VOLITO

GROUP PRESENTATION | ANNUAL REPORT 2022

Anita Viola

Anita Viola trained at Accademia Belle Arti in Perugia, Italy, among other places, and has a studio in Jutland, Denmark. She paints on canvas and paper and frequently exhibits her work in the Nordic region and Europe. The painting on the cover is called "Free Birds". Anita Viola says: "During a study trip to Rome in May 2022, I was struck by the story of the Greek god of healing, Asclepius, who healed plague sufferers on Tiber Island in the middle of the Tiber River. A statue of the god was being transported up the Tiber River when the snake that was entwined on Asclepius' rod escaped and swam ashore on Tiber Island. The snake's saliva had healing powers and a cult grew up around Asclepius with a temple for the lepers. The cure consisted of proximity to the snake of Asclepius and other animals, herbs, holy water and an opium rush that gave visions of the god. "Free Birds" and other paintings from the series are impressions of this story but also allude to our own times marked by the pandemic and global heating. For me, Tiber Island is a symbol of the Earth's resources and their essential healing effect on humanity."

2021 Bertil Vallien

2020 Carlos Capelán

2019 Marie Louise Kold

2018 Katarina Axelsson

VOLITO

Volito is a privately owned investment group headquartered in Malmö. The business was founded in 1991, with an initial focus on aircraft leasing. After achieving rapid early success, Volito broadened its activities and started to expand.

Today, Volito is a strong growth-oriented group based on a balanced approach to risk and reward, and a long-term perspective. The Group's activities are divided into three diversified business areas: Real Estate, Industry and Portfolio Investments, areas that develop their own business units, business segments and subsidiaries.

VOLITO

Volito is a strong, growth-oriented group based on a balanced approach to risk and reward, and a long-term perspective. The Volito Group's overall objective is to optimise the return for shareholders, both through current earnings from operational activities and the value growth of the Group's investments. In the parent company, Volito AB, business operations are organised in three overall business areas: **Real Estate**, **Industry** and **Portfolio Investments**.

VOLITO REAL ESTATE

Business Area Real Estate consists of Volito Fastigheter, which owns and manages commercial premises and residential properties in Malmö. Volito Fastigheter has continuously developed its portfolio in order to strengthen its presence in Malmö's most attractive areas. The property portfolio consists of 21 properties, divided between offices, commercial and residential, with a total area of 93 983 m^2, as well as two properties in Hyllie comprising a hotel and offices, which are jointly owned with Peab.

VOLITO INDUSTRY

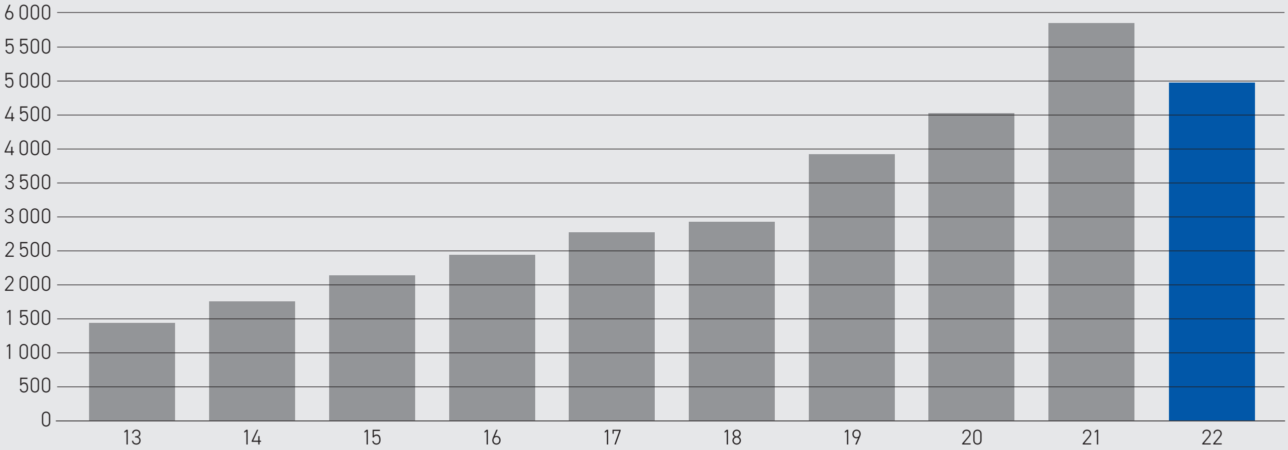
Business Area Industry starts up, acquires and develops industry-related businesses. Today, the business area is represented by Volito Automation, a knowledge-intensive and growth-oriented group in industrial automation with a strong market position in the Nordic region. Volito Industry is prepared for continued expansion and the establishment of further business units focused on value-creating solutions for industry.

VOLITO PORTFOLIO INVESTMENTS

Within Business Area Portfolio Investments, Volito has significant ownership interests in listed companies. Volito has an ownership philosophy of involvement that focuses on stable, long-term growth. The Group strives for active ownership with involvement on the companies' boards. Volito has a diversified portfolio with holdings in Peab AB (publ), Annehem Fastigheter AB (publ), Bulten AB (publ), EQT AB (publ) and EQT's funds.

THE YEAR IN BRIEF

SEK million The Volito Group, adjusted equity



The Volito Group, Ten-year summary

SEK million	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Result after financial items	513.0	277.3	184.1	291.4	157.5	130.8	78.5	147.6	134.4	-165.7
Adjusted equity	4 950	5 845	4 522	3 918	2 954	2 808	2 475	2 181	1 787	1 435
Return on adjusted equity (%)	-12.2	27.4	10.9	27.8	12.6	9.0	13.0	20.5	23.7	14.8
Adjusted equity ratio (%)	57	61	56	52	45	46	50	50	46	40
Assets	8 645	9 423	7 848	7 513	6 528	5 883	4 857	4 447	4 415	4 278

Key figures and definitions, see page 72.

VOLITO AB 2022

At year-end, Volito's adjusted equity amounted to SEK 4 949.9 million, which represents a 15% reduction on the previous year. The reduction is mainly attributable to the year's volatile stock market. During the period 2020-2022, the first three years of Volito's five-year expansion plan, the average annual increase in adjusted equity was 8.1%. Despite a volatile wider world, Volito reports a continued strong financial position, expansion according to plan and continued positive development in all business areas. Volito is prepared to address the business climate with unchanged targets for continued long-term sustainable expansion.

BUSINESS AREA REAL ESTATE 2022

Volito Fastigheter faced challenges in the form of reduced market values, higher interest rates and increased costs, but the year also brought good demand, positive development of rental revenue and strategic recruitment. Volito Fastigheter continues to have high growth targets and investments in sustainable property development are continuing. The market value of Volito's investment properties decreased by SEK 81.0 million and together with the year's investments of SEK 16.7 million this amounted to an unrealised change in value of SEK -97.7 million.

BUSINESS AREA INDUSTRY 2022

Volito Industry, despite challenges such as supply disruptions, rising inflation and increased costs, carried out two acquisitions, further strengthened its market position and considerably improved its turnover. Volito Industry is well prepared for continued long-term sustainable expansion and transformation. The EBITDA for 2022 was SEK 76.0 million (35.0).

BUSINESS AREA PORTFOLIO INVESTMENTS 2022

Volito's portfolio investments – consisting of Peab AB (publ), Annehem Fastigheter AB (publ), Bulten AB (publ), EQT AB (publ) and EQT's funds – showed good development overall with good individual financial results. Notwithstanding value reductions, which are mainly attributable to the volatile stock market, each of the portfolio companies is characterised by healthy business operations and a good financial position.

SUSTAINABILITY

Vision and core values

Volito's vision is to strive towards new heights by developing its business and people, in order to improve the world around us and create value across generations. Volito's greatest asset is the trust of its stakeholders, which enables Volito and its staff to achieve the company's vision. Trust is gained through a balance between two fundamental elements of the company's core values – relations and professionalism.

Good and sustainable relations with colleagues, partners and the world around us are created through loyalty, honesty and a long-term perspective. A professional approach forms the basis for good business that benefits all parties and rests on competence, flexibility and dedication.

A part of society

The parent company Volito AB and Volito's subsidiaries have strong relations with, and a strong effect on, society at large. Overall, the Group employs a large number of people and makes decisions that have a direct or indirect influence on how society develops. It is important for Volito to make a positive contribution to society and to act with a strong local connection.

Governance and reporting

The parent company draws up rules and regulations, policies and functions for the Group as a whole regarding, among other things, the code of conduct, corporate governance, IT and information security, whistle-blower function and social engagement. The subsidiaries are responsible for implementation, following up and internal reporting.

The companies within the Group are not yet covered by conditions for drawing up sustainability reports. Each year, the parent company produces a detailed, public and professional annual report with a clear and transparent presentation of the operations within all business areas. The subsidiaries communicate sustainability management through their own channels and are preparing for future reporting.

Sustainability – strategy and implementation

Both the parent company and the subsidiaries have a commitment to constantly develop and improve in a way that is economically, environmentally and socially responsible. Among other things, the company is to work for good, long-term returns for shareholders, follow the code of conduct for good business ethics, offer an attractive and secure workplace, take a general responsibility for the UN's global goals and work to make improvements concerning the global goals that have a direct connection with the business. The Group's companies are also to make a positive contribution to the community through sponsorship and donations, with a primary focus on recreation and education for young people and young entrepreneurs as well as research that contributes to a better future. Both the parent company and the subsidiaries exercise strong social engagement.

Within Business Area Portfolio Investments, Volito has significant joint ownership in listed companies. Volito strives for active joint ownership with a focus on companies that have strong commonalities with Volito in terms of business and core values as well as an ownership philosophy that corresponds to Volito's and is charactered by a long-term, responsible and sustainable approach.

Volito AB – the parent company

Volito AB is an investment company headquartered in Malmö. The company strives for an economically, environmentally and socially responsible approach in all parts of its everyday operations. Direct impact on the environment, as well as exposure to environmental risks, primarily relates to business travel.

Business Area Volito Real Estate

Volito Fastigheter has identified focus areas for sustainability management as well as the global goals towards which the business has the greatest potential to make a contribution. This concerns, among other things, impact on the climate, including carbon dioxide emissions, careful management of buildings from different periods, boosting biodiversity, and consideration for people. Volito Fastigheter also joined the LFM30 network – Local Road Map Malmö 2030 – which is one of Sweden's largest and most ambitious sustainability initiatives. Within the framework of LFM30, Volito Fastigheter started work on a climate action plan, committed itself to efforts to minimise the climate footprint of the company's entire value chain within both the existing portfolio and forthcoming project development, with the aim to be net zero climate neutral by 2030, and will follow LFM30's systematic target follow-ups.

Business Area Volito Industry

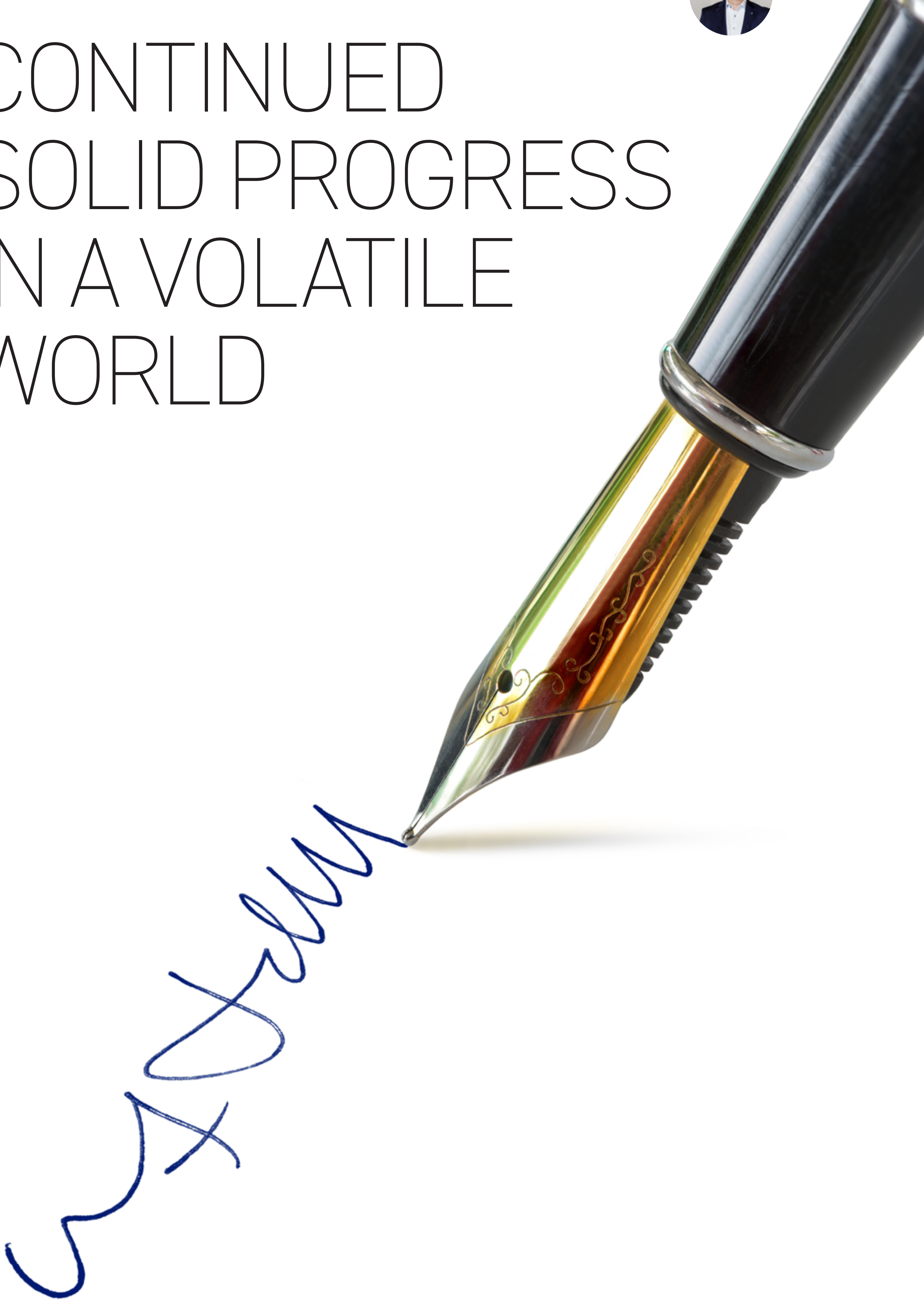
Volito Industry contributes directly and indirectly to a large number of areas for sustainable development with a focus on the global goals for gender equality, sustainable energy for all, decent working conditions and economic growth, sustainable industry, innovations and infrastructure, and sustainable consumption and production. The company's primary contribution to achieving these goals is through continuous development of the group's products and services. Some examples are the development of sustainable solutions in hydraulics, pneumatics and electric operation, systems for cleaning oil, digital monitoring of machines and equipment for optimised operating lifetime, efficiency enhancement of manufacturing processes and the reconditioning of components to reduce the carbon dioxide footprint.

Business Area Portfolio investments

Portfolio companies conduct independent and ambitious sustainability management. Detailed information is available at www.peab.se, www.bulten.se, www.annehem.se and www.eqt.se.

Ulf Liljedahl, President and CEO, Volito AB

CONTINUED SOLID PROGRESS IN A VOLATILE WORLD



Last year was characterised by major stresses such as the war in Ukraine, high inflation, interest rate rises and energy shortages. Despite the volatile world around us, Volito's operations report continued good development and profitable growth. The Group is based on a strong foundation of solid owners with a long-term perspective, diversified operations, clear values and a winning ability to rapidly adapt. Volito is well configured to address the business climate with decisiveness and unchanged targets for continued long-term sustainable expansion.

Volito is a strong, growth-oriented investment group based on long-term ownership and a balanced approach to risk and reward. With the trust of the world around us as our guiding principle, we take active responsibility for the development of both our own operations and those of our portfolio companies. Our culture is characterised by an efficient organisation, high targets and a distinct ambition to achieve long-term, sustainable and profitable growth in all part of the Group.

For 2022, Volito reports a balance sheet total of SEK 8.6 billion, which is a decrease of 8%. At year-end 2022, the Volito Group's adjusted equity amounted to SEK 4.9 billion, which represents a reduction of 15% on the previous year. The decrease is mainly attributable to stock market volatility during the year. Despite this, Volito has a strong financial position. During the period 2020-2022, the first three years of our five-year expansion plan, the average annual increase of our adjusted equity was 8.1%.

2022

The year involved major challenges, initially with continued disruptions in the supply chains due to factors such as a strong increase in demand after the pandemic, and then in the form of geopolitical anxiety in connection with Russia's invasion of Ukraine. With a stable platform and its capacity for resilience, Volito, despite the turbulent year, was still able to focus on further strengthening its positions and purposefully continued with its set expansion plans. Volito Industry conducted significant strategic acquisitions and increased its market shares in both Sweden and Finland. Volito Fastigheter continued refinement work on its portfolio with a focus on sustainable development. We have also taken significant steps in the form of fine-tuned internal procedures, investments in enhanced IT security and valuable new recruitments both in the team around the group management and for strategically important positions in our operations. Our portfolio companies also base their operations on a long-term and responsible approach and report continued strong development despite the year's challenges. Notwithstanding reductions in value, each of our portfolio companies is characterised by healthy business operations and a good financial position.

Our business areas

For Volito Fastigheter, the year entailed challenges in the form of reduced market values, higher interest rate levels and increased costs for energy, but also good demand, positive growth in rental revenues, and strategic recruitment. Volito Fastigheter's high growth targets remain in place and investments in sustainable property development are proceeding, both in the refinement of existing properties and development projects, for example in the emerging area of Nyhamnen. During the year, Volito Fastigheter identified focus areas for its sustainability management and joined the LFM30 network – Local Road Map Malmö 2030.

