

STRONGHOLD

NEWSEC

| **NIAM**

**ANNUAL REPORT
and
CONSOLIDATED ACCOUNTS**

1 January 2023–31 December 2023

STRONGHOLD INVEST AB
556713–9067

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS FOR STRONGHOLD INVEST AB

The Board of Directors and the CEO of Stronghold Invest AB ("Stronghold Invest"), Corporate Registration Number 556713–9067, with its registered office in Stockholm hereby submit the Annual Report and consolidated accounts for the financial year from 1 January–31 December 2023.

ADMINISTRATION REPORT

Information about the business

Group

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

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

Parent Company

Stronghold is an investment company with its registered office in Stockholm. The company has a long-term approach, entrepreneurial mindset and active ownership strategy.

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

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

Stronghold's ownership model

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

Newsec – the full-service property house in Northern Europe

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

Newsec currently has some 2,600 employees operating out of seven markets in the Nordic and Baltic regions. Newsec has approximately EUR 99 billion under management, annually signs new leases for

approximately 179 thousand square metres of commercial space, and renegotiates an additional 235 thousand square metres of commercial space, manages real estate transactions of approximately EUR 1,167 million and conducts real estate valuations with an underlying property value of about EUR 333 billion. Within Energy Transition, Newsec has an unparalleled track-record in the Nordics with six closed renewable energy transactions at a combined value of more than EUR 600 million in 2023.

Niam

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

Niam has some 100 employees and offices in Stockholm, Helsinki, Oslo, Copenhagen and Luxembourg. Since its inception, Niam has invested more than EUR 12 billion in properties, and now has assets under management at a value of approximately EUR 5.5 billion.

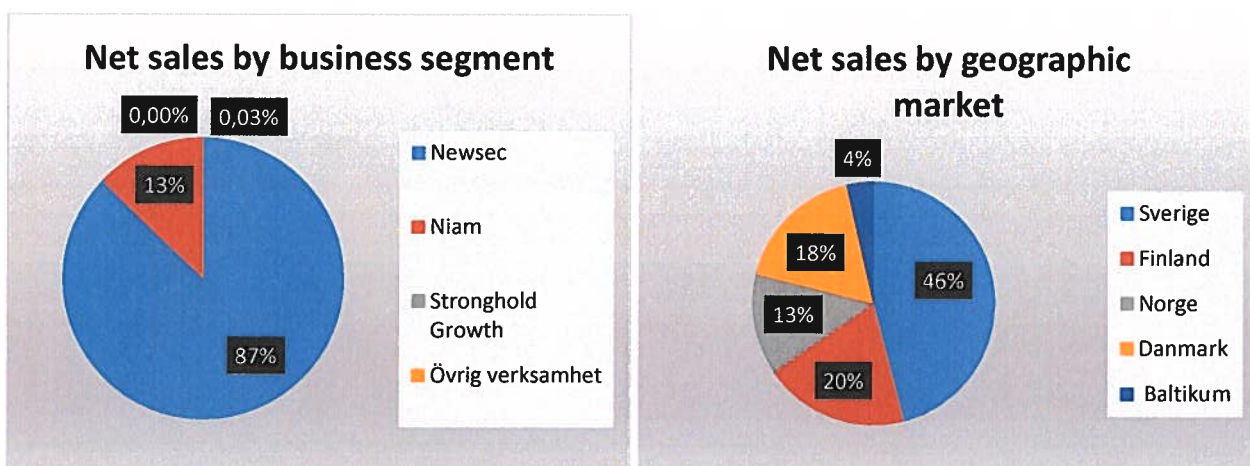
Stronghold Growth

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

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

Sales per segment and market

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



Significant events during the financial year

In January 2023, Newsec Basale AS acquired all of the shares in the company Rådgivende Ingeniører Løying AS. The company complements existing activities in Norway and strengthens Newsec's service offering in energy optimisation. The acquisition price amounted to SEK 22.6 million. In conjunction with the acquisition, a customer relationship was identified of SEK 28.5 million, which will be amortised over seven years.

Newsec AB acquired participations from the minority owners in the part-owned companies in the advisory services operations, after which the ownership stake increased from about 51 percent to about 60 percent. The purchase consideration was SEK 60.4 million. The payment to minority owners primarily took place on the basis of a non-cash issue of shares in Newsec AB amounting to SEK 46.5 million. The remainder of the payment was in cash. The transaction was recognised as a transaction within the controlling interest with an impact on the majority's share of equity of SEK -15.2 million. After the transaction, Newsec AB was no longer a wholly owned subsidiary and instead the ownership stake was 98.18 percent.

Capital was raised during the year through new share issues in Stronghold Invest AB to a number of external owners. These new share issues totalled SEK 125 million. The proceeds were used to repay the Group's bank loans.

The challenging market climate during the year meant that the Group needed to impair other shareholdings. The shares in ABRF Group AB (Alla Brf) were impaired by SEK 8 million, and the impairment was recognised in the Group's net financial items. The shares in Nordkap AB were impaired by SEK 20 million. Since this holding is one of the Growth segment's core holdings, the impairment was recognised in operating profit.

The Group participated in a new share issue in the associated company Proptivity AB during the year. The new share issued amounted to SEK 12 million. The Group did not participate in the new share issue on a pro rata basis, which meant that ownership was diluted from 38 percent to 35 percent.

Comments on operations, earnings and financial position

Sales and earnings

The Group's net sales declined almost 1 percent during the year to SEK 3,951 million (3,988). Sales are primarily from the Newsec segment, which reported income of SEK 3,444 million (3,338), while Niam accounted for SEK 507 million (645), Stronghold Growth for SEK - million (3) and other operations SEK 1 million (2). Last year, promote income of SEK 281 million was recognised related to the close of a Niam fund. Adjusted for this item affecting comparability, the Group's sales increased 7 percent.

The financial year was successful for the Group's two most significant segments, Newsec and Niam, from a growth perspective. The sales increase in Newsec is attributable mainly to the result of strong marketing efforts and an expanded mandate from existing customers. Within Newsec, the various business areas were affected in different ways by the tough market climate during the year. The Advisory business area was hit hardest by lower sales stemming from fewer property transactions in the market. Thanks to sales increases in the other business areas, Newsec's sales rose year-on-year. The decrease in sales in Niam was primarily due to a promote of SEK 281 million being recognised in 2022. Adjusted for this item affecting comparability, Niam's sales increased by approximately SEK 140 million. SEK 45 million of the increase was derived from the company Niam Credit, which was acquired last year. Despite a tough fund-raising climate during the year, Niam thus reported organic growth.

Other operating income totalled SEK - million (33). In 2022, the item mainly comprised the sale of the Proptivity AB subsidiary and the remeasurement of the remaining associated company participation in the sold subsidiary at fair value.

Personnel costs amounted to SEK 2,568 million (2,332), of which variable remuneration to employees, including social security costs, totalled SEK 93 million (110). Personnel costs increased as the result of growth in the Group. Other external expenses decreased to SEK 1,053 million (1,092) and consisted primarily of costs for consultants, rent, marketing and IT. The decreases year-on-year were primarily in consultancy costs. During the year, the Group succeeded to a greater extent than last year in recruiting employees instead of engaging consultants. In addition, consultancy costs were unusually high in 2022 due to certain specific projects during the year.

Operating profit before depreciation and amortisation (EBITDA) amounted to SEK 308 million (662). EBITDA margin declined from 17 percent to 8 percent. The reported promote had a positive impact on last year's margin, but excluding this income stream the EBITDA margin in 2022 was 10 percent.

Depreciation for the year was SEK 227 million (188) and impairment SEK - million (24). Impairment last year pertained to impairment of customer relationships in Newsec as a number of customers left the Group.

Operating profit amounted to SEK 81 million (450).

Profit after financial items amounted to SEK -3 million (465). Net financial items amounted to SEK -84 million (16). Higher interest rates resulted in the Group's interest expense increasing to SEK 58 million (29). The Group uses the mark-to-market method for certain assets and liabilities. The other financial holdings not included in the Stronghold Growth segment are measured at fair value through profit or loss in net financial items. In 2023, this resulted in financial expenses of SEK 25 million compared with financial income of SEK 4 million in 2022. The part of the Group's currency and interest rate-related derivatives, which are not subject to hedge accounting, are also measured at fair value through profit or loss and during the year this resulted in financial income of SEK 3 million (37), see Note 4 and Note 11 for more detail.

The Group's effective tax rate was -70 percent (48). The high tax rate last year was due to a tax expense related to previous years of SEK 144 million. The Group lost a tax dispute that had been in progress for several years and the cost of this was recognised in 2022. Adjusted for this non-recurring item, the effective tax rate was 17 percent for 2022. In 2023, the Group had a tax expense despite a negative result before tax. The negative effective tax was mainly due to large non-deductible expenses such as impairment of other shareholdings. Refer to Note 14 for further details about the Group's effective tax.

Financial position

At year-end, the Group's cash and cash equivalents amounted to SEK 321 million, compared with SEK 450 million at the beginning of the year. On 31 December, equity amounted to SEK 700 million, compared with SEK 720 million at the beginning of the year. The Group's equity/assets ratio was 20.7 percent (19.6) on the balance sheet date.

Investments

Investment in tangible and intangible assets amounted to SEK 50 million (56). The Group continued to invest in operations and most of the investments concerned various customer-related systems. In addition to this, intangible assets arose in the form of customer relationships and goodwill valued at SEK 29 million (181). The customer relationships that arose in 2023 pertained to the acquisition of Rådgivende Ingeniører Løyrning AS. In 2022, these posts mainly pertained to the acquisition of Brunswick Credit, which was later renamed Niam Credit, and also the acquisition of Hinna Park Facility Management AS as well as Zynka BIM AB.

Cash flow

The Group's operating cash flow, cash flow from operating activities after investments and changes in working capital, amounted to SEK 250 million (104).

The change compared with the year-earlier period in respect of cash flow from operating activities, SEK 334 million (239), was mainly attributable to the following. The change in working capital had an impact of SEK +111 million on cash flow compared with SEK -104 million for the year-earlier period. During the year, the Group had less capital tied-up in accounts receivable while the fund operations started to invoice in advance. This strengthened cash flow and compensated for the lower cash flow that was a result of lower operating profit.

Cash flow from investment activities amounted to SEK -85 million (-135). The major difference between the years is mainly due to more and larger acquisitions of subsidiaries in 2022.

Cash flow from financing activities amounted to SEK -379 (-47). This was primarily due to refinancing performed in 2022, which led to a positive effect on cash flow from financing activities of a total of SEK 546 million.

During the year, a dividend of SEK 1.0751 per share was paid, totalling SEK 99 million. The decision was made at the Annual General Meeting. The dividend paid in 2022 amounted to SEK 200 million and SEK 2.0661 per share.

Significant events after the end of the financial year

The CEO of the Newsec Group Patrik Attemark stepped down at the start of February. Petra Scharin, who is also the CEO of Stronghold, took over as acting CEO.

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

Material risks and uncertainties

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

Market risk

In 2023 and 2024, the global economy faced significant challenges, including wars and geopolitical tensions in Eastern Europe and the Middle East. The inflation rate remained high worldwide, driven in part by these tensions. In turn, inflation led to higher interest rates, which affected consumers and companies. Companies such as Stronghold and its customers were also therefore affected.

Despite these challenges, interest rates have shown signs of stabilisation. Several cuts are likely to be made in 2024 in the US, eurozone and Sweden, which should have a positive effect on demand and the general economic situation. The gradual recovery of global trade and consumption is already giving some positive signals for the future. In addition, technological advances and innovation in sectors such as renewable energy and digitalisation have accelerated, which offer new business opportunities and contribute to a more sustainable global economy.

With its adaptive strategy, Stronghold has successfully navigated these challenging times, focusing on innovative solutions and adaptation to the market's changing conditions. Through a strong focus on recurring income and a diversified customer base, the company has not only defended its position, but also identified new opportunities for growth. The company's proactive stance has ensured that it is well prepared to address market fluctuations.

Customer risk

Risk related to customers is primarily the risk that a customer chooses to end their collaboration with the Stronghold Group, or that a customer is unable to fulfil their commitments. The customer base for the Group as a whole is diversified and certain subsidiaries have long-term agreements that create a stable foundation. However, some of the Group's subsidiaries include individual customers that account for a significant portion of the company's sales. The companies strive to actively manage customer relationships in the best possible manner.

Loss of key employees

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

Financial instruments and risk management

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

Personnel

During the year, the Group had an average of 2,558 (2,518) employees, of whom 1,279 (1,284) were women. The increase in the number of employees is attributable to organic growth in the companies.

Non-financial disclosures

Sustainability

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

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

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

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

Environmental responsibility

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

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

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

Social responsibility

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

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

Governance responsibility

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

Personnel issues

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

Development of operations, financial position and earnings (Group)

Amounts in SEK thousand	2023	2022	2021	2020	2019
<u>Sales and earnings</u>					
Income	3,951,456	3,988,363	3,416,403	3,001,419	2,918,216
Operating profit before	307,591	661,602	528,828	387,684	962,209
Operating profit	80,745	449,810	359,635	217,133	658,281
Profit/loss after financial items	-3,338	465,464	356,438	191,258	635,302
Profit/loss for the year	-5,673	239,983	310,757	142,712	620,718
Change in sales	-0.9%	16.7%	13.8%	2.9%	10.1%
Operating margin	7.8%	16.6%	15.5%	12.9%	33.0%
Profit margin	-0.1%	11.7%	10.4%	6.4%	21.4%
<u>Capital structure</u>					
Non-current assets	2,154,670	2,218,671	1,989,800	1,961,849	1,815,627
Current receivables	899,055	992,748	792,321	661,725	665,903
Current investments	—	1,074	30,762	—	—
Cash and bank balances	320,667	450,177	393,269	661,520	799,216
Total assets	3,374,392	3,662,670	3,206,152	3,285,094	3,280,746
Equity, Parent Company owners	700,061	719,525	967,715	1,037,279	1,189,763
Non-controlling interests	96,246	140,461	135,693	86,095	73,506
Provisions/non-current liabilities	1,168,063	1,161,683	1,023,901	1,173,171	1,099,796
Current liabilities	1,410,022	1,641,001	1,078,843	988,549	917,681
Total equity and liabilities	3,374,392	3,662,670	3,206,152	3,285,094	3,280,746
Equity/assets ratio	20.7%	19.6%	30.2%	31.6%	36.3%
Capital employed	2,262,870	2,613,383	2,263,519	2,408,606	2,509,075
<u>Profitability</u>					
Return on capital employed	4.3%	19.3%	16.9%	9.5%	27.2%
Return on total capital	2.9%	13.8%	12.0%	7.0%	20.8%
Return on equity	-0.8%	33.4%	32.1%	13.8%	52.2%
<u>Personnel</u>					
Average number of employees	2,558	2,518	2,301	2,096	1,941
Sales per employee	1,545	1,584	1,485	1,432	1,503
Profit/loss before tax per employee	-1.3	185	155	91	359

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

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

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

EBITDA: Operating profit before depreciation/amortisation

EBIT: Operating profit after depreciation/amortisation

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

Profit margin: Profit before tax as a percentage of sales

Total assets: Total assets excluding client deposits

Total liabilities/total assets: Total liabilities excluding client deposits

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

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

Sales: Excludes capitalised production costs

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

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

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

Parent Company

The company's net sales amounted to SEK 56 million (54) and profit after net financial items was SEK 79 million (297). Profit for the year amounted to SEK 99 million (226). During the year, the company received dividends from subsidiaries of SEK 90 million (89). The Parent Company also impaired the shares in Nordkap AB and ABRF Group AB by a total of SEK 17 million. The impairment in the Parent Company was lower than the impairment in the Group since the consolidated value of the holdings was higher due to fair

value valuation. The company was also affected by higher interest rates during the year, with the interest expense increasing to SEK 22 million (15).

