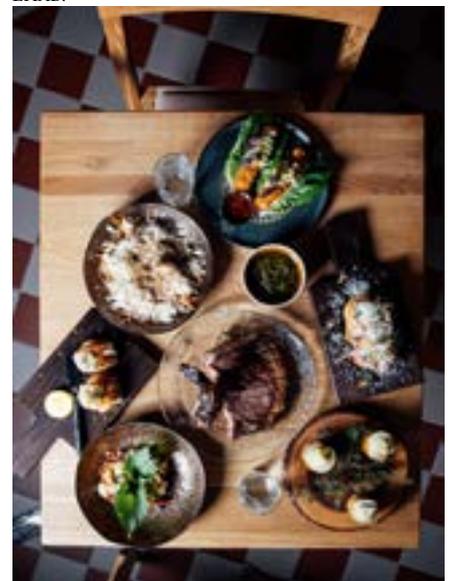
Fredrik Holmström, Chairman of Holmströmgruppen, and Saeid Esmailzadeh, CEO of the investment company EHAB.



The founders of Hidden Dreams: Fabian Assarsson, Maria Norberg and Johan Lindblad.



Hair care products from Sachajuan.



Stureplansgruppen opened the restaurant Gurras in Göteborg in 2022.

EHAB

Esmailzadeh Holding AB (publ) ("EHAB") is an entrepreneurial-driven investment company that invests in and develops sustainable companies in the long-term within selected sectors with defined niches. The company's primary focus is investments in operational company groups with the possibility of both organic and acquisition-based growth.

” EHAB's net assets increased by 69% in 2022. The increase was a natural consequence of a number of well-targeted strategic investments in the portfolio during the first half of 2022, which were combined with very positive growth in our operational groups during the same period. Our owner-adjusted share of EBITDA in our largest operational groups increased significantly to around SEK 850 million during the year. In the second half of the year, growth and EHAB's investment activities were at a slightly lower level, giving us the opportunity to develop strategy and business plans and prepare for an exciting and defining 2023.

EHAB'S HOLDINGS

EHAB's holdings include:

- Dentalum
- Lyvia
- Novedo
- Rebellion
- Samfastigheter i Norden
- Sdipotech
- Xbrane Biopharma
- Venture Capital platforms Centripetal and Hidden Dreams.

We started 2022 with a broad portfolio of assets that has now been streamlined into a more cohesive, stable and logical investment portfolio. We have formed a clear picture of how the portfolio should be refined over time and which initiatives need to be taken to continue to grow rapidly with our proven and entrepreneurial investment philosophy at the core.

EHAB's core business is to invest in and develop profitable operational groups with defined niches and an early pan-European focus. We have a unique track record in terms of actively supporting companies from the growth phase to a more mature phase. We have established a methodical and iterative process to find new investment opportunities, where we target profitable niches and fragmented markets based on available data. This "creative dance" is in our DNA and is central to everything we do. It is also what sets us apart and enables a good return for our shareholders.

We see a number of competitive advantages with our operational groups entering the European market early in their corporate journey. Our corporate groups are long-term, tolerant,

ESMAEILZADEH HOLDING

CEO: Saeid Esmailzadeh
GEOGRAPHICAL PRESENCE: Sweden
SECTOR: Risk capital/investment company
WEBSITE: ehab.group
INVESTMENT YEAR: 2022

	2022	2021
NET ASSET VALUE, SEK m	7,607	4,514
NET ASSET VALUE PER SHARE, SEK	9,869	5,955
LIQUID ASSETS, SEK m	488	703
NET CASH/NET LIABILITIES (+/-), SEK m	-1,133	16
LOAN-TO-VALUE RATIO (LTV), %	15	0
BALANCE SHEET TOTAL, SEK m	8,817	4,516
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	11%	-



Frederik Holmström, chairman of Holmströmgruppen, and Saeid Esmailzadeh, CEO of the investment company EHAB.

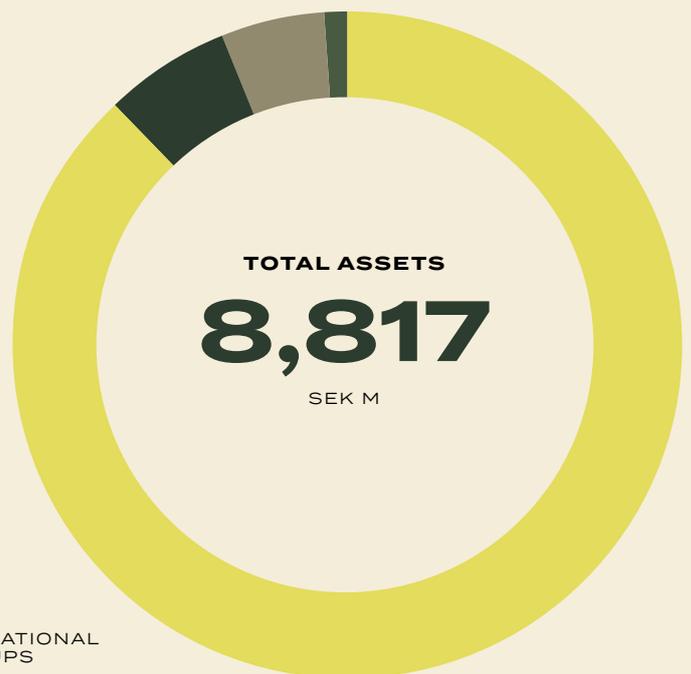
committed, responsible and transparent owners. This decentralized investment strategy that the business groups use is unusual outside the Nordic region. But after Lyvia Group's European expansion, we see, not entirely unexpectedly, that even non-Nordic entrepreneurs are attracted by our model and choose to cooperate with us instead of other companies. At the same time, it gives the entrepreneurs access to a European network of business partners, which creates the conditions for collaboration that can generate both growth and streamlined operations. For EHAB's investors, this in turn means geographical breadth and industry diversification, offering security.

At the beginning of 2023, we were able to successfully issue additional bonds worth SEK 375 million within the framework of our existing bonds. In an almost non-existent capital market, we cannot interpret the transaction as anything other than a strong belief in our portfolio strategy and ability to build successful groups of companies. We now look forward to increasing our support to our portfolio companies in processing their attractive transaction pipelines.

We are a couple of months into 2023 at the time of writing, and I look forward to an exciting year with confidence. I am convinced that the way out of a tough time is by continuing to act bravely, methodically, rationally and systematically. It is in crises that the best deals can be made – fortune favours the brave.

I would like to thank our shareholders and investors for their continued trust.

SEGMENT DIVISION
SHARE OF TOTAL ASSETS



- » OPERATIONAL GROUPS
88%
- » LIQUID ASSETS
6%
- » VENTURE CAPITAL
5%
- » OTHER
1%

NOVEDO



Per-Johan Dahlgren, CEO, Novedo.

“Novedo showed continued stability in terms of growth and profitability in 2022. At the end of the year, the Group consisted of around 20 prominent B2B companies with operations in Denmark, Estonia and Sweden.

– PER-JOHAN DAHLGREN, CEO, NOVEDO

Novedo, which was founded in July 2020, is a group of companies that acquires and develops companies where the entrepreneur wants to both sell the company and continue to run it.

On that basis, Novedo acquires commercial companies with a good culture - companies that take care of their employees and have satisfied customers, good profitability and a strong cash flow.

“The companies’ owners join Novedo as partners. They continue to lead their companies in the same positive spirit as before, but with greater opportu-

nities for development. Exchanging experience between entrepreneurs and support in strategic issues makes you stronger together,” says the company’s CEO, Per-Johan Dahlgren.

EVENTS 2022/2023

- During 2022, eleven portfolio companies joined.
- At the end of 2022, Novedo completed its first acquisition outside Sweden’s borders, the Danish company Nordkabel A/S.
- During the first months of 2023, two more companies were acquired

COMPANIES THAT BECAME PART OF NOVEDO 2022/2023

- GBB Holding AB
- Nordkabel A/S
- Nordsign AB
- Sentexa AB
- Total Fasad Stockholm AB
- Ventilationskontroll Aeolus AB
- BATAB
- Elarbeten Helsingborg AB
- Elinzity AB
- Helsingborg Byggplåt AB
- ProvideU AB
- Stantrack A/S

NOVEDO

CEO: Per-Johan Dahlgren
SECTOR: Acquires companies in industry, infrastructure and installation and services.
GEOGRAPHICAL PRESENCE: Sweden, Denmark and Estonia
WEBSITE: www.novedo.se
INVESTMENT YEAR: 2021

	2022	Jul 2020 –Dec 2021
NET SALES, SEK 000	1,773,350	370,906
EBITDA, SEK 000	192,181	39,590
OPERATING PROFIT (EBIT), SEK 000	122,530	23,278
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-31,531	6,703
NUMBER OF EMPLOYEES, average	1,110	485
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	14%	14%

DENTALUM



” We have continued to deliver in accordance with our growth strategy and have expanded with ten clinics that are well-positioned in the country. At the same time, we have further developed our organization to continue driving continuous development at our existing clinics and have started a number of attractive organic growth opportunities.

– MAX DORTHÉ LADOW, CEO

Dentalum is one of the leading and most rapidly expanding dental care groups in Sweden. The journey began in October 2019, when Dentalum completed its first acquisition of a dental clinic in Halland. Since then, the company has seen impressive growth, so that by the end of 2022 it consisted of 31 businesses, located in ten regions in Sweden. In total, the Group consists of more than 300 employees who work in 146 treatment rooms and provide patients with general, specialist, cosmetic and aesthetic dental care.

BUSINESS 2022

- Dentalum continued to grow in a challenging environment and, looking at the full-year results, the company increased the operating profit before depreciation, financial items and tax (“EBITDA”) from around SEK 38.5 million to around SEK 74 million, corresponding to an increase of more than 90%. In addition, the EBITDA margin has strengthened and at the end of the year amounted to about 18.5% compared to 16.4% in the corresponding period last year.
- Looking at the clinics’ pro forma and adjusted EBITDA for a rolling twelve-month period, as if all clinics had been part of Dentalum at the beginning of the year, EBITDA amounted to SEK 117.5 million, giving a continued strong margin exceeding 24%.
- During the year, the company continued to grow strongly with an additional ten clinics which together add a “pro forma” annual sales of around SEK 163.9 million to the Group. The profitability of the acquired clinics further contributes to the Group’s strong EBITDA margin with an annual “pro forma” EBITDA of around SEK 45.6 million.
- Through this year’s acquisitions, Dentalum expanded its presence to Västerbotten, Uppsala and Skåne and is now in ten regions in Sweden with over 300 employees in the Group.
- In parallel with its acquisitions, Dentalum has worked actively with its existing clinics. During the year, a number of local expansions were planned, prepared and started, in order to create the conditions for organic growth in the regions of Västerbotten, Kalmar, Östergötland and Stockholm. The projects mainly revolve around the expansion of existing clinics.



CEO: Max Dorthé Ladow
SECTOR: Dental care
GEOGRAPHICAL PRESENCE: Sweden
WEBSITE: www.dentalum.com
INVESTMENT YEAR: 2020

	2022	2021
NET SALES, SEK 000	399,842	234,631
OPERATING PROFIT/LOSS, SEK 000	73,998	38,477
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-63,534	-38,732
NUMBER OF EMPLOYEES, average	287	195
HOLMSTRÖMGRUPPENS SHAREHOLDING, approx.	7%	7%



Kristoffer Ahlbom, co-founder and partner, Centripetal.

CENTRIPETAL

2022 has been an exciting year for everyone who worked in and around the tech sector. Despite the turbulence, Centripetal has maintained a high tempo - the portfolio has been replenished with a number of new companies and profitable exits have been made.