Volito Industry met major challenges in the form of supply disruptions, rising inflation and increased costs relating to energy, intermediate goods and interest rates. In spite of the challenges, Volito Industry continued its expansion through acquisitions in Sweden and Finland, further strengthened its position as a system integrator in automation, electrification and digitalisation, and considerably increased its turnover. Volito Industry is well prepared for an uncertain business climate and is aiming for continued long-term sustainable expansion and transformation.

Within Business Area Portfolio Investments our portfolio companies as a whole showed good development. Despite a challenging year, the companies each report good financial results and a good financial position.

Peab reports stable financial results for 2022. A very satisfactory order book and a strong financial position, in combination with the company's broad business model, enables Peab to meet varying conditions in different segments and geographical areas. Peab deems that high inflation and higher interest rates will lead to a less active housing market but expects more stable demand in public sector house construction, civil engineering and investments related to the green transition. The company is focusing on continued efficiency enhancement of operations, adapting the organisation to demand and taking advantage of opportunities that may arise in a weaker market.

Annehem reports a strong financial position and good financial results. The company has adopted a new vision to be the most sustainable property company in the Nordic region and formulated new sustainability goals. Other long-term goals remain in place, including the growth goal of 20 per cent per year. By 2027, the company is to have doubled the value of its property portfolio. Secured conditions for financing provide good opportunities to focus on growth and develop the operation's sustainable management. Diversification is important for the future and a logistics facility in Södertälje Almnäs and a residential property in Malmö were acquired in 2022. In addition, an agreement was signed about buying land in Sundsvall's Logistics Park in a joint venture with Peab.

Despite a turbulent year, Bulten beat its turnover record and achieved an adjusted operating margin in line with the company's financial target for 2024. The company's Russian operations were discontinued, while component shortages leading to volatile customer forecasts affected manufacturing. At the same time, demand was very good, and Bulten grew in the electric vehicle segment and won several strategically important deals in other sectors. The company maintained its sales strategy in parallel with transition projects, discontinuations and adaptations to fluctuating production rates, as well as its focus on stock reductions and price increases. A good order book provides a satisfactory foundation for 2023. The way forward is to continue to grow and increase profitability.

EQT continued to future-proof its expanding platform and navigate through a macroeconomically and geopolitically uncertain period. All key funds developed according to plan or better. Overall, the year's valuations were positively affected by strong operating profits among the portfolio companies. EQT retains a clear cost focus in relation to an uncertain market environment. Despite a subdued transaction market, EQT completed significant capital-raising transactions and is well positioned for continued investments. EQT is following its strategy for thematic investments and long-term, sustainable value creation, among other things with plans for increased investments in waste management, renewable energy and circularity. The company continues to shape its opportunities with a focus on generating strong returns that go hand in hand with a positive effect.

The future – continued sustainable expansion

Recent years have been marked by major challenges in the world around us, and 2023 will be no exception. We are entering a year in which we can expect continued geopolitical uncertainty, probably a harsher business climate, new interest rate levels and strained energy supplies in Europe.

At the same time, the new circumstances also offer new opportunities. From the very beginning, Volito has created profitable growth through long-term investments characterised by a balanced approach to risk and reward. The considerable expertise and long experience of our staff underpins a distinctive capability to find and implement attractive and viable investments, regardless of the business climate. We are therefore ready to meet the downturn in the business climate in 2023 with a balanced approach in which we purposefully manage both challenges and prospects for continued good transactions in the long term. Our strategic plan for expansion remains in place and the same applies to our targets. Volito will continue to deliver solid returns for our shareholders.

In the last year, we saw not only continued expansion and good financial results in our everyday operations, but also great belief in the future, an inspired optimism and exciting steps forward in the development of products and services with a continued focus on sustainability. In our operations there is ongoing intensive work in areas such as electrification, digitalisation, energy-efficiency, property development and reuse. Within the framework of our expansion plan, we see continued major opportunities – through means such as new acquisitions, new collaborations and expanded networks – to offer our customers both sustainable and highly sought-after solutions.

Volito is financially strong and well-configured to meet the coming years with decisiveness and remains ready to continue building value over generations – for companies, staff, the wider world and the community. I would like to conclude by thanking Volito's customers and partners for your trust in us and also thank Volito's staff for a very well-executed 2022.

VOLITO
REAL ESTATE

Business Area Real Estate consists of **Volito Fastigheter**, which owns and manages commercial and residential properties in Malmö. The business is characterised by a long-term approach, prudent property management, a high level of service and close relations with customers and partners. Volito Fastigheter has continuously developed its portfolio in order to strengthen its presence in Malmö's most attractive areas. The company's aims include positioning Volito Fastigheter as one of Malmö's most well-known real estate companies and the best in terms of property management and customer relations.

Marie Persson, Managing Director, Volito Fastigheter

STABILITY, A LONG-TERM APPROACH AND CONTINUED SUSTAINABLE DEVELOPMENT

The outlook for the Swedish economy has been affected by the worsened security situation in Europe, high inflation, rising interest rates and high energy costs. Volito Fastigheter rests on a stable ownership structure and a strong portfolio and has purposefully continued working on long-term and sustainable property development. The year brought reduced market values, but also strong property leasing, strategic recruitment, continued property refinement and new steps in the area of sustainability.

The business climate presents challenges in the form of increased costs relating to operation and maintenance, construction, interest rates and energy. Our business is built on a strong and secure ownership structure as well as an attractive, diversified and long-term financed portfolio with low risk. We see continuing good demand for housing and office premises and, with maintained high growth goals, continued our initiatives in sustainable property development. We stand ready to continue our expansion, both under our own management and in collaboration with other actors. Our strategy remains in place, we focus on central office and shop premises and residential properties in Malmö with good access to public transport.

Strong leasing activity

After the pandemic, companies are expressing a longing back to inspirational office environments with creative design, modern functions and proximity to colleagues. We offer good possibilities for special adaptations, something that is crucial when our customers make decisions, and several new lease agreements were signed during the year. Among the customers moving in are Transdev and Coffee Stain.

At The Point in Hyllie, which we co-own with Peab, the occupancy rate has reached 97% and continues to progress strongly. New tenants in 2022 included Sony and Sandvik. The tenants appreciate not only the location and the international environment with its proximity to the City Tunnel, Copenhagen Airport and Copenhagen, but also the exciting workplace and meeting venue with restaurant and conference services that The Point and the adjacent Quality Hotel View jointly offer.

Financial results

We can be gratified by the continued positive growth in rental revenue. However, interest rates were considerably higher than in the previous year while energy costs increased. The profit after financial income and expense for 2022 amounted to SEK 61.8 million. The market value of Volito's investment properties decreased by SEK 81.0 million and together with the year's investments of SEK 16.7 million this amounted to an unrealised change in value of SEK -97.7 million.

Sustainable property development

Within Volito Fastigheter there is a deep-rooted long-term approach and a fondness for buildings that have a history. Through careful management and well-thought-out modernisations, preferably with an element of reuse, we preserve our buildings' original character. Reuse reduces our climate impact and is also much in demand, as renovations with reused material give a unique feeling to buildings and premises. The property sector is becoming increasingly interested in reuse but needs to be better at finding new contexts for what is being preserved. We would like to contribute to more creative collaborations between property owners, architects, interior designers and tenants.

We continued our long-term maintenance work according to plan for our portfolio. We have also carried out further energy-saving measures, such as the installation of presence-controlled LED lighting in four of our garages, which has reduced energy consumption by 110 000 kWh per year.

Consideration for people and the climate

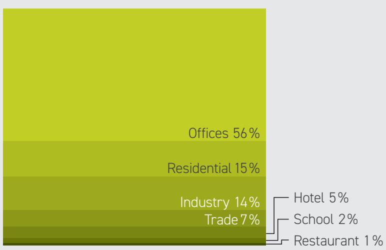
During the year, we identified the focus areas for our sustainability work and the global goals that we have the greatest potential to affect within the framework of our business. This concerns, among other things, our impact on the climate including our carbon dioxide emissions, careful management of our buildings from different periods, boosting biodiversity, and consideration for people.

We continued to strengthen our organisation during the year with several skilled staff members, in order to further ensure that our work on existing and new properties is conducted with long-term consideration for people and the climate. We look forward to the planning work for our development properties in Nyhamnen, and we see it as self-evident to be involved in creating a more sustainable Malmö. We have also joined the LFM30 network – Local Road Map Malmö 2030 – which is one of Sweden's largest and most ambitious sustainability initiatives. Within the framework of LFM30, we have started work on a climate action plan, committed ourselves to efforts to minimise the climate footprint of our entire value chain within both the existing portfolio and forthcoming project development, with the aim to be net zero climate neutral by 2030, and will follow LFM30's systematic target follow-ups.

I would like to extend my thanks to our customers and business partners, and to our staff. Despite uncertain times, we have managed the year's challenges with commitment and inventiveness. It feels very inspiring to continue our journey with you.

OVERVIEW

Distribution by category and m²

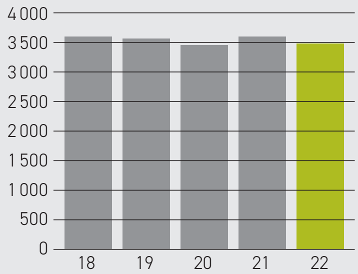


The Volito Fastigheter AB Group, Five-year summary

SEK million	2022	2021	2020	2019*	2018
Rental	166.0	160.4	165.2	176.0	181.1
Profit after financial items	61.8	96.3	41.3	193.8	61.7
Equity	1 957.7	1 906.0	1 740.5	1 692.8	1 441.5
Real estate market value	3 485	3 566	3 455	3 527	3 588

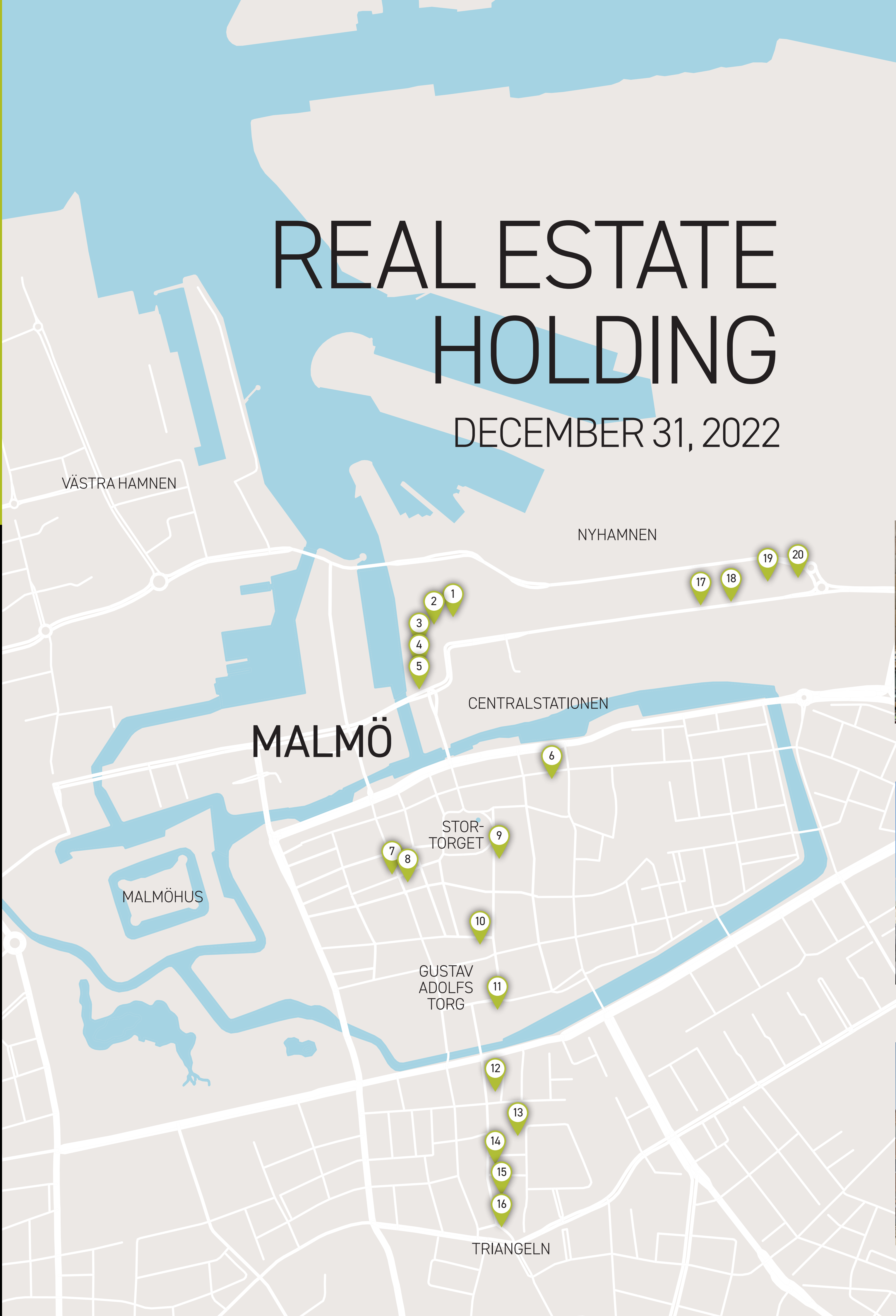
* Starting in 2019, the properties in the Joint Ventures have been adjusted to the market value.

Market value of real estate holding



REAL ESTATE HOLDING

DECEMBER 31, 2022



Property Hamnen 22:2
Address Jörgen Kocksg. 3
Area 7 719 m^2

Property Ran 9
Address Jörgen Kocksg. 1
Area 7 892 m^2

Property Ran 8
Address Skeppsbron 7
Area 1 084 m^2

Property Ran 4
Address Skeppsbron 3
Area 4 577 m^2

Property Aegir 1
Address Neptunigatan 1
Area 7 744 m^2

Property Sankt Peter 3
Address Östergatan 30
Area 3 360 m^2

Property Diana 28
Address Engelbrektsg. 5
Area 902 m^2

Property Stjärnan 10
Address Engelbrektsg. 6
Area 975 m^2

Property Claus Mortensen 29
Address Södergatan 16
Area 3 047 m^2

Property Söderport 8
Address Per Weijersg. 4
Area 1 956 m^2

Property Carl Gustaf 4
Address Gustav Adolfs torg 8
Area 7 617 m^2

Property Delfinen 17
Address Södra Förstadsgatan 4
Area 3 041 m^2

Property Elefanten 41
Address Lugna gatan 38
Area 7 107 m^2

Property Visenten 20
Address S. Förstadsg. 26
Area 3 428 m^2

Property Laxen 25
Address S. Förstadsg. 32
Area 2 347 m^2

Property Laxen 23
Address S. Förstadsg. 34
Area 7 482 m^2

Development properties

Property Medusa 3
Address Carlsgatan 42
Area 1 300 m^2

Property Medusa 4
Address Carlsgatan 44
Area 7 201 m^2

Property Söderhavet 5
Address Elbegatan 5
Area 1 708 m^2

Property Söderhavet 6
Address Elbegatan 9
Area 1 406 m^2

Limhamn

Property Kupolen 3
Address Krossverksg. 7–17
Area 10 037 m^2

Hyllie

Property Värdshuset 4*
Address Hyllie stationstorg
Area 21 000 m^2

Property Värdshuset 5*
Address Hyllie stationstorg
Area 15 600 m^2

* The properties are jointly owned with Peab

MALMÖ'S BEST MEETING PLACE – DYNAMIC, SPECTACULAR AND SUSTAINABLE

In close proximity to each other at the heart of Hyllie are Quality Hotel View, a hotel of the highest international standard with first-class conference facilities, and The Point – perhaps Malmö's most magnificent office building. Together, these two landmarks create a modern, attractive and sustainable venue for meetings, food, entertainment and relaxation.

Hyllie is one of Malmö's newest and fastest-growing city districts. The area has a strong climate focus and, as a global role model for sustainable urban development, Hyllie has become a popular place for both housing and companies. Quality Hotel View and The Point are in the middle of Hyllie, adjacent to the City Tunnel Station with direct trains to Copenhagen Airport, Triangeln and Malmö Central station. The local amenities include Malmö Arena, the Malmömässan exhibition and conference centre, the Emporia shopping centre and pleasant green spaces and park areas.

"Thanks to our strategic location, our smooth communications and our green vision, Hyllie attracts a large number of companies with international and sustainable profiles," says Therese Johansson, CEO and Hotel Director of Quality Hotel View. "Here, we have a natural meeting place."

Quality Hotel View offers 302 tastefully designed rooms, 27 conferences venues and facilities for fairs, banquets and congresses with space for up to 800 people at the same time. Here, there is also an inviting restaurant and bar, gym and relaxation facility, indoor golf and a garage directly under the hotel.

The Point, at 29 stories and a height of 110 metres, is the Öresund Region's tallest office building with around 21 000 m^2 of light and airy office space, intelligent technology, a pleasant lounge and a magnificent view. The entrance is seamlessly integrated with Quality Hotel View's lobby.

"This place brings together everyone from business travellers, conference delegates and after work groups to couples and families who want to have a pleasant evening with good food and fun activities," says Therese Johansson. "All the office tenants have 24/7 access to the conference facility, food, drinks, entertainment, events, amenities and services."

Quality Hotel View and The Point are jointly and equally owned by Volito Fastigheter and Peab, with Volito Fastigheter responsible for the management of the buildings.

"We have a very close and much appreciated collaboration in which Volito Fastigheter not only help us with the daily management, but also with the development of functionality and added value," says Therese Johansson. "For example, we have recently installed charging stations in the parking garage, and by the restaurant we are laying out two new boule courts, which will open during the spring."

PERSTORP FINDS THE RIGHT CHEMISTRY AT THE POST OFFICE BUILDING

The head office of the global chemical company, Perstorp, is situated in one of Malmö's most prestigious buildings. The location is carefully chosen for its connection with the company's history as well as its attractiveness and international accessibility. Here, Perstorp is administering 140 years of innovation and leading a global transformation towards a sustainable chemical industry.