The large difference in earnings between the years was mainly due to the two large income items and two large expense items in 2022 that are not included in the Parent Company's earnings in 2023. Last year, the Parent Company received promote income of SEK 281 million pertaining to an investment in Niam's funds and a dividend of SEK 122 million from the associated company Buildroid AB. In conjunction with the dividend, the value of the holding in the associated company was impaired by SEK 72 million to the value of the associated company's equity. The Parent Company also provided a contribution to a subsidiary of SEK 146 million in 2022, which was fully impaired.

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

Expected future development

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

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

Proposed appropriation of profit

At the disposal of the Annual General Meeting:

Parent Company

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

Retained earnings	786,901,886
Profit for the year	<u>98,858,448</u>
	<u>885,760,334</u>

The Board of Directors proposes that funds be distributed as follows

For distribution to shareholders	-
To be carried forward	<u>885,760,334</u>
	<u>885,760,334</u>

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

CONSOLIDATED INCOME STATEMENT

Amounts in SEK thousand	Note	2023	2022
Income	5, 6, 48	3,951,456	3,988,363
Other income	7, 48	—	33,180
		3,951,456	4,021,543
Capitalised production costs		9,027	14,406
<i>Operating expenses</i>			
Other external expenses	8, 9, 48	-1,052,977	-1,092,006
Personnel costs	10, 48	-2,567,803	-2,332,458
Depreciation/amortisation and impairment of tangible and intangible assets	15,16,17,18	-226,846	-211,792
Other operating expenses		-22,324	-14,882
Share of profits of associated companies	20	-9,788	64,999
		-3,879,738	-3,586,139
Operating profit		80,745	449,810
<i>Financial items</i>			
Share of profits of associated companies	20	-15,718	—
Financial income	11	31,560	54,597
Financial expenses	12	-99,925	-38,943
		-84,083	15,654
Profit/loss before tax		-3,338	465,464
Income tax	14, 48	-2,335	-225,481
Profit/loss for the year		-5,673	239,983
Attributable to:			
Parent Company shareholders		-25,255	176,949
Non-controlling interests		19,582	63,034

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousand	Note	2023	2022
Profit/loss for the year		-5,673	239,983
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Translation differences on translation of foreign subsidiaries		-14,562	29,852
Hedge accounting		3,788	-3,075
Total items that may be reclassified to profit or loss		-10,774	26,777
Total comprehensive income		-16,447	266,760
Attributable to:			
Parent Company shareholders		-35,415	201,313
Non-controlling interests		18,967	65,447

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	15, 48	1,052,730	1,064,828
Customer relationships	16	275,284	303,310
Other intangible assets	16	144,386	151,887
		1,472,400	1,520,025
Tangible assets			
Equipment	17	36,393	30,480
Right-of-use assets	18	301,647	319,073
		338,040	349,553
Financial assets			
Participations in associated companies	20	23,875	36,171
Derivatives	4.21	36,286	42,547
Other non-current receivables	4.22	213,254	220,032
		273,415	298,750
Other non-current assets			
Deferred tax assets	37, 48	70,815	50,343
		70,815	50,343
Total non-current assets		2,154,670	2,218,671
Current assets			
Derivatives	4.21	14,979	—
Accounts receivable	23	498,215	552,361
Contract assets	25	163,179	169,547
Receivables from associated companies		—	5,320
Current tax assets	48	45,777	62,034
Prepaid expenses and accrued income	26	59,510	78,671
Other current receivables	27	117,395	124,815
Current investments	28	—	1,074
Cash and cash equivalents	28	320,667	450,177
Client deposits	28	51,038	16,296
		1,270,760	1,460,295
TOTAL ASSETS		3,425,430	3,678,966

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT.

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital (95,018,939 shares, quotient value of SEK 0.11)	29	10,283	10,000
Translation reserve	30	56,268	70,216
Currency hedging reserve		1,568	-2,226
Retained earnings including profit for the year		631,948	641,535
Equity attributable to Parent Company shareholders	48	700,061	719,525
Non-controlling interests	35	92,246	140,461
		796,307	859,985
Non-current liabilities			
Liabilities to credit institutions	32	851,896	845,690
Derivatives	4, 21	25	—
Lease liabilities	34	191,119	201,720
Other non-current liabilities	33	16,696	13,313
Deferred tax liabilities	37	77,044	78,914
Other provisions	38	31,283	22,046
		1,168,063	1,161,683
Current liabilities			
Liabilities to credit institutions	32	208,273	446,677
Derivatives	4, 21	598	7,238
Lease liabilities	34	104,288	109,035
Accounts payable		162,145	256,156
Contract liabilities	39	177,105	76,677
Current tax liabilities		62,385	107,678
Other provisions	38	—	—
Other current liabilities		199,622	167,120
Accrued expenses and deferred income	40	495,606	470,420
Client deposits	28	51,038	16,296
		1,461,060	1,657,297
TOTAL EQUITY AND LIABILITIES		3,425,430	3,678,966

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousand	Share capital	Translation reserve	Currency hedging reserve	Retained earnings including profit for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2022	10,000	42,777	849	914,089	967,715	135,693	1,103,408
Comprehensive income							
Profit for the year				176,949	176,949	63,034	239,983
<u>Other comprehensive income:</u>							
Translation differences		27,439			27,439	2,414	29,853
Hedge accounting			-3,075		-3,075		-3,075
Total other comprehensive	0	27,439	-3,075		24,364	2,414	26,778
Total comprehensive income	0	27,439	-3,075	176 949	201,313	65,448	266,761
Transactions with shareholders:							
Dividend				-200,000	-200,000	-78,879	-278,879
Shareholders' contributions paid/received minority					0	-3,374	-3,374
Redemption of shares				-209,963	-209,963		-209,963
Warrants issued						14,852	14,852
Changes to net assets in joint ventures after acquisition date				-9,723	-9,723		-9,723
Minority's withdrawal/contribution in limited partnerships during the year						1,715	1,715
Transactions with non-controlling interests*				-29,817	-29,817	5,006	-24,811
Total transactions with shareholders	0	0	0	-449,503	-449,503	-60,680	-510,183
Closing balance, 31 December 2022	10,000	70,216	-2,226	641,535	719,525	140,461	859,986
Opening balance, 1 January 2023	10,000	70,216	-2,226	641,535	719,525	140,461	859,986
Comprehensive income							
Profit/loss for the year				-25,255	-25,255	19,582	-5,673
<u>Other comprehensive income:</u>							
Translation differences		-13,948			-13,948	-615	-14,563
Hedge accounting			3,788		3,788		3,788
Total other comprehensive	0	-13,948	3,788		-10,160	-615	-10,775
Total comprehensive income	0	-13,948	3,788	-25,255	-35,415	18,967	-16,448
Transactions with shareholders:							
Dividend				-99,381	-99,381	-48,391	-147,772
Shareholders' contributions paid/received minority					0	3,558	-3,374
Exercise of warrants				-4,025	-4,025	-2,910	-6,935
Warrants issued				6,393	6,393	1,485	7,878
New share issue	283			124,717	125,000		125,000
Correction of transactions with non-controlling interests				11,123	11,123		11,123
Transactions with non-controlling interests*				-23,159	-23,159	-15,924	-40,083
Total transactions with shareholders	0	0	0	15,668	15,951	-63,182	-47,231
Closing balance, 31 December 2023	10,283	56,268	1,562	631,948	700,061	96,246	796,307

*The amount for 2023 mostly refers to the acquisition of shares from minority owners in a number of the subsidiaries in Newsec. In 2022, the amount largely related to acquisitions of controlling interest in two different Newsec companies. For more information refer to Notes 45 and 46.

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK thousand	Note	2023	2022
Cash flows from operating activities			
Operating profit		80,745	449,810
Adjustments for non-cash items			
Depreciation	16,17,18	226,846	187,430
Impairment	15,16,17,18	—	24,362
Share of profits of associated companies	20	9,788	-64,999
Acquisition-related items		—	2,926
Gain/loss from sale of shares and participations		—	-27,206
Impairment of shares and participations		20,000	2,882
Gain/loss from sale of associated companies		—	—
Measurement of shares and participations at fair value		—	5,904
Unrealised derivative effects		-8,451	6,515
Other		3,947	-413
Interest received		10,694	6,084
Interest paid		-59,982	-46,117
Income tax paid		-60,896	-203,978
		222,691	343,200
Decrease (+)/increase (-) accounts receivable		60,498	-143,985
Decrease (+)/increase (-) other receivables		475	-2,906
Decrease (-)/increase (+) accounts payable		-98,690	106,579
Decrease (-)/increase (+) other current liabilities		149,221	-64,337
Cash flows from operating activities		334,195	238,551
Investment activities			
Acquisition of intangible assets	16	-24,479	-46,548
Acquisition of equipment	17	-25,566	-9,668
Sale of equipment	17	328	1,270
Repayment from/investment in funds		-12,271	1,659
Investments in associate companies		-13,474	—
Investment in shares and participations	20	-12,867	-63,938
Dividends from shares and participations		37,998	—
Divestment of associated companies	22	—	598
Shareholders' contributions paid to associated companies	22	—	-8,900
Dividends from associated companies		—	122,722
Current investments/terminated current investments		1,074	29,688
Acquisition of Group companies	43, 45	-35,284	-182,897
Divestment of Group companies as part of controlling interest	46, 47	—	21,282
Cash flows from investment activities		-84,541	-134,732
Financing activities			
Contributed/withdrawn capital from non-controlling interests		2,687	-2,896
Amortisation of liability/repayment of loans	44	-224,725	-853,119
Borrowings	44	—	1,398,775
Amortisation of lease liabilities' principal amount	44	-134,737	-116,190
Dividend to non-controlling interests		-48,391	-78,879
Dividend		-99,381	-200,000
New share issue		125,000	—
Redemption of shares		—	-209,972
Warrants subscribed/redeemed, net		943	14,852
Cash flows from financing activities		-378,604	-47,429
Cash flow for the year		-128,950	56,390
Opening cash and cash equivalents		450,177	393,269
Conversion effect cash and cash equivalents		-560	518
Closing cash and cash equivalents		320,667	450,177

PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK thousand	Note	2023	2022
Income	6	55,811	53,916
Other income	7	212	491
		56,023	54,407
<i>Operating expenses</i>			
Other external expenses	8, 9	-35,168	-54,078
Personnel costs	10	-28,017	-33,799
Depreciation/amortisation of tangible and intangible assets	17	-155	-157
Other operating expenses		-53	-65
		-63,393	-88,099
Operating loss		-7,370	-33,692
<i>Financial items</i>			
Financial income	11	145,443	581,991
Financial expenses	12	-59,420	-250,887
		86,023	331,104
Profit before tax		78,653	297,412
Appropriations	13	20,205	-16,796
Tax	14	—	-54,601
Profit for the year		98,858	226,015

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

PARENT COMPANY'S BALANCE SHEET

Amounts in SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Tangible assets			
Equipment	17	—	155
		—	155
Financial assets			
Participations in Group companies	19	550,194	502,340
Participations in associated companies	20	51,305	39,305
Receivables from Group companies	24	613,059	119,351
Other non-current receivables	22	126,123	124,599
		1,340,681	785,595
Total non-current assets		1,340,681	785,750
Current assets			
Current receivables			
Accounts receivable		975	907
Receivables from Group companies	24	17,227	502,242
Prepaid expenses and accrued income	26	10,298	3,034
Other current receivables	27	—	7,366
		28,500	513,549
Cash and cash equivalents	28	348	342
		28,848	513,891
TOTAL ASSETS		1,369,529	1,299,641
EQUITY AND LIABILITIES			
Equity			
<u>Restricted equity</u>			
Share capital (92,443,213 shares, quotient value of SEK 0.11)	29	10,283	10,000
		10,283	10,000
<u>Unrestricted equity</u>			
Retained earnings		786,902	533,183
Profit for the year		98,858	226,015
		885,760	759,198
Total equity		896,043	769,198
Untaxed reserves	31	17,270	17,270
Non-current liabilities			
Liabilities to credit institutions	32	219,425	124,250
		219,425	124,250
Current liabilities			
Liabilities to credit institutions	32	26,700	264,200
Accounts payable		12,882	10,366
Liabilities to Group companies	36	129,829	40,253
Other current liabilities		53,484	60,599
Accrued expenses and deferred income	40	13,896	13,505
		236,791	388,923
TOTAL EQUITY AND LIABILITIES		1,369,529	1,299,641

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousand	Restricted equity	Unrestricted equity		Total equity
	Share capital	Retained earnings	Profit for the year	
Opening balance, 1 January 2022	10,000	757,101	186,045	953,146
Transfer of previous year's profit		186,045	-186,045	0
Comprehensive income				
Profit for the year			226,015	226,015
Total comprehensive income			226,015	226,015
Transactions with shareholders				
Redemption of shares		-209,963		-209,963
Dividend		-200,000		-200,000
Total transactions with shareholders	0	-409,963	0	409,963
Closing balance, 31 December 2022	10,000	533,183	226,015	769,198
Opening balance, 1 January 2023	10,000	533,183	226,015	769,198
Transfer of previous year's profit		226,015	-226,015	0
Comprehensive income				
Profit for the year			98,858	98,858
Total comprehensive income			98,858	98,858
Transactions with shareholders				
New share issue		125,000		125,000
Dividend		-99,381		-99,381
Exercise of warrants		-4,025		-4,025
New warrants issued		6,393		6,393
Total transactions with shareholders	0	27,704	0	27,987
Closing balance, 31 December 2023	10,000	786,902	98,858	896,043

PARENT COMPANY'S STATEMENT OF CASH FLOWS

Amounts in SEK thousand	Note	2023	2022
Cash flows from operating activities			
Operating loss		-7,370	-33,692
Adjustments for non-cash items			
Depreciation	17	155	157
Promote received		—	281,131
Interest received		32,655	34,513
Interest paid		-27,681	-20,178
Income tax paid/received		-12,386	-3,617
		-14,627	258,314
Decrease (+)/increase (-) receivables		34,879	-15,189
Decrease (-)/increase (+) accounts payable		34,247	7,684
Decrease (-)/increase (+) current liabilities		2,516	-185,115
Cash flows from operating activities		57,015	65,694
Investment activities			
Acquisition of subsidiaries	19	—	-140,217
Divestment of subsidiaries	47	—	155,816
Shareholders' contributions paid to subsidiaries	19	—	-5,000
Acquisition of associated companies	20	—	-6,700
Shareholders' contributions paid to associated companies	20	—	-8,900
Divestment of associated companies	20	—	695
New share issue, associated companies		-12,000	—
Investment in other shares and participations		-32,337	-57,972
Divestment of other shares and participations		2,556	—
Distribution received from limited partnerships		13,805	16,112
New interest-bearing intra-Group loans		—	-1,061,304
Repayment interest-bearing intra-Group loans		—	1,160,922
Repayments received on interest-bearing intra-Group loans	24	13,260	259,267
Cash flows from investment activities		-14,716	312,719
Financing activities			
Bank loans		—	489,691
Amortisation/repayment bank loans		-142,325	-848,605
Newly raised interest-bearing intra-Group loans		—	100,000
Group contributions received/paid		-17,667	79,176
Redemption of shares		—	-209,963
New share issue		125,000	—
Warrants subscribed/exercised		2,368	—
Dividends received		89,712	210,588
Dividends paid		-99,381	-200,000
Cash flows from financing activities		-42,293	-379,113
Cash flow for the year		6	-700
Opening cash and cash equivalents		342	1,042
Conversion effect cash and cash equivalents		—	—
Closing cash and cash equivalents		348	342

NOTES

1. General information

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

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

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

2. Significant accounting policies

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

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

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

New and amended standards adopted by the Group

Amendments to IAS 1 – Disclosure of Accounting Policies

The amendments impact the requirements in IAS 1 pertaining to disclosure of accounting policies. The amendments mean that all occurrences of the term "significant accounting policies" are replaced by "material accounting policy information." Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The items in IAS 1 will also be changed to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also produced guidance and examples to explain and demonstrate the application of the four-step materiality process as described in IFRS Practice Statement 2.