– KRISTOFFER AHLBOM, CO-FOUNDER CENTRIPETAL

Centripetal Capital is a venture capital company that mainly invests in companies where there is an ambition to be listed within 12–18 months after investment.

“Both Centripetal’s owners and employees have extensive experience as entrepreneurs, financiers, leaders and investors,” says the company’s co-founder and partner, Kristoffer Ahlbom. “We strive to create, finance, build and develop value for our portfolio companies. Through close cooperation with our portfolio companies regarding both operational and financial strategy, we help them realize their potential. At the start of 2022, the company began by exiting the company Truecaller. Furthermore, during the year, new companies have taken their place in the portfolio such as Ageras, Voi, X Shore and others.”



CO-FOUNDER: Kristoffer Ahlbom
SECTOR: Venture capital
GEOGRAPHICAL PRESENCE: Sweden and the USA
WEBSITE: www.centripetal.vc
INVESTMENT YEAR: 2021

	2022	2021
NET SHARE VALUE ADJUSTED FOR ADDED CAPITAL, SEK 000	560,196	559,867
NET SHARE VALUE PER PREFERRED SHARE CARRY-ADJUSTED, SEK 000	8,926	12,548
NUMBER OF PORTFOLIO COMPANIES	21	16
NUMBER OF FULL-TIME EMPLOYEES, average	3	4
HOLMSTRÖMGRUPPENS SHAREHOLDING, approx.	17%	16%

A SELECTION OF CENTRIPETAL'S PORTFOLIO COMPANIES

- Ageras
- Voi
- Einride
- X Shore
- Mindler
- Bolt
- Diet Doctor
- MEDS
- Quartr
- Doktor.se
- Mindler
- Nextory
- Novedo
- Occultech
- Sitoo Tipser (Bolt.com)
- Truecaller
- Workaround



HIDDEN DREAMS

” 2022 was an expansive year. Organizationally, we have begun to adopt numerous important principles and methods for successful company building, resulting in significant milestones and lessons learned. Hidden Dreams currently has an infrastructure that means we are equipped to develop many companies in parallel. In 2023, we will focus on, among other things, further increasing growth in our companies.

—MARIA ASSARSON, CEO, HIDDEN DREAMS

In terms of the number of businesses started, Hidden Dreams is one of Europe’s most ambitious and fast-growing Venture Builders. The company specializes in eliminating time-consuming and inefficient work processes that are widespread within a sector but hidden from the outside world. For each interesting problem they identify, Hidden Dreams finds a tech company, recruits a CEO who receives seed funding, tools, expertise and access to a wide entrepreneurial network to enable the company’s success. These hidden problems that the portfolio companies start with are difficult to identify and quite niche but technically easy to solve. On social media and through active outreach, Hidden Dreams invites people to share their problems that are administratively burdensome but often critical to regulatory compliance, reporting or administration.

BUSINESS 2022

During 2022, Hidden Dreams carried out extensive efficient work which resulted in excellent value development, a record increase in the number of companies started, eleven new ones, and the implementation of six successful capital rounds in the portfolio companies, despite the changes in the market situation.

Hidden Dreams also completed three private placements. The guiding light for 2023 is scalability and quality where we have good opportunities to improve even further through all the important lessons we learned in 2022.



CEO: Maria Assarson
SECTOR: Venture capital
GEOGRAPHICAL PRESENCE: Sweden, Norway, the UK, Austria and Croatia
WEBSITE: www.hiddendreams.se
INVESTMENT YEAR: 2019

	2022	2021
PORTFOLIO COMPANIES' MARKET VALUE, SEK 000	325,739	241,343
HIDDEN DREAMS' PORTFOLIO VALUE, SEK 000	137,422	101,159
NUMBER OF PROBLEMS ANALYZED	771	620
NUMBER OF PORTFOLIO COMPANIES STARTED	11	3
NUMBER OF FULL-TIME EMPLOYEES, average	10	9
HOLMSTRÖMGRUPPEN'S SHAREHOLDING*, approx.	20%	16%

* Shareholding refers to a share of the capital, taking into account ordinary and preference shares. Voting share in 2022 amounted to approx. 6%.



Skepparholmen Nacka spa and conference hotel.

STUREPLANS-GRUPPEN

” Stureplansgruppen came out of the pandemic stronger than ever. This was achieved by the early implementation of an extremely extensive savings package focused on lower fixed costs in combination with an adapted and enhanced guest experience. The clearest proof that we made the right decision during a very difficult time is that 2022 was Stureplansgruppen’s best year ever, both in terms of sales and operating profit.

– VIMAL KOVAC
CEO, STUREPLANSGRUPPEN

Stureplansgruppen is one of the country’s leading players in the restaurant, conference, catering, concert, hotel and event industry, and is one of Sweden’s largest privately-owned restaurant groups.

SELECTED EVENTS 2022

- On February 9th came the good news that all nightlife could finally reopen after the pandemic. We were able to warmly welcome our guests back to socializing without any restrictions.
- Stureplansgruppen started an exciting project with Petter Stordalen to acquire Skepparholmen Nacka, a spa and conference hotel.
- Gustav Trägårdh opened his new restaurant, Gurras in Göteborg. The restaurant provides dining experiences inspired by street food from all over the world.
- Last autumn, Laroy opened its doors, in a new phase as a cocktail bar. Laroy welcomes you with a celebratory atmosphere for after work drinks and cocktails to pulsating music in the middle of Stureplan.
- In July, Sayan Isaksson’s restaurant Nour was awarded its first Michelin star. At Nour you can discover Nordic contemporary cooking with influences from Japan in particular.
- In October, Mikael Einarsson’s restaurant Chez Jolie premiered. The food here is inspired by both rural rustic French food as well as luxurious metropolitan bistros.
- Capital was secured through the investment fund Cinder Invest AB.

STUREPLANSGRUPPEN

CEO: Vimal Kovac
SECTOR: Hotel and restaurant
GEOGRAPHICAL PRESENCE: Stockholm and Göteborg
WEBSITE: www.stureplansgruppen.se
INVESTMENT YEAR: 2007

	2022	2021
NET SALES, SEK 000	1,496,478	811,158
OPERATING PROFIT/LOSS, SEK 000	116,077	-26,769
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	102,848	-48,019
NUMBER OF EMPLOYEES, average	1,041	627
HOLMSTRÖMGRUPPENS SHAREHOLDING, approx.	8%	8%

SACHAJUAN



” SACHAJUAN had a strong year in 2022 as well despite continued difficulties in the world market such as shutdowns in China and South Korea due to the pandemic and the worsened economic situation. Sales to the North American market increased by 23%, while some markets in Asia declined.

– SACHA MITIC, CEO

Sachajuan was founded in 1997 by hairdressers Sacha Mitic and Juan Rosenlind, both well-established hairdressers with a long background and experience in the hairdressing and fashion sector. The main business consists of the development, production, marketing and sales of hair care and beauty products. The company also runs its own hair salon in central Stockholm.

EVENTS 2022

- Sachajuan won Business Sweden’s prize for Export Company of the Year in cosmetics, awarded at the Swedish Beauty Awards.
- In 2022, Sachajuan participated in a number of international subscription boxes, thereby reaching over 700,000 consumers.

SACHAJUAN

CEO: Sacha Mitic
SECTOR: Hair care and beauty products
GEOGRAPHICAL PRESENCE: Over 40 markets worldwide
WEBSITE: www.sachajuan.se
INVESTMENT YEAR: 2010

	2022	2021
NET SALES, SEK 000	59,724	60,153
OPERATING PROFIT/LOSS, SEK 000	-1,278	4,453
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-915	4 394
NUMBER OF EMPLOYEES, average	15	15
HOLMSTRÖMGRUPPENS SHAREHOLDING, approx.	33%	32%



OTHER HOLDINGS

MUTATE

SECTOR: Game development
WEBSITE: www.mutate.se
INVESTMENT YEAR: 2018

	2022	2021
NET SALES, SEK 000	0	1
OPERATING PROFIT/LOSS, SEK 000	-20,058	-20,863
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-26,065	-20,870
NUMBER OF EMPLOYEES, average	13	16
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	7%	7%

Data for 2022 is preliminary.

VIVIUM

SECTOR: Software development
WEBSITE: www.vivium.se
INVESTMENT YEAR: 2021

	2022	2021
NET SALES, SEK 000	359	0
OPERATING PROFIT/LOSS, SEK 000	-6,120	-2,608
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-6,156	-2,610
NUMBER OF EMPLOYEES, average	4	3
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	6%	5%

Data for 2022 is preliminary.

ChainTraced

SECTOR: Software production
WEBSITE: www.chaintraced.com
INVESTMENT YEAR: 2021

	2022	2021
NET SALES, SEK 000	4,497	854
OPERATING PROFIT/LOSS, SEK 000	-2,893	-3,145
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-2,888	-3,091
NUMBER OF EMPLOYEES, average	9	6
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	3%	3%

Data for 2022 is preliminary.

SWEED

SECTOR: Cosmetic products and services
WEBSITE: www.sweedbeauty.com
INVESTMENT YEAR: 2018

	2022	2021
NET SALES, SEK 000	18,477	15,707
OPERATING PROFIT/LOSS, SEK 000	4,920	3,548
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	4,815	3,536
NUMBER OF EMPLOYEES, average	5	4
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	25%	25%

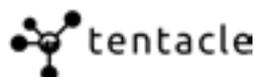
Data for 2022 is preliminary.

Goldlogic

SECTOR: Mining and extraction of precious metals
WEBSITE: www.goldlogic.com
INVESTMENT YEAR: 2017

	2022	2021
NET SALES, SEK 000	37,976	34,804
OPERATING PROFIT/LOSS, SEK 000	34,247	12,228
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	25 708	12 228
NUMBER OF EMPLOYEES, average	6	1
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	5%	5%

The company reports in USD. Exchange rate on 31/12/ 2022: SEK 10.44, 31/12/2021: SEK 9.05. Data for 2022 is preliminary.



SECTOR: Computer programming
WEBSITE: www.tentacle.se
INVESTMENT YEAR: 2022

	2022	2021
NET SALES, SEK 000	380	2 823
OPERATING PROFIT/LOSS, SEK 000	-3,975	-2,571
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-4,031	-2,573
NUMBER OF EMPLOYEES, average	6	8
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	11%	-

Data for 2022 is preliminary.

Nya boendet

SECTOR: Market platform for housing
WEBSITE: www.nyaboendet.se
INVESTMENT YEAR: 2022

	2022	2021
NET SALES, SEK 000	0	-
OPERATING PROFIT/LOSS, SEK 000	-2,150	-
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-2,162	-
NUMBER OF EMPLOYEES, average	3	-
HOLMSTRÖMGRUPPEN'S SHAREHOLDING, approx.	9%	-

Data for 2022 is preliminary. As this is the company's first operating year, it is not possible to report figures for previous years.



SECTOR: Distributor of beauty products
WEBSITE: www.novimedicalsolutions.se
INVESTMENT YEAR: 2022

Novi Medical Solutions will publish its first full-year accounts in 2023, therefore no key figures for the company are reported in this annual report.

The company distributes cosmetic and aesthetic medical technology products that have consumers' real beauty needs in mind. Novi Medical Solutions believes in top-quality, inclusive skin care and works on developing innovative and high-performance products for the Swedish market. Holmströmgruppen's shareholding is 50%.

FINANCIAL INFO AND ACCOUNTS



In 2022, the Group changed where half of the subgroup Klippudden Fastigheter AB was sold to the JV that the Group established with Slättö. The Group's property holdings have therefore decreased.

– KATARINA STRÖMBERG,
HEAD OF FINANCE

DIRECTORS' REPORT

The Board of Directors and the CEO of F. Holmströmgruppen AB, co.reg.no. 556696-3590, hereby submits the Annual Report and consolidated accounts for 2022. Information in parentheses refers to the previous year.