The Perstorp Group is a market leader in specialty chemicals with a total of 1 500 employees in North America, Europe and Asia. Since 2022, Perstorp has been a part of the Malaysian PETRONAS Chemicals Group Berhad. Ib Jensen, previously CFO of the Perstorp Group and an experienced industry leader, became the company's CEO in March 2023 and now has a key role in the integration with Petronas.

"We want to make everyday life safer, more comfortable and more sustainable for people all over world," says Ib Jensen. "Over 95% of the world's industries are reliant on chemicals, both in products and processes, and our solutions are found in everything from cars and mobile phones to wind turbines and animal feed. When we can positively affect value chains, it also creates favourable effects for the climate and people."

Perstorp has an industry-leading strategy for sustainability linked to the UN's global goals with high ambitions regarding aspects such as sustainable raw materials, water consumption and reduced emissions of greenhouse gases as well as safety and health. Among notable current initiatives are a new state-of-the-art factory in Gujarat, India, for the production of a renewable pentaerythritol (Penta) with a 60% lower carbon dioxide footprint and, in Stenungsund, the development of methanol based on recycled carbon dioxide.

"Our sustainable solutions are in high demand and provide considerable improvements for our customers," says Ib Jensen. "Together with Petronas, we will continue to lead the transformation towards a more sustainable chemical industry.

Since 2014, Perstorp's global head office had been located in one of Malmö's most well-known landmarks, the Central Post Office Building, designed and built by Ferdinand Boberg in 1904. The company has an entire floor of the building with a view over the city as well as a conference floor in the building's glass annex. This is the workplace for around 80 people with management positions and strategic roles.

"The Post Office Building is a strategic choice," says Ib Jensen. "The location is attractive for our staff and ideal for international gatherings. With Volito Fastigheter, we also have a partner that shares our values. The office at the Post Office Building is tailored to our needs in a place that unites carefully preserved historical values with state-of-the-art, sustainable energy solutions – an inspiring base for our continuing development."

COLLABORATIONS PAVE THE WAY FOR CREATIVE REUSE

For many years, Volito Fastigheter has had a passion for preserving its buildings' original values and reusing existing materials. Interest in reuse is now on the rise in property development, particularly in the design of new environments. Success in this area requires new business models and new collaborations, something in which Volito Fastigheter wishes to play a part.

Volito Fastigheter primarily owns and manages buildings from the 1800s and 1900s. Careful renovation with elements of reuse is a natural part of the company's business strategy.

"Since the business was established in 1997, we have worked according to the principle that the most eco-friendly building is that which has already been built," says Marie Persson, CEO of Volito Fastigheter. "At that time, there were few people who used terms such as reuse and sustainability, whereas today it is self-evident that we are to fulfil climate and environmental goals."

Volito Fastigheter has many good examples of utilising existing materials. Light fittings taken down at one premises were moved to another that needed similar lighting. The suspended ceiling from Volito's head office became a new ceiling in a modern shop in Malmö's pedestrian precinct. And excellent cooling baffles, which were taken down in connection with a conversion, were given renewed life at other premises where the dimensions fitted perfectly.

"We have also repainted and reused doors and glass partitions," says Marie Persson. "And rather than take out period windows and put in new ones with insulating glass, we add insulating glass on the inside, both on decorative windows in turn-of-the-century buildings and in more streamlined sections of somewhat newer buildings. It is also a question of planning and adapting new floor plans to optimise the use of existing structures and materials – all with the aim of reducing the climate impact."

Reusing older materials and constructions is not only sustainable but also gives character to buildings and premises, and is increasingly in demand. The property sector is good at preserving materials but needs to be better at finding application areas for what is being preserved.

"There is now a need for new ways of working and business models for reuse, so that we can raise the pace to the necessary level. We look forward to creative collaborations with both existing and new actors in the sector, and we are convinced that in the near future we will see new business opportunities and networks that focus on reuse. We look forward to being a part of that," says Marie Persson.

VOLITO INDUSTRY

Business Area Industry starts up, acquires and develops industry-related businesses. Today, Business Area Industry is represented by **Volito Automation**, a knowledge-intensive and growth-oriented group in industrial automation with a strong market position in the Nordic region. Business Area Industry stands ready for continued expansion and the establishment of further business units focused on value-creating solutions for industry.

Johan Frithiof, Managing Director, Volito Industry

CONTINUED EXPANSION, ENHANCED OFFERING AND INCREASED TURNOVER

Business Area Volito Industry has continued its expansion, strengthened its position as a system integrator in automation, electrification and digitalisation, and considerably increased its turnover. With a solid foundation, Volito Industry is well prepared for an uncertain business climate, while retaining its focus on profitable growth and transformation.

The year was characterised by high order inflow, strong sales and very good financial results, but also challenges in the form of continued supply disruptions, major geopolitical concerns after Russia's invasion of Ukraine, rising inflation and increased costs relating to energy, intermediate goods and interest rates. With a solid platform, efficient operations and an ability to rapidly adapt to new conditions, we have managed the challenges well, in close dialogue with suppliers and customers.

In recent years, two trends have proved to be particularly relevant to us. In order to secure future deliveries, more and more manufacturers are reviewing their supply chains. In parallel, there has been accelerated development in digitalisation and an increasing realisation in industry of the benefits of connected functions and a consequent rise in related demand. Overall, these trends constitute a transition, which in our markets means an increased need for automation, electrification and connectivity. We have purposefully shaped our business to offer our customers complete and long-term sustainable solutions that meet these needs, and our aim is to continue our expansion in electrification and the IoT. Our transformation and our acquisitions are very timely.

New acquisitions

All the business area's operations are organised under Volito Automation. Acquired during the year were Mobile Integrator AB, based in Halmstad and with a sales office in Bröndby, Denmark, and Peimarin Hydrauliikka Oy, which is based in Pikis, just east of Åbo.

Mobile Integrator specialises in monitoring and control systems in mobile electronics as well as connected functions and services. The company provides an extensive range of products and services designed for the mobile market. Mobile Integrator therefore constitutes a strategic strengthening of Volito Automation's OEM offering, through which we have created one of the most competitive businesses in the Nordic region in hydraulics, pneumatics and electric operation with considerable expertise in integrated system solutions.

Peimarin Hydrauliikka offers service, preventive maintenance and production optimisation in hydraulics and pneumatics, and is now a natural part of Volito Automation's aftermarket business in the Nordic region, where we will focus on being a guarantor for customers' long-term functionality and continuous operation. Peimarin Hydrauliikka strengthens our offering in terms of geographical coverage and expertise.

Strong sales

Despite major challenges, we can once again report an increase in order inflow and strong sales. Challenges in the supply chains have been well managed and close communication with customers and suppliers, as well as a carefully balanced increase in stocks, have been crucial for maintaining deliveries.

Financial results

Compared with the previous year, turnover increased by 48%, and now exceeds SEK 700 million. EBITDA in 2022 amounted to SEK 76.0 million (35.0), which represents an increase of 117%.

Ready for continued expansion and diversification

Going forward, we expect continued cost increases relating to intermediate goods, interest rates and energy, as well as subdued GNP growth, reduced new investments and possible cutbacks in industry.

Our business area is well diversified, with a balanced customer and product portfolio in terms of geographical coverage, orientations and sectors, which is something we will continue to develop. We are well prepared to face a poorer business climate, but also ready to take advantage of future opportunities. Among other things, we are looking forward to the opening of HydSupply's new facility in Värnamo in spring 2023. The facility will give us greater proximity to our customers, situate us in a more commercial hub and lay the foundation for continued growth.

With a strong and profitable platform and the trust of our customers and owners, we are aiming for continued long-term sustainable expansion and transformation through add-on acquisitions and the acquisition of new operations, focusing on well-established and knowledge-intensive companies. We will continue to strengthen our position in the market through sustainable solutions in automation, particularly in electrification and digitalisation.

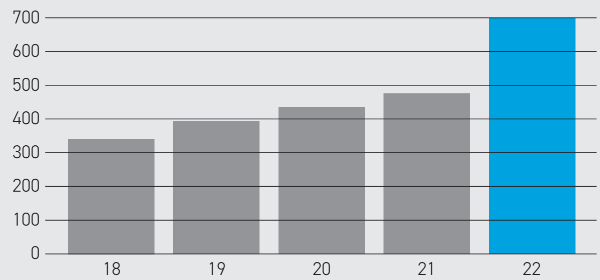
I would like to extend a special thank you to customers, partners and staff members. Despite major challenges, our performance in 2022 was above all expectations. I look forward with great confidence to taking the next step together in our continuing development.

OVERVIEW

The Volito Industry Group, Five-year summary

SEK million	2022	2021	2020	2019	2018
Revenue	700.2	473.5	431.6	392.9	340.0
EBITDA	76.0	35.0	38.5	27.6	15.7
Result after financial items	57.7	26.1	31.3	21.3	10.7

SEK million Total turnover



MOBILE INTEGRATOR – SPECIALISTS IN MOBILE ELECTRONICS

Volito Automation is strengthening its profile as a system integrator in automation, electrification and digitalisation to meet the market's new needs. Now, the next step is being taken with the strategic acquisition of Mobile Integrator – a company specialising in monitoring, control and connectivity in mobile electronics.

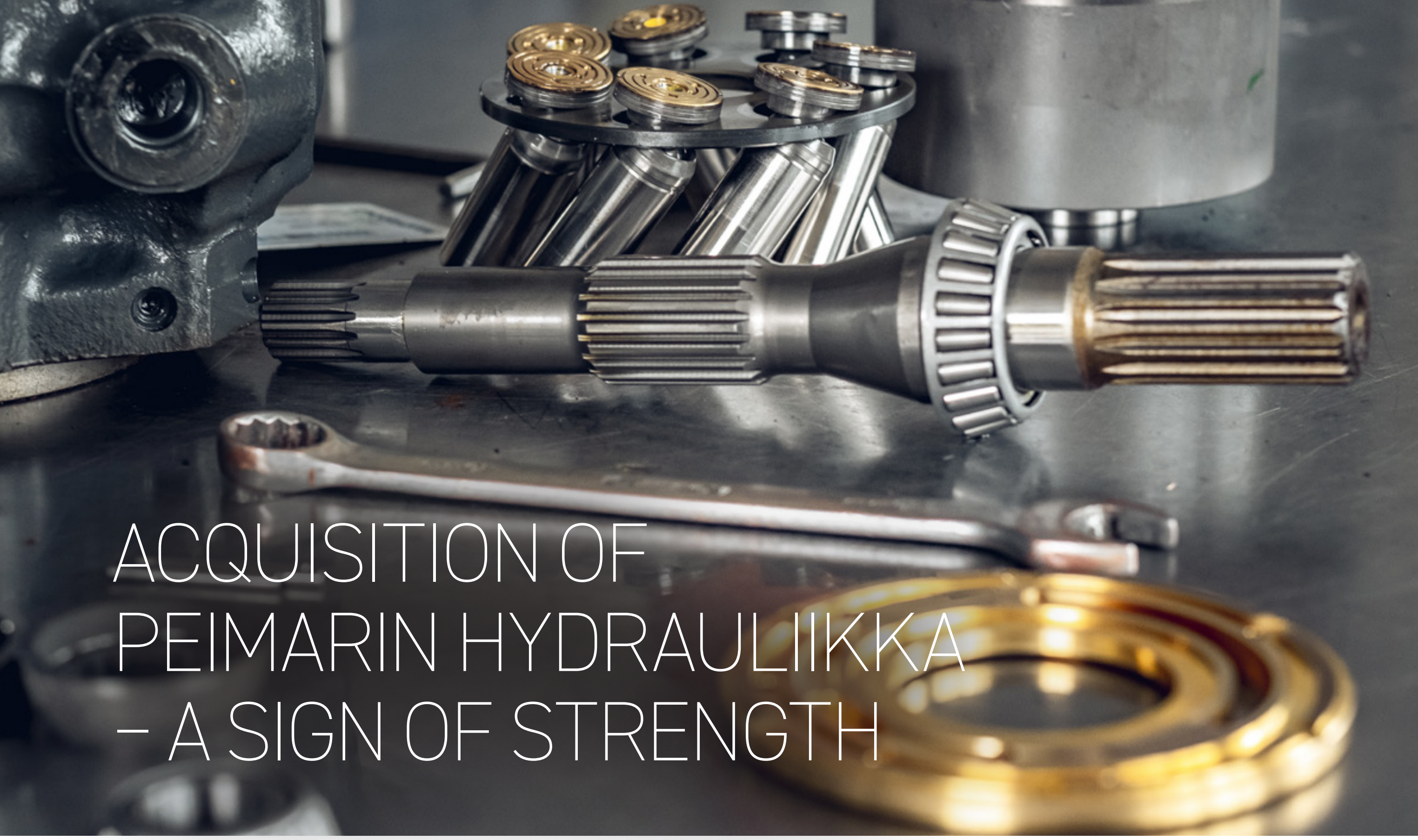
Volito Automation's OEM business is a leader in hydraulic and electric operation for mobile, industrial and marine applications. The customers are mainly in the Nordic arena, but also include manufacturers around the world. Until June 2022 the OEM business consisted of HydX and ETP, but it has now been reinforced with Halmstad and Bröndby-based Mobile Integrator.

"The acquisition of Mobile Integrator is another exciting development of our business," says Mikael Andersson, head of OEM at Volito Automation. "The relationship is already well-established after many years of cooperation and Mobile Integrator's portfolio adds an impressive – and highly sought after – dimension to our offering."

Mobile Integrator is a leading company in monitoring and control systems for mobile electronics as well as functions and services for connecting everything from components and applications to complete systems.

"Everything we do is based on the concept of mechatronics and the possibilities that arise when we integrate mechanical, electronic and digital functions with customised software," says Kjell Wester, CEO of Mobile Integrator. "Our solutions enable customers to monitor and control all or parts of their mobile equipment. This could be receiving reports in real time regarding staffing levels, usage, maintenance, wear and tear, consumables status and service needs in different types of machine parks. The information is used for staffing, invoicing, service planning, positioning, cloud services and much more. We have a broad range of hardware and develop our own software for systems as well as the IoT and online platforms, always in open environments so that the solutions are future proof."

"Mobile Integrator has quickly become a natural part of the group and we are already running a number of joint development projects," says Mikael Andersson. "The cross--fertilisation between HydX, ETP and Mobile Integrator means that our customers can look forward to complete, innovative and long-term sustainable solutions in automation, electrification and digitalisation."



ACQUISITION OF PEIMARIN HYDRAULIIKKA – A SIGN OF STRENGTH

Since 2019, Volito Automation's MRO segment in Finland has grown from 16 to 80 employees and developed into a comprehensive partner in hydraulics, pneumatics and electrification. The latest in a series of acquisitions – the Åbo-based Peimarin Hydrauliikka Oy – strengthens positions in terms of geographical coverage and expertise.

Volito Automation is active in industrial automation in the Nordic region. There is now an established nationwide organisation in Sweden and Finland that primarily serves OEM manufacturers and end users. The group has a total of 200 employees, a turnover of SEK 700 million and offers complete solutions and service in industrial, mobile and marine hydraulics, pneumatics and electric operation.

"We acquired 100% of Peimarin Hydrauliikka Oy in June 2022," says Jukka Sahi, CEO of HydSupply Oy and head of MRO in Finland. "Peimarin Hydrauliikka, which specialises in service, preventive maintenance and production optimisation in mobile hydraulics and pneumatics, has quickly become a natural part of our MRO segment with HydSupply and ProTest Engineering."

"Peimarin Hydrauliikka is a very appreciated and highly respected operator in the Finnish aftermarket, with a good reputation as a skilled and professional problem-solver," says Jukka Sahi. "We have had good and well-developed cooperation with them for many years. It is both pleasing and a sign of strength for our customers that the company is now a part of Volito Automation."

In Finland, Volito Automation's MRO segment is represented in Tammerfors, Björneborg, Jyväskylä, Äänekoski, Kuopio and, after the acquisition of Peimarin Hydrauliikka, in Åbo.

In addition to service and support, preventive maintenance and production optimisation, the MRO business offers carefully selected original components from the market's most well-reputed suppliers.

"It is our expressed ambition to be one of the leading operators in the Nordic region," says Jukka Sahi. "With the acquisition of Peimarin Hydrauliikka, we gain not only better geographical coverage and further strengthened local representation, but also a strong boost in terms of knowledge and experience. We can now provide experienced specialists in virtually all areas in hydraulics, pneumatics and electrification, as well as resources for major projects and initiatives – while maintaining a customer-focused profile and strong local presence."

CLOSE TO ZERO CO_2 WITH FILTER TECHNOLOGY FROM SKF AND HYDX

Regular oil changes in hydraulic systems have until now meant both a large environmental impact and high costs. Now there is a new filter from SKF – using efficient technology from HydX – that converts the oil from a consumable into a circular asset. The technology saves a considerable amount of money, improves performance and reduces CO_2 emissions by up to 99%.

In a hydraulic system, oil is pressurised to achieve power and movement. A pump creates pressure and flow, a valve regulates pressure and the direction of the oil flow, and a cylinder or motor creates movement. Hydraulic systems are often used in applications where considerable power and precision are required in parallel. The applications include forestry machines, wheel loaders, cranes and cargo vessels, and use in industry at plants such as steelworks and paper mills.

"Reducing oil consumption in large hydraulic systems is important in many ways," says Per Willberg, sales engineer at HydX. "There is the environmental concern and it is also expensive, both to purchase and in the destruction process. SKF has far-reaching and exciting ambitions in the sustainability area and has developed a filter technology for double separation (DST), which can clean dirt particles from oil down to the nanolevel. When HydX was asked to develop technology to regulate circulation through the filter, we began working on a solution right away."