During the year, the Group reviewed the accounting policies in its Annual Report and adapted them to the amendments described above.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments entail that the definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The previous definition of changes in estimates has been removed. The amendment to IAS 8 had no material effects on the Group.

Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendment makes an additional exemption from the previous exemption on initial recognition. The amendment means that a company is not to apply the exemption from recognising deferred tax attributable to transactions that give rise to equal amounts of taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences arise on initial recognition of an asset and a liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Due to the amendments to IAS 12, a company must recognise the attributable deferred tax assets and deferred tax liability, with the deferred tax assets subject to the recovery criteria of IAS 12.

New and amended standards not yet in force

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

The amendments to IAS 1 that were published in January 2020 affect only the classification of liabilities as current or non-current in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period, that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, that rights are in existence if there is compliance with conditions (covenants) at the end of the reporting period and introduces a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments apply retrospectively to financial years beginning on or after 1 January 2024. Earlier application of the amendments is permitted. The IASB changed the effective date to the 2022 amendments of IAS 1. If an entity applies the 2020 amendments for an earlier period, it must also apply the 2022 amendments early.

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

Update of Amendments to IAS 1 – Non-current Liabilities with Covenants

These amendments specify that only covenants that a company must fulfil during or before the reporting period shall impact the classification of the corresponding liabilities as current or non-current (and therefore must be taken into account in determining the classification of the liability as current or non-current). Such conditions affect whether the right exists at the end of the reporting period even though compliance with the covenant is not determined until after the balance sheet date (for example, a covenant based on the company's financial position on the balance sheet date and for which compliance is not determined until after the balance sheet date).

The IASB also states that the right to defer settlement of a liability for at least 12 months after the balance sheet date is not affected if a company only need to comply with a covenant after the reporting period. If a company's right to defer settlement of a liability is subject to an entity complying with conditions within 12 months after the reporting period, then a company is to disclose information in the notes that allows the users of financial statements to understand the risk that non-current liabilities under covenants may be repayable within 12 months after the reporting period. This includes information about the conditions (for example, the nature of and date by which the entity must comply with the condition), the carrying amount of attributable liabilities and facts and circumstances, where applicable, that indicate that the company could experience difficulties in meeting the covenants.

The amendments apply retrospectively to financial years beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it must also apply the 2020 amendments early.

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

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability

The IASB is amending IAS 21 to specify when a currency is exchangeable into another currency and how to determine the exchange rate to apply when a currency is not exchangeable. A currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency. When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date. If this is the case, an entity must disclose information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. In the opinion of executive management, the amendment to IAS 1 will have no material effects on the Group.

Consolidated accounts

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

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

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

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

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

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

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

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

Business combinations

Business combinations are recognised using the acquisition method.

The purchase consideration for a business combination is initially measured at fair value on the date of acquisition, which is calculated as the sum of the fair values at the date of acquisition for received assets plus liabilities assumed. The purchase consideration usually essentially comprises cash payment on the acquisition date. Acquisition-related expenses are recognised in profit or loss when they arise.

The identifiable acquired assets and assumed liabilities as well as contingent assets are recognised at fair value at the date of acquisition.

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

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

For each business combination, the previous non-controlling interests in the acquired entity are measured at fair value. The fair value is then calculated approximately based on the acquisition price of the additional participations.

When the transferred consideration in a business combination includes assets and liabilities resulting from contingent considerations, the conditional purchase consideration is measured at its fair value at the date of acquisition and is included in the transferred consideration in the business combination.

Subsequent changes in fair value of a contingent consideration that do not qualify as an adjustment during the valuation period, are recognised differently depending on the classification of the contingent consideration. A contingent consideration classified as equity is not remeasured in subsequent periods and subsequent settlement is recognised in equity. Contingent considerations classified as an asset or liability are remeasured at fair value in accordance with IFRS 9 and the corresponding gains or losses are recognised in profit or loss.

Transactions with non-controlling interests

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

Loss of controlling interests

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

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

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

Goodwill

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

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

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

Segment reporting

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

Income

The Group's income arises from property and fund management, consultancy services and interest and dividend income. Income is recognised at the amount of the fair value that the Group expects to receive in exchange for services rendered.

The Group has the following material streams of income: fixed-price contracts, management fees, additional services, renegotiations and leasing, incentives, promote and materials and additional services. Niam has only income streams in the form of management fees and promote. Promote is in certain cases also accrued by the Parent Company where the income is recognised as financial income. Regardless of which company recognises the income, promote is always deemed to belong to the Niam segment. The remainder of the Group's income streams can be found in Newsec.

Fixed-price contracts

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

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

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

Management fees

In the Niam segment, fund fees received for pledged or managed assets in funds are invoiced in accordance with the investor agreement. According to the investor agreement, the Group is to manage the funds throughout the fund's duration, which is considered a performance obligation (meaning a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer). The customer obtains the benefits of the Group's performance when the Group satisfies an obligation. The

services are routine and recurring services in which it is possible to identify when the customer simultaneously receives and consumes all of the benefits provided by the company as the company performs. Income from fund management is recognised as the services are performed over time. The price is variable in that a fixed percentage is used throughout the fund's lifecycle, which is calculated using a base that changes over time. The price is initially calculated using pledged capital, but later in the fund's lifecycle invested capital is used as the base for calculating the management fee.

Additional services

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

Renegotiations and leasing

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

Incentives

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

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

Promote

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

Materials and additional services

In Newsec, materials and services are purchased from subcontractors in order to carry out services on the properties to comply with agreements. These purchases are re-invoiced to customers with a certain mark-up. The Group's re-invoicing is recognised gross, meaning costs are reported separately and income as sales, as contracts with customers clearly state that the Group has a commitment to purchase materials and

services to carry out a service on behalf of the Group's customers and bears the risk. The promise to provide materials/services required to carry out the services on the properties covered by the agreement is considered a performance obligation. The customer obtains the benefits of the company's performance when the Group provides the required material/service to the property, which in turn allows the Group to carry out its service in accordance with the agreement. The commitment is therefore very closely linked to the commitment described in Fixed-price contracts and is reported in a similar manner over time. The income for re-invoicing is recognised in the period when the cost of the material/service arises.

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

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

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

Leases

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

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

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted by the incremental borrowing rate since the Group does not have sufficient information to calculate the rate implicit in the lease. The incremental borrowing rate is the rate a lessee would have paid for loan financing over the same period, and with similar security, for the right-of-use of an asset in a similar economic environment.

Options are only included in the lease term when it is reasonably certain that it will exercise an extension option or when it is reasonably certain that a termination option will not be exercised. To reduce uncertainty for options that lie far in the future, only the first option period in a contract is included in the assessment. Executive management considers all available information that provides an economic incentive to exercise an extension or termination option, for example the opportunity to find suitable replacement premises, moving costs, current leasehold improvements or negotiation costs for entering a new lease.

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

- * fixed lease payments (including in-substance fixed payments), less any lease incentives,
- * variable lease payments that are based on an index or a price, initially valued using an index or price at the commencement date,

The lease liability is presented on a separate line in the consolidated statement of financial position. After initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (by using the effective interest method) and by reducing the carrying amount to reflect lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the associate right-of-use asset) if:

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

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

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

On the acquisition date, right-of-use assets are recognised at the value of the corresponding lease liability, lease payments made on or before the commencement date and any initial directly related costs. In subsequent periods, these are recognised at cost less accumulated depreciation and impairment.

Right-of-use assets are depreciated over their estimated useful lives or over the agreed lease term, if this is shorter. Depreciation begins on the commencement date of the lease.

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

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

As a practical expedient, IFRS 16 permits non-lease components not to be separated from lease components and instead account for each lease component and any associated non-lease components as a single lease component. The Group has chosen to make use of this practical expedient.

Foreign currency

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

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

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

Employee benefits

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

Defined-contribution pension plans

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

Severance pay

Severance pay is paid when employment is terminated before the normal age of retirement or when the employee accepts voluntary redundancy in exchange for such remuneration. The Group recognises severance pay when it is demonstrably obligated either to terminate employment according to a detailed formal plan without any option for recall or to provide compensation in a case of termination of employment as a result of an offer made to encourage voluntary resignation from employment. Benefits that are due more than 12 months from the balance sheet date are discounted to current value.

Related party transactions

Related party relates to both legal and natural persons:

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

Taxes

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

Current tax

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

Deferred tax

Deferred tax is reported on all temporary differences between the carrying amount of assets and liabilities in the financial statements and the taxable value used in calculating taxable earnings. Deferred tax is reported using the balance sheet method. Deferred tax liabilities are reported in principle for all taxable temporary differences, and deferred tax assets are essentially reported for all deductible temporary differences to the extent it is likely that the amount can be utilised against future taxable surplus. Deferred tax liabilities and tax assets are not recognised if the temporary difference is attributable to goodwill.

Deferred tax liabilities are recognised for taxable temporary differences related to investments in subsidiaries.

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

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

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

Current and deferred tax for the period

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

Tangible assets

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

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

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

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

Equipment of lesser value is expensed immediately at the time of purchase, as are computers, which are considered to have limited service lives.

Intangible assets

Separately acquired intangible assets

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

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

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination that are reported separately from goodwill are mainly customer relationships. These are initially recognised at fair value on the acquisition date (which is considered to be its cost).

After initial recognition, intangible assets acquired in a business combination are recognised at cost less accumulated amortisation and any accumulated impairment, in the same manner as for other intangible assets acquired separately.

Amortisation takes place straight-line over the useful life, which has been determined as between 2 to 20 years.

Internally accrued intangible assets: capitalised expenditure for product development

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

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

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

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

Impairment of tangible and intangible assets excluding goodwill

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

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

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

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

Financial Instruments

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the instrument's contractual terms. A financial asset or portion of a financial asset is derecognised from the

balance sheet when the rights in the agreement are realised, expire or the company loses control over it. A financial liability or portion of a financial liability is derecognised from the balance sheet when the contractual obligation is discharged or otherwise extinguished.

Classification and measurement

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

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

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

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

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

Financial assets

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

Financial liabilities

- Fair value through profit or loss
- Amortised cost

Fair value of financial instruments

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

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

The carrying amounts for all financial assets and liabilities are considered reasonable approximations of their fair value, unless otherwise specified in subsequent notes.

Amortised cost

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

Offsetting financial assets and liabilities

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

Cash and cash equivalents

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

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

Accounts receivable

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

Impairment of accounts receivable

Definition of default:

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

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

Basis for collective assessment:

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

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

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

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

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

Risk management process for accounts receivable:

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

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

The probability of default is considered to be in line with 2022. No changes in respect of significant assumptions related to credit assessments and impairment took place during the current reporting period.

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

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

The Group's accounts receivable comprise a large number of customers spread across various geographic areas where the Group operates. The vast majority of customers are active in the property sector in one way or another. Of the accounts receivable at year-end, SEK 50.4 million pertains to the Group's two largest customers. In addition to this, the Group has no significant credit risk exposure to any specific counterparty or group of related counterparties, meaning members of the same group. The concentration of credit risk to the Group's two largest companies does not exceed 4 percent of the Group's liquid assets at any time during the year. The Group's credit risk is limited as it has a large number of customers that are independent in relation to each other.

Accounts payable

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

Liabilities to credit institutions and other borrowings

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

Derivatives

An interest-rate derivative consists of a financial asset or liability measured at fair value together with changes in value through profit or loss. To manage exposure to fluctuations in the market interest rate in accordance with the established financial policy, Stronghold has entered into interest-rate derivatives. When using interest-rate derivatives, changes in value arise depending primarily on changes in the market interest rate. Interest-rate derivatives are measured at the fair value on the transaction date and continue to be subsequently measured at fair value with changes in value recognised in profit or loss.

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

The Group has currency derivatives to hedge substantial flows in EUR, NOK and DKK. The Group has chosen to subject some of these currency derivatives to hedge accounting. In 2023, the Group did not have any currency derivatives for which hedge accounting was applied. Historically, hedge accounting has however occurred for the currency derivatives used to hedge major future cash flows related to promote that will be received in EUR. In June 2022, payment was received for the promote and the derivatives were divested and thus the hedge accounting pertaining to the currency derivatives ended and the effects of the hedge were reversed in the consolidated income statement. The currency derivatives subjected to hedge accounting were initially recognised in the balance sheet at cost on the transaction date, and thereafter at fair value when the effective portion of the exchange rate change related to the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised as a change in value through profit or loss. The closing-day rate is used to determine fair value.

The Group applies hedge accounting and has thus made the assessment that the Group satisfies the requirements for applying hedge accounting. Examples of these assessments are effectiveness and the economic relationship of the hedging relationship and the hedged forecasts meeting the highly probable requirement. Hedge accounting ceases when the hedging instrument is divested or when one of the criteria above are no longer deemed to be satisfied. The hedge accounting applied refers to cash flow hedges (currency derivatives) and hedging net investments in foreign currency.

Hedge accounting pertaining to the hedge of net investments had a positive effect of SEK 3.8 million in 2023. The effect of the hedge accounting for currency derivatives (cash flow hedges) was SEK 0 million since the Group did not have any cash flow hedges during the year.

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

Provisions

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

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

Accounting policies for the Parent Company

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

Amended accounting policies in force for financial years beginning on or after 1 January 2023.

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

- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Estimates
- Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information

The Swedish Financial Reporting Board resolved to introduce changes or amendments to:

- Amendments to IFRS 17 Insurance Contracts – the Board believes there to be compelling reasons that the application of IFRS 17 should be voluntary in RFR 2.