HOLMSTRÖMGRUPPEN

Parent company

Holmströmgruppen mainly owns companies in the property sector. The company has no employees.

The Group

The Group divides its operations into three areas: ownership and management of properties, project development in the property sector and holdings in private equity companies.

Property management refers to both own properties and external assignments and takes place primarily through F. Holmström Fastigheter AB, co. reg. no. 556530-3186 ("Holmström Fastigheter"). Around 226,000 m² is managed, of which 77% consists of residential property, 19% commercial premises and 4% community service property.

Holmströmgruppen's own property portfolio comprises 29 (70) properties. The properties are mainly located in Stockholm, Greater Stockholm and Örnköldsvik and comprise around 45,000 m² of which 76% consists of residential property and 24% of commercial premises.

The Group owns 50% (50) of HAM Nordic AB, which owns 100% in the property development company Magnolia Bostad.

The company develops rental and tenant-owned apartments, community service properties and hotels in Sweden's growth areas and major cities, partly for sale and partly for self-management. At the end of 2022, the company had just over 18,800 building rights in its building rights portfolio, and during the year around 900 residential units were completed.

Holmströmgruppen owns 50% of Vincero VF5, which owns and manages 29 commercial properties comprising around 57,700 m² with good transport links in Stockholm and Uppsala.

The Group owns 50% of Klippudden Fastigheter (95). Klippudden Fastigheter's portfolio is located in central locations in Kalmar, Nybro, Linköping, Norrköping and Borgholm and currently consists of 81% residential properties, 11% community service properties and 8% commercial premises.

Holmströmgruppen also owns 20% of the property company Ankarhagen (20), a property company whose business concept is to acquire, manage and improve properties mainly focussing on the warehouse and light industry sectors in locations close to the city in growth regions in Central Sweden. The company also runs the project development of previously unused land where it builds new premises for new and existing customers.

Holmströmgruppen invests through F. Holmström Private Equity AB, co. reg. no. 556724-4800, especially in small or mid-sized entrepreneurial companies with good conditions for growth.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR IN THE GROUP

In February 2022, the Group established a JV with Slättö Core Plus AB. The Group sold 50% of the subsidiary Klippudden Fastigheter AB to the JV. The properties were sold at the valuations available as of 31 December 2021. The Group's property holdings in the Kalmar region as well as the property holdings in Norrköping and Linköping are part of Klippudden Fastigheter AB. F. Holmström Fastigheter AB is the asset manager for Klippudden Fastigheter.

During the period, property management expanded its management assignments with 4 new properties, mainly residential properties and community service properties.

Russia's war of aggression against Ukraine has involved large parts of the world and led to increased electricity and gas prices in Europe and the world. The combination of international cost increases and the relatively strong Swedish economy has meant that inflation has risen sharply. To curb inflation, the Swedish Central Bank (Riksbank) raised the base rate. Increased costs and interest negatively affect earnings and cash flow, while to some extent inflation leads to higher rental income.

LEGAL STRUCTURE

In addition to holdings reported according to the equity method, the Holmströmgruppen consisted of 25 companies (49) as of 31 December 2022.

ORGANIZATION

Employees in the Group work primarily with investment properties and are divided into the Property Management and Finance departments. There are a total of 25 employees (20), of which 14 women and 11 men at offices in Stockholm, Linköping, Kalmar and Örnköldsvik.

SUSTAINABILITY

Holmström Fastigheter works for sustainable development and we see sustainability issues as a natural part of our work. We take the environment and people into account and take responsibility for future generations. We are convinced that a healthy approach to sustainability issues brings great benefits for us as a company, for our employees and for the outside world as a whole. For us, sustainability is about understanding our role in society and acting responsibly in the areas that we can influence.

OWNERSHIP

Fredrik Holmström owns all the shares in F. Holmströmgruppen AB.

MULTI-YEAR OVERVIEW

CONDENSED INCOME STATEMENT, SEK M	2022	2021	2020	2019	2018
Net sales	93	593	2 465	975	1 125
Operating profit/loss	-223	2 254	1 293	696	378
Change in value, investment properties, realized	10	0	0	0	0
Change in value, investment properties, unrealized	-35	506	580	705	165
Profit/loss after financial items	-255	2 131	1 085	512	235
CONDENSED FINANCIAL POSITION, SEK M					
Investment properties	2 090	3 440	4 157	2 881	1 581
Buildings held for sale	0	0	999	1 382	1 196
Cash and cash equivalents	345	163	535	608	616
Equity including non-controlling interests	3 750	4 270	3 133	2 297	2 029
Balance sheet total	5 910	7 060	8 799	6 858	5 520
KPIS					
Return on equity, %	-6	58	40	24	13
Return on total equity, %	-3	29	17	12	8
Liquidity ratio, %	189	484	162	311	311
Equity/assets ratio, %	63	60	36	33	37

THE GROUP'S RESULTS AND FINANCIAL POSITION

Net sales for the financial year amounted to SEK 93 m (593) and mainly consisted of rental income and management income. The reduction is primarily due to the reclassification of Magnolia Bostad AB which was reclassified from a subsidiary to an associated company in 2021 and the sale of Klippudden Fastigheter to the JV started in February 2022 with Slättö Core Plus AB.

The operating income was SEK -223 million (2,254) and includes the profit from the sale of subsidiaries of SEK 0m (769), changes in the value of investment properties of SEK -25 million (506), earnings from shares in associated companies SEK -584 million (531) and profits from other securities and receivables 394 million (479).

Net financial items amounted to SEK -33 million (-123).

The loss after tax for the full year amounted to SEK 192 million (1 983)

The balance sheet total amounted to SEK 5,910 million (7,060). The Group's equity as of 31 December 2022, amounted to SEK 3,750 million (4,270), giving an equity/assets ratio of 63% (60). Non-controlling interests' share of equity amounted to SEK 119 million (99). In 2022, the return on equity was -6% (58).

The Group's cash flow from operating activities was SEK 161 million (263), cash flow from investment activities amounted to SEK 224 million (-507) and cash flow from financing activities was SEK -203 million (-128). Cash and cash equivalents as of 31 December 2022 amounted to SEK 345 million (163). In addition to cash and cash equivalents, there are unutilized credits of SEK 25 million (25).

EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred after the end of the period.

PROPOSED APPROPRIATION OF COMPANY PROFITS

The following is available to the Annual General Meeting, SEK:

Profit/loss brought forward	774,216,197
Profit/loss for the year	4,452,099
Total	778,668,296
The Board proposes	
To be carried forward	778,668,296
Total	778,668,296

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN SEK M	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Operating income			
Net sales	4, 6	93	593
Production and operating costs	5, 8	-59	-543
Gross profit		34	50
Administrative expenses	5, 10	-41	-80
Depreciation and impairment of fixed assets	5, 7, 9	-1	-1
Profit/loss from shares in associated companies and joint ventures	13	-584	531
Profit/loss from the sale of shares in Group companies	12	0	769
Profit/loss from other securities and receivables	14	394	479
Change in value, investment properties, realized		10	0
Change in value, investment properties, unrealized	20	-35	506
Operating profit/loss		-223	2,254
Financial income	15	20	11
Financial expenses	16	-53	-134
Profit/loss after financial items		-255	2,131
Profit/loss before tax		-255	2,131
Deferred tax	17, 18	101	-146
Tax on profit for the year	17, 18	-38	-2
PROFIT/LOSS FOR THE YEAR		-192	1,983
Profit/loss attributable to			
Parent company's shareholders		-207	1,998
Minority interests		15	-15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK M	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Profit/loss for the period	-192	1,983
Other comprehensive income for the period		
Translation differences	23	2
Total other comprehensive income	23	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-169	1,985
Total profit/loss attributable to		
Parent company shareholders	-183	2,000
Non-controlling interests	15	-15

CONSOLIDATED BALANCE SHEET

AMOUNTS IN SEK M	Note	31/12/2022	31/12/2021
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Goodwill	19	0	0
Total intangible assets		0	0
<i>Tangible assets</i>			
Investment properties	20	2,090	3,440
Right of use assets	7	61	24
Equipment	21	133	120
Total tangible assets		2,284	3,584
<i>Financial assets</i>			
Shares in associated companies	23,24	1,751	2,264
Receivables from associated companies	25	163	88
Other long-term securities	26	1,333	755
Other long-term receivables	27	1	11
Total financial assets		3,248	3,118
Total fixed assets		5,532	6,702
Current assets			
<i>Inventories etc</i>			
Development and project property	28	0	0
Total inventories		0	0
<i>Current receivables</i>			
Rent and accounts receivable	29	3	5
Receivables from associated companies	25	0	6
Other receivables	31	12	177
Prepaid expenses and accrued income	30	18	7
Total current receivables		33	195
<i>Cash and cash equivalents</i>		<i>345</i>	<i>163</i>
Total current assets		378	358
TOTAL ASSETS		5,910	7,060

AMOUNTS IN SEK M	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Share capital		0	0
Reserves		23	2
Retained profits including profit for the year		3,608	4,169
Equity attributable to parent company's shareholders		3,631	4,171
Holdings without a controlling influence		119	99
Total equity		3,750	4,270
Long-term liabilities			
Deferred tax liability	33	309	444
Other provisions	34	52	0
Long-term interest-bearing liabilities	35	1,008	1,844
Long-term leasing liability		54	20
Long-term liabilities to associated companies		0	0
Other long-term liabilities	35	0	2
Total long-term liabilities		1,423	2,310
Current liabilities			
Current interest-bearing liabilities	35	538	406
Current leasing liability		7	4
Current derivative liability		0	0
Accounts payable		5	6
Liabilities to associated companies		0	0
Tax liability		37	1
Other current liabilities		120	22
Accrued expenses and deferred income	36	30	41
Total current liabilities		737	480
TOTAL EQUITY AND LIABILITIES		5,910	7,060

CHANGES IN CONSOLIDATED EQUITY

AMOUNTS IN SEK M	Share capital	Reserves	Retained prof- its including net profit/loss for the year	Holdings without a controlling influence	Total equity
Opening equity 01/01/2021	0	1	2,258	874	3,133
Profit/loss for the year			1,998	-15	1,983
Other comprehensive income					
Translation differences		2			2
Transactions with owners					
Dividend			-85	-8	-93
Disposal of holdings without a controlling influence				-756	-756
Acquisition of holdings without a controlling influence			-2	3	1
Displacement effect on shareholder contributions			-1	1	0
Closing equity 31/12/2021	0	2	4,169	99	4,270
Opening equity 01/01/2022	0	2	4,169	99	4,270
Profit/loss for the year			-207	15	-192
Other comprehensive income					
Translation differences		21			21
Transactions with owners					
Dividend			-353		-353
Disposal of holdings without a controlling influence			-2	2	0
Acquisition of holdings without a controlling influence				-18	-18
New share issue				22	22
Closing equity 31/12/2022	0	23	3,646	119	3,750