"This collaboration was very successful and SKF launched its RecondOil Box in 2022," says Per Willberg. "The system resembles a dialysis machine and is connected externally to an existing hydraulic system. It is a complete solution that not only cleans the hydraulic oil at the nanolevel but is also extremely energy-efficient using standardised technology for use in all markets worldwide."

The filter unit is assembled by SKF, including the customised pump unit from HydX, which among other things, ensures that the flow and pressure are perfectly adapted to viscosity and the temperature of the surroundings. The product has been well-received in the market and SKF estimates that the installed base will comprise a few thousand systems by 2024.

"For customers, the new technology offers enormous advantages," says Per Willberg. "Clean hydraulic oil equates to increased efficiency, less friction and damage, a reduced risk of leaks, decreased downtime and considerably lower costs. And most pleasing of all, of course, is the sustainability aspect. Thanks to the new solution, the hydraulic oil goes from being a consumable to a circular resource, and CO_2 emissions are reduced by up to 99%, compared with destroying the used fluid and replacing it with new oil."

VOLITO

PORTFOLIO INVESTMENTS

Within Business Area Portfolio Investments, Volito has significant ownership interests in listed companies. Volito has an ownership philosophy of involvement that focuses on stable, long-term growth. The Group strives for active ownership with involvement on the companies' boards.

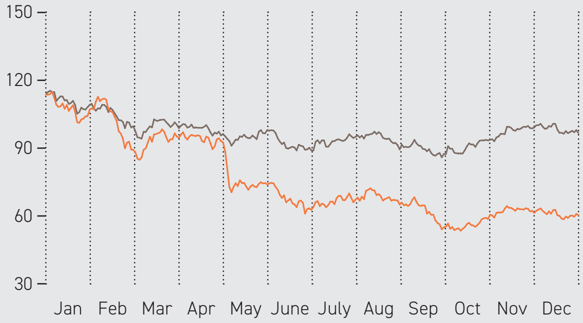
Volito has a diversified portfolio with holdings in **Peab AB (publ)**, **Annehem Fastigheter AB (publ)**, **Bulten AB (publ)**, **EQT AB (publ)** and **EQT's funds**.

Peab offers locally produced community building in Sweden, Norway, Finland and Denmark. Operations are conducted in four business areas: Construction, Civil Engineering, Industry and Project Development. Annehem is a growth-driven property company, focusing on commercial, community and residential properties in the Nordic growth areas of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. Bulten is a leading global manufacturer and supplier of fasteners to the international automotive industry, as well as to other sectors such as consumer electronics. EQT is a purpose-driven global investment organisation focused solely on strategies for active ownership. EQT has offices in 24 countries in Europe, the Asia-Pacific region and North America, and almost 1 800 employees.

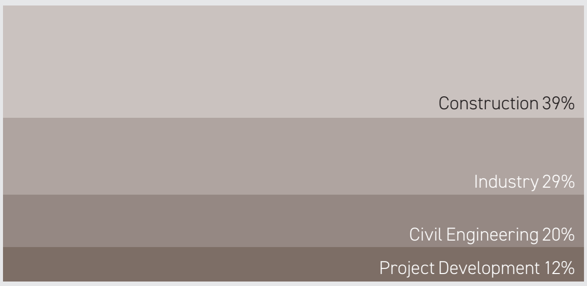
Photo: Markus Esselmark

OVERVIEW

Share price development 2022 Peab — OMX30 index —



Distribution of net sales by business area, SEK M



STABLE FINANCIAL RESULTS IN A CHALLENGING PERIOD

Despite a challenging period, Peab reports stable financial results for 2022. A very satisfactory order book and a strong financial position, in combination with the company's broad business model, enable Peab to meet varying conditions in different segments and geographical areas.

Peab AB (publ) offers locally produced community building in Sweden, Norway, Finland and Denmark. The company, which has a strong local presence and integrated climate and environmental management comprises four collaborating business areas – Construction, Civil Engineering, Industry and Project Development. Peab has 16 000 employees and net sales of approximately SEK 63 billion. Volito has a long-term engagement in Peab and is one of the company's major owners.

Peab is listed on Nasdaq Stockholm. After a volatile stock market year in 2022, the Peab share price was SEK 59.10 per share at year-end.

In 2022, Peab's net sales increased by 5% to SEK 61 933 million (58 923). The increase can be mainly attributed to high costs for materials and energy. The operating profit amounted to SEK 2 557 million (2 975). The operating margin, affected by the higher costs, was 4.1% (5.0). Investments and an increase in tied-up working capital burdened the cash flow before financing, which amounted to SEK -3 159 million (1 052).

Business area Construction increased net sales by 7.5%, whereas the operating margin decreased to 2.2% (2.6), due to the effect of cost increases. Business area Civil Engineering increased net sales by 5.5% related to Infrastructure and Operation and Maintenance, with an unchanged operating margin of 3.3% (3.3). Business area Industry increased net sales by 14.1% with an operating margin of 3.5% (5.0). Within the business area, Paving and Mineral Aggregates' operations were most hit by the adverse effect of high energy and fuel costs, whereas other units report improved profitability. Business area Project Development reports a net sales reduction of 8.8% (mainly attributable to Housing Development), while the operating margin for the business area remained unchanged at 13.0% (13.0). Demand for housing fell in all countries, which has contributed to a slower rate of sales and fewer production starts.

Order inflow for 2022 amounted to SEK 53 259 million (55 848). The order book at year-end was SEK 44.4 billion (45.3), which is at a maintained high level. Of the total order book, 35% (34) is to be produced after 2023 (2022).

Peab deems that high inflation and higher interest rates will lead to a less active housing market, whereas more stable demand is expected in public sector house construction, civil engineering and investments related to the green transition. Peab is focusing on the continued efficiency enhancement of operations and to adapt the organisation to demand. The company's financial strength provides the potential to take advantage of opportunities that may arise in a weaker market.

Financial key ratios	2022	2021
Net sales (IFRS), SEK M	61 933	58 923
Operating profit (IFRS), SEK M	2 557	2 975
Operating margin, %	4.1	5.0
Orders received, SEK M	53 259	55 848
Earnings per share, SEK	6.27	8.06
Dividend per share, SEK [1]	4.00	5.00
Share price 31 Dec, B share	59.10	114.20

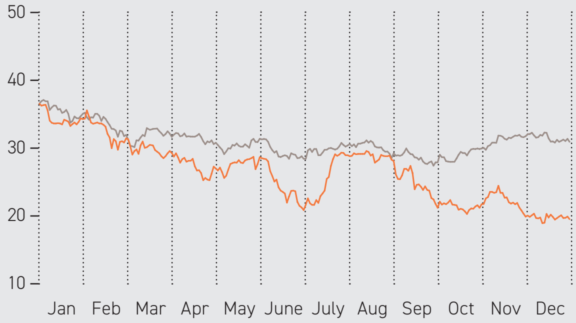
Volito's holding	2022	2021
No. A shares	1 500 000	1 500 000
No. B shares	15 200 000	15 200 000
Value, SEK M	987	1 907

Largest shareholders (%)	Capital	Votes
Ekhaga Utveckling AB	20.9	48.3
AB Axel Granlund & companies	6.6	5.5
Mats Paulsson and Fredrik Paulsson and family	5.3	11.0
Peabs profit share foundation	4.6	2.3
State Street Band and Trust Co, W9	3.6	1.7
Kamprad family foundation	2.3	1.1
JP Morgan Chase Bank N.A	1.9	0.9
CBNY – BANK OF NORWAY	1.7	0.8
Handelsbanken Funds	1.7	0.8

[1] The Board's proposal to the AGM

OVERVIEW

Share price development 2022 Annehem — OMX30 index —



Financial key ratios	2022	2021
Rental revenue, SEK M	218	188
Property management income (operative), SEK M	74	86
Operating margin, %	33.9	45.7
Earnings per share, SEK	3.51	3.56
Share price 31 Dec, B share	19.80	37.30

Volito's holding	2022	2021
No. A shares	300 000	300 000
No. B shares	4 600 000	4 500 000
Value, SEK M	97	179

Largest shareholders (%)	Capital	Votes
Ekhaga Utveckling AB	23.0	49.4
Volito AB	8.3	6.3
Paulsson family	5.9	11.3
Verdipapirfondet, Odin Eiendom	4.9	2.4
Peabs profit share foundation	2.9	1.4
Kamprad family foundation	2.9	1.4
Carnegie Spin-off	2.6	1.3
Handelsbanken Micropop Norden	2.5	1.2
UBS Switzerland AG	0.4	1.4
SEB Fastighetsfond Norden	0.4	1.4

Annehem

ANNEHEM STANDS STRONG DESPITE UNCERTAIN EXTERNAL FACTORS

In a challenging year with radically changed conditions, Annehem's portfolio, consisting of sustainable and modern commercial properties in attractive locations in Nordic growth areas, served the company well. With a strong financial position and stable owners with a long-term perspective, Annehem is well positioned for profitable growth in the future.

Annehem is a growth-driven property company, focusing on commercial, community and residential properties in the Nordic growth areas of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. Annehem Fastigheter's property portfolio comprises 25 investment properties with a value of SEK 4 309 million and a leasable area of 195 000 m^2.

Annehem Fastigheter is listed on Nasdaq Stockholm. After a volatile stock market year in 2022, the Annehem share price was SEK 19.80 per share at year-end.

The year's rental revenue was SEK 217.9 million (187.8), net operating income amounted to SEK 181.3 million (155.8) and the profit from property management for the year, cleared of currency effects in net financial income, was SEK 90.5 million (86.2). At year-end, Annehem Fastigheter's assets in the form of completed properties had a fair value of SEK 4 309.2 million (3 994.1).

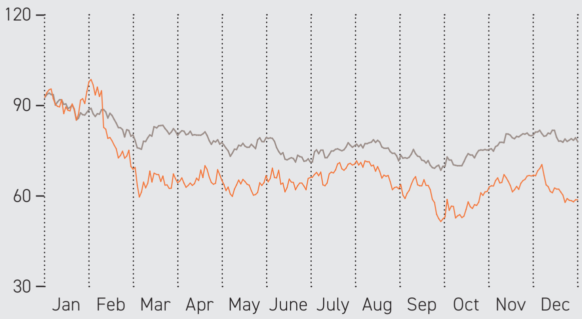
Since 2022, Annehem's vision is to be the most sustainable property company in the Nordic region. The company's continuing growth journey is to be characterised by profitability and sustainability with acquisitions that have requirements for high sustainability potential. During the year, the company adopted a new goal of net-zero CO_2 emissions by 2030, amended the definition of its energy goal and began to measure property energy instead of purchased energy, and formulated new goals for biodiversity, inclusiveness and training. Annehem's other long-term goals remain in place, including the growth goal of 20 per cent per year, which now has an extended horizon to 2027, when the company is to have doubled the property portfolio value.

Annehem reports a high equity/assets ratio and a low loan-to-value with loan financing that mainly consists of fixed-interest rate bank loans. According to Annehem, successfully secured conditions for the coming three year's financing provides good opportunities for focusing on growth and developing the company's sustainable property management.

The majority of Annehem's portfolio consists of office premises in attractive locations. At the same time, a diversification of risks and opportunities is important for the company in the future and a selected part of the portfolio will be made up of other types of property such as housing, logistics facilities and community properties. In May, Annehem acquired a logistics facility in Södertälje Almnäs. In July, an agreement was signed about buying land in Sundsvall's Logistics Park, which was approved in Q4 by Sundsvall Municipality – a transaction with a strong focus on sustainability conducted as a joint venture with Peab. In January 2023, the company acquired its first residential property, located in Malmö. Annehem has a positive view of the market and deems that further business opportunities will arise.

OVERVIEW

Share price development 2022 Bulten — OMX30 index —



Financial key ratios	2022	2021
Net sales, SEK M	4 474	3 730
Operating profit, SEK M	180	232
Operating profit margin, %	4.0	6.2
Orders received, SEK M	4 893	3 658
Earnings per share, SEK	2.65	6.85
Dividend per share, SEK [1]	2.50	2.25
Share price 31 Dec, B share	59.50	93.00

Volito´s holdings	2022	2021
No. of shares	5 100 000	5 050 000
Value, SEK M	303	470

Largest shareholders (%)	Capital	Votes
Volito AB	24.2	24.2
Nordea Investment Funds	6.6	6.6
Carnegie Funds	5.6	5.6
Handelsbanken Funds	5.4	5.4
Unionen	3.8	3.8
Avanza Pension	3.6	3.6
Clearstream Banking S.A., W8IMY	3.3	3.3
Swedbank Insurance	1.9	1.9
Tredje AP-Fonden	1.9	1.9

[1] The Board's proposal to the AGM

RECORD TURNOVER AND A RAPID RATE OF CHANGE

In 2022, Bulten beat its turnover record and achieved an adjusted operating margin in line with the company's financial target for 2024. The successes are a sign of strength in a time when the world around Bulten is marked by inflation and component shortages.

Bulten is one of the largest suppliers of fasteners to the international automotive industry, as well as to other sectors such as consumer electronics. Bulten has around 1 600 employees worldwide and the head office is in Gothenburg. The offering encompasses a broad range of standard products, as well as specially manufactured fasteners. Bulten also offers a full-service concept or parts thereof.

Volito is the largest owner of Bulten with 24.2% of the shares at year-end 2022. Bulten is listed on Nasdaq Stockholm. After a volatile stock market year in 2022, the Bulten share price was SEK 59.50 per share at year-end.

The group's net sales in 2022 amounted to SEK 4 474 million (3 730), which corresponds to an increase of 19.9%. Adjusted for currency effects, the growth amounted to 12.4% for the same period. The operating profit (EBIT) amounted to SEK 180 million (232), which corresponds to an operating margin of 4.0% (6.2). In view of Russia's invasion of Ukraine and the associated sanctions, Bulten discontinued its operations in Russia, after which close-down costs affected earnings negatively by SEK -93 million. The operating profit was affected by exchange rate changes of SEK -1 million (0) in the translation of working capital to the exchange rate on the balance sheet date. The group reports a profit after tax of SEK 74 million (154).

The cash flow from operations was SEK 298 million (48). The cash flow effect of changes in working capital amounted to SEK -83 million (-284). Net debt amounted to SEK 925 million (655) and net debt excluding leasing liabilities to SEK 411 million (323). The equity/assets ratio was 41.9% (49.3) at year-end and the equity/assets ratio excluding leasing liabilities, IFRS 16, was 47.5% (54.4).

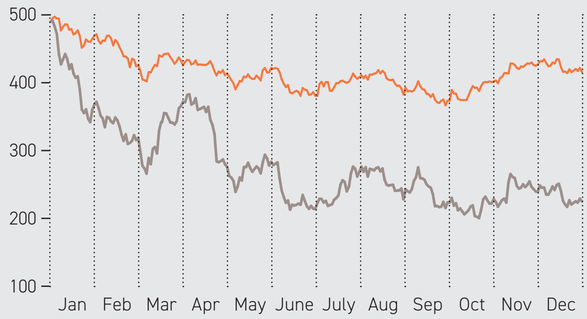
It was a turbulent year. During the spring, Bulten's Russian operations were discontinued in a very short time, and for most of the year manufacturing was adversely affected by volatile customer forecasts stemming from continued component shortages.

Demand was very good, despite the uncertain world economy. Bulten grew in the electric vehicle segment and secured a number of strategically important deals in sectors such as consumer electronics and recreational equipment. The company succeeded in maintaining its sales strategy and is growing in the right customer categories, in parallel with energy-intensive transition projects, discontinuations and adaptations to fluctuating production rates, as well as a focus on stock reductions and price increases.

During the year, the gap between cost increases and price increases for the customers was reduced, which in combination with a continued good order book provides a good foundation for 2023. Bulten states that the way forward is to continue to grow, both within and outside the vehicle industry, and to increase profitability.

OVERVIEW

Share price development 2022 EQT — OMX30 index —



Financial key ratios	2022	2021
Net sales, EUR M	1 497	1 596
Operating profit, EUR M	309	878
Operating profit margin, %	20.6	55.0
Financial net debt/net cash, EUR M	-1 355	88
Earnings per share, EUR[1]	0.63	1.01
Dividend per share, SEK[2]	3.00	2.80
Share price 31 Dec, B share	220.60	493.00

[1] Adjusted earnings after dilution
[2] The Board's proposal to the AGM

Financial key ratios	2022	2021
AUM, EUR bn [3]	112.5	73.4
Effective management fee rate, %	1.48	1.42
Management fees, EUR M	1 328	1 086
Investments by EQT funds, EUR bn	12.3	20.6
Gross fund exits, EUR bn	11.1	30.7

[3] AUM, Assets Under Management

RESILIENCE THROUGH ACTIVE OWNERSHIP AND THEMATIC FOCUS

After a year full of changes, EQT ended 2022 as a world leader in active ownership. The company continues to future-proof its expanding platform and navigate through a macroeconomically and geopolitically uncertain period. EQT is well equipped to handle a challenging market and to continue shaping its opportunities.

EQT is a purpose-driven global investment organisation focused on strategies for active ownership. With a Nordic heritage and a global approach, EQT has a track record of stable and attractive returns in several geographical areas, sectors and strategies across nearly three decades. Today, EQT has EUR 113 billion in fee-earning assets under management in two business segments – Private Capital and Real Assets. EQT has offices in 24 countries in Europe, the Asia-Pacific region and North America, and almost 1 800 employees.

EQT is listed on Nasdaq Stockholm. Volito has shares in EQT as well as investments and interests in 17 of EQT's funds. After a volatile stock market year in 2022, the EQT share price was SEK 220.60 per share at year-end.

Adjusted total revenue amounted to EUR 1 536 million (1 623). Management fees increased by 22%, while carried interest decreased. Total revenue (according to IFRS) amounted to EUR 1 497 million (1 596). Adjusted EBITDA amounted to EUR 829 million (1 100), corresponding to a margin of 54% (68). EBITDA (according to IFRS) amounted to EUR 506 million (970), corresponding to a margin of 34% (61). The reduced margin in 2022 was mainly due to lower carried interest.