Approved changes to RFR 2 that have not yet come into force

The Swedish Financial Reporting Board resolved not to introduce any changes or amendments to the following, which have not yet come into force:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures Supplier Finance Arrangements
- Amendments to IAS 12 Income Taxes International Tax Reform—Pillar Two Model Rules
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability

Proposed changes to RFR 2 not yet approved

There are not currently any proposed changes to RFR 2 Accounting for Legal Entities that have not yet been approved.

Presentation format for financial statements

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

Dividend

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

Participations in subsidiaries

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

Participations in associated companies

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

Group contributions and shareholders' contributions received

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

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

Pensions

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

Leases

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

Untaxed reserves

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

Financial assets and liabilities

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

3. Significant judgements and assumptions

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

Impairment testing

A number of significant assumptions and judgements must be made when value in use is measured based on the expected future discounted cash flows associated with the asset, for example pertaining to factors such as discount rate, growth and working capital requirements. Forecasts of future cash flows are based on the best possible judgements of future income and operating expenses, using historical developments, general market conditions, development and forecasts for the industry and other available information. Refer to Note 15 for a more detailed description of assumptions made.

Controlling and significant interest

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

4. Financial risk management and financial instruments

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

Credit risks

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

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

Liquidity risk

To ensure short- and long-term supply of capital, the Group has established regular liquidity budgets and liquidity forecasts and guarantees the short-term access to funds by maintaining a liquidity reserve in the form of cash and cash equivalents and unutilised committed credits. Liquidity risk is minimised in the long term by guaranteeing long-term financing in the form of committed loan facilities and risk-bearing capital. Available cash and cash equivalents amounted to SEK 321 million (450) on 31 December 2023. The Group had an unutilised overdraft facility of SEK 127 million (77). During the year, the Group converted SEK 50 million of the revolving credit facility into a bank overdraft facility. The Group is not exposed to any material liquidity risk due to lease liabilities. Lease liabilities are monitored by the Group's treasury function.

The Group's liabilities had maturities as below:

Group 31 Dec 2023	Within 3 months	3–12 months	1–5 years	Over 5 years	Total carrying amount
Liabilities to credit institutions	52,068	156,205	851,896	—	1,060,169
Lease liabilities	—	104,288	191,119	—	295,407
Other non-current liabilities	—	—	16,696	—	16,696
Derivatives	—	598	—	—	598
Accounts payable	162,145	—	—	—	162,145
Other current liabilities	30,680	—	—	—	30,680
Total	244,893	261,091	1,059,711	—	1,565,695

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

Parent Company 31 Dec 2023	Within 3 months	3–12 months	1–5 years	Over 5 years	Total
Liabilities to credit institutions	6,675	20,025	219,425	—	246,125
Accounts payable	12,882	—	—	—	12,882
Other current liabilities	148,662	—	—	—	148,662
Total	168,219	20,025	219,425	—	407,669

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

A large share of the Group's and Parent Company's liabilities fall due within 1–5 years. Such risks are managed through continuous discussions with the counterparty. The nominal value is a reasonable approximation of fair value for all balance-sheet items. With regard to the bank loans, interest is variable and the credit margin is unchanged on the balance sheet date, and fair value is therefore not essentially different from nominal value.

Currency risk

The Group has two types of currency risk, transaction exposure and translation effects. Currency risk in the form of transaction exposure is limited by invoicing and costs primarily arise in each Group company's local currency. Major transactions are hedged whenever necessary. The Group hedges expected future cash flows and on 31 December the hedged amount was EUR 52 million (10), DKK 168 million (129) and NOK 36 million (0) with a maximum maturity of approximately 1.5 years.

Translation effects arise when translating the balance sheets and income statements of foreign subsidiaries. On 31 December, the Group had exposure to EUR, NOK, DKK, GBP and USD. The net exposure to EUR, in the form of receivables and liabilities, was SEK 138 million on 31 December. The net exposure to the remaining currencies was as follows: DKK 428 million, NOK 134 million, GBP 2 million and USD 10 million.

Interest-rate risk

The Group is a net borrower and a change in interest rates impacts the Group's net financial items mainly through the valuation effect but also to a lesser extent through net interest income. To minimise interest-rate risk, the Group has swapped floating interest rates in bank financing to fixed for 46 percent (42) of the Group's total external financing.

Price risk

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

Sensitivity analysis (transaction risk, interest-rate risk)

Group	31 Dec 2023		31 Dec 2022	
	Earnings	Equity	Earnings	Equity
<i>Transaction exposure, %</i>				
EUR +5	1,528	6,909	1,205	10,333
EUR -5	-1,258	-6,909	-1,205	-10,333
NOK +5	-308	6,725	491	7,774
NOK -5	308	-6,725	-491	-7,774
DKK +5	-3,099	21,441	-2,367	18,482
DKK -5	3,099	-21,441	2,367	-18,482
<i>Interest</i>				
Impact on future net financial items +1 percent	-10,586	-10,586	-12,918	-12,918
Impact on future net financial items -1 percent	10,586	10,586	12,918	12,918

Parent Company	31 Dec 2023		31 Dec 2022	
	Earnings	Equity	Earnings	Equity
<i>Transaction exposure, %</i>				
EUR +5	115	115	1,320	1,320
EUR -5	-115	-115	-1,320	-1,320
NOK +5	1,654	1,654	1,650	1,650
NOK -5	-1,654	-1,654	-1,650	-1,650
DKK +5	50	50	114	114
DKK -5	-50	-50	-114	-114
<i>Interest</i>				
Impact on future net financial items +1 percent	2,637	2,637	2,643	2,643
Impact on future net financial items -1 percent	-2,637	-2,637	-2,643	-2,643

Categorisation of financial instruments

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

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<i>Financial assets</i>				
Fair value through profit or loss				
Derivatives held for trading	51,265	42,547	—	—
Shareholdings	195,532	204,944	—	—
Fair value through comprehensive income				
Derivatives for hedge accounting	—	—	—	—
Amortised cost	1,074,945	1,287,281	666,011	777,124
Total financial assets	1,321,742	1,534,772	666,011	777,124
<i>Financial liabilities</i>				
Fair value through profit or loss				
Derivatives held for trading	598	7,238	—	—
Fair value through comprehensive income				
Derivatives for hedge accounting	—	—	—	—
Amortised cost	1,734,039	2,039,711	408,041	444,457
Total financial liabilities	1,734,637	2,046,949	408,041	444,457

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

	Group	
	2023	2022
Derivatives		
<i>Currency-related</i>	32,600	-9,997
<i>Interest rate-related</i>	-17,308	38,054
Shareholdings	-45,109	-4,540
Net profit/loss	-29,817	23,517

Of the SEK 15,292 thousand pertaining to the earnings impact related to derivatives for 2023 according to the above Note, an amount of SEK +8,451 thousand was reclassified to the business to meet the realised impact of the ended currency derivatives that the subsidiary recognised as part of its sales. The remaining impact in net financial items was, therefore, only SEK 6,841 thousand. However, net financial items also included a realised effect during the year in some of the Group's companies amounting to SEK -4,239 thousand, meaning the total effect for derivatives was SEK 2,602 thousand, which corresponds to the amount in Note 11 Financial income. For shareholdings, SEK -20,000 thousand of the revaluation effect was recognised in operating profit. Together, this means the figure does not correspond to the figure for revaluations and impairment related to fair value measurement in Note 11 Financial income and Note 12 Financial expenses.

Calculation of fair value

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

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

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

Examples of observable data in level 2 include:

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

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

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

The Group holds assets related to currency derivatives and interest-rate swaps, which were measured at fair value through profit or loss and at fair value through comprehensive income. The value of these assets was SEK 51 million (43) on 31 December 2023. The Group also held liabilities related to currency derivatives and interest-rate swaps, which are measured at fair value through profit or loss and at fair value through comprehensive income. The value of these liabilities was SEK 1 million (7) on 31 December 2023. The derivatives measured at fair value in comprehensive income are derivatives which are subject to hedge accounting. The Group had no derivatives that were hedged in 2023. In 2022, hedge accounting was used until 30 June 2022, but the hedging relationship had been concluded by the closing of the annual accounts in 2022 and the accumulated effect transferred to the consolidated income statement.

The Group also has shareholdings measured at fair value through profit or loss. The value of these was SEK 196 million (205) on 31 December 2023. No other items are measured at fair value. For derivatives in level 2, fair value is calculated by discounting expected cash flow based on market data.

Group, SEK thousand	31 Dec 2023			31 Dec 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:						
Shareholdings	822	—	194,710	1,269	—	203,675
Derivatives						
<i>Currency-related</i>	—	26,600	—	—	—	—
<i>Interest rate-related</i>	—	25,259	—	—	42,547	—
Total financial assets	822	51,265	194,710	1,269	42,547	203,675
Financial liabilities:						
Derivatives						
<i>Currency-related</i>	—	623	—	—	7,238	—
<i>Interest rate-related</i>	—	—	—	—	—	—
Total financial liabilities	—	623	—	—	7,238	—

No reclassifications took place between Levels 1, 2 and 3 in 2022 and 2023.

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

5. Segment information

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

Operating segments

- **Newsec:** This segment consists of property management and advisory services. Income from property management comprises fees for technical and financial management on behalf of property owners, as well as income from leasing and property development on behalf of the Group's management customers. The income from advisory services is received from consultant fees for property valuation and analysis, fees for purchasing and sales advisory services and property brokerage services.
- **Niam:** Income from Niam comprises fund fees received for pledged or managed assets in funds.
- **Stronghold Growth:** Income from Stronghold Growth pertains primarily to onward invoicing of management time invested for the major shareholdings in the segment. A new strategic direction was adopted in 2023 entailing that only three shareholdings, now referred to as core holdings, are deemed to be included in the

Growth segment. The measurement of these holdings at fair value through profit or loss is thus included in operating profit for the Growth segment. The remaining holdings are classified as financial holdings and are included in the Other segment. Changes in value of these holdings are classified as a financial item.

- Other: comprises Group-wide costs and other minor companies in the Group. As of 2023, this includes the shareholdings not deemed to be core holdings, which were previously part of the Growth segment.

Segment reporting for 2022 has been restated to reflect the changes above in the Growth segment. Since the change entails a reclassification between operating profit and net financial items, the table for 2022 below does not correspond to the consolidated income statement for that same year. The effect of the change is that operating profit for 2022 is reduced by SEK 58.8 million and divided between financial income in the amount of SEK +74 million and financial expenses of SEK -15 million.

Segment income and earnings

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

Group 2023	Newsec	Nlam	Stronghold Growth	Other	Elimination	Group
External sales	3,443,650	506,753	—	1,053	—	3,951,456
Internal sales	523,845	237,734	—	54,964	-816,543	—
Total income	3,967,495	744,487	2,664	56,017	-816,543	3,951,456
Operating profit/loss	38,336	79,949	-38,814	1,274	—	80,745
Financial income						31,560
Financial expenses						-115,643
Loss before tax						-3,338
Tax						-2,335
Loss for the year						-5,673

Group 2022	Newsec	Nlam	Stronghold Growth	Other	Elimination	Group
External sales	3,338,478	645,046	2,664	2,175	—	3,988,363
Internal sales	425,281	171,136	—	49,435	-645,852	—
Total income	3,763,759	816,182	2,664	51,610	-645,852	3,988,363
Operating profit/loss	94,298	314,553	294	-18,178	—	390,967
Financial income						128,200
Financial expenses						-53,703
Profit before tax						465,464
Tax						-225,481
Profit for the year						239,983

The Other operating segment includes Stronghold Invest AB.

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

Other segment information

	Depreciation/amortisation		Impairment	
	2023	2022	2023	2022
Newsec	-200,148	-176,416	—	-24,362
Niam	-26,698	-10,937	—	—
Other	—	-77	—	—
Total	226,846	-187,430	—	-24,362

The Stronghold Growth segment had no depreciation, amortisation and impairment in 2023 and 2022.

	Company's share of profit from associated companies	
	2023	2022
Newsec	-207	133
Stronghold Growth	-9,411	-2,763
Other	-15,888	67,629
Total	-25,506	64,999

Information on geographic areas

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

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

	Income from external customers		Non-current assets	
	2023	2022	2023	2022
Sweden (the company's registered office)	1,811,725	1,987,721	1,080,654	1,140,286
Finland	772,710	663,207	87,809	38,423
Norway	530,942	516,479	258,343	273,128
Denmark	692,502	672,372	626,590	683,450
Baltic region	143,577	148,584	30,459	33,041
Total	3,951,456	3,988,363	2,083,855	2,168,328

Information regarding the major customers

The Group has three customers that comprised 4.6 percent (3.9), 3.4 percent (3.7) and 3.3 percent (2.6) of the Group's income in 2023. Income from the customers amounted to SEK 180 million, SEK 136 million and SEK 126 million respectively and was included in the Newsec and Niam segments.

The segments' assets and liabilities

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

6. Income

Information about purchasing and sales within the same Group

	Parent Company	
	2023	2022
Sales	98%	91%
Purchasing	8%	10%

Significant income streams in the Group

The Group's significant income streams (external sales), which are identified in accordance with IFRS 15, are allocated as follows in the Group segment. There is also a table below showing the date of income recognition. See also Notes 25 and 39 for contract assets and contract liabilities.

Group 2023	Newsec	Niam	Stronghold Growth	Other	Total
Fixed-price contracts	2,021,434	—	—	—	2,021,434
Management fees	—	451,334	—	—	451,334
Additional services	742,697	—	—	—	742,697
Renegotiations and leasing	154,716	—	—	—	154,716
Incentives	220,212	—	—	—	220,212
Materials and additional services	287,790	—	—	—	287,790
Other income	16,801	55,419	—	1,053	73,273
Total income	3,443,650	506,753	—	1,053	3,951,456

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

Group 2023	Newsec	Niam	Stronghold Growth	Other	Total
<i>Over time:</i>					
Fixed-price contracts	1,829,829	—	—	—	1,829,829
Management fees	—	451,334	—	—	451,334
Additional services	742,697	—	—	—	742,697
Renegotiations and leasing	—	—	—	—	—
Incentives	—	—	—	—	—
Materials and additional services	287,790	—	—	—	287,790
Other income	16,801	—	—	1,053	17,854
	2,887,117	451,334	—	1,053	3,329,503
<i>At a point in time:</i>					
Fixed-price contracts	191,605	—	—	—	191,605
Management fees	—	—	—	—	—
Additional services	—	—	—	—	—
Renegotiations and leasing	154,716	—	—	—	154,716
Incentives	220,212	—	—	—	220,212
Materials and additional services	—	—	—	—	—
Other income	—	55,419	—	—	55,419
	566,533	55,419	—	—	621,953
Total	3,443,650	506,753	—	1,053	3,951,456

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

7. Other income

	Group		Parent Company	
	2023	2022	2023	2022
Gain from sale of subsidiaries*	—	17,784	—	—
Remeasurement of remaining associated company participation at fair value**	—	9,422	—	—
Measurement of shares and participations at fair value	—	5,974	—	—
Other	—	—	—	491
Total	—	33,180	—	491

* In 2022, 60 percent of the shares in Proptivity AB were divested, which generated a capital gain of SEK 17.9 million. In conjunction with the step acquisition, which meant the company was an associated company to the Group at the end of the year, the remaining participations in the company were measured at the transaction price. This generated income of SEK 9.4 million.