CONSOLIDATED CASH FLOW STATEMENT

AMOUNTS IN SEK M	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Operating activities		
Profit/loss before tax	-255	2,131
<i>Adjustments for items not included in cash flow</i>		
Less share in profits in associated companies	584	-531
Less share in profits in Group companies	0	-769
Depreciation and impairment of assets	1	1
Changes in value, investment properties	24	-506
Changes in value, other securities and receivables	-394	-479
Other non-liquidity-affected profit and loss items	2	7
Income tax paid	-2	-3
Cash flow from operating activities before changes in working capital	-40	-149
Cash flow from changes in working capital		
Decrease/increase in current receivables	109	-188
Change in current liabilities	92	600
Cash flow from operating activities	161	263
Investment activities		
Acquisition of tangible fixed assets	-55	-312
Sale of tangible fixed assets	541	-277
Dividends received from associated companies	30	0
Acquisition of associated companies	-42	0
Sale of associated companies	0	99
Change in long-term receivables associated companies	-75	0
Investments in shares and participations	-185	-197
Sale of shares and participations	0	180
Change in other long-term receivables	10	0
Cash flow from investment activities	224	-507
Financing activities		
Dividend paid	-353	-85
Dividend paid to holdings without a controlling influence	0	-8
Acquisition/sale from/to holdings without controlling influence	0	-2
Borrowings	453	404
Amortization of loans	-325	-437
New share issue	22	0
Cash flow from financing activities	-203	-128
Cash flow for the year	182	-372
Cash and cash equivalents at the start of the year	163	535
Cash and cash equivalents at the end of the year	345	163

PARENT COMPANY'S INCOME STATEMENT

AMOUNTS IN SEK M	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Operating income			
Net sales		0	0
Total operating income		0	0
Operating expenses			
Other operating expenses		-1	-1
Total operating expenses		-1	-1
Operating profit/loss		-1	-1
Profit/loss from financial items			
Profit/loss from shares in Group companies		0	1,000
Financial income	15	5	1
Total financial items		5	1,001
Profit/loss after financial items		4	1,000
Profit/loss before tax		4	1,000
Tax on profit for the year		0	0
PROFIT/LOSS FOR THE YEAR		4	1,000

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK M	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Profit/loss for the year	4	1,000
Other comprehensive income for the period	0	0
COMPREHENSIVE INCOME FOR THE YEAR	4	1,000

PARENT COMPANY'S BALANCE SHEET

AMOUNTS IN SEK M	Note	31/12/2022	31/12/2021
ASSETS			
Fixed assets			
<i>Financial fixed assets</i>			
Shares in Group companies	22	30	30
<i>Total financial fixed assets</i>		30	30
Total fixed assets		30	30
Current assets			
<i>Current receivables</i>			
Receivables with Group companies	39	789	1,112
Prepaid expenses and accrued income	30	5	1
<i>Total current receivables</i>		794	1,113
<i>Cash and bank balances</i>		40	0
Total Current assets		834	1,113
TOTAL ASSETS		864	1,143
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	32	0	0
<i>Total restricted equity</i>		0	0
<i>Unrestricted equity</i>			
Retained profits		775	125
Profit/loss for the year		4	1,000
<i>Total unrestricted equity</i>		779	1,125
Total equity		779	1,125
<i>Current liabilities</i>			
Other current liabilities		85	18
<i>Total current liabilities</i>		85	18
TOTAL EQUITY AND LIABILITIES		864	1,143

CHANGES IN PARENT COMPANY'S EQUITY

AMOUNTS IN SEK M	Share capital	Revaluation fund	Profit/loss carried forward	Profit/loss for the year	Total equity
Opening equity 01/01/2021	0	0	165	44	209
Disposal according to the AGM	-	-	44	-44	0
Profit/loss for the year	-	-	-	1,000	1,000
Other comprehensive income	-	-	-	-	0
Transactions with owners					
Dividends	-	-	-85	-	-85
Group contribution received	-	-	0	-	0
Closing equity 31/12/2021	0	0	125	1,000	1,125

AMOUNTS IN SEK M	Share capital	Revaluation fund	Profit/loss carried forward	Profit/loss for the year	Total equity
Opening equity 01/01/2022	0	0	125	1,000	1,125
Disposal according to the AGM	-	-	1,000	-1,000	0
Profit/loss for the year	-	-	-	4	4
Other comprehensive income	-	-	-	-	0
Transactions with owners					
Dividends	-	-	-353	-	-353
Group contribution received	-	-	3	-	3
Closing equity 31/12/2022	0	0	775	4	779

PARENT COMPANY'S CASH FLOW STATEMENT

AMOUNTS IN SEK M	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Operating activities		
Profit/loss before tax	4	1 000
<i>Adjustments for items not included in cash flow</i>		
Less profit/loss from share in Group companies	0	-1 000
Interest received		
Cash flow from operating activities before changes in working capital	4	0
Cash flow from changes in working capital		
Change in current receivables	322	71
Change in current liabilities	68	13
Cash flow from operating activities	393	84
Investment activities		
Cash flow from investment activities	0	0
Financing activities		
Dividend paid	-353	-84
Cash flow from financing activities	-353	-84
Cash flow for the year	40	0
Cash and cash equivalents at the start of the year	0	0
Cash and cash equivalents at the end of the year	40	0

ADDITIONAL INFORMATION

Note 1 Accounting principles

ABOUT THE COMPANY IN GENERAL

F. Holmströmgruppen AB co. reg. no. 556696-3590 is a company registered in Stockholm. Its address is Sturegatan 6, Box 5184, 102 44 Stockholm, Sweden. The Annual Report and consolidated accounts were approved by the Board on Mat 26th 2023 and will be submitted to the Annual General Meeting for approval on May 26th 2023.

APPLIED REGULATIONS

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee as adopted by the EU. Furthermore, the consolidated accounts were prepared in accordance with Swedish law and the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Corporate Groups.

The Parent Company applies the same accounting principles as the Group with the exception of the cases set out below in the section entitled "Parent Company accounting principles". Deviations that arise between the Parent Company and the Group principles are the result of limitations to the possibilities for applying IFRS in the Parent Company due to the Annual Accounts Act and, in some cases, applicable tax regulations.

CONDITIONS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE PARENT COMPANY AND THE GROUP

The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. All amounts, unless stated otherwise, are rounded to the nearest million. Assets and liabilities are reported at cost, with the exception of some financial assets and liabilities that in the Consolidated Statement of Financial Position are measured at fair value. Investment properties are also valued at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments and securities, measured at fair value via the consolidated income statement.

The Group's accounting principles have been applied consistently to the accounts and consolidation of the Parent Company and subsidiaries.

In preparing the annual accounts and consolidated accounts, the Board of Directors and CEO are responsible for assessing the company's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and CEO intend to wind up the business or have no realistic alternative but to do so.

CLASSIFICATION

Non-current assets and liabilities in the Parent Company and Group consist only of amounts that are expected to be recoverable or paid later than twelve months from the balance sheet date,

while current assets and liabilities in the Parent Company and the Group consist only of amounts that are expected to be recoverable or paid within twelve months from the balance sheet date.

INPUT DATA FOR MEASUREMENTS AT FAIR VALUE

- Level 1 – Listed, unadjusted prices on active markets for identical assets or liabilities that the company has access to at the date of measurement.
- Level 2 – Other input data than the listed prices that are included in Level 1, which are directly or indirectly observable for assets and liabilities.
- Level 3 – Input data at Level 3 are non-observable input data for assets and liabilities.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated income statement and balance sheet encompass all companies in which the Parent Company directly or indirectly holds more than half of the shares' voting rights as well as companies in which the Group in any other way has a controlling influence.

The financial statements for the Parent Company and the subsidiaries that are included in the consolidated financial statements refer to the same period and are prepared in accordance with the accounting principles that apply to the Group. A subsidiary is included in the consolidated financial statements as of the date of acquisition, which is the date the Parent Company acquires a controlling influence, normally more than 50% of the votes, and is included in the consolidated financial statements until the date on which the controlling influence ceases. Intra-Group transactions and any associated profit/loss are eliminated.

Business acquisitions vs. asset acquisitions

The acquisition of companies can be classified as either a business acquisition or an asset acquisition. The assessment is made on a case-by-case basis per acquisition. Company acquisitions, the primary purpose of which is to acquire the company's property and where the company's management organization and administration is of subordinate importance for the acquisition, are classified as asset acquisitions. Other company acquisitions are classified as business acquisitions.

The difference between the cost of a business acquisition and the acquired share of net assets in the acquired operations is classified as goodwill and reported as an intangible asset in the balance sheet. Goodwill is measured at cost less accumulated write-downs. Goodwill is distributed among cash-generating units following an annual impairment test in accordance with IAS 36. Transaction costs are expensed directly to the period's profit/loss. When acquiring assets, the cost is distributed among the acquired net assets in the acquisition analysis.

The percentage of equity attributable to owners with a non-controlling influence (previously referred to as minority holding) is reported as an individual item under equity separate from the share of equity of the Parent Company's owner. A special note is also provided regarding their share of the period's profit/loss.

Reporting of associated companies and joint arrangements

Joint ventures are arrangements in which the company has joint deciding influence and the investment is reported using the equity method (see the section on associated companies below). Assets (including any goodwill and fair value adjustments) and liabilities for acquired or divested joint arrangements during the year are included in the consolidated financial statements from the date on which the joint controlling influence is acquired and removed on the date on which the joint controlling influence ceases.

The Group's holding of participations in a company that is not a subsidiary but in which the Group exercises a significant but non-controlling influence is classified as a holding of participations in associated companies. Associated companies normally arise when the Group has more than 20% but less than 50% of the votes in the legal entity. The Group reports participations in associated companies and joint ventures in accordance with the equity method or at fair value in accordance with IAS 28, point 18. In the event the Group acquires additional participations in the associated company, but the company remains an associated company to the Group, the previous holding is not remeasured. When participations in associated companies are divested such that the significant influence is no longer present, the entire holding is reported as divested and any gains or losses are recognized in the consolidated income statement. In the event participations are left, they are reported as Other securities.

The equity method means that the holding is initially reported at cost. The carrying amount is increased or decreased thereafter to take into account the Group's share of profit/loss and other comprehensive income from its joint ventures after the date of acquisition. The Group's share of profit/loss from holdings reported under the equity method is included in the consolidated profit/loss and the consolidated share of other comprehensive income is included in other comprehensive income in the Group.

Valuation of associated companies at fair value means that the holding is initially reported at acquisition cost. The reported value is then increased or decreased based on the estimated value of the holding of the associated company in accordance with IAS 28, point 18. The change in value is reported via the Group's results in accordance with IFRS 9.

Gradual acquisitions

During the gradual acquisition of previous associated companies, previous holdings are remeasured at fair value and profit/loss is reported in the income statement when the controlling influence is acquired.

REVENUE RECOGNITION

Revenue recognition takes place when a performance commitment is fulfilled by transferring a promised product or service to a customer. An asset is transferred when control of the asset is transferred to the customer. When a performance commitment is met, or as a result of it being met, a company must recognize the amount of the transaction price allocated to the performance commitment.

At the beginning of fiscal year 2021, Magnolia Bostad was a subsidiary company. Magnolia Bostad develops new housing, both rental and tenant-owned apartments, care homes, community service properties and hotels. In the case of sales, two different agreements are entered into with the customer, an agreement regarding the sale of the project (the property) and an agreement regarding project management. According to IFRS 15, these two agreements are seen as a single agreement. The Group has two separate performance commitments: project management that is reported over time based on the degree

of completion of the project and the sale of the project (the property) that is reported at the time when control has passed to the customer. The transaction price is allocated between the two performance commitments based on an independent sales price for project management.

Revenue recognition of project management agreements

Project management is reported as a performance commitment and revenue attributable to project management is reported over time according to the input method, as control is transferred over time. The input method means that income is reported on the basis of efforts or input to fulfil a performance commitment in relation to the total expected input for the fulfilment of the performance commitment. Magnolia Bostad has chosen discontinued project expenses in relation to total estimated expenses for each project management agreement. This method has been chosen because incurred expenses are best judged to reflect the transfer to the customer. Expenses for the project management agreement mostly consist of personnel expenses and expenses for sub-consultants.