Fee-earning assets under management (FAUM) increased to EUR 113 billion (73), driven mainly by the merger with BPEA and closed capital undertakings in EQT X. Total investments of the EQT funds fell to EUR 12 billion (21). The total value of divestments (gross) during the year amounted to EUR 11 billion (30). Further agreements on divestments have been signed.

All key funds have developed according to plan or better. Overall, the year's valuations have been positively affected by strong operating profits among the portfolio companies. EQT completed the merger with BPEA, a leading operator in the private investment market in Asia and created a large scale and diversified global leader focused on active ownership strategies. Furthermore, the acquisitions of Life Sciences Partners, Bear Logi and Redwood Capital Group were completed.

EQT continues to future-proof the portfolio companies' development and retain a clear cost focus in relation to an uncertain market environment. Despite a subdued transaction market, EQT completed significant capital-raising transactions and is well positioned for continued investments. EQT is following its strategy for thematic investments and long-term, sustainable value creation, among other things with plans for increased investments in waste management, renewable energy and circularity. The company continues to shape its opportunities with a focus on generating strong returns that go hand in hand with a positive effect.

AUM per segment, EUR bn

Key EQT funds, MOIC	Gross MOIC (Dec 31, 2022)	Expected Gross MOIC
Private Capital		
EQT VII	2.6x	Above plan
EQT VIII	2.3x	Above plan
EQT IX	1.3x	On plan
EQT X	1.0x	On plan
Real Assets		
EQT Infrastructure II	2.1x	On plan
EQT Infrastructure III	2.7x	Above plan
EQT Infrastructure IV	1.5x	On plan
EQT Infrastructure V	1.2x	On plan

MOIC: Multiple of Invested Capital

BOARD OF DIRECTORS

Back row, from left: Board member **Axel Granlund**, Board member **Karl-Fredrik Granlund**, Deputy board member **Veronica Blecker**, Board member **Peter Granlund**
Front row, from left: President and CEO **Ulf Liljedahl** (Chairman of the Board at Bulten AB (publ)), Chairman of the Board **Karl-Axel Granlund** (Board member of Peab AB (publ) and others), Board member **Lennart Blecher** (Deputy Managing Partner of EQT. Board member of Nordkap Holding AG, Zürich)

MANAGEMENT

From left: **Ulf Liljedahl**, President and CEO, Volito AB, **Carin Bengtsson**, CFO, Volito AB, **Marie Persson**, Managing Director, Volito Fastigheter AB, **Johan Frithiof**, Managing Director, Volito Industri AB

VOLITO

THE GROUP

ANNUAL REPORT

ADMINISTRATION REPORT

The business in brief

The Group

Volito AB (556457-4639) is the Parent company in a Group that conducts operations in the business areas Real Estate, Industry and Portfolio Investments.

Volito Fastigheter owns and manages commercial and residential properties in the Malmö region. Business Area Industry consists today of Volito Automation, an operation that invests in companies within industrial automation. Within Business Area Portfolio Investments, Volito has significant ownership interests in listed companies.

The year in brief

The year was characterised to a large extent by major stresses in the wider world such as high inflation, interest rate rises and energy shortages. Despite this, Volito's business areas report continued good development and profitable growth. The Volito Group was able to focus on further strengthening its positions and continuing to pursue set expansion plans.

For Volito Fastigheter, the year entailed reduced market values, but also strong leasing activity and continued refinement, focusing on sustainable property development. The business climate led to challenges in the form of increased costs relating to operation and maintenance, construction, energy and interest rates.

Within Volito Industry, Volito Automation reports a very strong year in 2022 with three acquisitions, improved positions in terms of both geographical coverage and products, increased market shares and yet another year of high order inflow. The new acquisitions mean that Volito Automation can offer complete emission-free and energy-efficient solutions in a large number of application areas.

Despite tough challenges and reduced market values, all the holdings in Volito's portfolio companies showed continued strong growth. All the holdings had healthy business operations and a good financial position.

At year-end, the Volito Group's adjusted equity amounted to SEK 4 949.9 million (5 845.0).

Income

The Group's turnover amounted to SEK 864.9 million (632.7). The operating profit was SEK 127.2 million (84.5). The increase in both turnover and operating profit was mainly attributable to the Volito Industry group where a total of seven new acquisitions in 2021 and 2022 made a positive contribution. In addition to this, organic growth was good, including at HydX AB, which captured a larger market share in connection with gaining a number of new major OEM customers.

The profit after financial income and expense was SEK 513.0 million (277.3). The earnings from participations in joint ventures, SEK 13.2 million (42.7) decreased, which was due to the market value as from 2021 of the property portfolio in the Hyllie Point group, which affected Volito's profit participation positively by SEK 35.0 million after tax in 2021. A turbulent wider world with war and component shortages affected Bulten's financial results in 2022. Volito's profit participation amounted to SEK 14.1 million (30.9). The ongoing liquidation of Nordkap Holding AG is nearing its conclusion and Volito AB received a repayment on its loan receivable of SEK 35.5 million that was partly written down. The effect on earnings due to the reversed write-down amounted to SEK 8.3 million. The profit from other financial income and expense consists of dividends mainly from Peab and EQT, SEK 86.3 million (77.8), capital gains/losses and write-downs, SEK 27.1 million (55.0), mainly from the EQT funds, as well as unrealised changes in value in the EQT funds SEK 323.8 million (65.3).

Taking into account the year's investments and redevelopment, the unrealised change in value of Volito Fastigheter's portfolio was SEK -97.7 million (92.7).

Interest rate swaps are used for protection against interest rate risks relating to Volito Fastigheter's borrowings. These are measured at fair value in the balance sheet and unrealised changes in fair value of interest rate swaps of SEK 103.1 million (26.6), were reported in the profit or loss for the year.

The profit before tax for the Group amounted to SEK 518.4 million (396.7).

The negative development of the stock market in 2022 led to a reduction in value of the Group's financial assets of SEK -1 279.4 million (1 110.4). The market values and thus change in value of holdings is outlined in Note 32.

Financial position and cash flow

The Group's balance sheet total amounted to SEK 8 644.8 million (9 422.5) and equity relating to the Parent company's owners amounted to SEK 4 928.3 million (5 651.2).

The Group's total cash flow amounted to SEK +44.4 million (-11.0). The cash flow from operating activities generated a surplus of SEK 114.7 million (87.7). The year's net investments were positive and amounted to SEK 4.6 million (-98.6). The net outflow from financing activities amounted to SEK -74.9 million (-0.1).

The Parent company

Activities

The Volito Group's Business Area Portfolio Investments is administered and reported in Volito AB. Besides this, the Parent company manages group-wide functions for administration and finance.

Income

The turnover of SEK 5.5 million (7.4) relates primarily to the sale of services to other companies within the Group. The operating loss was SEK -31.9 million (-38.9).

The profit after financial income and expense was SEK 51.4 million (1 009.9). Volito's holding in Anticimex was transferred to a separate fund at EQT in 2021. The transaction led to a capital gain of SEK 966.3 million.

The profit before tax amounted to SEK 75.4 million (1 052.7).

Financial position and cash flow

The balance sheet total amounted to SEK 3 371.9 million (3 299.7) and equity to SEK 1 936.5 million (1 922.7).

The total cash flow for the Parent company amounted to SEK +37.8 million (-5.1), of which the cash flow from operating activities amounted to SEK 65.9 million (27.5). The year's net investments amounted to SEK 6.0 million (-71.6), of which the largest investments concerned continued investment in EQT funds, SEK 24.8 million (49.1), acquisitions of shares in Annehem Fastigheter AB (publ), SEK 2.7 million (2.4), acquisitions of further shares in Bulten AB (publ), SEK 3.7 million (3.9), and other acquisitions SEK 4.6 million. Repayment from EQT funds amounted to SEK 66.7 million (102.9). In connection with the ongoing liquidation of Nordkap Holding AG, Volito AB received a repayment on its outstanding receivables of SEK 35.5 million. In addition, included here are changes in the Group account at the bank. The cash flow from financing activities amounted to SEK -34.1 million (38.9).

Real Estate

Activities

Volito Fastigheter is involved in the trade and management of real estate in the Malmö region. The group's strategy is a balanced property portfolio with a focus on attractive locations in the city centre. Volito Fastigheter can look back on another challenging yet successful year. The leasing market remains strong and with the group's maintained high growth targets, Volito Fastigheter is continuing its investments in sustainable property development.

The property market in 2022 was marked by rising interest rates, high inflation and high energy costs. As a consequence of this, there was a general fall in market values during the year, but for Volito Fastigheter the year also brought strong property leasing and continued property refinement, focusing on the area of sustainability.

After the pandemic there was a new demand for inspiring office environments and Volito offers good possibilities for special adaptations, which resulted in several new lease agreements.

The Hyllie Point group, which Volito Fastigheter owns with Peab, is operated as a joint venture. At The Point, the premises are being adapted and completed as new lease agreements are signed. At the end of 2022, 97% (87) of the space was leased.

The market value of Volito Fastigheter's property portfolio was evaluated at year-end by an external assessor at SEK 3 485.0 million (3 566.0).

The vacancy rate at year-end was 13.2% (14.1%).

Income
Volito Fastigheter's turnover amounted to SEK 166.0 million (160.4). The operating profit amounted to SEK 86.0 million (91.1).

The profit after financial income and expense was SEK 61.8 million (96.3). The earnings from participations in joint ventures, SEK 13.2 million (42.7), decreased, which was attributable to the market value of property and derivatives in 2021, as Volito's profit participation share had a positive effect of SEK 35.0 million after tax in 2021. Volito Fastigheter sold the holding in Rönneholm, which resulted in a capital gain of SEK 2.7 million. Increased interest costs led to a net interest expense for 2022 of SEK -40.1 million (-37.5).

The profit after changes in value for the year of investment properties and derivatives amounted to SEK 67.1 million (215.7). Adjusted for investments and redevelopment, the unrealised change in value of Volito's own properties amounted to SEK -97.7 million (92.7). Volito Fastigheter uses interest rate swaps as protection against interest rate risks relating to borrowings. These are measured at fair value in the balance sheet and unrealised changes in the fair value of interest rate swaps amounting to SEK 103.1 million (26.6), were reported in the profit or loss for the year.

Financial position and cash flow
The balance sheet total amounted to SEK 4 209.3 million (4 192.2) and equity amounted to SEK 1 957.7 million (1 906.0). Operating activities generated a positive cash flow of SEK 35.4 million (48.1). The year's net investments amounted to SEK -15.2 million (-32.7) and the cash flow from financing activities amounted to SEK -20.1 million (-15.3). Volito Fastigheter paid a dividend to Volito AB of SEK 9.0 million (9.0).

Industry

Activities
Volito Industry, via the subgroup Volito Automation, acquires and starts up companies in industrial automation. The group's ambition is to be the market leader in the Nordic region. Volito Automation has subsidiaries focused on hydraulics within several application areas. Using Volito Automation as a model, Volito Industry is to be expanded and diversified within the framework of the current expansion plan.

Business Area Industry continued its expansion and strengthened its position as a system integrator in automation, electrification and digitalisation. The year entailed good demand, high order inflow and very good financial results, but also challenges in the form of continued supply disruptions, major geopolitical concerns, rising inflation and increased costs relating to energy, intermediate goods and interest rates.

Volito has purposefully shaped its offering to fulfil customers' increasing needs for automation, electrification and connectivity. This has led to continued expansion in electrification and the IoT. As a step in this expansion, Mobile Integrator AB and the Danish subsidiary Mobile Integrator ApS were acquired as well as Peimarin Hydrauliikka Oy in Finland.

Mobile Integrator specialises in monitoring and control systems in mobile electronics as well as connected functions and services. The company provides an extensive range of products and services designed for the mobile market. The company has further strengthened Volito Automation's OEM segment, one of the Nordic region's most competitive businesses in hydraulics, pneumatics and electric operation with considerable expertise in integrated system solutions.

Peimarin Hydrauliikka offers service, preventive maintenance and production optimisation in hydraulics and pneumatics and is a part of Volito Automation's aftermarket business in the Nordic region, where Volito works for customers' long-term functionality and continuous operation.

The companies contributed SEK 30.9 million to the group's turnover and SEK 1.6 million to the group's profit after tax in 2022. For further financial information, see Note 27.

Volito AB owns 95% and the Volito Industry group's CEO owns the remaining 5% of the shares in the Volito Industry group.

Income
Despite the major challenges, turnover increased and for 2022 amounted to SEK 700.2 million (473.5), and part of this was due to the acquisitions above, SEK 30.9 million, but also to the companies acquired in 2021, which contributed a higher turnover of SEK 55.5 million. There was good organic growth, and all companies report increased turnover and earnings. The biggest turnover increase was at HydX AB, just over SEK 96 million, which was attributable to new major OEM customers.

The operating profit before depreciation was SEK 76.0 million (35.0) and after depreciation SEK 72.5 million (31.2). Volito Industry generated a profit after financial income and expense of SEK 57.7 million (26.1).

Financial position and cash flow
The balance sheet total amounted to SEK 648.4 million (458.9) and equity to SEK 100.0 million (42.2).

Operating activities generated a positive cash flow of SEK 8.0 million (12.6). The year's net investments amounted to SEK -71.1 million (-56.2) and cash flow from financing activities amounted to SEK +69.7 million (+37.8). The total cash flow for the year was SEK +6.6 million (-5.8).

Portfolio Investments

Within Business Area Portfolio Investments, Volito has significant ownership interests in listed companies. Volito has an ownership philosophy of involvement that focuses on stable, long-term growth. The Group strives for active ownership with involvement on the companies' boards. The portfolio consists of Volito's holdings in Peab AB (publ), Annehem Fastigheter AB (publ), Bulten AB (publ), Avensia AB (publ), EQT AB (publ) as well EQT's funds.

Peab AB (publ)
Peab is one of the leading construction and civil engineering companies in the Nordic region, active in Construction, Civil Engineering, Industry and Project Development. The company's share is listed on Nasdaq Stockholm.

Volito's holding in Peab amounted to 16 700 000 shares as at 31 December 2022, of which 15 200 000 are class B shares, which corresponds to 5.64% of the capital and 4.99% of the votes. Volito has a long-term involvement in Peab and is one of the company's major owners.

The market value of Volito's total holding at year-end was SEK 987.0 million (1 907.1). During the year, Volito received a dividend of SEK 83.5 million (75.2).

Annehem Fastigheter AB (publ)
Annehem owns and manages commercial properties in the Swedish growth regions Stockholm, Gothenburg and Skåne, as well as in Helsinki and Oslo. The company's share is listed on Nasdaq Stockholm.

In 2022, Volito acquired a further 100 000 class B shares for SEK 2.7 million. Volito's holding subsequently amounted to 4 900 000 as at 31 December 2022, including 4 600 000 class B shares, which corresponds to 8.3% (8.1%) of the capital and 6.2% (6.1%) of the votes.

The market value of Volito's total holding amounted at year-end to SEK 97.0 million (179.0).

Bulten AB (publ)
Bulten is one of the largest suppliers of fasteners for the international automotive industry. The product offering encompasses customer-specific standard products and customised special fasteners, as well as technical development, line feeding and expertise in logistics, materials and production. Bulten offers a Full Service Provider concept. The company's share is listed on Nasdaq Stockholm.

Volito is the largest owner of Bulten AB and increased its holding in 2022 by 50 000 shares for SEK 3.7 million to 5 100 000 shares as at 31 December 2022, which corresponds to 24.3% of the capital and votes.

Bulten reports negative value development for the year. The market value of Volito's total holding at year-end was SEK 303.4 million (469.6). Bulten is consolidated as an associated company and the Volito Group's profit participation amounted to SEK 14.1 million (30.9) and is reported in net financial income/expense. In addition, there was SEK 31.2 million (13.4) from Bulten's other comprehensive income. The groupwise value of the participations amounted to SEK 470.0 million (432.2). Volito received a dividend of SEK 11.4 million (10.0).

EQT AB (publ)
EQT is a purpose-driven global investment organisation focusing on active ownership. EQT manages and advises funds and investment units that invest worldwide. The company manages capital in 28 active funds divided between two business segments, Private Capital and Real Assets. The company's share is listed on Nasdaq Stockholm.

Volito's holding in EQT amounted to 1 000 000 shares as at 31 December 2022 (1 000 000), which corresponds to 0.08% of the capital and votes (0.1%).

EQT reports negative value development for the year. The market value of Volito's holding at year-end was SEK 220.6 million (493.0). Volito received a dividend of SEK 2.8 million (2.4).

EQT funds
Volito has interests in 17 of EQT's funds. At year-end, the value of these amounted to SEK 2 217.7 million (1 886.0).

EQT has a long-term, responsible and sustainable approach to its investments and has strong and close relations with all its portfolio companies. EQT offers key expertise in strategic business development, structural changes and financial analysis. A strict model of corporate governance is applied at all the majority-owned companies.

Avensia AB (publ)
Avensia is a leading e-commerce company that supplies complete omnichannel solutions to companies with high ambitions and requirements for their business. Avensia has extensive experience of e-commerce projects and helps customers with the implementation of systems, consulting and business development in e-commerce.

Volito's holding in Avensia as at 31 December 2022 amounted to 400 000 shares (400 000). The market value of the holding amounted to SEK 5.0 million (7.1).

Other holdings
The combined value of other holdings at year-end was SEK 8.5 million (5.0).

Expectations concerning future developments
The Group
Recent years have been marked by major challenges in the wider world, and the challenges will continue for a time. We are entering a year in which we can expect ongoing geopolitical uncertainty, a continuing subdued business climate, new interest rate levels and strained energy supplies in Europe. At the same time, the new circumstances also offer new opportunities. The strategic plan for expansion remains in place and the same applies to Volito's targets.