8. Information about fees and remuneration of auditors

	Group		Parent Company	
	2023	2022	2023	2022
Deloitte				
audit assignment	6,421	5,466	581	328
audit-related services	692	680	—	—
tax advice	—	—	—	—
other services	1,548	3,411	63	73
EY				
audit assignment	316	204	—	—
audit-related services	—	—	—	—
tax advice	—	57	—	—
other services	—	—	—	—
Other auditors				
audit assignment	196	150	—	—
audit-related services	—	—	—	—
tax advice	11	17	—	—
other services	—	—	—	—
Total	9,184	9,985	644	401

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

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

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

9. Leases

The disclosures below for 2023 are in accordance with IFRS 16 for the Group and the Swedish Annual Accounts Act and RFR 2 for the Parent Company, which has chosen not to apply IFRS 16.

Leases – lessee, Group

	Group	
	2023	2022
Depreciation of right-of-use assets	124,335	109,055
Interest expense on lease liabilities	10,598	6,722
Expense relating to short-term leases	1,379	1,309
Expense relating to low-value leases	9,725	12,590

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

On 31 December 2023, the Group had obligations for short-term leases of SEK 1.3 million (1.4) for the years ahead. Obligations for the Group regarding low-value leases over the next five years amounted to SEK 23 million (20.0).

The total cash flow for lease payments was SEK 134.7 million (116.2).

Operating leases – lessee, Parent Company

Cost for operating leases for the year in the Parent Company amounted to SEK 2.9 million (2.8).

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

	Parent Company	
	2023	2022
Within 1 year	3,035	2,922
Between 1 and 5 years	5,228	8,129
Total	8,263	11,051

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

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

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

Average number of employees	2023		2022	
	No. of	Of whom men	No. of	Of whom men
Parent Company				
Sweden	10	50%	13	46%
Total, Parent Company	10	50%	13	46%
Subsidiaries				
Sweden	909	53%	887	52%
Finland	658	37%	631	38%
Norway	332	78%	302	77%
Denmark	512	44%	537	45%
Baltic region	137	43%	148	45%
Total, subsidiaries	2,548	50%	2,505	50%
Total, Group	2,558	50%	2,518	49%

Breakdown of senior executives on the balance sheet date	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Board members				
Women	20	19	1	1
Men	41	47	6	6
Total	61	66	7	7
Other executives, incl. CEO				
Women	16	17	3	3
Men	53	45	2	2
Total	69	62	5	5

Salaries, other remuneration, etc.	2023		2022	
	Salaries and other remuneration	Social security costs (of which pension costs)	Salaries and other remuneration	Social security costs (of which pension costs)
Parent Company	17,640	9,647	20,252	9,825
		(3,520)		(3,705)
Subsidiaries	1,891,513	495,284	1,694,442	442,243
		(210,212)		(191,415)
Total Group	1,909,153	504,931	1,714,694	452,064

Salaries and other compensation distributed between Board members, etc. and employees	2023		2022	
	Board and CEO (of which bonuses, etc.)	Other Employees (of which bonuses, etc.)	Board and CEO (of which bonuses, etc.)	Other Employees (of which bonuses, etc.)
Parent Company	4,913	12,727	4,062	16,190
	(1,913)	(1,168)	(893)	(2,338)
Subsidiaries in Sweden	42,879	627,255	28,953	561,825
	(9,584)	(45,521)	(7,781)	(49,919)
Subsidiaries, abroad				
Finland	9,347	435,180	7,638	374,779
	(1,589)	(12,813)	(1,473)	(8,289)
Norway	15,547	249,793	14,725	231,795
	(1,553)	(6,443)	(4,362)	(19,870)
Denmark	10,367	440,048	10,479	410,561
	(2,055)	(2,595)	(3,617)	(3,750)
Baltic region	5,957	55,139	5,219	48,468
	(368)	(7,785)	(845)	(6,310)
Total Group	89,010	1,820,143	71,076	1,643,618
	(17,062)	(76,325)	(18,971)	(90,476)

Pensions

The Group's expense for defined-contribution pension plans amounted to SEK 211.5 million (195.1). The Parent Company's expense for defined-contribution pension plans amounted to SEK 3.5 million (3.7).

For salaried employees in Sweden, defined-benefit pension obligations for retirement and family pensions (or alternately family pensions) under the ITP 2 plan are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Classification of ITP Plans Funded through Insurance with Alecta, this is a multi-employer defined-benefit plan. For the 2023 and 2022 financial years, the company did not have access to information that would enable it to account for its proportionate share of the plan's obligations, plan assets and expenses, which meant it was not possible to recognise it as a defined-benefit plan. Accordingly, the ITP 2 Pension Plan secured via insurance with Alecta was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously earned pension entitlement and estimated remaining period of employment. The expected fees for the next reporting period for ITP 2 insurance signed with Alecta totalled SEK 14.2 million (2022: 13.2). The Group's share of the total contributions for the plan, and the Group's share of the total number of active members in the plan, amounted to 0.06485 percent and 0.04514 percent, respectively (2022: 0.05848 percent and 0.04362 percent).

The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 percent and 155 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 155 percent, action is to be taken to create the conditions for returning the consolidation level to within the normal range. In the case of low consolidation, one step can be to increase the price of new, and extending existing, benefits. In the case of high consolidation, one alternative can be to reduce premiums. At year-end 2023, Alecta's surpluses in the form of the collective consolidation level were 158 percent (2022: 172).

Remuneration of senior executives

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

2023	Basic salary/ Fees	Variable remuneration	Other benefits	Pension costs	Total
CEO	3,000	1,913	173	749	5,835
Deputy CEO	—	—	—	—	—
Other senior executives*	4,913	1,155	146	929	7,143
Total	7,913	3,068	319	1,678	12,978
2022	Basic salary/ Fees	Variable remuneration	Other benefits	Pension costs	Total
CEO	2,540	984	75	437	4,036
Deputy CEO	1,125	281	53	189	1,648
Other senior executives*	4,515	567	144	925	6,151
Total	8,180	1,832	272	1,551	11,835

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

Pensions

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

Severance pay

The company and the CEO have a reciprocal notice period of six months. In the case of other senior executives, employment is subject to a mutual notice of termination of three to six months.

11. Financial income

	Group		Parent Company	
	2023	2022	2023	2022
Dividends from Group companies	—	—	89,712	88,588
Dividends from associated companies	11,991	—	—	122,000
Share of profit from other financial investments	—	—	—	101
Interest income, Group companies	—	—	53,243	34,435
Promote**	—	—	—	281,131
Exchange-rate differences	—	9,462	—	—
Interest income, external	14,091	5,255	—	—
Gains on instruments at fair value	2,602	36,645	—	—
Gain from sale of subsidiaries*	—	—	—	5,424
Gain/loss from sale of associated companies	—	—	—	97
Gain/loss from sale of shares and participations	1,992	—	1,992	—
Reversed impairment of shares in subsidiaries	—	—	—	11,255
Other	884	3,235	496	38,960
Total financial income	31,560	54,597	145,443	581,991

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

** In the Parent Company, the promote received was classified as financial income in 2022. The Group recognised this as sales in accordance with IFRS 15.

12. Financial expenses

	Group		Parent Company	
	2023	2022	2023	2022
Interest expense, leases	-10,598	-6,722	—	—
Interest expenses, external	-57,818	-29,005	-21,771	-15,042
Interest expense, Group companies	—	—	-8,733	-2,607
Impairment of financial shareholdings*	-25,109	—	-17,000	-2,882
Impairment of associated companies	—	—	—	-72,194
Impairment of shares in subsidiaries	—	—	-6,500	-150,792
Exchange-rate differences	-406	—	-618	-2,852
Other	-5,994	-3,216	-4,798	-4,518
Total financial expenses	-99,925	-38,943	-59,420	-250,887

*Impairment of shareholdings in the Parent Company referred to impairment of two shareholdings of SEK 8 million (ABRF Group AB) and SEK 9 million (Nordkap AB). For the Group, the impairment referred to the following: Impairment of fund-related shareholdings amounted to SEK 19 million and the remaining SEK 8 million corresponded to the impairment of ABRF Group AB that took place in the Parent Company. Due to the shareholding related to the Growth segment being classified as a portion of operating profit, the impairment related to Nordkap AB remained in the Group's operating profit as an Other operating expense.

13. Appropriations

	Parent Company	
	2023	2022
Group contributions paid	—	-101,122
Group contributions received	20,205	84,326
Total	20,205	-16,796

14. Tax

Current tax	Group		Parent Company	
	2023	2022	2023	2022
Current tax on profit for the year	-28,127	-99,541	—	-54,601
Adjustments recognised in the current year	-885	-144,032	—	—
Total	-29,012	-243,573	—	-54,601
Deferred tax	Group		Parent Company	
	2023	2022	2023	2022
Deferred tax on temporary differences	26,677	15,786	-3,312	—
Adjustments recognised in the current year pertaining to deferred tax from previous years	—	2,306	—	—
Total	26,677	18,092	-3,312	—
Total tax	-2,335	-225,481	—	-54,601

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

Reconciliation of tax expense for the year:

Reconciliation of tax expense for the year	Group		Parent Company	
	2023	2022	2023	2022
Profit before tax	-3,338	465,464	98,858	426,616
Tax according to Swedish tax rate	688	-95,886	-20,365	-57,807
Difference in tax rate between Parent Company and foreign subsidiaries	1,660	3,408	—	—
Tax attributable to previous years***	-885	-141,726	—	—
Tax effect of non-deductible expenses****	-20,813	-8,732	-5,563	-48,381
Tax effect of non-taxable income**	7,884	6,097	18,900	44,518
Interest deductions from other Group companies	—	—	3,488	7,069
Profit/loss associated companies included in profit before tax*	-5,306	13,390	—	—
Loss carryforwards utilised (not recognised in year-earlier balance)	3,959	—	3,540	—
Deficit on which deferred tax was not recognised	—	-1,867	—	—
Other	10,478	-165	—	—
Total	-2,335	-225,481	0	-54,601

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

** In 2023, the Group's non-taxable income mainly consisted of dividends from holdings for business purposes. In 2022, the income mainly consisted of non-taxable capital gains from the sale of parts of the subsidiary Proptivity AB. In the Parent Company, this was primarily dividends from subsidiaries in both 2023 and 2022.

*** The Group was engaged in a tax case against the Swedish Tax Agency for a number of years. In April 2023, the Group lost the dispute in the Administrative Court of Appeal and therefore an amount of SEK 144 million was expensed as current tax pertaining to previous years on 31 December 2022.

**** Non-deductible expenses in the Group for the year primarily comprised impairment of participations held for business purposes in the Parent Company and in the Group's subsidiaries. Non-deductible expenses in the Parent Company in 2023 mainly comprised impairment of shares in subsidiaries and other shares held for business purposes. Non-deductible expenses in the Parent Company in 2022 mainly comprised impairment of shares in subsidiaries.

15. Goodwill

	Group	
	31 Dec 2023	31 Dec 2022
Cost	1,064,828	989,555
Acquisition of subsidiaries	—	31,211
Exchange rate differences	-12,098	44,062
Closing carrying amount	1,052,730	1,064,828
	Group	
	31 Dec 2023	31 Dec 2022
Newsec	906,568	918,666
Niam	146,162	146,162
Closing carrying amount	1,052,730	1,064,828

There is no goodwill allocated to the Stronghold Growth segment.

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

The recoverable amount of a cash-generating unit is determined based on calculations of value in use. The calculations are based on estimated future cash flows using financial forecasts approved by management covering a five-year period. The calculation of future cash flows includes assumptions on, primarily, sales growth, operating margin and discount rate. The estimated growth rate during the five-year period is based on forecasts and is expected to amount to 1–8 percent (2–8) with a growth rate of up to 54 percent and down to -7 percent for individual years. Growth was highly volatile in Niam, where the lifecycle stage of the various funds is highly significant to the annual growth. The discount rate, which is 12.8–14.5 percent (10.7–12.4 percent) depending on the cash-generating unit is a pre-tax rate and reflects specific risks associated with the asset. The forecast operating margin is based on past performance and management's expectations of the market. Growth during periods beyond the five-year period is estimated to reach 2 percent (2), which corresponds to the Group's long-term assumption for inflation and the market's long-term growth.

Based on the assumptions presented above, the value in use exceeds the recognised goodwill value. Reasonable changes in the assumptions above (a 2-percent change in WACC and growth) would not entail any impairment requirement relating to goodwill.

16. Other intangible assets

Customer relationships

	Group	
	31 Dec 2023	31 Dec 2022
Opening cost	631,594	455,729
Acquisitions*	28,575	149,663
Exchange rate differences	-8,362	26,202
Closing accumulated cost	651,807	631,594
Opening amortisation	-146,117	-105,472
Amortisation for the year	-52,416	-35,182
Exchange rate differences	3,411	-5,463
Closing accumulated amortisation	-195,122	-146,117
Opening impairment	-182,167	-150,766
Impairment for the year**	—	-19,937
Exchange rate differences	766	-11,464
Closing accumulated amortisation	-181,401	-182,167
Closing carrying amount	275,284	303,310

* The Norwegian company Rådgivende Ingeniører Løyning AS was acquired in January 2023. In conjunction with the acquisition, customer relationships valued at SEK 29 million were identified. Amortisation will take place over seven years.

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

** In 2022, Newsec Property Asset Management Denmark A/S lost one of its largest customers, which led to the amortisation of customer relationships by SEK 16.7 million. The newly acquired company Zynka BIM AB also lost an important customer, which resulted in the amortisation of customer relationships by SEK 3.2 million.

Brands

	Group	
	31 Dec 2023	31 Dec 2022
Opening cost	147,353	141,687
Exchange rate differences	-6,223	5,666
Closing accumulated cost	141,130	147,353
Opening impairment	-147,353	-141,687
Exchange rate differences	6,223	-5,666
Closing accumulated impairment	-141,130	-147,353
Closing carrying amount	—	—

No brands were identified or considered material during the acquisitions completed in 2023 and 2022.

Other intangible assets

	Group	
	31 Dec 2023	31 Dec 2022
Opening cost	223,118	140,682
Capitalisation of production costs	9,027	14,406
Acquired subsidiaries	1,503	32,756
Purchasing	15,452	32,142
Adjustment of systems classified as SaaS systems	—	—
Sales/disposals	-7,489	-3,805
Exchange rate differences	-926	6,937
Closing accumulated cost	240,685	223,118
Opening amortisation	-66,756	-40,896
Sales/disposals	7,426	3,805
Amortisation for the year	-34,242	-25,347
Exchange rate differences	1,507	-4,318
Closing accumulated amortisation	-92,065	-66,756
Opening impairment	-4,475	-49
Impairment for the year**	—	-4,426
Exchange rate differences	241	—
Closing accumulated amortisation	-4,234	-4,475
Closing carrying amount	144,386	151,887

Other intangible assets primarily comprise investments in IT and infrastructure. In conjunction with the acquisition of Zynka BIM AB last year, an IT system was acquired valued at SEK 32.8 million. The system is used in the company's service provision to customers. In 2022, parts of a system for managing customer delivery invoices were also depreciated as a decision was taken not to implement it in all countries. No impairment was recognised in 2023.