Revenue recognition of projects (property)

Magnolia Bostad considers that the moment of revenue recognition of projects (property) to be when control has been passed to the buyer. The control is deemed to pass when (i) a binding agreement is entered into with a purchaser of the project (the property), (ii) zoning planning is in place, and (iii) a binding turnkey contract has been entered into with a contractor. The turnkey contract is signed by or transferred to the buyer. The Group makes the assessment that control over the asset is passed at the point in time when there is a legally binding agreement with the purchaser and the significant risks and benefits associated with the ownership of the asset are thus passed to the purchaser.

The transaction price contains elements of variable consideration. For rental apartment projects, hotels and community service properties, the variable consideration is linked to the future property's rent/net operating income and area. Variable remuneration amounts are estimated at the expected value and included in the transaction price to the extent that a significant reversal at a later point in time is highly improbable. At the end of each reporting period, the estimated transaction price is updated to correctly reflect the circumstances at that point in time. The variable consideration for rents is dependent on warranties limited in time and scope linked to future rent levels/net operating income and future vacancy levels for rental apartment projects. The vacancy guarantee is updated using the current rental status. For tenant-owner projects, the Group has an obligation to the tenant-owner association to buy unsold tenant-owner apartments, whereby unsold tenant-owner apartments are treated as an additional variable component in the transaction price for tenant-ownership projects, in addition to the variable component for area. By "sold apartments" it is meant that there must be a binding agreement with tenant-owners.

Variable consideration in the transaction price linked to the area consists of planning risk and any risk in the turnkey contract. Planning risk is based on due diligence regarding the zoning planning work and is reported as revenue when the building permit gains legal force, which is when the uncertainty surrounding planning risk ceases. The risk in the turnkey contract is considered to cease and is reported as revenue when the turnkey contract has been concluded. The Group makes an individual assessment of the expected value of any variable consideration in each individual project. Following revaluation of the projects' expected final profit/loss, previously calculated profit in said projects is adjusted and

the projects are recognized as revenue or reported as a decrease in revenue in the period during which the transaction price is changed.

Rental income

Rental income is announced in advance and reported in the period to which it is attributable, which is specified in the rental contract. The rental contract includes additional charges such as invoiced property tax and heating expenses.

REMUNERATION TO EMPLOYEES AND THE BOARD OF DIRECTORS

Remuneration to employees in the form of salaries, paid vacation, paid absence due to illness, etc. and pensions, are reported as earned.

Defined-contribution pensions

The Group only utilizes defined-contribution pension plans. In defined-contribution plans, the company pays fixed fees to an external public or private legal entity that manages the future pension commitments. The Group's profit is debited for costs as benefits are accrued. The Group has no additional payment commitments or other obligations once the fees are paid.

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest-bearing income on bank balances, receivables and financial investments. Interest income is reported using the effective interest method. When the value of a receivable classified as a loan receivable and accounts receivable or a loan liability has been impaired, the Group lowers the carrying amount to the recoverable amount, which is determined by the forecast cash flow discounted by the original effective interest rate for the instrument, and continues to dissolve the discounting effect as interest income. Interest income on impaired loan receivables and accounts receivable are reported at the original effective interest rate.

Financial expenses consist of interest expenses and other borrowing costs. Interest expenses are reported using the effective interest method. Financial expenses are reported in the period to which they refer.

LEASING – LESSOR

Lease agreements are classified as either finance or operating leases. Finance leases occur when the economic risks and rewards attributable to the leasing object in all material respects are transferred to the lessee. All other leases are considered to be operating leases. The Group does not have any material finance lease agreements and all lease agreements are therefore reported as operating lease agreements, which means that the lease fee is distributed on a straight-line basis over the term of the lease.

LEASING - LESSEE

As the lessee, rights of use and leasing liabilities for the vast majority of leasing agreements are recognized in the balance sheet. Depreciation of rights of use and interest costs for leasing liabilities are reported in the income statement. In the cash flow analysis, payments attributable to the amortization of leasing debt are reported in financing operations and payments attributable to interest in operating activities.

The lease liability is valued at the acquisition date at the present value of unpaid leasing fees at the commencement date. Subsequently, the lease liability increases with interest costs and decreases with paid lease fees. The right of use is initially reported at acquisition value, i.e. the original value of the lease liability. The right of use then depreciates over the period of use. Leasing fees are discounted by the marginal loan interest rate.

The Group applies the exceptions that the standard allows for short-term leases and leases for which the underlying asset is of low value. These lease agreements are reported as other expenses. After the start date, the lease liability is revalued to reflect re-evaluations and changes to the lease agreement.

The revaluation of the lease liability is adjusted against the right of use. Profits or losses attributable to changes in lease agreements are recognized in the income statement.

TAXES

Income tax consists of current tax and deferred tax. Income tax is reported in the income statement, except when the underlying transaction is reported under Other comprehensive income, or directly against Equity, whereupon the related tax effect is also reported under either Other comprehensive income or Equity.

Current tax is tax that must be paid or received for the year in question, under application of the tax rates that have been enacted or effectively enacted as of the balance sheet date. This also includes adjustments to current tax attributable to previous periods. Deferred tax is calculated in accordance with the balance sheet method and is based on temporary differences between reported and taxable values of assets and liabilities. Deferred tax is not reported for temporary differences that arise during the initial reporting of assets and liabilities that are asset acquisitions and which at the time of the transaction affect neither reported nor taxable profit/loss. Furthermore, temporary differences are not considered to be attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future. Deferred tax is calculated using the tax rates and tax rules that have been enacted or effectively enacted as of the balance sheet date.

Deferred tax assets for deductible temporary differences and loss carry-forwards are only reported to the extent that it is probable they will be used. The value of deferred tax assets is written down when it is no longer judged to be probable that they can be used.

INTANGIBLE FIXED ASSETS

Intangible assets acquired by the company are reported at acquisition value less accumulated depreciation and write-downs. Expenses for internally generated goodwill and brands are reported in the income statement as an expense when they arise. Additional expenses are added to the acquisition value only if they increase the future economic benefits that exceed the original assessment and the expenses can be calculated in a reliable manner. All other expenses are expensed as incurred.

INVESTMENT PROPERTIES

Investment properties are properties held for the purpose of collecting rental income or for an increase in value or a combination of the two. Initially, investment properties are reported at acquisition cost, including costs attributable to the acquisition. Investment properties are normally reported on the balance sheet from the contract date, unless the transfer from the seller is made on a different date. If ownership of the property is transferred on a different date, this second date is used for the reporting of the investment property.

Additional expenditure that provides an economic benefit to the company, i.e. that increases its value, and that can be measured reliably is capitalized as an asset. Expenses for repair and maintenance are reported in the period in which they occur.

Investment properties are reported at fair value on the balance sheet date. Fair value is the estimated amount that would be received in a transaction at the time of reporting between knowledgeable parties independent of each other and who have an interest in the transaction being carried out. The valuations

are made at the end of each quarter and all investment properties are externally valued at least once a year. Both unrealized and realized changes in value are reported in the income statement under the heading Changes in value of investment properties and is a part of the operating profit.

Income from the sale of investment properties is normally reported on the contract date, if the transfer to the buyer is not made on a different date. The transfer of the asset may have occurred at a different time to the contract date. If this is the case, the revenue is reported under this other date. When assessing the revenue recognition date, consideration is given to what has been agreed between the parties regarding risks and benefits and involvement in day-to-day management.

EQUIPMENT

Tangible fixed assets are reported as an asset in the balance sheet when, on the basis of available information, it is probable that the future economic benefit associated with the holding will flow to the company and the cost for the asset can be calculated in a reliable manner. Tangible fixed assets are reported at cost after deductions for depreciation according to plan and any write-downs.

IMPAIRMENT PRINCIPLES FOR INTANGIBLE ASSETS AND INVENTORIES

Depreciation according to plan is based on the original cost less the estimated residual value. Depreciation/amortization occurs on a straight-line basis over the estimated useful life of the asset.

Licenses	5 years
Inventories	3–5 years

IMPAIRMENT LOSSES

Carrying amounts for the company's assets are tested every balance sheet date to assess whether there is a need for impairment. If such an indication is present, the asset's recoverable amount is calculated as the higher of the value in use and the net realizable value. Impairment losses are applied if the recoverable amount is less than the carrying amount. An impairment loss is only reversed if the asset's carrying amount after the reversal does not exceed the carrying amount that the asset would have had if no impairment loss had been applied. For goodwill and intangible assets with indefinite useful lives, the impairment test is conducted annually.

DEVELOPMENT AND PROJECT PROPERTIES

Development and project properties are held for the purpose of developing and selling residential units, such as rental apartments and tenant-owned apartments. The properties are reported as current assets, even if some properties are under management and generate rental income pending their development. They are reported at the lowest of cost and net realizable value. Development and project properties are reported in their entirety when a binding agreement exists. In certain agreements on asset acquisitions, there are additional payments that are payable if certain events occur in the future. These additional payments are recognized when the underlying event causing an additional payment occurs. Any tax discounts at acquisition reduce the property's cost.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is reported in the balance sheet when the company has an existing legal or informal obligation following the occurrence of an event, it is probable that an outflow of economic resources will be required to settle the obligation and it is possible to reliably estimate the amount. Where the effect of the timing of the payment is significant, provisions are calculated

by discounting the expected future cash flow at an interest rate before tax that reflects current market conditions of the value of the money and, where appropriate, the risks associated with the debt. Provisions are retested at every period end.

Contingent liabilities are possible obligations that derive from the occurrence of events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent liabilities also include claims deriving from the occurrence of events, but which are not reported as a liability or provision since it is probable that an outflow of resources will be required to settle the claim and/or it is not possible to reliably estimate the amount.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognized in the balance sheet when the company becomes party to the instrument's contractual terms and conditions. Financial assets are derecognized from the balance sheet when the rights of the agreement are realized, fall due or the company in any other way loses control over them. Financial liabilities are derecognized from the balance sheet when the obligations in the agreement are discharged or in any other way extinguished.

Financial instruments reported in the balance sheet include cash and cash equivalents, accounts receivable, other long-term receivables, other receivables and derivatives and securities. Liabilities include accounts payable, loans, other liabilities and derivatives. The company does not apply hedge accounting.

Financial instruments are initially reported at cost corresponding to the instrument's fair value at the time of acquisition including transaction costs for all financial instruments except those that belong to the category Financial asset reported at fair value in the income statement, which are reported without transaction costs. Reporting thereafter depends on how they are classified in accordance with the categories stated below.

The financial assets category consists of three sub-groups: financial assets measured at fair value through the income statement, financial assets measured at accrued acquisition value and financial assets measured at fair value via Other comprehensive income.

Financial assets measured at accrued acquisition value

Assets held for the purpose of collecting contractual cash flows that only constitute payments of principal amounts and interest, and which are not identified as valued at fair value through profit or loss, are valued at accrued acquisition value. The reported value of these assets is adjusted with any reported expected credit losses. Interest income from these financial assets is reported in net financial items using the effective interest method.

Customer receivables are reported at the amount that is expected to be received after deductions for doubtful receivables that have been assessed individually. The expected maturity of rental receivables is short, which is why the value is reported at a nominal amount without discounting. Receivables are reported at cost less any impairment losses. A receivable is tested individually for its estimated probability of default and recognized at the amount expected to be received. Write-downs are made for bad debts and are reported under operating expenses.

Financial assets measured at fair value through the income statement

Assets that do not meet the criteria for accrued acquisition value are measured at fair value through the income statement. Profits or losses due to a debt instrument that after initial recognition are valued at fair value through profit or loss and are not included in a hedging relationship are recognized in

net financial items when they arise. Interest income from these financial assets is reported in net financial items using the effective interest method.

Cash and cash equivalents and blocked accounts

Cash and cash equivalents consist of cash and immediately accessible balances at banks and equivalent institutions. Amounts in blocked accounts are funds serving as collateral for repayment of loans or the financing of investments in properties as well as rent deposits and are reported as other receivables.