Many of Volito Fastigheter's buildings have a history and Volito has an ambition to preserve the buildings' original values through careful management and prudent modernisations. Volito Fastigheter is continuing its long-term maintenance work according to the set plan. At the same time, further energy-saving measures are being implemented. The focus of sustainability management covers the climate and Volito's carbon dioxide footprint, careful management of Volito's buildings from different periods, boosting biodiversity, and consideration for people.

Volito Industry is aiming for continued long-term sustainable expansion and transformation, through add-on acquisitions and the acquisition of new operations, focusing on well-established and knowledge-intensive companies. The aim is to continue strengthening its market position through sustainable solutions in automation, electrification and digitalisation.

Group information
The company is a subsidiary of AB Axel Granlund, org.no. 556409-6013 with registered office in Malmö. AB Axel Granlund owns 88.0% (88.0%) of the capital and votes in the Volito Group and draws up consolidated financial statements for the largest group.

Information on risks and uncertainty factors
The Group
Volito's income, cash flow and financial position are affected by a number of factors that are to varying degrees influenced by the company's own actions.

Risk management
Exposure to risks is a natural part of a business enterprise and this is reflected in Volito's approach to risk management. This aims to identify risks and prevent and limit the adverse consequences that arise as a result of these risks. Management of the operational risks is a continuous process. The operational risks are managed within the organisation by the respective business areas. The financial risks are linked to the operations' tied-up capital and capital requirements, mainly in the form of interest rate risks and refinancing risks. See Note 42.

Material risks
Changes in the value of properties depend partly on Volito Fastigheter's own ability, through changes and refinements to properties as well as agreement and customer structures, to increase the properties' market value, and partly on external factors that affect property supply and demand. In general, property value is less volatile for concentrated portfolios of property in good locations. Volito's properties are predominately concentrated in the central and most expansive parts of Malmö. Most of Volito Fastigheter's long-term lease agreements contain an index clause that means annual rent adjustments are based either on changes in the consumer price index or on a fixed percentage increase. Property valuations are calculations made according to established principles based on certain assumptions and affect the Group's financial results considerably. For more information on property valuations, see the Valuation principles section in Note 21.

Credit risks
Credit risks refer to the risk of losing money due to another party being unable to fulfil their obligations.

Vacancy risks and credit risks in accounts receivable – trade
Demand for premises is affected by general business conditions. Volito Fastigheter's activities are concentrated in Malmö, which is deemed to be attractive in the long term regarding location, population growth, employment and general communications. A broad portfolio of contracts reduces the risk of large fluctuations in vacancies. Leases are divided between commercial properties 89% (89%) and residential 11% (11%). The commercial rental revenue is divided between 146 (150) contracts within a number of different sectors. A combination of good local knowledge, active involvement and a high level of service creates conditions for long-term rental relations and thereby a reduced risk of new vacancies. A certain level of vacancies provides opportunities in the form of new leases and flexibility for existing tenants who want to expand or reduce their premises. Furthermore, Volito Fastigheter bears the risk that tenants are unable to make rent payments. Regular follow-ups are carried out on the tenants' credit ratings in order to reduce exposure to credit losses. A credit rating of tenants is carried out for all new leases, and, if required, the lease agreement is complemented with personal guarantees, rent deposit or bank guarantee. All rents are paid quarterly or monthly in advance.

Within Volito Industry, risks are linked to project management. Many projects are customised and Volito Industry bears the risk that customers cannot fulfil their obligations. Customers make advance payments on major projects in order to reduce the risk of credit losses.

Financial risks
In its business activities, the Volito Group is exposed to various types of financial risk. Financial risks relate to changes in exchange rates and interest rates that affect the company's cash flow, financial results and thereby associated equity. The financial risks also include credit and refinancing risks.

The Group's finance policy for managing financial risks has been designed by the Board and creates a framework of guidelines and rules in the form of risk mandates and limits for the business. Responsibility for the Group's financial transactions and risks is managed centrally by the Group's Finance department, which is within the Parent company. The overall aim of the Finance department is to provide cost-efficient financing and to minimise negative effects on the Group's financial results that stem from market risks. Reporting is conducted on a regular basis to the CEO and the Board, which have overall responsibility for financial risk management. See Note 42.

Liquidity and financing risks

Liquidity and financing risks refer to risks of not being able to fulfil payment obligations as a result of insufficient liquidity or difficulties in arranging new loans. Volito is to be able to carry through business transactions when the opportunity arises and always be able to fulfil its obligations. Refinancing risks increase if the company's credit rating deteriorates or a large part of the debt portfolio becomes due on a single, or relatively few, dates.

Liquidity risks are managed through both regular liquidity forecasts and Volito's access to credit or liquid assets that can be raised at short notice in order to even out fluctuations in payment flows.

Borrowing risks refer to risks that financing is unavailable or available on unfavourable conditions at a certain time. In order to limit financing risks, Volito strives to spread final due dates regarding credit over the longest possible period allowed by prevailing market conditions.

Part of Volito's borrowing is linked to fulfilling financial ratios (covenants) in the form of the interest coverage ratio, loan-to-value ratio and equity ratio, which is customary for this type of borrowing. These ratios are followed up continuously and make up a part of the management's framework for financial planning of the business.

Currency exposure

The Volito Group's exposure to risks relating to exchange rate changes has increased due to operations in the Finnish market.

Interest rate exposure

The Volito Group is exposed to changes mainly in short-term interest rates through its involvement in the Volito Fastigheter group. The Parent company, Volito AB, also has risk exposure relating to short-term interest rates. Volito's policy regarding interest rates is that fixed rate terms for the portfolio shall be well balanced and adjusted to the company's current view of the interest rate market at that time.

Interest rate expense is the largest single expense item for Volito Fastigheter. How much and how fast a change in interest rates makes an impact on financial results depends on the chosen fixed interest term. A rise in interest rates is often initiated by higher inflation. In commercial rental contracts, it is normal that the rent is index-adjusted upwards for inflation.

A combination of loans with short fixed-interest terms and utilisation of financial instruments in the form of interest rate swaps enables flexibility to be achieved, and the fixed-interest term and interest rate level can be adjusted so that the aim of the financing activity can be achieved with limited interest rate risk. This is without underlying loans needing to be renegotiated. In order to manage the interest rate risks and achieve even development of net interest income, the average fixed interest term for Volito's interest-bearing liabilities is adjusted according to the assessed risk level and interest rate expectations. Interest rate derivatives are valued at fair value. If the agreed interest rate for the derivative deviates from the expected future market interest rate during the derivative's duration, a change in value arises that affects the company's balance sheet and income statement, but not the cash flow. The risk reduction in interest payments from long fixed-interest terms often creates a larger risk in derivative value, due to the time factor. When the term of the derivative has expired, the value of the interest rate derivative is always zero.

Overall, the Volito Group's total loans exposed to short-term interest rates amount to SEK 2 100.0 million (2 012.6). Hedging relating to 50.1% (54.7) of the debt portfolio of the Volito Fastigheter group, corresponding to 30.6% (33.4) for the entire Volito Group, is managed with swaps, something that gives the company a higher degree of flexibility in terms of future debt management.

The nominal amount of Volito Fastigheter's outstanding interest rate swaps as at 31 December was SEK 919.0 million (1 009.0). As at 31 December, the fixed interest rates varied from 0.33% (0.33%) to 2.60% (2.60%) and the floating interest rates are STIBOR 3-months with a supplement for a margin relating to borrowing in SEK.

Refinancing risks

The Volito Group depends on a functioning credit market. The Group has a need to continuously refinance parts of its business, see Note 39. The Group has a satisfactory equity ratio and borrowing capacity. It is therefore Volito's assessment that there is at present no problem concerning the credit that is due for refinancing.

Taxes

Volito's current tax expense is lower than the nominal tax on the pre-tax profit or loss, which is due to higher fiscal depreciation in properties than in the accounts and to unrealised changes in value that are not included in the fiscal results. Political decisions regarding changes in corporate taxation, tax legislation or their interpretation can lead to changes in Volito's tax situation.

Operational risks

Good internal control procedures for important processes, fit-for-purpose administrative systems, professional development and reliable valuation models and principles are methods for reducing operational risks. Volito works continuously to monitor, evaluate and improve the company's internal control procedures.

Information on non-financial result indications

Volito's staff

The Volito Group is a relatively small organisation that handles large amounts of capital. In view of this, the well-being and development of the staff are of vital importance for the long-term development of the Group. Volito primarily uses employment conditions as a competitive factor for attracting skilled staff with suitable profiles. Different events are regularly organised within the Group's various companies to further strengthen team spirit and company loyalty.

Proposed allocation of the company's profit

The Board of Directors and CEO propose that the unappropriated earnings, SEK 1 671 495 950.68 are allocated as follows:

Dividend, [2 440 000 * SEK 24.50 per share]	59 780 000
Retained earnings carried forward	1 611 715 951
Total	1 671 495 951

The Group's equity has been calculated in accordance with the EU-developed IFRS standards and interpretations of these (IFRIC), and in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 1 Supplementary reporting rules for groups.

The Parent company's equity has been calculated in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 2 Reporting for legal entities. The proposed dividend reduces the Parent company's equity ratio from 57.43% to 55.66%. The equity ratio is prudent, in view of the fact that the company's activities continue to operate profitably. Liquidity in the Group is expected to be maintained at a similarly stable level.

The Board's understanding is that the proposed dividend will not hinder the company from carrying out its obligations in the short or long term nor from conducting necessary investments. The proposed dividend is thus defensible with consideration to what is stated in ABL chapter 17, section 3, paragraph 2-3 (prudence principle).

For further information on the company's financial results and position, refer to the following income statements and statements of financial position, and related notes to the financial statements.

Consolidated income statement and other comprehensive income for the Group

Note	Amounts in SEK K	2022	2021
3	Net sales	864 897	632 664
4	Other operating income	1 712	1 952
5		866 609	634 616
	Operating expenses		
	Raw materials and consumables	-405 947	-270 955
	Real estate expenses	-54 323	-42 299
6	Other external expenses	-54 649	-40 089
7	Personnel expenses	-199 865	-177 188
8	Depreciation and amortisation of tangible and intangible fixed assets	-23 965	-19 186
9	Other operating expenses	-700	-408
	Operating profit	**127 160**	**84 491**
	Profit or loss from financial income and expense		
11	Profit or loss from participations in joint ventures	13 202	42 666
12	Profit or loss from participations in associated companies	22 601	31 012
13	Profit or loss from other financial income and expense	440 908	198 142
14	Interest income and similar income	1 497	2 111
15	Interest expense and similar expenses	-92 345	-81 093
	Profit after financial income and expense	**513 023**	**277 329**
16	Change in value of investment properties	-97 715	92 733
17	Change in value of derivatives	103 078	26 644
	Profit before tax	**518 386**	**396 706**
18	Taxes	-24 025	-38 062
	Profit for the year	**494 361**	**358 644**
19	**Other comprehensive income**		
	Items that have been or can be transferred to profit or loss for the year		
	Translation differences from translation of foreign operations for the year	19 432	4 139
	Participations in other comprehensive income of associated companies and joint ventures	31 235	13 354
	Items that cannot be transferred to profit or loss for the year		
	Change in fair value of equity instruments measured at fair value via other comprehensive income for the year	-1 279 351	1 110 358
	Tax attributable to items that cannot be transferred to profit or loss for the year	73 991	-64 006
	Other comprehensive income for the year	**-1 154 693**	**1 063 845**
	Total comprehensive income for the year	**-660 332**	**1 422 489**
	Profit or loss for the year attributable to:		
	Owners of Parent company	493 934	358 082
	Holdings with non-controlling interest	427	562
	Profit for the year	**494 361**	**358 644**
	Total comprehensive income for the year attributable to:		
	Owners of Parent company	-661 561	1 421 822
	Holdings with non-controlling interest	1 229	667
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-660 332**	**1 422 489**

Consolidated statement of financial position

Note	Amounts in SEK K	2022-12-31	2021-12-31
	ASSETS		
	Fixed assets		
20	Intangible assets	229 300	189 704
21	Investment properties	3 481 013	3 566 000
22	Industrial premises	3 392	3 392
23	Right-of-use assets	59 952	56 607
24	Machinery and other technical fixed assets	1 875	2 375
25	Equipment, tools and installations	13 101	13 300
26	Fixed assets under construction and advances regarding tangible fixed assets	4 049	3 301
29	Participations in joint ventures	395 196	381 994
30	Participations in associated companies	498 874	457 350
31	Receivables from associated companies	–	11 189
32	Other long-term securities holdings	3 535 838	4 477 226
33	Deferred tax asset	1 617	4 513
34	Financial leasing agreements	19 719	21 149
35	Other long-term receivables	61 985	44
	Total fixed assets	**8 305 911**	**9 188 144**
	CURRENT ASSETS		
	Inventories	139 905	105 029
42	Accounts receivable – trade	120 475	86 474
	Receivables from subsidiaries	451	1 786
	Receivables from associated companies	–	12 811
	Tax assets	6 169	4 280
	Other receivables	7 444	5 435
36	Prepaid expenses and accrued income	10 555	10 172
37	Cash and bank balances	53 926	8 388
	Total current assets	**338 925**	**234 375**
	TOTAL ASSETS	**8 644 836**	**9 422 519**

Consolidated statement of financial position

Note	Amounts in SEK K	2022-12-31	2021-12-31
	EQUITY AND LIABILITIES		
38	**Equity**		
	Share capital	244 000	244 000
	Other contributed capital	21 005	21 005
	Reserves	670 048	1 825 406
	Retained earnings including profit or loss for the year	3 993 252	3 560 813
	Equity attributable to owners of Parent company	**4 928 305**	**5 651 224**
	Holdings with non-controlling interest	**5 001**	**2 107**
	Equity	**5 653 331**	**5 653 331**
	Provisions		
	Provisions for pensions and similar obligations	657	–
		657	–
	Liabilities		
39,42	Liabilities to credit institutions	1 865 889	1 644 875
	Other long-term liabilities	29 905	24 281
33	Deferred tax liabilities	381 383	446 561
	Total long-term liabilities	**2 277 177**	**2 115 717**
39,42	Liabilities to credit institutions	1 211 614	1 446 290
39,40,42	Bank overdraft facilities	–	24 330
	Advances from customers	4 699	13 917
	Accounts payable – trade	71 389	65 120
	Liabilities to subsidiaries	13 583	2 869
	Current tax liabilities	10 790	13 411
	Other liabilities	22 965	10 987
43	Accrued expenses and deferred income	98 656	76 547
	Total short-term liabilities	**1 433 696**	**1 653 471**
	TOTAL EQUITY AND LIABILITIES	**8 644 836**	**9 422 519**

Report on changes in equity for the Group

Amounts in SEK K	Share capital	Other contributed equity	Foreign exchange reserve	Fair value reserve	Retained earnings incl. profit or loss for the year	Total	Holdings with non-controlling interest	Total equity
EQUITY 31 DECEMBER 2020	**244 000**	**21 005**	**-5 651**	**1 737 777**	**2 292 767**	**4 289 898**	**1 007**	**4 290 905**
Total comprehensive income for the year								
Profit for the year				–	358 082	358 082	562	358 644
Foreign exchange reserve, assoc. companies			13 354	–	–	13 354	–	13 354
Other comprehensive income			4 034	75 901	970 451	1 050 386	105	1 050 491
Total comprehensive income for the year	**-**	**-**	**17 388**	**75 901**	**1 328 533**	**1 421 822**	**667**	**1 422 489**
Transactions with Group owners								
Contributions from and value transfer to owners								
Dividends paid					-59 780	-59 780	–	-59 780
Shareholders' contribution					-433	-433	433	–
Transactions between owners			-9		-274	-283	–	-283
Total contributions from/value transfer to owners	**-**	**-**	**-9**	**-**	**-60 487**	**-60 496**	**433**	**-60 063**
EQUITY 31 DECEMBER 2021	**244 000**	**21 005**	**11 728**	**1 813 678**	**3 560 813**	**5 651 224**	**2 107**	**5 653 331**
Total comprehensive income for the year								
Profit for the year				–	493 934	493 934	427	494 361
Foreign exchange reserve, assoc. companies			31 235	–	–	31 235	–	31 235
Other comprehensive income			18 629	-1 205 360	–	-1 186 731	803	-1 185 928
Total comprehensive income for the year	**-**	**-**	**49 864**	**-1 205 360**	**493 934**	**-661 562**	**1 230**	**-660 332**
Transactions with Group owners								
Contributions from and value transfer to owners								
Dividends paid					-59 780	-59 780	–	-59 780
Shareholders' contribution					-1 664	-1 664	1 664	–
Transactions between owners			138		-51	87	–	87
Total contributions from/value transfer to owners	**-**	**-**	**138**	**-**	**-61 495**	**-61 357**	**1 664**	**-59 693**
EQUITY 31 DECEMBER 2022	**244 000**	**21 005**	**61 730**	**608 318**	**3 993 252**	**4 928 305**	**5 001**	**4 933 306**

Consolidated statement of cash flows

Amounts in SEK K	2022	2021
Operating activities		
Profit after financial income and expense	513 023	277 329
Adjustments for items not requiring an outflow of cash	-346 411	-165 733
	166 612	111 596
Income taxes paid	-17 313	-5 548
Cash flow from operating activities before changes in working capital	**149 299**	**106 048**
Cash flow from changes in working capital		
Increase(-)/Decrease(+) in inventories	-25 129	-9 356
Increase(-)/Decrease(+) in operating receivables	54 520	-13 657
Increase(+)/Decrease(-) in operating liabilities	-63 999	4 623
Cash flow from operating activities	**114 691**	**87 658**
Investing activities		
Acquisition of intangible fixed assets	-563	-127
Acquisition of investment properties	-13 417	-17 320
Acquisition of tangible fixed assets	-3 226	-1 824
Divestment of tangible fixed assets	5	32
Acquisition of subsidiaries	-27 504	-54 325
Investments in financial assets	-72 530	-146 711
Divestment/reduction of financial assets	121 825	121 694
Cash flow from investing activities	**4 590**	**-98 581**
Financing activities		
Proceeds from borrowings	706 611	775 053
Amortisation of borrowings	-715 006	-701 166
Amortisation of leasing liabilities	-19 336	-14 168
Dividends paid	-47 174	-59 780
Cash flow from financing activities	**-74 905**	**-61**
Cash flow for the year	**44 376**	**-10 984**
Liquid funds at start of the year	**8 388**	**19 163**
Exchange rate differences in liquid funds	**1 162**	**209**
Liquid funds at year-end	**53 926**	**8 388**

Supplement to consolidated statement of cash flows

Amounts in SEK K	2022	2021
Interest paid and dividends received		
Dividends received	98 796	87 790
Interest received	292	179
Interest paid	-78 639	-83 955
Adjustments for items not requiring an outflow of cash		
Less: Profit participations in associated companies and joint ventures	-27 455	-72 829
Dividends received from associated companies	11 419	10 000
Depreciation and write-downs of tangible and intangible assets	23 965	19 186
Write-downs	6 398	6 287
Reversed write-downs	-1 792	–
Unrealised exchange rate differences	7 069	-962
Capital gains or losses from divestment of tangible fixed assets	369	73
Capital gains or losses from divestment of financial assets	-43 237	-62 181
Changes in value of financial instruments	-323 804	-65 307
Other items that do not affect liquidity	657	–
	-346 411	**-165 733**
Transactions that do not involve payments		
Acquisition of asset through a debt directly related to the asset having been taken over or that the seller promissory note has been taken over	12 806	23 743
Acquisition of asset through financial leasing	24 820	28 443
Acquisition of subsidiaries and other business units		
Acquired assets and liabilities:		
Intangible fixed assets	31 344	69 816
Tangible fixed assets	313	1 476
Inventories	8 698	15 837
Operating receivables	7 693	20 431
Liquid funds	5 077	8 250
Total assets	**53 125**	**115 810**
Operating liabilities	20 544	53 235
Total provisions and liabilities	**20 544**	**53 235**
Purchase price	45 387	86 318
Less: Promissory notes	-12 806	- 23 743
Purchase price paid	32 581	62 575
Less: Liquid funds in the acquired business	-5 077	-8 250
Effect on liquid funds (minus = increase)	**27 504**	**54 325**
Liquid funds		
The following components are included in liquid funds:		
Cash and bank balances	53 926	8 388
Unutilised credit facilities		
Unutilised credit facilities amount to SEK 250.0 million (225.7).		