17. Equipment

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	155,502	205,568	2,567	2,567
Acquisition of companies	—	918	—	—
Purchasing	25,566	9,668	—	—
Sales/disposals	-5,841	-70,640	—	—
Exchange rate differences	-6,289	9,988	—	—
Closing accumulated cost	168,938	155,502	2,567	2,567
Opening depreciation	-121,140	-164,900	-2,412	-2,255
Sales/disposals	5,513	69,370	—	—
Depreciation for the year	-17,673	-17,846	-155	-157
Exchange rate differences	4,640	-7,764	—	—
Closing accumulated depreciation	-128,660	-121,140	-2,567	-2,412
Opening impairment	-3,882	-3,879	—	—
Exchange rate differences	-3	-3	—	—
Closing accumulated impairment	-3,885	-3,882	—	—
Closing carrying amount	36,393	30,480	0	155

18. Right-of-use assets

The Group leases a number of assets, such as buildings and vehicles. Leases are normally signed for fixed periods of three to five years. The average lease term is four years. The Group recognises lease payments for short-term leases and where the underlying asset has a low value in accordance with the exemption rule in IFRS 16, item 6.

The lease for commercial premises is negotiated separately and locally for each contract and contains a wide range of different terms and conditions. The Group has no call options nor does it guarantee residual values. The lease includes no special conditions, covenants or restrictions that would allow the contracts to be cancelled, but the leased assets may not be sold or pledged or used as collateral for a loan.

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

Extension options are included in a number of commercial property leases across the Group to increase flexibility in operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the Group will extend (or not terminate) the lease. On 31 December 2023, there were both extension periods included in the lease term and extension options that are not deemed reasonably certain and therefore not included in the lease liability.

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

Vehicles	Group	
	31 Dec 2023	31 Dec 2022
Cost		
January	43,155	33,291
Adjustment of additional right-of-use assets	14,975	16,760
Adjustment of terminated right-of-use assets	-10,599	-7,759
Exchange rate differences	35	863
Closing accumulated cost	47,566	43,155
Accumulated depreciation		
January	-22,949	-20,364
Adjustment of terminated right-of-use assets	8,875	7,438
Depreciation for the year	-12,419	-9,666
Exchange rate differences	1	-357
Closing accumulated depreciation	-26,492	-22,949
Closing carrying amount	21,074	20,206

Buildings	31 Dec 2023	31 Dec 2022
Cost		
January	631,680	588,555
Adjustment of additional right-of-use assets	98,002	25,809
Adjustment of terminated right-of-use assets	-62,873	-6,853
Exchange rate differences	-7,495	24,169
Closing accumulated cost	659,314	631,680
Accumulated depreciation		
January	-332,813	-228,729
Adjustment of terminated right-of-use assets	62,428	6,646
Depreciation for the year	-111,916	-99,389
Exchange rate differences	3,560	-11,341
Closing accumulated depreciation	-378,741	-332,813
Closing carrying amount	280,573	298,867

An estimated fifth of vehicle leases expired during the current financial year. The expired leases will be replaced by new leases for the underlying assets. The remaining increase of SEK 4 million was due to an increase in the number of employees in the Group. The share of leases for buildings that expired in the current year was higher than in prior years, mainly due to a major rental contract for the Finnish operations expiring during the year and being replaced by a new contract.

19. Participations in Group companies

	Parent Company	
	31 Dec 2023	31 Dec 2022
Opening cost	502,340	516,691
Acquisition of subsidiaries	—	140,217
Shareholders' contributions repaid	—	-15,867
Shareholders' contributions paid	54,413	151,000
Divestment of subsidiaries	—	-150,392
Share of profits of limited partnerships	—	101
Distribution from limited partnerships	—	-245
Reversed impairment	—	11,255
Impairment	-6,500	-150,792
Other	-59	372
Closing cost	550,194	502,340

In 2023, the Parent Company paid shareholders' contributions to two companies within the Group. One contribution was written down in full since it was paid solely to restore the subsidiary's equity.

In 2022, the Parent Company acquired shares in the Brunswick Credit Group (later renamed Niam Credit). The holding was then resold at book value to one of the Group's subsidiaries and an external minority owner. In 2022, the Parent Company also sold two holdings to a subsidiary in the Newsec Group. The Parent Company also reversed an impairment from 2020 pertaining to shares in Niam V Co-Invest, since an impairment requirement no longer existed. In 2022, the Parent Company paid SEK 146 million as shareholders' contributions to the company in the Group affected by a tax expense arising from a lost tax dispute. The shareholders' contributions paid were written down in full in the Parent Company since these were paid solely to restore the subsidiary's equity.

Company, Corporate Registration Number	Registered office	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		Share of equity, %*	Share of equity, %*	Carrying amount	Carrying amount
Stronghold Group AB, 556947-5329	Stockholm	100	100	409	409
Newsec AB, 556644-2348 1)	Stockholm	98.18	100	299,733	251,820
Newsec Digital Solutions AB, 559330-7043	Stockholm	100	100		
Zynka BIM AB, 556960-2864 2)	Gothenburg	63.85	63.85		
Newsec SSC AB, 556730-2731	Stockholm	100	100		
Newsec Energy Transition AB, 556652-7148	Stockholm	51	51		
Newsec Infra High Coast AB, 559263-2599	Stockholm	—	100		
Newsec Advisory A/S, 32271316 1)	Copenhagen	59.6	50.16		
Newsec Advisory Sweden AB, 556695-7592 1)	Stockholm	61.81	51		
Newsec Capital Markets West & South, 556699-3563	Gothenburg	100	100		
Newsec Advisory AB, 556557-8555	Stockholm	100	100		
Newsec Property Asset Management AB, 556899-7489	Stockholm	100	100		
Newsec Holding Denmark ApS, 38802224	Copenhagen	100	100		
Newsec Property Asset Management Denmark A/S, 25326296	Copenhagen	100	100		
Newsec Property Asset Management Finland OY, 0726489-3	Helsinki	100	100		
Newsec Property Asset Management Sweden AB, 556348-0283	Stockholm	100	100		
Riba AB, 559001-7537	Stockholm	100	100		
Newsec Property Leasing AB, 559008-4900	Stockholm	100	100		
Newsec Basale AS, 959 718 482	Trondheim	100	100		
Newsec Project AS, 984 500 106	Oslo	100	100		
Newsec Fornebu AS, 920 216 641	Oslo	100	100		
Newsec Basale Naeringsmegling AS, 866 323 372	Trondheim	100	100		
Newsec Drift AS, 993 276 863	Trondheim	100	100		
Newsec Sør AS, 816 223 202	Kristiansand	51	51		
Agder Vaktmester AS, 821 191 912	Kristiansand	66.7	66.7		
Sameiedrift AS, 998 314 712	Trondheim	100	100		
Sameiedrift 2 AS, 912 494 462	Trondheim	100	100		
Fellesservice AS, 914 827 507	Trondheim	100	100		
OCCI Drift AS, 915 439 241	Trondheim	100	100		
Galleriet Drift AS, 917 312 087	Oslo	100	100		
Tjuvholmen Drift AS, 991 060 014	Oslo	100	100		
Tryggvason Drift AS, 994 250 752	Melhus	60	60		
Helhetskroll AS, 988 979 686	Oslo	50	50		
Hinna Park Facility Management AS, 918 159 703	Stavanger	100	100		
Rådgivende Ingeniører Løyning AS, 918159703 2)	Kristiansand	100	—		
Newsec AS, 986 033 033 1)	Oslo	60	51		
Newsec Maps AS, 926 090 011	Oslo	100	100		
Newsec Advisory Finland Oy, 2259752-2 1)	Helsinki	60	51		
Newsec Advisory Baltics UAB, 302310538 1)	Vilnius	59.6	53.83		
Newsec Valuations UAB, 126212869	Vilnius	100	100		
Newsec Valuations LV SIA, 40103216919	Riga	100	100		
Newsec Advisers EE OÜ, 11388266	Tallinn	100	100		
Newsec Valuation EE OÜ, 11930446	Tallinn	100	100		
NWC Valuations LT UAB, 302310552	Vilnius	100	100		
Newsec Advisers LT UAB, 302504219	Vilnius	100	100		
Newsec LV, SIA, 40103379173	Riga	100	100		
Newsec Project Management UAB, 304910019	Vilnius	100	100		
Resolution LT UAB, 300631876	Vilnius	100	100		

Newsec PAM Baltics, UAB, 305743092 1)	Vilnius	59.6	53.83		
Newsec Property Management UAB, 300050216	Vilnius	100	100		
Resolution Property Management LV SIA, 40103216783	Riga	100	100		
Newsec Property Management EE OÜ, 11266439	Tallinn	100	100		
Newsec Finance LT UAB, 302819916	Vilnius	100	100		
BPT Real Estate AS, 12203487	Tallinn	100	100		
BPT Real Estate UAB, 302702539	Vilnius	100	100		
BPT Real Estate SIA, 4003674473	Riga	100	100		
Projector OU, 11045626	Tartu	51	51		
Projector UAB, 302698585	Vilnius	100	100		
Projector Sia, 40103323292	Riga	100	100		
Niam Holding AB, 559305-4777	Stockholm	98.9	98.9	249,987	249,987
Niam AB, 556339-0789	Stockholm	100	100		
Niam VI Investment KB, 969773-9291	Stockholm	22.31	22.31		
Hammareken VII Investments KB, 969787-1151	Stockholm	52.7	52.7		
Niam Core Plus II Investment KB, 969778-3224	Stockholm	60.2	60.2		
Niam OY, 2129219-6	Helsinki	100	100		
Niam AS, 991 478 361	Oslo	100	100		
Niam Danmark A/S, 33495137	Copenhagen	100	100		
Niam Project Development AB, 556783-9922	Stockholm	100	100		
Niam Lux Management S.à.r.l. B169272	Luxembourg	100	100		
Niam Fund Accounting, 556987-0966	Stockholm	100	100		
Niam VI Co-Investment AB, 556865-2837	Stockholm	100	100		
Niam Core-Plus II Luxembourg S.à r.l. B208704	Luxembourg	100	100		
Niam Lux Management III S.à.r.l. B243495	Luxembourg	100	100		
Hyvelgranen Danmark AB, 559319-0092	Stockholm	50	50		
Hyvelgranen S.à.r.l. B257244	Luxembourg	12	12		
Hyvelgranen AB, 559319-0100	Stockholm	51.7	51.7		
Hyvelgranen S.à.r.l. B257244	Luxembourg	88	88		
Borrlinden AB, 559322-4198	Stockholm	40	40		
Niam Infrastructure AB, 559305-4785	Stockholm	70	70		
Niam Credit Advisory AB, 556908-2471	Stockholm	83.7	83.7		
Skrutallen II AB, 559349-7281	Stockholm	60.9	60.9		
Hammareken II AB, 559396-6467	Stockholm	50.01	—		
Hammareken III AB, 559404-8505	Stockholm	50.02	—		
Niam Core Plus Investment KB, 969715-3907	Stockholm	55.2	55.2	1	1
Niam IV Co-Investment AB, 556740-4297 3)	Stockholm	—	100	—	59
Niam V Co-Investment AB, 556833-1192	Stockholm	78	78	64	64
Newsec Investment AB (formerly Westpartner AB), 556730-2731	Stockholm	—	—	—	—
Niam Credit Holding AB, 556906-4628 9)	Stockholm	84	84	—	—
Niam Credit S.à.r.l. B177649	Luxembourg	100	100		
				550,194	502,340

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

1) During the year, Newsec AB acquired shares from the minority in Newsec Advisory A/S, Newsec Advisory Sweden AB, Newsec AS, Newsec Advisory Finland Oy, Newsec Advisory Baltics UAB and Newsec PAM Baltics UAB. Payment took place by the minority receiving shares in Newsec AB instead. Consequently, Stronghold Invest AB now owns 98.18 percent of the shares in Newsec AB.

2) During the year, Newsec Basale AS acquired 100 percent of the shares in Rådgivende Ingeniører Løyring AS.

3) Niam IV Co-Investment AB was liquidated during the year.

20. Participations in associated companies and joint ventures

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	36,171	88,875	39,305	96,497
Share of profit, operating	-9,788	64,999	—	—
Share of profit, financial	-15,718	—	—	—
Sales	—	-598	—	-598
Dividends received	—	-122,722	—	—
Changes to net assets in joint ventures	—	-9,723	—	—
Acquisitions	1,474	6,700	—	6,700
Impairment	—	—	—	-72,194
Shareholders' contributions paid	—	8,900	—	8,900
New share issue	12,000	—	12,000	—
Exchange rate differences	-264	-260	—	—
Closing cost	23,875	36,171	51,305	39,305

Associated companies and joint ventures, Corporate Registration Number	Registered office	31 Dec 2023	31 Dec 2022
		Share of equity, %*	Share of equity, %*
Buildroid AB, 559221-4257	Stockholm	50.0	50.0
Proptivity AB, 559312-6088	Stockholm	34.8	38.4
NAS Näringsmedling AS, 922 183 155	Stavanger	45.4	45.4
Newsec Inv. Management AS, 930 215 325	Oslo	49.0	—

* Also share of voting power

2023

Stronghold Invest AB participated in a new share issue in Proptivity AB during the year. Since the new share issue did not take place pro rata, it resulted in the Group's ownership being diluted from 38.4 percent to 34.8 percent. During the year, the Norwegian advisory services operation acquired 49 percent of the shares in a company called Newsec Investment Management AS. The acquisition price amounted to approximately SEK 1.5 million.

2022

In 2022, shareholders' contributions of SEK 800 thousand were paid to Buildroid AB and SEK 8,100 thousand to Proptivity AB. In 2021, Proptivity AB was a subsidiary, but during the second quarter of 2022 60 percent was sold to a party outside the Group. The holding was therefore reclassified as an associated company. During the third quarter, an additional minor share of the company was sold and ownership by the closing of the annual accounts amounted to 38.4 percent.

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

The information below applies to all associated companies and joint ventures in the Group.

Condensed financial information for associated companies and joint ventures	31 Dec 2023	31 Dec 2022
Total assets	59,960	78,713
Total liabilities	-25,351	-19,301
Total net assets	34,609	59,412
Group's share in net assets from associated companies	23,875	36,171
Total income	10,448	23,848
Total profit/loss for the year	-65,589	128,926
Group's share in profits of associated companies	-25,506	64,999
Impairment*	—	—
Group's share of other comprehensive income in	—	—

* No impairment took place at Group level in 2022 or 2023. However, the Parent Company wrote down the value of the shares in Buildroid AB to correspond to the value of equity in conjunction with the payment by the Buildroid Group of a large dividend.

21. Derivatives

Group	31 Dec 2023		31 Dec 2022	
	Assets	Liabilities	Assets	Liabilities
Currency futures	26,006	623	—	7,238
Interest-rate swaps	25,259	—	42,547	—
Total	51,265	623	42,547	7,238
Of which, non-	36,286	25	42,547	—
Of which, current	14,979	598	—	7,238
Total	51,265	623	42,547	7,238

Derivatives are only used for the purpose of risk management. All derivatives in the Group have terms that match the underlying transactions.