Liability instruments are only reclassified when the Group's business model for managing these assets changes.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, which means instruments without a contractual obligation to pay and which deposit a residual right in the issuer's net assets. Profits or losses due to equity instruments measured at fair value via the balance sheet are recognized in net financial items.

Financial assets measured at fair value through the income statement

Investments in participations in companies other than Group companies, joint ventures and associated companies are included in assets measured at fair value through the income statement.

The financial liabilities category consists of two sub-groups: financial liabilities measured at fair value through the income statement and financial liabilities measured at amortized cost.

Financial liabilities measured at fair value through the income statement

Financial liabilities measured at fair value through the income statement consist of derivative instruments. Derivative instruments are measured in the consolidated accounts at fair value with changes in value reported in the income statement.

Financial liabilities measured at accrued acquisition value

Refers to all other financial liabilities, such as borrowing, accounts payable, accrued costs for services and goods that are settled in cash. Financial liabilities (interest-bearing loans and other financing), with the exception of short-term liabilities where the interest rate effect is insignificant, are measured initially at fair value, and thereafter at amortized cost when applying the effective interest method. Accounts payable and other liabilities with short-term expected maturities are measured without discounting to a nominal amount. Liabilities are reported when the counterparty has delivered and a contractual payment obligation arises, even if the invoice has not yet been received. Accounts payable are reported when the invoice has been received.

A financial asset and a financial liability are netted and reported as a net amount in the balance sheet only in the presence of a legal right to net the amounts and to settle the items with a net amount or simultaneously realize the asset and settle the liability. As of the balance sheet date, there were no financial instruments reported net or covered by offset agreements.

CASH FLOW STATEMENT

The indirect method is applied to the preparation of the cash flow statement. The reported cash flow only includes transactions that result in incoming or outgoing payments.

PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation

RFR 2, Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed enterprises also apply. Under RFR 2, the Parent Company in the annual report for the legal entity shall apply all of the IFRS and statements approved by the EU to the extent possible within the framework of the Swedish Annual Accounts Act and with consideration given to the link between accounting and taxation. The recommendation states which exceptions and additions may be made in relation to IFRS.

Shares in Group companies

Shares in Group companies are reported using the cost method. Costs related to acquisition of subsidiaries are included as part of the cost for participations in Group companies. The carrying amount for shares in Group companies is tested for any impairment need when such indications arise.

Group contributions, dividends and shareholders' contributions

The company reports Group contributions according to the general rule, which entails that Group contributions received or paid are reported under appropriations. Anticipated dividends are reported as financial income by the recipient. Shareholders' contributions are reported directly under equity by the recipient and capitalized in shares and participations by the issuer to the extent a write-down is not required. Shareholders' contributions received are reported as an increase in unrestricted equity.

CHANGED REPORTING PRINCIPLES

New or changed existing standards that came into force on 1 January 2022 have not had any significant impact on the Group's financial reports.

New and changed standards that are not yet applied by the Group

None of the new or revised existing standards that have not yet come into force are expected to have any significant impact on the Group's financial reports.

In other respects, accounting principles and calculation methods are unchanged compared with the annual report last year.

Note 2 Critical assessments and estimations

The preparation of the financial statements in accordance with IFRS requires that the Board of Directors and executive management make assessments, estimations and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The estimations and assumptions are based on historical experiences and a number of other factors that given the current circumstances are deemed to be reasonable. The results of these estimations and assumptions are then used to assess the carrying amounts for assets and liabilities that otherwise are not clearly evident from other sources. The actual outcome may deviate from these estimations and assessments. The estimations and assumptions are reviewed regularly.

REVENUE RECOGNITION OF PROJECTS (PROPERTY)

The project development of rental apartments is recognized as revenue as of the date that (i) a binding agreement has been signed with a rental project purchaser, (ii) there is a zoning plan, and (iii) a binding turnkey contract has been signed with a contractor. The turnkey contract is signed by or transferred to the buyer. The Group makes an individual assessment on the need for any provisions in each individual project. The Group estab-

lishes certain guarantees for the project in relation to vacancy and rental levels for which the Group makes provisions based on the specific circumstances of each respective project. Reassessment of the provision for rental guarantees takes place regularly based on the current rental situation. The Group makes provisions for planning risk on the basis of its knowledge of the local planning work. The provision for planning risk is dissolved when the building permit enters into legal force. The Group also makes provisions for any risk in the turnkey contract. Variable remuneration amounts are estimated at the expected value and included in the transaction price to the extent that a significant reversal at a later point in time is highly improbable. Assessment and estimation of variable components to include in the transaction price is largely based on an assessment of future expected performance and all information (historical, current and forecast) that is reasonably available to us. Reassessments of the expected end result of the project mean adjustments of previously calculated profit in the projects concerned. These changes to forecasts are included in the recognized profit/loss for the period. Estimated losses are charged directly to the profit/loss in the period in which they are identified. Assessments and estimates affect the receivable property sales, which is stated in Note 27 - Other long-term receivables and Note 31 - Other receivables.

REVENUE RECOGNITION, RIGHT OF USE (TENANT-OWNED APARTMENTS)

Magnolia Bostad assesses that controlling influence over tenant-owner associations ceases at the time when the final tenant-owners purchase their apartments and the tenant-ownership is consolidated until this time. Revenues and costs for tenant-owned apartment projects are reported as the apartment buyers take over the tenant-owned apartments and consist of the actual revenue for the apartment sold and the sold apartment's share of the project's total cost. Revaluations of the projects' expected end result entail a correction of previously prepared results in the projects concerned. This forecast change is included in the period's reported results. Assessed losses are charged in their entirety directly to the profit for the period in the period in which they are identified.

REVENUE RECOGNITION PROJECT MANAGEMENT

Revenue from project management agreements are reported successively based on the degree of completion of the project. The degree of completion is determined mainly on an ongoing basis as the work is carried out.

DEFERRED TAX ASSETS

Deferred tax assets and liabilities are reported for temporary differences and unutilized loss carry-forwards. The measurement of loss carry-forwards and the Group's ability to utilize loss carry-forwards are based on company management's estimations of future taxable income. Since a large portion of the Group's income according to current tax rules is treated as non-taxable income, the company's management has made the assessment that no deferred tax asset for loss carry-forwards is reported.

CLASSIFICATION OF DEVELOPMENT AND PROJECT PROPERTIES AND INVESTMENT PROPERTIES

When acquiring a property, an assessment is made whether the property should be developed or used as an investment property. The assessment affects the consolidated profit/loss and financial position since each approach is handled differently from an accounting perspective. Properties that are to be developed are classified as development and project properties. Development and project properties are reported as inventory since the

intent is to sell the property after completion. The measurement is then the lowest of cost and net realizable value. Investment properties, however, are held with the aim of generating rental income and appreciation. Investment properties are measured at fair value and the change in value is recorded in the income statement. Executive management makes an individual assessment of each property to determine whether the purpose is to develop and sell residential units, both rental apartments and tenant-owned apartments, or whether it is to own the property in the long-term.

DEMARCATION BETWEEN BUSINESS ACQUISITIONS AND ASSET ACQUISITIONS

When acquiring businesses, an assessment is conducted of how the acquisition should be reported based on whether there are employees and the complexity of internal processes. Such an assessment also takes into account the number of businesses and the occurrence of contracts with varying degrees of complexity. If the above criteria are largely present, the acquisition is classified as a business acquisition, and if they are minimally present, as an asset acquisition. Executive management makes an assessment on an acquisition-by-acquisition basis which criteria are met. In 2022 and 2021, the company's management made the assessment that only asset acquisitions occurred.

ADDITIONAL PAYMENTS FOR ASSET ACQUISITIONS

In certain asset acquisitions, there are additional payments that are payable if certain events occur in the future. These additional payments are recognized when the underlying event causing an additional payment occurs.

Note 3 Financial risks and finance policy

Through its operations, the business is exposed to different types of financial risks. Financial risks refer to fluctuations in the company's profit/loss and cash flow as a result of changes in, for example, interest rates. The company is primarily exposed to liquidity risk, financing risk, interest rate risk and credit risk. The Group's finance policy for management of financial risks has been drawn up and decided by the Board of Directors. The finance policy forms a framework of guidelines and rules in the form of risk mandates and limits for the financial operations. The company's financial risk-taking and position can be derived from, for example, the equity/assets ratio, interest coverage ratio and loan-to-value ratio.

LIQUIDITY RISK

Liquidity risk refers to the risk that there would not be sufficient liquidity to meet future payment obligations. Internal liquidity forecasts are prepared on a regular basis for the coming twelve months, where all items affecting the cash flow are analysed in aggregate. The aim of the liquidity forecast is to verify the need for capital. Capital tie-up is evaluated individually for each project financing and synchronized with each project maturity. The objective is to match cash flows from forward funding and final consideration from buyers with maturities on financing.

FINANCING RISK

Financing risk refers to the risk that either no financing can be obtained or financing can only be obtained at much higher prices. In order to manage this risk, the finance policy contains rules regarding the spread of capital tie-up for the credit stock and the size of unutilized loan facilities and investments. The refinancing risk is reduced through a structured and early start

to the refinancing process. For large loans, the process is begun 9 months prior to the maturity date. The Group has an equity/assets ratio target of at least 30%.

CREDIT RISK

Credit risk refers to the risk that a counterparty or issuer cannot discharge its obligations to the company. The credit risk among receivables for property sales is judged to be limited as the risk that the counterparties would not be able to fulfil their obligations is judged to be low. At the end of the year, past due accounts receivable amounted to SEK 0 million (21).

THE GROUP, SEK M	31/12/2022	31/12/2021
Long-term receivables	164	99
Current receivables	33	195
Cash and cash equivalents	345	163
Maximal exposure for credit risk	542	457

MARKET RISK

Interest rate risk

Interest rate risk can consist in part of a change in fair value as a result of changes in interest rates (price risk) and changes in cash flow (cash flow risk). Fixed interest periods are an important factor that influence the interest rate risk. Long fixed interest periods mean a higher price risk and short fixed interest period mean higher cash flow risk. The Group strives to have a short interest rate adjustment period.

CATEGORIZATION OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities by measurement category in accordance with IFRS 9 are shown in the table below.

THE GROUP, SEK M	Financial assets/liabilities measured at fair value through the income statement	Accrued acquisition value
Financial assets in the balance sheet 31/12/2022		
Receivables from associated companies		163
Other long-term securities	1,333	
Other long-term receivables		1
Accounts receivable		3
Other receivables		12
Prepaid expenses and accrued income		18
Cash and cash equivalents		345
Total	1,333	542
Financial liabilities in the balance sheet 31/12/2022		
Long-term interest-bearing liabilities		1,008
Liabilities till associated companies		0
Other long-term liabilities		0
Derivative liabilities		0
Current interest-bearing liabilities		538
Accounts payable		5
Tax liability		37
Other current liabilities		120
Accrued expenses and prepaid income		30
Total	0	1,738
THE GROUP, SEK M		
Financial assets in the balance sheet 31/12/2021		
Receivables from associated companies		94
Other long-term securities	755	
Other long-term receivables		11
Accounts receivable		5
Other receivables		177
Prepaid expenses and accrued income		7
Cash and cash equivalents		163
Total	755	457
Financial liabilities in the balance sheet 31/12/2021		
Long-term interest-bearing liabilities		1,844
Liabilities to associated companies		0
Other long-term liabilities		2
Current interest-bearing liabilities		406
Accounts payable		6
Tax liability		1
Other current liabilities		22
Accrued expenses and prepaid income		41
Total	0	2,322

VALUATION AT FAIR VALUE

The carrying amount of all financial assets and liabilities is not judged to deviate significantly from the fair value except for the bonds, where the fair value is estimated to amount to SEK 470 million (503), compared to the carrying amount of SEK 500 million (500). Fair value for the bonds has been assessed according to Level 1, which means that the value is derived from listed prices on an active market. Accounts receivable, other receivables, cash and cash equivalents, accounts payable and some other liabilities have a remaining life of less than six months, which is why the carrying amount is considered to reflect the fair value. The majority of the interest-bearing bank loans have a variable interest rate, and the carrying amount thus is considered to reflect fair value. Financial assets assessed at fair value through the income statement. The holdings have been valued based on transactions between two independent parties. The fair value of holdings has been assessed according to level 3 in the fair value hierarchy as the value is based on the adjusted value of transactions in an inactive market.