Income statement for the Parent company

Note	Amounts in SEK K	2022	2021
3	Net sales	5 453	7 373
4	Other operating income	23	23
		5 476	7 396
	Operating expenses		
6, 23	Other external expenses	-16 634	-14 329
7	Personnel expenses	-20 587	-31 808
8	Depreciation of tangible and intangible fixed assets	-130	-130
	Operating profit or loss	**-31 875**	**-38 871**
	Profit or loss from financial income and expense		
10	Profit or loss from participations in subsidiaries	-26 536	-31 459
12	Profit or loss from participations in associated companies	19 767	10 000
13	Profit or loss from other financial income and expense	113 701	1 104 356
14	Interest income and similar income	19 717	6 608
15	Interest expense and similar expenses	-43 395	-40 730
	Profit after financial income and expense	**51 379**	**1 009 904**
	Appropriations		
	Group contributions, received	24 003	42 797
	Profit before tax	**75 382**	**1 052 701**
18	Taxes	-1 808	-2 901
	PROFIT FOR THE YEAR	**73 574**	**1 049 800**

In the Parent company there is no other comprehensive income, which is why the total comprehensive income sum for the Parent company corresponds with the profit for the year.

Financial position for the Parent company

Note	Amounts in SEK K	2022-12-31	2021-12-31
	ASSETS		
	Fixed assets		
	Intangible fixed assets		
20	Franchises, patents, licences, brands and similar rights	182	286
		182	**286**
	Tangible fixed assets		
25	Equipment, tools and installations	2 755	2 781
		2 755	**2 781**
	Financial assets		
27	Participations in subsidiaries	348 682	348 682
28	Receivables from subsidiaries	107 997	107 997
30	Participations in associated companies	249 968	246 306
31	Receivables from associated companies	–	11 189
32	Other long-term securities holdings	2 375 892	2 382 809
33	Deferred tax asset	270	2 078
		3 082 809	**3 099 061**
	Total fixed assets	**3 085 746**	**3 102 128**
	Current assets		
	Short-term receivables		
	Accounts receivable – trade	695	4
	Receivables from subsidiaries	241 366	177 046
	Receivables from associated companies	–	12 811
	Tax assets	646	1 186
	Other receivables	985	1 183
36	Prepaid expenses and accrued income	4 226	4 880
		247 918	**197 110**
37	**Cash and bank balances**	**38 277**	**460**
	Total current assets	**286 195**	**197 570**
	TOTAL ASSETS	**3 371 941**	**3 299 698**

Financial position for the Parent company

Note	Amounts in SEK K	2022-12-31	2021-12-31
	EQUITY AND LIABILITIES		
38	**Equity**		
	Restricted equity		
	Share capital	244 000	244 000
	Legal reserve	21 005	21 005
		265 005	**265 005**
	Non-restricted equity		
	Retained earnings	1 597 922	607 902
	Profit or loss for the year	73 574	1 049 800
		1 671 496	**1 657 702**
		1 936 501	**1 922 707**
	Provisions		
33	Provisions for deferred tax	15 856	15 856
		15 856	**15 856**
	Short-term liabilities		
39, 42	Liabilities to credit institutions	1 043 413	1 043 413
39, 40, 42	Bank overdraft facilities	–	24 330
	Accounts payable – trade	841	2 415
	Liabilities to subsidiaries	360 815	277 754
	Other liabilities	474	665
43	Accrued expenses and deferred income	14 041	12 558
		1 419 584	**1 361 135**
	TOTAL EQUITY AND LIABILITIES	**3 371 941**	**3 299 698**

Report on changes in equity for the Parent company

Amounts in SEK K	Share capital	Legal reserve	Retained earnings	Profit or loss for the year	Total equity
EQUITY 31 DECEMBER 2020	**244 000**	**21 005**	**554 729**	**112 953**	**932 687**
Appropriation of earnings			112 953	-112 953	–
Profit for the year				1 049 800	1 049 800
Dividend			-59 780	–	-59 780
EQUITY 31 DECEMBER 2021	**244 000**	**21 005**	**607 902**	**1 049 800**	**1 922 707**
Appropriation of earnings			1 049 800	-1 049 800	–
Profit for the year				73 574	73 574
Dividend			-59 780	–	-59 780
EQUITY 31 DECEMBER 2022	**244 000**	**21 005**	**1 597 922**	**73 574**	**1 936 501**

Cash flow statement for the Parent company

Amounts in SEK K	2022	2021
Operating activities		
Profit after financial income and expense	51 379	1 009 904
Adjustments for items not requiring an outflow of cash	-395	-987 437
	50 984	22 467
Income taxes paid	540	-3 431
Cash flow from operating activities before changes in working capital	**51 524**	**19 036**
Cash flow from changes in working capital		
Increase(-)/Decrease(+) in operating receivables	17 184	6 359
Increase(+)/Decrease(-) in operating liabilities	-2 797	2 121
Cash flow from operating activities	**65 911**	**27 516**
Investing activities		
Acquisition of tangible fixed assets	–	-32
Divestment of tangible fixed assets	5	–
Investments in financial assets	-98 311	-181 601
Divestment/reduction of financial assets	104 282	110 068
Cash flow from investing activities	**5 976**	**-71 565**
Financing activities		
Proceeds from borrowings	46 793	98 698
Amortisation of borrowings	-33 689	–
Dividends paid	-47 174	-59 780
Cash flow from financing activities	**-34 070**	**38 918**
Cash flow for the year	**37 817**	**-5 131**
Liquid funds at start of the year	**460**	**5 591**
Liquid funds at year-end	**38 277**	**460**

Supplement to cash flow statement for the Parent company

Amounts in SEK K	2022	2021
Interest paid and dividends received		
Dividends received	106 979	96 790
Interest received	7 638	4 385
Interest paid	-39 241	-43 559
Adjustments for items not requiring an outflow of cash		
Depreciation and write-downs of tangible assets	130	130
Other write-downs	41 684	46 748
Unrealised exchange rate differences	–	-1 462
Capital gains or losses from divestment of fixed assets	-5	–
Capital gains or losses from divestment of financial assets	-42 204	-1 032 853
	-395	**-987 437**
Liquid funds		
The following components are included in liquid funds		
Cash and bank balances	38 277	460
Unutilised credit facilities		
Unutilised credit facilities amount to SEK 250.0 million (225.7).		

Accounting principles and notes to the accounts

Amounts are in SEK thousands (K), unless otherwise stated.

Note 1 Significant accounting principles

Agreement with standards and laws

The consolidated financial statements have been drawn up in accordance with International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the IFRS Interpretations Committee such as have been enacted by the EU. Furthermore, the consolidated financial statements have been drawn up in accordance with the Swedish Financial Accounting Standards Council recommendations RFR 1 Supplementary accounting rules for groups.

The Parent company's annual accounts are drawn up in accordance with the same principles as the Group's with the exception of cases noted below in the section "The Parent company's accounting principles".

The consolidated financial statements and annual accounts of Volito AB (Parent company) for the financial year 2022 were approved by the Board and CEO on 9 March 2023 and will be presented to the Annual General Meeting on 16 May 2023 for adoption. The Parent company is a Swedish limited company with registered office in Malmö.

Valuation basis applied in the drawing up of the Parent company's and Group's financial statements

Assets and liabilities are reported at historical acquisition value, except investment properties and certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities that are measured at fair value comprise derivative instruments, listed and unlisted shares and holdings in mutual funds.

Functional currency and reporting currency

The Parent company's functional currency is SEK, which is also the reporting currency for the Parent company and the Group. This means that the financial statements are presented in SEK. All amounts are rounded to the nearest thousand, unless otherwise stated.

Assessments and estimates in the financial statements

Drawing up the financial statements in accordance with IFRS requires the company management to make assessments and estimates as well as assumptions that affect the application of accounting principles and the book amounts of assets, liabilities, revenue and expenses. These assessments are based on experience and the various assumptions that the management and Board deem to be reasonable under the prevailing circumstances. Conclusions from this process form the basis for decisions relating to book values of assets and liabilities, in those cases where they cannot be established by information from other sources. The actual outcome may differ from these assessments if other assumptions are made, or if conditions change.

Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period the change is made, if the change affected only that period, or in the period when the change is made and future periods, if the change affects both current and future periods.

Assessments made by company management in the application of IFRS that have a significant effect on the financial statements and applied estimates, and which may entail significant adjustments to the following year's financial statements, are covered in Note 2.

Significant applied accounting principles

The accounting principles outlined below, with the exceptions that are described in detail, have been applied consistently for all periods that are presented in the Group's financial statements. The Group's accounting principles have also been consistently applied by the Group's companies regarding associated companies and joint ventures, when necessary, through adjustment to the Group's principles.

Changed accounting principles

Changes in IFRS applied as of 1 January 2022 have not had a significant effect on the Group's accounting.

New IFRS that have not yet come into effect

The new or changed IFRS that come into effect during the coming financial year have not been applied in advance in the drawing up of these financial statements. There are no plans to apply in advance new standards or changes that will apply in the future. New and changed IFRS for application in the future are not expected to have a significant effect on the Group's financial statements.

Classification, etc.

Fixed assets, long-term liabilities and provisions essentially consist only of amounts that are expected to be recovered or paid after more than 12 months calculated from accounting year-end. Current assets and short-term liabilities consist essentially only of amounts that are expected to be recovered or paid within 12 months calculated from accounting year-end.

Consolidated financial statements

Subsidiaries

The consolidated financial statements cover the Parent company Volito AB and its subsidiaries, which are all companies in which the Parent company, directly or indirectly, has a controlling influence. A controlling influence exists if Volito AB has influence over investments, is exposed, or has the right, to variable return from its involvement and can use its influence over investments to affect the return. In an assessment of whether a controlling interest exists, attention is paid to potential shares with voting entitlement and whether actual control exists.

Subsidiaries are reported according to the acquisition method. The method means that the acquisition of the subsidiary is considered as a transaction from which the Parent company indirectly acquires the assets of the subsidiary and takes over its debts. The group-wise acquisition value is established through an acquisition analysis in connection with the acquisition. The analysis establishes the acquisition value for the participations, as well as the fair value on the acquisition date of the acquired identifiable assets, taken over liabilities and any holdings with non-controlling interest on the acquisition date. Transaction expenditure, with the exception of transaction expenditure relating to issue of equity or debt instruments, is reported directly in profit or loss for the year.

In business combinations where the transferred payment, any holding with non-controlling interest and the fair value of previously owned participation (in multi-stage acquisitions) exceed the fair value of the acquired assets and taken over liabilities, the difference is reported as goodwill. When the difference is negative, so-called acquisition at low price, this difference is reported directly in the profit or loss for the year. Transferred payment in connection with the acquisition does not include payments relating to regulation of previous business connections. This type of regulation is usually reported in profit or loss for the year.

Conditional purchase prices are reported at fair value from the acquisition date. In cases where the conditional purchase price is classified as an equity instrument, no revaluation and regulation are reported in equity. For other conditional purchase prices, revaluation is done for each reporting period and the change in value is reported in profit or loss for the year.

In cases where the acquisition does not relate to 100% of the subsidiary, a holding with non-controlling interest is created. There are two alternatives for reporting holdings with non-controlling interest. These two alternatives are to report the holding with non-controlling interest's share of proportional net assets, or that the holding with non-controlling interest is reported at fair value, which means that the holding with non-controlling interest has a share in goodwill. The choice between the two methods for reporting a holding with non-controlling interest can be made from acquisition to acquisition.

Ownership of a company that increases through acquisitions on several occasions is reported as a multi-step acquisition. In a multi-step acquisition that results in a controlling interest, the previously acquired participations are revalued based on the fair value of the latest acquisition and the arising profit or loss is reported in profit or loss for the year.

When the acquisition of subsidiaries means the acquisition of net assets that do not consist of a business, the acquisition cost is divided between the single identifiable assets and liabilities based on their fair value on the acquisition date.

The subsidiaries' financial statements are taken into the consolidated financial statements from the day the controlling interest arises and is included in the consolidated financial statements until the day it ceases.

Acquisitions from holdings with non-controlling interest

Acquisitions from holdings with non-controlling interest are reported as a transaction within equity, i.e. between the Parent company's owners (within retained earnings) and the holding with non-controlling interest. Therefore, no goodwill arises from these transactions. Changes in holdings with non-controlling interest are based on the proportional share of net assets. The difference between the received liquidity and the holding with non-controlling interest's proportional share of acquired net assets is reported under retained earnings.

Sales to holdings with non-controlling interest

Sales to holdings with non-controlling interest, in which the controlling interest remains, are reported as a transaction within equity, i.e. between the Parent company's owners and the holding with non-controlling interest.

If a reduction in ownership is to the extent that a controlling interest is lost, this is considered to correspond to a divestment of a subsidiary. The effect is reported in profit or loss for the year and consists of capital gains or losses from the divested assets and liabilities and a revaluation effect on the remaining holding, which is valued at fair value on the divestment date with the change in value reported in profit or loss for the year.

Participations in joint ventures
Participations in joint ventures in accounting terms are those companies for which the Group, through cooperation agreements with one or more parties, has a joint controlling interest over operational and financial management. From the point when the joint controlling interest is gained, participations in joint ventures are reported in accordance with the equity method in the consolidated financial statements.

Associated companies
Associated companies are those companies in which the Group has a significant interest, but not a controlling interest, over operational and financial management, generally through shareholdings with between 20% and 50% of the votes. From the point when the significant influence is gained, participations in associated companies are reported in accordance with the equity method in the consolidated financial statements.

The equity method
The equity method means that the book value of joint ventures and associated companies reported in the Group corresponds to the Group's share of the joint venture's or associated company's equity, as well as group-wise goodwill and any other residual value in the group-wise surplus value or under value. The Group's participation in the respective companies' profit after tax and expenses adjusted for any amortisation, write-downs or resolution of acquired surplus or under value is reported in the profit or loss for the year under "Participations in joint ventures' profit or loss" and "Participations in associated companies' profit or loss". These profit participations less received dividends from joint ventures and associated companies make up the main changes in the book value of participations in joint ventures and associated companies. The Group's participation in other comprehensive income in associated companies is reported in a separate line in the Group's other comprehensive income.

Any difference at the time of acquisition between the acquisition value of the holding and the owner company's share of the net fair value of joint ventures' and associated companies' identifiable assets and liabilities is reported in accordance with the same principle as the acquisition of subsidiaries.

Transaction expenditure, with the exception of transaction expenditure relating to the issue of equity instruments or debt instruments, is included in the acquisition value.

When the Group's participation in reported losses in a joint venture or associated company exceeds the book value of the participations in the Group, the value of the participations is reduced to zero. Settlement for losses is also applied for long-term financial dealings without security, which in their economic meaning make up part of the owner company's net investment in the associated company. Continued losses are not reported, provided that the Group has not made guarantees to cover losses arising in the joint venture or associated company.

The equity method is applied until such point as the significant influence ceases.

Acquisition of property via a company
A company acquisition can be regarded as either an asset acquisition or a business combination. Company acquisitions in which the primary aim is to gain a company's property and in which the company's property management organisation and administration has a subordinate importance for the acquisition's implementation, are generally treated as asset acquisitions. Company acquisitions in which the acquired company's property management organisation and administration have a considerable importance for the acquisition's implementation and valuation, are instead treated as business combinations.