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

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

	Value of derivatives	Set-off amount	Net
Derivatives with a positive value	51,265	-623	50,642
Derivatives with a negative value	-623	623	—

22. Other non-current receivables

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Securities held as non-current assets	195,532	204,944	126,123	124,599
Other non-current receivables	17,722	15,088	—	—
Total	213,254	220,032	126,123	124,599

Securities held as non-current assets referred to shares in funds as well as a number of smaller shareholdings in various companies. During the year, distributions were received from the funds, which reduced the shareholding, and a number of investments were made in existing shareholdings. A number of shareholdings were also written down. The shareholdings are measured in the Group at fair value through profit or loss.

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

23. Accounts receivable

	Group	
	31 Dec 2023	31 Dec 2022
Accounts receivable, gross	513,758	569,137
Expected credit losses, general assessment	-9,567	-12,823
Expected credit losses, individual assessment	-5,976	-3,953
Total accounts receivable, net after provision for expected credit losses	498,215	552,361

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

Group Age analysis of accounts receivable	31 Dec 2023		
	Accounts receivable, gross	Provision expected credit losses, individual	Accounts receivable, net
Not due	397,922	—	397,922
30 days past due	81,205	-338	80,867
31–60 days past due	14,490	-70	14,420
61–90 days past due	6,669	—	6,669
90–120 days past due	4,159	-49	4,110
> 120 days past due	9,313	-5,519	3,794
Total	513,758	-5,976	507,782

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

General expected credit losses 2023	Share defaulted, %	Adjustment for expectations, %	Probability of default, %
Not due	0	0.12	0.12
30 days past due	0	2.4	2.4
31–60 days past due	0	3.6	3.6
61–90 days past due	3.8	4.5	8.3
> 90 days past due	—	—	100

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

The probability of default is considered the same as in 2022.

Group	31 Dec 2023		
	Accounts receivable, net	Adjustments*	Expected credit losses, general
Not due	397,922	—	-477
30 days past due	80,867	—	-1,941
31–60 days past due	14,420	—	-527
61–90 days past due	6,669	—	-554
> 90 days past due	7,904	-1,835	-6,069
Total	507,782	-1,835	-9,567

Group	31 Dec 2022		
	Accounts receivable, net	Adjustments*	Expected credit losses, general
Not due	464,565	-3,053	-510
30 days past due	73,041	—	-1,753
31–60 days past due	12,105	—	-444
61–90 days past due	5,763	—	-478
> 90 days past due	9,710	-72	-9,638
Total	565,184	-3,125	-12,823

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

24. Receivables from Group companies

Non-current	Parent Company	
	31 Dec 2023	31 Dec 2022
Opening cost	119,351	1,031,128
Additional receivables	—	171,917
Currency translations	2,121	15,597
Reclassifications from current receivable	504,847	—
Settled receivables	-13,260	-1,099,291
Closing accumulated cost	613,059	119,351

Current	Parent Company	
	31 Dec 2023	31 Dec 2022
Opening cost	502,242	194,296
Additional receivables	20,523	751,694
Currency translations	—	6,573
Reclassification to non-current receivables	-504,847	—
Reclassification to current liabilities	104,990	—
Settled receivables	-105,681	-450,321
Closing accumulated cost	17,227	502,242

25. Contract assets

	Group	
	31 Dec 2023	31 Dec 2022
Accrued fund management fees	35,123	41,385
Accrued fee income	128,056	128,162
Total	163,179	169,547

In all material respects, the contract assets present in 2022 were invoiced to customers in 2023.

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

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

26. Prepaid expenses and accrued income

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Prepaid insurance	9,310	6,821	9,310	—
Prepaid expenses for IT and infrastructure	12,677	21,662	—	—
Prepaid salary-related expenses	4,597	4,923	—	—
Other prepaid expenses	29,814	40,278	973	1,589
Other accrued income	3,112	4,978	15	1,445
Total	59,510	78,671	10,298	3,034

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

27. Other current receivables

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Tax account	44,864	31,102	—	6,973
Recoverable VAT	294	2,412	—	—
Receivable Niam Nordic Inv. Fund VI, VII and Core Plus	11,653	36,709	—	—
Other current receivables	60,584	54,592	—	393
Total	117,395	124,815	—	7,366

28. Cash and cash equivalents and client deposits

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Cash and bank balances	320,667	450,177	348	342
Client deposits	51,038	16,296	—	—
Total	371,705	466,473	348	342

The approved bank overdraft facility amounted to SEK 127 million (77). The bank overdraft facility was not utilised at the balance sheet date.

Client deposits

Cash and cash equivalents are managed in the subsidiaries Newsec Advisory A/S, Newsec Capital Markets West & South AB, Newsec A/S, BPT Real Estate and Newsec Property Asset Management Denmark A/S. The funds are managed under management agreements, which normally run for three years. Client deposits on the liabilities side pertain to liabilities on behalf of customers and correspond to an equivalent amount on

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

29. Share capital

At the start of the 2023 financial year, the registered share capital amounted to 92,443,213 shares at a quotient value of SEK 0.11. A number of new share issues were carried out in 2023, and as a result the registered share capital at the end of 2023 amounted to 95,018,939 shares at a quotient value of SEK 0.11.

30. Translation reserve

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

31. Untaxed reserves

	Parent Company	
	31 Dec 2023	31 Dec 2022
Provision to tax allocation reserve	16,574	16,574
Excess depreciation	696	696
Total	17,270	17,270

32. Liabilities to credit institutions

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions	960,169	1,192,367	246,125	388,450
Revolving credit facility	100,000	100,000	—	—
Total	1,060,169	1,292,367	246,125	388,450

On 31 December 2023, SEK 208 million (447) was classified as current liabilities in the Group and SEK 27 million (264) as current liabilities in the Parent Company. In July 2022, refinancing took place when all bank loans were repaid and new loans raised. A large share of the Group's loans were raised in one of the subsidiaries, which was a difference compared with earlier years when the Group's financing was entirely in the Parent Company. In 2022, a larger share of the bank loans were current as the Parent Company had bridge financing that fell due in June 2023. In June 2023, the Parent Company's bridge financing of SEK 250 million was converted to a customary bank loan with repayments and a term that corresponded to the Group's remaining bank loans. This loan amounted to SEK 125 million on 31 December 2023 due to proceeds from new share issues received during the year, totalling SEK 125 million, being used to repay the loan.

In addition to the bank loans, there was an unutilised overdraft facility of SEK 127 million (77).

There was also a revolving credit facility of SEK 250 million (300). During the year, SEK 50 million was converted from a revolving credit facility into a bank overdraft facility (see above). During 2023, SEK 100 million was utilised, and the unutilised scope was therefore SEK 150 million on 31 December 2023.

The Group's financing means the banks follow up two different covenants, which are reported every quarter. The covenants are as follows. Net debt/EBITDA which means the Group's debt level in relation to EBITDA must not exceed 3.5. In addition to this, the interest coverage ratio is monitored, which shows that the Group's current earnings cover the payment of interest. The ratio must not fall below 5. The Group was not in breach of any covenants on 31 December 2023.

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

Maturity structure of loan agreements	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
2023	—	350,000	—	250,000
2024	100,000	—	—	—
2025	960,169	942,367	246,125	138,450
Total	1,060,169	1,292,367	246,125	388,450

The Group's bank loans totalled SEK 1,060 million in 2023. Of the bank loans, SEK 100 million (350) is in interest-only loans.

Interest maturity structure

In 2023, SEK 578 million of the Group's loans were not hedged with interest-rate swaps. These carried interest at a variable rate plus a contracted margin. The equivalent figure in 2022 was SEK 755 million. The reason that loans not hedged with interest-rate swaps declined significantly compared with last year was due to a large repayment of a loan, which was not hedged with interest-rate swaps, in 2023. The share of loans not hedged with interest-rate swaps was 55 percent in 2023 and 58 percent in 2022.

The interest-rate swaps fall due between December 2024 and January 2026 and have an average fixed-interest period of 0.73 years. The fixed-interest period is low as a substantial portion of the Group's bank loans is not hedged with swaps but has a 3-month rate.

Interest maturity	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
2023	—	7,875	—	5,623
2024	3,225	—	—	—
2025	59,758	65,255	10,165	14,247
Total	62,983	73,130	10,165	19,872

33. Other non-current liabilities

	Group	
	31 Dec 2023	31 Dec 2022
Shareholder loans	—	5,251
Non-current bonus liabilities	16,696	8,062
Total	16,696	13,313

Other non-current liabilities mainly comprised non-current liabilities pertaining to bonuses. Last year, there was also a non-current shareholder loan to minority shareholders in the Danish company Newsec Advisory A/S. The loan was repaid in 2023.

34. Leases

The Group as lessee has financial and operating leases relating to passenger cars and premises for which liabilities are entered in the consolidated statement of financial position. A maturity analysis of the lease liabilities is presented in Note 4. The non-current part of the liability amounted to SEK 191,119 thousand (201,720) and the current part of the liability to SEK 104,288 thousand (109,035).

35. Non-controlling interests

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

Baltic group

The two Baltic sub-groups, with Newsec Advisory Baltics UAB (302 310 538) and Newsec PAM Baltics UAB (305743092) as Parent Company, have been merged as presented below. Together, they had a minority holding of 40.40 percent (46.17) of shares and voting rights in the company. In 2023, Newsec AB acquired 5.77 percent of the participations in the companies from the minority shareholders, for more information, refer to Note 45. During the financial year, profit attributable to the minority amounted to SEK 2,681 thousand

(6,504) and the accumulated minority interest amounted to SEK 14,653 thousand (12,392) on 31 December 2023. A summary of financial information for the Baltic sub-group is presented below:

Income statement summary	2023	2022
Net sales	143,603	148,206
Operating profit	6,498	15,721
After-tax profit for the period before minority	5,523	13,587
Other comprehensive income	-33	511

Balance sheet summary	31 Dec 2023	31 Dec 2022
Non-current assets	29,633	30,254
Current assets	25,574	54,414
Total assets	55,207	84,668
Non-current liabilities	10,577	10,635
Current liabilities	32,919	40,023
Total liabilities	43,496	50,658
Equity attributable to Parent Company shareholders	-2,942	21,618
Non-controlling interests	14,653	12,392

In 2023, Newsec AB acquired an additional 5.77 percent in the Baltic companies. This transaction within the controlling interest had a negative impact on the majority shares of equity of approximately SEK 27 million.

Newsec Advisory Sweden group

The Newsec Advisory Sweden group, with Newsec Advisory Sweden AB (556695–7592) as the Parent Company, includes the Swedish advisory services companies. The minority holding amounted to 38.19 percent (49) of shares and voting rights in the company on 31 December 2023. In 2023, Newsec AB acquired participations from the minority shareholders, for more information, refer to Note 45. During the financial year, profit attributable to the minority amounted to SEK 4,112 thousand (18,737) and the accumulated minority interest amounted to SEK 9,547 thousand (25,365) on 31 December 2023. A summary of financial information for the sub-group is presented below:

Income statement summary	2023	2022
Net sales	203,217	246,122
Operating profit	12,289	46,289
After-tax profit for the period before minority	9,383	35,285
Other comprehensive income	—	—

Balance sheet summary	31 Dec 2023	31 Dec 2022
Non-current assets	35,589	34,862
Current assets	33,852	93,736
Total assets	69,441	128,598
Non-current liabilities	22,732	24,462
Current liabilities	55,932	73,510
Total liabilities	78,664	97,972
Equity attributable to Parent Company shareholders	-18,770	5,261
Non-controlling interests	9,547	25,365

In 2023, Newsec AB acquired additional participations in the company. This transaction within the controlling interest had a negative impact on the majority shares of equity of approximately SEK 11 million.

Newsec AB group

The Group owned 98.18 percent of Newsec AB on 31 December 2023. The corresponding participating interest last year was 100 percent. Accordingly, the minority interest amounted to 1.82 percent (0). In 2023, minority shareholders in a number of sub-groups within Newsec AB sold shares in subsidiaries and received

shares in Newsec AB as payment. For more information, refer to the note concerning related-party transactions and Note 45. The minority participations in the Newsec Group's sub-groups continue to be considered to be material, which is why no additional information about the minority participations in the Newsec Group is provided.

In 2022, a warrant programme was launched for senior executives of Newsec AB, which was recognised as part of minority shares of equity. The effect amounted to approximately SEK 14 million. For more information about the warrant programme, refer to the note concerning related-party transactions. In 2023, a number of warrants were exercised by personnel who had terminated their employment, which resulted in the minority participation declining by approximately SEK 2.9 million. New warrants were also subscribed for during the year for an amount of SEK 0.9 million.

Niam group

The Niam group, with Niam Holding AB (559305-4777) as Parent Company, includes the Group's fund management company and limited partnership through which staff invest capital in Niam's funds. The minority holding amounted to approximately 1.4 percent (1.4) of shares and voting rights in the company on 31 December 2023. During the financial year, profit attributable to the minority amounted to SEK 98 thousand (1,618) and the accumulated minority interest amounted to SEK 18,837 thousand (25,492) on 31 December 2023. No further information was presented about the Niam Group since the minority share is still considered to have an insignificant impact on primarily the consolidated income statement.

36. Liabilities to Group companies

Current	Parent Company	
	31 Dec 2023	31 Dec 2022
Opening cost	40,253	201,028
Additional expenses	129,829	40,253
Settled receivables	-40,253	-201,028
Closing accumulated cost	129,829	40,253

37. Deferred tax

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

	Group	
	31 Dec 2023	31 Dec 2022
Deferred tax assets		
Temporary differences attributable to derivatives	—	1,307
Loss carryforwards	54,292	30,447
Temporary differences attributable to credit losses accounts receivable	1,535	2,167
Adjustment of capitalised SaaS systems*	6,861	6,729
Other	8,127	9,693
Total deferred tax assets	70,815	50,343
Deferred tax liabilities		
Untaxed reserves	11,764	14,902
Derivatives	6,481	2,353
Acquisitions**	54,430	57,276
Capitalised production costs	3,597	3,014
Temporary differences attributable to other assets at fair value	772	864
Other	—	505
Total deferred tax liabilities	77,044	78,914
Total deferred tax assets and tax liabilities, net	-6,229	-28,571

* A temporary taxable difference arose when SaaS systems, which the Group does not control, were recognised in accordance with the IASB's new interpretation of IAS 38, while the subsidiaries continued to recognise these expenditures as intangible assets.

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

Of the deferred tax assets in respect of loss carryforwards, most relate to SEK 35.0 million (19.4) in Denmark and SEK 7.5 million (7.5) in Niam Credit Advisory AB. This is no time limit on the utilisation of recognised loss carryforwards. The deficits expected to be utilised within the foreseeable future based on the companies' budget and future forecasts.