The Group's investment properties are valued at fair value according to level 3.

MANAGEMENT OF CAPITAL RISK

The Group's goal with regard to its capital structure is to secure the Group's ability to be a going concern, so it is able to continue to generate returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to keep capital costs low. In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to decrease liabilities.

The Group assesses its capital on the basis of the adjusted equity/assets ratio. This key figure is calculated as equity, including holdings without a controlling influence and subordinated shareholder loans, as a percent of the balance sheet total.

In 2022, the Group's strategy was to maintain an equity/assets ratio of at least 30%. The adjusted equity/assets ratio on 31 December 2022 was 64% (60). The Group's strategy is unchanged compared to last year.

Note 4 Net sales per business area

THE GROUP, SEK M	2022	2021
Net sales per business area		
Rental income	76	121
Sales, buildings held for sale	0	459
Income from property management	15	7
Other	2	6
Total	93	593

Consolidated sales refers in its entirety to Sweden. Property activities consist mainly of residential leases. These are normally concluded for an indefinite period, with tenants having the option to terminate with three months' notice.

Note 5 Operating expenses for the business broken down by cost type

THE GROUP, SEK M	2022	2021
Operating and maintenance expenses	-36	-469
Production expenses	0	-50
Other operating expenses	-30	-24
Personnel expenses	-35	-80
Depreciation and impairment	-1	-1
Other operating expenses	0	0
Capitalized project expenses	0	0
Total	-102	-624

Note 6 Leasing - lessor

Rental contracts in the company from an accounting perspective can be viewed as operational leasing contracts. The contracts refer to rental of commercial premises and residential units. Below are the agreed future minimum lease fees within each interval. Housing contracts are considered to be of indefinite duration.

THE GROUP, SEK M	2022	2021
Contractual rental income within one year	58	102
Contractual rental income between one and five years	17	16
Contractual rental income beyond five years	0	9
Total	75	127

Note 7 Leasing - lessee

The Group's leasing fees consist mainly of premises rent. Right of use assets are reported in the balance sheet as Rights of use.

THE GROUP, SEK M	2022	2021
Rights of use		
Opening carrying amount	24	84
Acquisitions	37	12
Depreciation	0	0
Effect of reclassification of subsidiary to associated company	0	-72
Terminated contracts	0	0
Closing carrying amount	61	24

Note 8 Disclosures regarding fees and cost reimbursement to the auditor

Production and operating expenses include fees and cost reimbursement to the auditor of:

THE GROUP, SEK M	2022	2021
Ernst & Young AB		
auditing assignment	-2	-3
audit operations in addition to auditing assignment	0	0
other assignments	0	0
Total	-2	-3

PARENT COMPANY SEK M	2022	2021
Ernst & Young AB		
Auditing assignment	0	0
Total	0	0

Auditing assignment refers to the auditor's remuneration for the statutory audit. The work includes audit of the annual accounts and financial statements, the management of the Board of Directors and the CEO, and fees for audit consulting in connection with the audit assignment.

Note 9 Depreciation and impairment of fixed assets

THE GROUP, SEK M	2022	2021
Equipment, tools and installations	-1	-1
Total	-1	-1

Note 10 Remuneration to employees

THE GROUP, SEK M	2022	2021
Salaries and other remuneration		
Board, CEO and Executive Management	-4	-3
Other employees	-24	-71
Total	-28	-74

Social security expenses	-7	-8
- of which pension expenses including special employer's contribution	-1	-2
Total	-35	-82

The Board, CEO and senior executives consist of Fredrik Holmström and Erik Rune.

Note 11 Average number of employees

THE GROUP	2022	2021
The average number of employees divided into gender is:		
Women	14	11
Men	11	9
Total	25	20

Note 12 Profit/loss from shares in Group companies

THE GROUP, SEK M	2022	2021
Capital gain on disposal	0	769
Total	0	769

PARENT COMPANY SEK M	2022	2021
Dividend from shares in Group companies	0	1,000
Total	0	1,000

Note 13 Profit/loss from shares in associated companies

THE GROUP, SEK M	2022	2021
Profit/loss from shares in associated companies	-584	531
Total	-584	531

Note 14 Profit/loss from other securities and receivables that are fixed assets

THE GROUP, SEK M	2022	2021
Profit/loss from divestment of shares in other companies	0	3
Impairment of shares in and long-term receivables from other companies	0	0
Impairment reversals deducted from long-term receivables from other companies	0	4
Unrealized changes in value	394	472
Total	394	479

Note 15 Financial income

THE GROUP, SEK M	2022	2021
Interest income, other	11	6
Other financial income	9	5
Total	20	11

PARENT COMPANY SEK M	2022	2021
Interest income, Group companies	5	1
Total	5	1

Note 16 Financial expenses

THE GROUP, SEK M	2022	2021
Interest expenses, other	-48	-129
Other financial expenses	-5	-5
Total	-53	-134

Note 17 Tax on profit for the year

THE GROUP, SEK M	2022	2021
Current tax		
- Tax on profit for the year	-38	-2
Deferred tax		
- relating to temporary difference between carrying amounts and taxable values of buildings	49	-118
- relating to temporary difference between carrying amounts and taxable values of securities	52	-28
Total	63	-148

Note 18 Reconciliation of effective tax

THE GROUP, SEK M	2022	2021
Profit/loss before tax	-255	2 131
Tax according to current tax rate, 20,6%	53	-439
Tax effect of non-deductible interest expenses	-8	-6
Tax effect of other non-deductible expenses	-128	0
Tax effect of other non-taxable income	83	240
Tax effect of temporary differences	101	57
Tax effect on disposal of securities	-53	0
Tax effect of loss deductions	15	0
Reported effective tax	63	-148

Note 19 Goodwill

THE GROUP, SEK M	31/12/2022	31/12/2021
Opening acquisition value	0	6
Effect of reclassification of subsidiary to associated company	0	-6
Closing carrying amount	0	0

The annual impairment test of goodwill did not identify any impairment requirements.

Note 20 Investment properties

THE GROUP, SEK M	31/12/2022	31/12/2021
Opening fair value	3,440	4,156
Reclassifications	0	0
Investments and acquisitions	40	525
Unrealized changes in value	-35	506
Sales to JV	-1,418	0
Divestments	0	-1,759
Currency effects	62	12
Closing fair value	2,090	3,440

The number of investment properties amounted to 29 (71). Investment properties are reported in accordance with IFRS as fair value. Fair value is based on market valuations performed by independent valuation agencies. Normally, a cash flow model is used where the operating surplus less remaining investments is calculated at present value over a five- or ten-year calculation period to determine fair value. The calculation interest rate constitutes a nominal interest rate requirement for total capital before tax. The interest requirement is based on assessments of the market's return requirements for similar objects. In the valuations, a long-term inflation assumption of 2.0% has been used. The direct yield requirement is in the range of 1.4% to 6.9%. Investment properties are valued according to level 3.

SENSITIVITY ANALYSIS, PROPERTY VALUE

Sensitivity analysis per region

The sensitivity analysis regarding the nominal and percentage effect on property values has been prepared for the Group's focus regions.

MÅLAREN REGION	Effect on property values (SEK m)	Effect in %
Property yield +0.25 %	-94	-8.7%
Property yield -0.25 %	114	10.5%
Inflation +0.5%	2	0.2%
Inflation -0.5%	-2	-0.2%
Long-term vacancy rate+1%	-12	-1.1%
Long-term vacancy rate-1%	12	1.1%

ÖRNSKÖLDSVIK REGION	Effect on property values (SEK m)	Effect in %
Property yield +0,25 %	-12	-5.1%
Property yield -0,25 %	14	5.6%
Inflation +0,5%	0	0.1%
Inflation -0,5%	0	-0.1%
Long-term vacancy rate+1%	-3	-1.1%
Long-term vacancy rate-1%	3	1.1%

CHANGES IN VALUE, BEFORE TAX, %	Effect on profit/loss (SEK m)	Equity/assets ratio, %
+10	209	65
0	0	64
-10	-209	63

Note 21 Equipment

THE GROUP, SEK M	31/12/2022	31/12/2021
Opening acquisition value	126	134
Reclassification	0	-29
Purchases	14	21
Closing accumulated acquisition value	140	126
Opening depreciation according to plan	-6	-22
Reclassification	0	17
Depreciation according to plan for the year	-1	-1
Closing accumulated depreciation according to plan	-7	-6
Closing carrying amount	133	120

The amount includes art that is not depreciated of SEK 131 m (118).

Note 22 Shares in Group companies

PARENT COMPANY SEK M	31/12/2022	31/12/2021
Opening acquisition value	81	81
Opening impairment	-51	-51
Closing carrying amount	30	30

SPECIFICATION OF THE COMPANY'S SHAREHOLDINGS

NAME	Co. Reg. No.	Registered office	Number of shares	Number of shares *	Carrying amount
F Holmström Fastigheter AB	556530-3186	Stockholm	100	100.00%	30
F Holmström Private Equity AB	556724-4800	Stockholm	100	100.00%	0
					30

* Refers to both capital and ownership.

Note 23 Shares in associated companies

THE GROUP, SEK M	31/12/2022	31/12/2021
Opening acquisition value	2,264	483
Acquisition	53	1,194
Disposal	0	-99
Shareholder contribution	19	0
Dividend	-30	0
Share of associated companies profit/loss	-584	308
New share issue	9	471
Revaluation	21	267
Reclassification	0	-360
Closing accumulated acquisition value	1,751	2,264
Opening impairment	0	-10
Impairment for the year	0	0
Reclassifications	0	10
Closing accumulated impairment	0	0
Closing carrying amount	1,751	2,264

Note 24 Specification of the company's shareholding and ownership of associated companies

NAME	Co. Reg. No.	Registered office	Holding in per cent ¹⁾	Reported value
Kvitfjell Prosjektutvikling AS	992601787	Oslo, Norway	34.0%	0
Vincero Fastigheter 5 AB	559299-5467	Stockholm	50.0%	507
HAM Nordic AB	559279-7376	Stockholm	50.0%	1,099
Klippudden Holding 18 AB	559349-4072	Stockholm	50.0%	9
Ankarhagen Holding AB	559343-8699	Stockholm	20.1%	90
Sachajuan Haircare AB ²⁾	556646-8152	Stockholm	32.0%	40
Beauty Pro AB	556969-6410	Stockholm	25.3%	5
Novi Medical Solutions AB	559389-7878	Stockholm	50.0%	2
Total				1,751

¹⁾ Refers to both capital and ownership

²⁾ The holding's value has increased to fair value according to the exception rule in IAS 28.

HAM NORDIC AB - GROUP, SEK M	2022	2021
Fixed assets	5,242	5,494
Cash and cash equivalents	779	269
Other Current assets	2,099	1,820
Long-term financial liabilities	-3,563	-2,849
Current financial liabilities	-194	-130
Other liabilities	-645	-940
Net Assets	3,718	3,664
Net sales	568	804
Production and operating costs	-825	-757
Central administration	-105	-57
Profit/loss from shares in associated companies and JVs	-211	52
Revaluation regarding transition from associated companies to subsidiaries	0	1,101
Changes in value, investment properties	-286	26
Goodwill adjustments due to sale of properties	-18	-26
Net financial items	-172	-65
Income tax	88	27
Profit/loss for the year	-961	1,105

VINCERO FASTIGHETER 5 AB - GROUP, SEK M	2022	2021
Fixed assets	2,442	2,193
Cash and cash equivalents	37	29
Other Current assets	189	181
Long-term financial liabilities	-1,110	-1,068
Current financial liabilities	-437	-206
Other liabilities	-54	-32
Net assets	1,068	1,097
Net sales	67	59
Production and operating costs	-17	-16
Central administration	-17	-11
Profit/loss from shares in associated companies and JVs	0	6
Changes in value, investment properties	-30	1,249
Changes in value, derivatives	-55	129
Net financial items	-55	-29
Income tax	23	-285
Profit/loss for the year	-84	1,102
ANKARHAGEN HOLDING AB - KONCERN, SEK M	2022	2021
Fixed assets	1,256	1,030
Cash and cash equivalents	47	25
Other Current assets	22	25
Long-term financial liabilities	-553	-285
Current financial liabilities	-255	-296
Other liabilities	-58	-82
Net assets	459	417
Net sales	83	64
Production and operating costs	-15	-15
Central administration	-25	-14
Changes in value, investment properties	32	195
Net financial items	-18	-13
Income tax	-12	-45
Profit/loss for the year	45	172
KLIPPUDDEN HOLDING 18 AB - GROUP, SEK M	2022	
Fixed assets	1,689	
Cash and cash equivalents	35	
Other Current assets	5	
Long-term financial liabilities	-875	
Current financial liabilities	-153	
Other liabilities	-59	
Net assets	642	
Net sales	76	
Production and running costs	-28	
Central administration	-10	
Changes in value, investment properties	-90	
Net financial items	-15	
Income tax	-11	
Profit/loss for the year	-78	

Note 25 Receivables from associated companies, long-term and current

THE GROUP, SEK M	31/12/2022	31/12/2021
Carrying amount at the start of the year	94	228
Reclassification	0	-181
Additional items	111	88
Outgoing items	-42	-41
Closing carrying amount	163	94

Note 26 Other long-term securities

THE GROUP, SEK M	31/12/2022	31/12/2021
Carrying amount at the start of the year	755	300
Acquisition	540	197
Revaluation to fair value	373	471
Reclassifications	0	-41
Outgoing items	-334	-172
Closing carrying amount	1,333	755

Note 27 Other long-term receivables

THE GROUP, SEK M	31/12/2022	31/12/2021
Deposits	0	3
Other	1	8
Closing carrying amount	1	11

Note 28 Development and project property

THE GROUP, SEK M	31/12/2022	31/12/2021
Carrying amount at the start of the year	0	999
Reclassifications*	0	-999
Closing carrying amount	0	0

* The value was deconsolidated as a result of the reclassification of the holding in Magnolia Bostad..

Note 29 Rent and accounts receivable

THE GROUP, SEK M	31/12/2022	31/12/2021
Rent and accounts receivable	3	5
Provision for bad debt	0	0
Closing carrying amount	3	5
Rent and accounts receivable divided by due date	31/12/2022	31/12/2021
Rent and accounts receivable not yet due	3	4
Past due date < 30 days	0	0
Past due date 31-90 days	0	0
Past due date > 90 days	0	1
Total unimpaired rent and accounts receivable	3	5
Past due date and impaired rent and accounts receivable	0	0
Total rent and accounts receivable	3	5

Note 30 Prepaid expenses and accrued income

THE GROUP, SEK M	31/12/2022	31/12/2021
Prepaid expenses	16	7
Accrued income	0	0
Accrued interest income	2	0
Other items	0	0
Total	18	7

PARENT COMPANY SEK M	31/12/2022	31/12/2021
Accrued interest income	5	1
Total	5	1

Note 31 Other receivables

THE GROUP, SEK M	31/12/2022	31/12/2021
Receivable, property sales	0	0
Receivable, sales of securities	0	150
Down payments	0	25
Deposits	0	0
Other items	12	2
Total	12	177

Note 32 Share capital and other contributed capital

PARENT COMPANY

The number of shares amounts to 1,000 and the quotient value is SEK 100 per share.

Profit/loss carried forward

The profit/loss carried forward corresponds to accumulated profits and losses generated in the company with additions/deductions for allocation to the reserve fund, dividends and other shareholder contributions.

Note 33 Deferred tax

THE GROUP, SEK M	31/12/2022	31/12/2021
Deferred tax liability		
for temporary difference between carrying amounts and taxable values of buildings	308	390
for temporary difference between carrying amounts and taxable values of securities	0	53
for temporary difference between carrying amounts and taxable values of untaxed reserves	1	1
for temporary difference between carrying amounts and taxable values of derivatives	0	0
Total	309	444

Note 34 Other provisions

THE GROUP, SEK M	31/12/2022	31/12/2021
Carrying amount at the start of the year	0	0
Additional items	52	0
Outgoing items	0	0
Closing carrying amount	52	0

Note 35 Interest-bearing liabilities and other long-term liabilities

THE GROUP, SEK M	31/12/2022	31/12/2021
Long-term interest-bearing liabilities		
Bank loans	512	1,304
Bonds*	496	500
Deposits	0	0
Other long-term liabilities	0	42
Subtotal	1,008	1,846
Current interest-bearing liabilities		
Bank loans	538	402
Bonds	0	0
Other loans	0	4
Subtotal	538	406
Total	1,546	2,252
Liabilities that fall due for payment within one year after the balance sheet date	538	406
Liabilities that fall due for payment within one and five years after the balance sheet date	1,008	1,846
Liabilities that fall due for payment more than five years after the balance sheet date		0
Total	1,546	2,252

* Bonds issued with a nominal value of SEK 500 million within a framework of SEK 750 million, with a variable interest rate of Stibor 3m + 5.0% maturing in October 2024.

Note 36 Accrued expenses and prepaid income

THE GROUP, SEK M	31/12/2022	31/12/2021
Deferred rental income	6	15
Accrued personnel expenses	3	2
Accrued interest expenses	9	9
Other items	11	15
Total	30	41

Note 37 Pledged assets

THE GROUP, SEK M	31/12/2022	31/12/2021
Property mortgages	1,119	1,439
Corporate mortgages	0	0
Pledged internal reversals	0	601
Pledged shares in subsidiaries	0	26
Pledged shares in associated companies	0	0
Subordinated shareholder loans	481	121
Other pledged assets	0	82
Total	1,600	2,269

Note 38 Contingent liabilities

THE GROUP, SEK M	31/12/2022	31/12/2021
Other guarantee commitments	615	200
Total	615	200
PARENT COMPANY SEK M	31/12/2022	31/12/2021
Other guarantee commitments	390	0
Total	390	0

Note 39 Transactions with related parties

THE GROUP

Transactions with related parties have occurred between the parent company, its parent company, its subsidiaries and associated companies and between the subsidiaries, in the form of loans of cash and cash equivalents and invoicing of internal services between the companies.

THE GROUP, SEK M	2022	2021
Purchases /sales from/to associated companies		
Klippudden Holding 18 AB	6	0
HAM Nordic AB	9	0
Total	15	0
Receivables from associated companies		
Kvittfjell Prosjektutvikling AS	6	6
Vincero Fastigheter 5 AB	112	40
HAM Nordic AB	0	8
Ankarhagen Holding AB	40	40
Novi Medical Solutions AB	5	0
Total	163	94
Liabilities to associated companies	0	0

Note 40 Definition of KPIs

Return on equity, %

Profit/loss for the year as a percentage of average equity.

Return on capital employed, %

Operating profit for the year plus financial income as a percentage of average balance sheet total less non-interest-bearing liabilities.

Return on total equity, %

Operating profit plus financial income for the year as a percentage of average total capital.

Liquidity ratio, %

Current assets excluding inventories as a percentage of interest-bearing liabilities.

Equity/assets ratio, %

Equity as a percentage of balance sheet total.

Note 41 Events after the end of the period

No significant events have occurred after the end of the year.

Note 42 Proposed appropriation of profits

The Board of Directors and CEO propose the following appropriation of available profits (SEK):

Profit/loss brought forward	774,216,197
Profit/loss for the year	4,452,099
	778,668,296
<hr/>	
To be carried forward	778,668,296
	778,668,296

Signatures

The undersigned declare that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted accounting principles and give a true and fair view of the position and performance of the Group and

the company, and that the Directors' Report for the Group and the parent company gives a true and fair view of the development of the Group's and the company's business, position and performance and describes the principal risks and uncertainties that the companies that make up the Group face.

Stockholm, 26 May 2023

Fredrik Holmström
Chairman of the Board

Erik Rune
CEO

We issued our Auditor's Report on 26 May 2023.

Ernst & Young AB

Fredric Hävrén
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of F. Holmströmgruppen AB,
corporate identity number 556696-3590

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of F. Holmströmgruppen AB for the financial year 2022. The annual accounts and consolidated accounts of the company are included on pages 74-103 in this document.

In our opinion, the financial statements have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the parent company as of 31 December 2022 and of its financial performance and cash flow for the year in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the Group as of 31 December 2022 and of its financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual report 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 these standards are described in more detail in the section Auditor's responsibility. 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.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and CEO are responsible for the other information. The other information consists of pages 1-73, but does not include the Annual Report, the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual report and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated accounts. In performing our review, we also consider other knowledge we have obtained during the audit and assess whether the information otherwise appears to contain significant errors.

If, based on the work performed regarding this information, we conclude that the additional information contains a significant error, we are required to report it. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the annual report and consolidated accounts in accordance with the Swedish Annual Accounts Act and, in the case of the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control that they determine necessary to enable the preparation of the annual report 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 CEO are responsible for assessing the company's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and CEO intend to wind up the company, cease business or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated accounts as a whole are free from significant misstatement, whether due to fraud or error, and to submit an audit report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect material misstatement if it exists. Misstatements may arise from irregularities or errors and are considered significant if, individually or in combination, they could reasonably be expected to influence the financial decisions that users make on the basis of the annual report and consolidated accounts.

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

- identify and assess the risks of material misstatement in the annual report and consolidated accounts, whether due to fraud or error, design and perform audit procedures, including those based on these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement due to an irregularity is greater than for a material misstatement due to an error, as irregularities may include collusion, falsification, deliberate omissions, misrepresentation or breach 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 use of the going concern assumption by the Board of Directors and the CEO in the preparation of the annual report and consolidated accounts. We also conclude, based on the audit evidence obtained, whether there are any significant uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a significant uncertainty exists, we must draw attention in the auditor's report to the disclosures in the financial statements about this significant uncertainty or, if such disclosures are inadequate, modify our opinion on the annual report and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may make it impossible for a company to continue operating.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual report and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence about the financial information of the units or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the management, supervision and execution of the group audit. We are independently responsible for our opinions.

We are obliged to inform the Board of Directors of, among other things, the planned scope and focus of the audit and its timing. We are also obliged to disclose significant observations made during the audit, including any significant deficiencies in internal control that we have 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 F. Holmströmgruppen AB for the financial year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit 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 in accordance with this are described in more detail in the Auditor's responsibility 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 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 CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil 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 accepted auditing standards in Sweden, we exercise professional judgement 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 judgement with a 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 made, 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 whether the proposal is in accordance with the Swedish Companies Act.

Stockholm, 26 May 2023

Ernst & Young AB

Fredric Hävrén
Authorised Public Accountant

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