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

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

Group Change in deferred tax assets	Loss carryforward s	Temporary differences accounts receivable	Derivatives	Adjustment of SaaS systems	Other	Total
On 1 January 2022	11,407	1,416	804	3,673	18,443	35,743
Acquisitions	7,456	—	—	—	—	7,456
Recognised in profit or loss	11,854	751	503	3,056	-8,750	7,144
On 31 December 2022	30,447	2,167	1,307	6,729	9,693	50,343
On 1 January 2023	30,447	2,167	1,307	6,729	9,693	50,343
Recognised in profit or loss	23,845	-632	-1,307	132	-1,566	20,472
On 31 December 2023	54,292	1,535	0	6,861	8,127	70,815

Group Change in deferred tax liabilities	Temporary differences attributable to other assets at fair value	Acquisi tions	Untaxed reserves	Derivatives	Other	Capitalise d productio n costs	Total
On 1 January 2022	-5,093	-33,919	-15,046	-1,060	-4,806	-2,220	-62,144
Customer relationships	—	-29,158	—	—	—	—	-29,158
Hedge accounting	—	—	—	1,440	—	—	1,440
Recognised in profit or loss	4,229	5,801	144	-2,733	4,301	-794	10,948
On 31 December 2022	-864	-57,276	-14,902	-2,353	-505	-3,014	-78,914
On 1 January 2023	-864	-57,276	-14,902	-2,353	-505	-3,014	-78,914
Acquisitions	—	-6,287	—	—	—	—	-4,152
Hedge accounting	—	—	—	1,952	—	—	-183
Recognised in profit or loss	92	9,133	3,138	6,080	505	-583	6,205
On 31 December 2023	-772	-54,430	-11,764	-6,481	0	-3,597	-77,044

38. Other provisions

	Group	
	31 Dec 2023	31 Dec 2022
Opening cost	22,046	56,959
Warranty provisions settled	-4,780	-5,193
Discount settled according to fund contracts	—	-51,766
Provisions for warranties	14,017	4,780
Provisions for option, acquisition contract	—	17,266
Closing accumulated cost	31,283	22,046

In the Fund Management segment, there was a provision in 2021 related to a contractual discount that was to be paid to investors when a specific fund is closed. This was settled in full in 2022. The segment does not have any provisions as per 31 December 2023.

In the Newsec segment in 2022, a provision arose in conjunction with the acquisition of Zynka BIM AB due to the valuation of a warrant in the acquisition contract. There were also provisions for guarantees in 2023.

39. Contract liabilities

	Group	
	31 Dec 2023	31 Dec 2022
Prepaid fund management fees	91,243	27,823
Prepaid fee income	86,862	48,854
Total	177,105	76,677

No significant income was recognised in 2023 that was attributable to performance obligations in prior periods. Prepaid invoicing concerns short periods and is usually recognised within one or two months of when the work is performed.

Contract liabilities pertaining to fund management fees depend on how invoicing is carried out for various funds and the item therefore fluctuates. During the year, the fund management companies started to invoice in advance, which resulted in a large increase between the years.

The amount of prepaid fee income depends on the invoicing terms in the customer contract and this item therefore fluctuates.

40. Accrued expenses and deferred income

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Personnel-related expenses	390,128	395,385	7,100	7,390
Accrued interest expenses	10,438	8,831	3,349	2,997
Rent compensation *	—	4,822	—	—
Accrued license costs	14,612	4,100	—	—
Accrued invoices re-invoiced to customers	31,860	—	—	—
Accrued management expenses	12,039	14,217	—	—
Other accrued costs	36,529	43,065	3,447	3,118
Total	495,606	470,420	13,896	13,505

* In 2018, one of the Group's Norwegian companies took over a rental contract with a rent that was significantly higher than market rents. To compensate for this, the company received a one-off payment of NOK 22 million. The rent compensation was settled over time as a reduction in rental expenses paid. The rent compensation was fully settled on 31 December 2023.

41. Pledged assets and contingent liabilities

Pledged assets

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
For lease liabilities				
Vehicles, non-current assets	21,074	20,206	None	None
For loan liabilities and bank overdraft facility				
Office furniture and accounts receivable*	14,506	19,798	—	—
Shares in subsidiaries**	989,281	817,232	549,720	504,607
Total	1,024,861	857,236	549,720	501,807

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

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

Contingent liabilities

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Contingent liabilities Fastigo	6,046	5,782	None	None
Lease guarantee	6,160	8,973	None	None
Total	12,203	14,755	None	None

42. Related party transactions

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

Sale of goods and services	Parent Company	
	2023	2022
Subsidiaries in the Group	54,964	49,435
Total	54,964	49,435
Purchase of goods and services	Parent Company	
	2023	2022
Subsidiaries in the Group	4,566	9,134
Total	4,566	9,134

Sales of goods and services to subsidiaries in the Group mainly consisted of royalty that was invoiced to Newsec AB and Niam AB. Purchased goods and services in 2023 mainly pertained to premises for Newsec Advisory Sweden AB. In 2022, purchased goods and services mainly pertained to the purchase of IT services from Newsec Property Asset Management AB, accounting services from Newsec Property Asset Management Sweden AB and the lease of premises from Newsec Advisory Sweden AB.

Receivables and liabilities at year end

Receivables	Parent Company	
	31 Dec 2023	31 Dec 2022
Subsidiaries in the Group	630,286	621,593
Total	630,286	621,593
Liabilities	Parent Company	
	31 Dec 2023	31 Dec 2022
Subsidiaries in the Group	129,829	40,253
Total	129,829	40,253

Most of the receivables from Group companies on 31 December 2022 and 2023 pertained to interest-bearing lending to Newsec AB and Niam AB. In addition to this, the items mainly comprised received and paid Group contributions.

Other related party transactions

The Chairman of the Parent Company's ownership in Stronghold Invest AB is via a holding company. The Group provided this company with various administrative services and re-invoiced office space amounting to SEK 0.7 million (0.4). From 2023, the Group was also responsible for the management of two of the owner company's properties. The value of these services amounted to SEK 0.6 million.

During the year, the Parent Company sold consultancy services for SEK - million (2.0) to the associated company Buildroid AB, in which one of the Parent Company's senior executives is a Board member. The price for the services rendered in 2022 was deemed to be on market terms.

During 2023, one Board member of the Parent Company received remuneration for consultancy services performed. The amount totalled SEK 0.5 million. The price is deemed to be on market terms. No such consultancy services were performed in 2022.

The warrant programme for two senior executives that was initiated by the Parent Company in 2021 was concluded in 2023 and a payment of SEK 4 million was made. At the same time, three senior executives of the Parent Company subscribed for new warrants in the Parent Company. The value of the warrants was based on an established valuation model for market valuations of warrants. In total, the three senior executives subscribed for 847,878 warrants at a value of SEK 7.4 per warrant, a total of SEK 6.4 million.

In 2023, a company in which a related party of a senior executive in one of the Group's subsidiaries holds a senior position purchased services from Newsec for approximately SEK 3 million. In addition, services were also purchased for properties that Newsec manages from a company in which a related party of a senior executive in one of the Group's subsidiaries owns shares and is member of the management team. The Group also indirectly owns shares in this company via one of Niam's funds. The value of these services amounted to SEK 30 million. The price of all of the described sales and purchases is deemed to be on market terms.

During the year, one of the Group's senior executives performed services for another Group company and invoiced these services via their own company. The value of the services amounted to SEK 510 thousand and the price is deemed to be on market terms.

During the year, Newsec AB acquired shares from the minority owners in Newsec Advisory A/S, Newsec Advisory Sweden AB, Newsec AS, Newsec Advisory Finland Oy, Newsec Advisory Baltics UAB and Newsec PAM Baltics UAB for a total of SEK 60.4 million. Most of the payment was made by the minority receiving shares in Newsec AB for a value of SEK 46.4 million (a non-cash issue was conducted) and the remaining SEK 14.0 million was paid in the usual manner by paying a purchase consideration. Consequently, Stronghold Invest AB now owns 98.18 percent of the shares in Newsec AB and the Group owns about 60 percent of the relevant subsidiaries. These transactions were carried out market prices based on an external valuation.

During 2022, one of the Group's Baltic companies purchased services from two different companies, the owners of which were members of the Board of the Baltic subsidiary. The purchased services amounted to SEK 6.5 million and the liability in the balance sheet amounted to SEK 3.3 million on 31 December 2022. The price of the services is deemed to be on market terms. No similar transactions took place in 2023.

Remuneration of senior executives

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

43. Business combinations

2023

Rådgivende Ingeniører Løying AS

On 2 January 2023, Newsec Basale AS acquired all of the shares in the company called Rådgivende Ingeniører Løying AS. The acquisition was in line with the Group's goal to be the leading property manager in Northern Europe. The company complements existing activities in Norway and strengthens Newsec's service offering in energy optimisation.

Transferred consideration	
<i>Amounts in SEK thousand</i>	
Total transferred consideration	22,642

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

Carrying amount at the date of acquisition for acquired net assets	
<i>Amounts in SEK thousand</i>	
Assets	
Intangible assets	1,503
Deferred tax assets	11
Accounts receivable	9,822
Other receivables	1,496
Cash and cash equivalents	1,336
Liabilities	
Current liabilities	-12,815
Accounts payable	-999
Identifiable assets and liabilities, net	354
Transferred consideration	22,642
Customer relationships	28,575
Deferred tax liabilities	-6,287

Net cash flow in business combinations	
<i>Amounts in SEK thousand</i>	
Cash consideration paid including acquisition costs	22,642
Less: Acquired cash and cash equivalents	-1,336
Net cash flow	21,306

Net cash flow of SEK 22.5 million was classified in cash flow as acquisition of subsidiary.

Impact of acquisition on Group's earnings

Of the Group's income, SEK 35.1 million was attributable to the acquisition of Rådgivende Ingeniører Løyring AS, which contributed SEK 2.8 million to the Group's earnings (profit after financial items). The acquisition took place in January 2023, after which the company's earnings from 1 January 2023 are included in the Group's earnings.

2022

Hinna Park Facility Management AS

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

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

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

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

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

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

Impact of acquisition Group's earnings

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

Zynka BIM AB

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

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

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

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

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

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

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

Impact of acquisition Group's earnings

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

Niam Credit Holding AB

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

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

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

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

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

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

Impact of acquisition Group's earnings

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

BPT Real Estate

On 1 February 2022, Newsec PAM Baltics UAB acquired all of the shares in a company called BPT Real Estate. The acquisition is in line with the Group's goal to be the leading property manager in Northern Europe. The acquisition complements existing operations in Newsec's Baltic operations in terms of service range, shared customers and expertise. The acquisition price amounted to SEK 1.7 million and customer relationships valued at SEK 1.8 million were identified in conjunction with the acquisition. Net cash flow at the time of acquisition was SEK 0.6 million.

44. Financing activities

Group 31 Dec 2023	Opening balance	Loans (cash flow)	Amortisation (cash flow)	Change in exchange rates	Repayment (cash flow)	Accrued interest	Re-classification	Closing balance
Other non-current financial liabilities *	5,251	—	—	—	-5,251	—	—	0
Non-current liabilities	845,690	—	-94,474	-11,820	—	—	112,500	851,896
Financial lease liabilities	310,755	112,988	-134,737	-4,197	—	10,598	—	295,407
Current financial liabilities	446,477	—	—	-904	-125,000	—	-112,500	208,273

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

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

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

The change during the year relating to the Parent Company's current and non-current bank loans is presented in the Parent Company's cash flow statement. Other than these, there are no liabilities to disclose in the Parent Company as part of its financing activities.

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

2023

During the year, Newsec AB acquired shares from the minority owners in Newsec Advisory A/S, Newsec Advisory Sweden AB, Newsec AS, Newsec Advisory Finland Oy, Newsec Advisory Baltics UAB and Newsec PAM Baltics UAB for a total of SEK 60.4 million. Most of the payment was made by the minority instead receiving shares in Newsec AB for a value of SEK 46.4 million (a non-cash issue was conducted) and the remaining SEK 14.0 million was paid in the usual manner by paying a purchase consideration. Consequently, Stronghold Invest AB now owns 98.18 percent of the shares in Newsec AB and the Group owns about 60 percent of the relevant subsidiaries. At the acquisition date, non-controlling interests changed by SEK 1.3 million and equity attributable to Parent Company shareholders was impacted by SEK -15.3 million.

In 2023, the Group acquired additional participations in Newsec Advisory UAB from the minority owners by the minority owners selling shares in the Baltic Parent Company to two of the Baltic subsidiaries. The acquisition price was SEK 15.1 million. At the acquisition date, non-controlling interests decreased by SEK 7.2 million and equity attributable to Parent Company shareholders was impacted by SEK -7.9 million.

2022

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

During 2022, Newsec Energy Transition AB (formerly Newsec Infra AB) acquired the remaining participations in Newsec Infra High Coast AB for SEK 18 million, and after the acquisition Newsec Energy Transition AB

owns 100 percent of the company. At the acquisition date, non-controlling interests decreased by SEK 6 million and equity attributable to Parent Company shareholders was impacted by SEK 12 million. This acquisition had no impact on liquidity on 31 December 2022 and was settled in 2023.

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

Impact on equity	31 Dec 2023	31 Dec 2022
Carrying amount of acquired portion of non-controlling interests	-5,887	-7,783
Purchase consideration paid to non-controlling interests	29,046	37,600
Purchase consideration paid exceeding carrying amount, recognised in equity	23,159	29,871

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

2023

Other than the sale of shares that took place in Newsec AB, as described in Note 45, no other material divestment of participations in subsidiaries took place with non-controlling interests during the year.

2022

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

No other material divestment of participations in subsidiaries took place with non-controlling interests in 2022.

47. Sales of operations

2023

No subsidiaries were divested in 2023.

2022

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

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

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

48. Events after the balance sheet date

The CEO of the Newsec Group Patrik Attemark stepped down at the start of February. Petra Scharin, who is also the CEO of Stronghold, took over as acting CEO.

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

49. Dividend

The dividends adopted by the Annual General Meeting and paid in 2022 and 2023 amounted to SEK 200 million (SEK 2.0661 per share) and SEK 99 million (SEK 1.0751 per share), respectively.

It is proposed to the Annual General Meeting on 23 May 2024 that no dividend be paid for 2023. In 2023, the number shares changed from 92,443,213 to 95,018,939 shares as a result of the new share issue that took place during the year.

50. Proposed distribution of profit

Proposed appropriation of profit

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

Parent Company

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

Retained earnings	786,901,886
Profit for the year	98,858,448
Dividend	0
	885,760,334
The Board of Directors proposes that funds be distributed as follows	
to be carried forward	885,760,334
	885,760,334

51. Approval of financial statements

The annual accounts have been adopted by the Board of Directors and approved for publication on the date stated on the digital signature below.

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

Stockholm, the date stated on the digital signature below

Urban Edenström
Chairman of the Board

Per Edenström
Board member

Håkan Johansson
Board member

Risto Silander
Board member

Mikael Lövgren
Board member

Anders Lönnqvist
Board member

Petra Scharin
CEO

Our Auditor's Report was submitted on the date stated on the digital signature below.

Deloitte AB

Jonas Ståhlberg
Authorised Public Accountant

AUDITOR'S REPORT

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Stronghold Invest AB for the financial year 2023-01-01 - 2023-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

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

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

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

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Stronghold Invest AB for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

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

Signature on Swedish original

Deloitte AB

Signature on Swedish original

Jonas Ståhlberg

Authorized Public Accountant