In the case of asset acquisitions, no deferred tax is reported on the property's surplus value, and any discount attributable to the deferred tax instead reduces the property value. In the case of business combinations, the deferred tax is reported with the relevant nominal tax on the property's surplus value and other temporary differences attributable to the acquired assets and liabilities. The company acquisitions regarding property that have occurred since the formation of the Group have been treated as asset acquisitions.

Elimination of transactions on consolidation
Intra-group receivables and liabilities, revenue or expenses and unrealised profits or losses that arise from intra-group transactions between subsidiaries are eliminated in full in the drawing up of consolidated financial statements. Unrealised profits deriving from transactions with associated companies and joint ventures are eliminated to the extent that corresponds to the Group's ownership share in the company. Unrealised losses are eliminated in the same way as unrealised profits, provided that there is no write-down requirement.

Translation of foreign subsidiaries or other overseas businesses
Assets and liabilities in overseas businesses, including goodwill and other group-wise surplus value or under value are translated from the overseas businesses' functional currency to the Group's reporting currency, SEK, at the exchange rate at accounting year-end. Revenue and expenses in an overseas business are translated to SEK at an average exchange rate that constitutes an approximation of the exchange rate on the respective transaction date. Translation differences that arise in currency translation of overseas businesses are reported in other comprehensive income and accumulated in a separate component in equity, called the foreign exchange reserve. In cases where an overseas business is not wholly owned, the translation difference is allocated to holdings with non-controlling interest based on the proportional ownership share.

If an overseas business is divested, the accumulated translation differences attributable to the business are reclassified from the foreign exchange reserve in equity to profit or loss for the year.

When a controlling interest, significant interest or joint controlling interest ceases for an overseas business, the accumulated translation differences attributable to the business are realised and reclassified from the foreign exchange reserve in equity to profit or loss for the year. In cases where divestment occurs, but a controlling interest remains, the proportional share of the accumulated translation differences is transferred from the foreign exchange reserve to holdings with a non-controlling interest. In cases where parts of an associated company or joint venture have been divested, but significant influence or joint controlling interest remains, the proportional share of the translation differences is reclassified to profit or loss for the year.

Foreign currencies

Transactions in foreign currencies
Transactions in foreign currencies are translated to the functional currency at the exchange rate on the transaction date. The functional currency is the currency in the primary economic environments where the company runs its operations. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at accounting year-end. Exchange rate differences arising from translation are reported in profit or loss for the year. Non-monetary assets and liabilities that are reported at historical acquisition value are translated at the exchange rate on the transaction date. Non-monetary assets that are reported at fair value are translated to the functional currency at the exchange rate at the time of measurement of fair value.

Exchange rate differences regarding operating receivables and operating liabilities are reported in the operating profit or loss, whereas exchange rate differences relating to financial assets and liabilities are reported as profit or loss from financial income and expense.

Revenue

Rental revenue
Rental revenue from investment properties is reported linearly in the profit or loss for the year based on the conditions in the leasing agreement. The total cost for granted benefits is reported as a reduction of rental revenue linearly over the leasing period.

Rental contracts relating to investment properties are considered as operational leasing agreements. These agreements are reported in accordance with the principles for revenue recognition above. Volito has one property that is leased out through a financial leasing agreement, see Note 34.

Revenue from the sale of real estate
Revenue from the sale of real estate is normally reported on the day of taking possession unless the risks and benefits have been transferred to the buyer at an earlier juncture. Control of the asset may have been transferred at an earlier juncture than the day of taking possession, and if this is the case, revenue from the sale of the property is recognised at this earlier juncture. The assessment of the juncture for recognising revenue takes into consideration both what has been contracted between the parties regarding risks and benefits, and involvement in the ongoing management of the property. In addition, consideration is given to circumstances that may affect the transaction's outcome but are beyond the seller's and/or buyer's control.

Sales of goods
Recognition of revenue other than rental revenue from property management is done in accordance with IFRS 15 Revenue from contracts with customers. Revenue from sales of goods is recognised in the profit or loss for the year when control of the goods has been transferred to the buyer.

Revenue is recognised at the fair value of what has been received, or is expected to be received, with deduction of granted discounts.

Leasing agreements

When an agreement is made, the Group assesses whether the agreement is, or contains, a leasing agreement. An agreement is, or contains, a leasing agreement if the agreement transfers the right during a certain period to decide on the use of an identified asset in exchange for compensation.

At the start of a leasing agreement or in the review of a leasing agreement that contains several components – leasing and non-leasing components – the Group divides the compensation according to the agreement to each component based on the stand-alone price.

For the leasing of property and vehicles where the Group is the lessee, Volito has, however, chosen not to differentiate non-leasing components, and reports leasing and non-leasing components that are paid with fixed amounts as a single leasing component.

Leasing agreements in which Volito is the lessee

The Group reports a right-of-use asset and a leasing liability at the start date of the leasing agreement. The right-of-use asset is initially valued at the cost of acquisition, which consists of the leasing liability's initial value with an addition for leasing fees paid at or before the start date plus any initial direct expenses. The right-of-use asset is depreciated linearly from the start date to whichever is earliest – the end of the asset's period of utilisation or the end of the leasing period – which in a normal case for the Group is the end of the leasing period. In more uncommon cases, when the cost of acquisition for the right-of-use asset reflects that Volito will utilise an option to buy the underlying asset, the asset is written off at the end of the period of utilisation.

The leasing liability – which is divided up into long-term and short-term parts – is initially valued at the present value of remaining leasing fees during the assessed leasing period. The leasing period comprises the non-cancellable period with the addition of further periods in the agreement if on the start date it is assessed as reasonably certain that these will be utilised.

Leasing fees are discounted in normal cases using the Group's marginal borrowing interest rate, which in addition to the Group's/company's credit risk reflects each agreement's leasing period, currency and the quality of the underlying asset as intended security. However, in cases where the leasing agreement's implicit interest rate can be easily determined, that interest rate is used, which is the case for parts of the Group's leases regarding vehicles.

The leasing liability comprises the present value of the following fees during the assessed leasing period:

- fixed fees, including in-substance fixed fees,
- variable leasing fees linked to an index or rate, initially valued using the index or rate that applied on the start date,
- any residual value guarantees that are expected to be paid,
- the exercise price for a purchase option that the Group is reasonably certain to utilise, and
- penalty fees that are paid at the termination of the leasing agreement if the assessed leasing period reflects that such a termination is going to take place.

The liability's value increases with the interest rate expense for the respective period and is reduced by the leasing payments. The interest expense is calculated as the liability's value times the discounting interest rate.

The leasing liability for the Group's premises with rent that is index-adjusted is calculated on the rent that applies at the end of the respective reporting period. At this juncture, the liability is adjusted with a corresponding adjustment of the right-of-use asset's book value. In a corresponding way, the value of the liability and asset is adjusted in connection with a reassessment of the leasing period. This takes place in connection with the final termination date of the previously assessed leasing period for premises rental agreements having passed or that significant events happen or circumstances change in a significant way that is within Volito's control and affect the current assessment of the leasing period.

The Group presents right-of-use assets and leasing liabilities as separate items in the statement of financial position.

For leasing agreements with a leasing period of 12 months or less or with an underlying asset of low value, below SEK 50 K, no right-of -use asset or leasing liability is reported. Leasing fees for these leasing agreements are reported as an expense linearly over the leasing period.

Leasing agreements in which Volito is the lessor

When the Group is the lessor, it determines on each leasing agreement start date whether the leasing agreement is to be classified as a financial or operational leasing agreement.

In determining the classification, an overall assessment is carried out as to whether the leasing agreement in all important considerations transfers the financial risks and benefits that are associated with the ownership of the underlying asset. If that is the case, the leasing agreement is a financial leasing agreement. In other cases, it is an operational leasing agreement. As a part of this assessment, the Group takes into account several indicators. These indicators include whether the leasing period constitutes a large part of the asset's economic lifetime or if the right of ownership to the underlying asset is transferred to the lessee when the leasing agreement expires.

When a leased asset is sub-leased, the main leasing agreement and sub-leasing agreement are reported as two separate agreements. The Group classifies the sub-leasing agreement based on the right-of-use that arises from the main leasing agreement, not based on the underlying asset.

Assets rented out in accordance with financial leasing agreements are not reported as tangible fixed assets, as risks and opportunities linked to ownership of the assets are transferred to the lessee. Instead, a financial receivable is reported regarding future minimum leasing fees.

The Group reports leasing fees from operational leasing agreements as revenue linearly over the leasing period as part of the item net sales, when it mainly refers to the renting out of properties.

Expense

The income statement is classified by nature of expense.

Real estate expenses

The term real estate expenses covers all expenses for the investment properties. This includes direct property expenses, such as expenses for operation, maintenance, ground rent and property tax. The term also covers indirect property expenses, such as expenses relating to leasing and property administration.

Financial income and expense

Financial income consists of interest income from invested funds and dividend income. Interest income is taken up as income in the period it concerns. Dividends from shares are reported in the period that the right to receive payment is deemed as certain.

Financial expense consists of interest expense on loans, interest expense on leasing liabilities, losses on financial investments as well as derivative instruments used in financial activities. Interest costs affect income in the period they concern, except to the extent they are included in an asset's acquisition value, and are reported with the application of the effective rate method. An asset for which the interest can be included in the acquisition value is an asset that of necessity takes a significant time to complete for intended use or sale. Activation of borrowing costs is done in accordance with IAS 23 Borrowing costs.

Income from the sale of financial investments is reported when the risks and benefits associated with the undertaking of the instrument in all important aspects have been transferred to the buyer and the Group no longer has control over the instrument.

Exchange rate profits and losses are reported net.

Unrealised changes in the value of financial assets measured at fair value, as well as hedging instruments, are reported in a specific line in the profit or loss for the year.

Interest rate swaps are used for hedging against interest rate risks linked to the Group's borrowing. The Group does not at present apply hedge accounting for these instruments. Interest rate swaps are measured at fair value in the statement of financial position. In the profit or loss for the year, the interest rate coupon component is reported continuously as a correction of interest expense. Unrealised changes in the fair value of interest rate swaps are reported in a specific line in the profit or loss for the year.

The effective rate is the rate that discounts the estimated future incoming and outgoing payments during a financial instrument's expected duration at the financial asset's or liability's reported net value. The calculation includes all fees paid or received by the agreement parties that are a part of the effective rate, transaction costs and all other surplus and under values.

Taxes

Income taxes consist of both current and deferred income tax for the Swedish and foreign Group units. Income taxes are reported in the profit or loss for the year, unless the underlying transaction is reported in other comprehensive income or in equity, in which case the associated tax effect is reported in other comprehensive income or in equity.

Current tax is tax that is to be paid or received regarding the current year, with application of the tax rates that are decided or in practice decided at accounting year-end. Current tax also includes adjustments of current tax relating to earlier periods.

Deferred tax is calculated according to the balance sheet method. According to this method, deferred tax liabilities and tax assets are reported for all temporary differences between reported and fiscal values for assets and liabilities and for other fiscal deductions or deficiencies. Deferred tax liabilities and tax assets are calculated based on how the temporary differences are expected to be evened out and by the application of the tax rates and tax rules that have been decided or announced at accounting year-end.

In the valuation of fiscal deficit deduction, an assessment is made of the probability that the deficit can be utilised. The basis for deferred tax assets includes established deficit deductions to the extent that they can with certainty be utilised in relation to future profits. Deferred taxes are reported at the nominal applicable tax rate without discounting.

Temporary differences are not taken into account in group-wise goodwill or in normal cases in the differences relating to participations in subsidiaries, joint ventures and associated companies that are not expected to be taxed in the foreseeable future. Temporary differences are not taken into account either for differences that have arisen in the initial reporting of assets and liabilities that are not business combinations which on the transaction date do not affect either the reported income or the taxable income.

When an acquisition of a company takes place, the acquisition is either a business combination or an acquisition of assets. It is an acquisition of assets if, for example, the acquired company only own one or more properties with a lease contract, but the acquisition does not include the processes required to run the property business. In reporting of an acquisition of assets, no deferred tax is reported separately. The fair value of the deferred tax liability is instead deducted from the fair value of the acquired asset.

Untaxed reserves including deferred tax liabilities are reported in the legal entity. However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity.

Intangible assets

Goodwill

Goodwill represents the difference between the acquisition value of the business combination and the fair value of the acquired identifiable assets and taken over liabilities.

Goodwill is valued at the acquisition value minus any accumulated write-downs. Goodwill is designated to cash generating units and is reviewed for write-down requirements annually or as soon as indications arise which show that the asset in question has fallen in value. Goodwill that has arisen in the acquisition of joint ventures and associated companies is included in the book value for participations in joint ventures and associated companies.

In the case of business combinations in which the acquisition cost is less than the net value of the acquired assets and taken over liabilities, known as an acquisition at low price, the difference is reported directly in profit or loss for the year.

Concerning goodwill in acquisitions that took place before 1 January 2013, the Group, on transition to IFRS, has not applied IFRS retroactively. The book value on that day constitutes from that time the Groups' acquisition value, after write-down appraisal.

Other intangible assets

Intangible assets that are acquired by the company are reported at the acquisition value minus accumulated depreciation and write-downs.

Depreciation is linear over the asset's period of utilisation and reported as expense in the income statement. Depreciation begins from the date when assets become available for use.

The estimated periods of utilisation are:	The Group	The Parent company
Software	3–5 years	5 years
Other intangible assets	5 years	–

An assessment of an asset's period of utilisation and residual value is carried out annually.

Tangible fixed assets

Tangible assets that are acquired by the company are reported at the acquisition value less accumulated depreciation and any write-downs.

The book value of a tangible fixed asset is removed from the balance sheet in the case of disposal or sale of an asset, or when no future economic benefits are expected from use of the asset. Profit or loss that arises from the divestment or disposal of an asset is made up of the difference between the sales price and the asset's book value with deductions for directly related sales costs.

Additional expenditure

Additional expenditure is added to the acquisition value to the extent that the asset's performance has been improved in relation to the level at the time it was originally acquired. All other additional expenditure is reported as expense in the period it arises.

Borrowing expenses

Borrowing expenses that are directly attributable to purchasing, construction or production of assets that take a significant time to complete for the intended use or sale are included in the asset's acquisition value. Activation of borrowing expenses is done on condition that it is probable that it will lead to future economic benefits and costs that can be measured in a reliable way.

Depreciation principles for tangible fixed assets

Depreciation according to plan is based on the original acquisition value reduced by the calculated residual value. Depreciation is linear over the period in which the asset is expected to be utilised.

The following depreciation periods are applied:	The Group	The Parent company
Industrial buildings	20-25 years	–
Plant and machinery	5-10 years	–
Equipment, tools and installations	5 years	5 years
Computer equipment	3-5 years	3-5 years

Industrial buildings account for a negligible amount and depreciation for various parts is over a period of 20-25 years.

Investment properties

Most of the properties in the Group are classified as investment properties, as they are owned with an aim to generate rental revenue or value increases, or a combination of the two. Investment properties are reported initially at acquisition value, which includes expenditure directly attributable to the acquisition. Thereafter, investment properties are reported at fair value in the statement of financial position, in accordance with IAS 40. Changes in value are reported in a specific line in the income statement. The Group's properties are reported in the statement of financial position as fixed assets. As the properties are reported at fair value, depreciation is not reported for these properties in the consolidated financial statements. The investment properties are valued annually by an independent external appraiser with recognised and relevant qualifications. The applied calculation model is based on long-term return evaluation, which factors in the present value of future payment streams with differentiated return requirements per property, depending on aspects such as location, purpose, condition and standard.

Unrealised and realised changes in value are reported in profit or loss for the year. Rental revenue and revenue from property sales are reported in accordance with the principles described in the revenue recognition section.

Additional expenditure – investment properties reported according to the fair value method

Additional expenditure is added to the book value only if it is probable that the future economic benefits associated with the asset will be gained by the company and the acquisition value can be calculated in a reliable way. All other additional expenditure is reported as expense in the period it arises. A decisive factor in assessing when additional expenditure is added to the book value is if the expenditure refers to the exchange of identified components, or parts thereof, which activates such expenditure. Expenditure for any newly created components is also added to the book value. Expenditure for repairs is expensed in the period it arises.

Properties under construction that are intended for use as investment properties when the work is completed are also classified as investment properties.

Note 21 contains further information on the external property valuation and a statement on classification of the property portfolio and its book value.

Inventories

Inventories are valued at the lowest of either the acquisition value or the net realisable value.

The acquisition value is calculated according to the first-in, first-out principle and includes expenditure that has arisen in the acquisition of inventory assets and transport of these to their present location and condition. An obsolescence scale was introduced in 2019 for goods that have not been sold for two years or more.

For manufactured goods and ongoing work, the acquisition value includes a reasonable share of the indirect costs based on normal capacity.

Net realisable value is the estimated sales price in the current operations, after deductions for estimated costs for completion and to achieve a sale.

Financial instruments

Financial instruments that are reported in the statement of financial position include on the asset side; liquid funds, accounts receivable – trade, participations in funds, listed and unlisted shares, derivatives and other receivables. On the liability side are accounts payable – trade, borrowings and derivatives.

Reporting in, and removing from, the balance sheet

Financial assets and liabilities are taken up in the statement of financial position when the company becomes a party in accordance with the instrument's agreement-related conditions. A receivable is taken up when the company has performed and the contracted obligation exists for the counterparty to pay, even if the invoice has yet to be sent. Accounts receivable – trade are taken up in the statement of financial position when the invoice has been sent. A liability is taken up when the counterparty has performed and the contracted obligation exists for the payment to be made, even if the invoice has yet to be received. Accounts payable – trade are taken up when the invoice is received.

A financial asset is removed from the statement of financial position when the rights in the agreement have been realised, fall due or when the company loses control over them. The same applies for a component of a financial asset. For every reporting period, the company evaluates if there are objective indications that a financial asset or group of financial assets requires a write-down. A financial liability is removed from the statement of financial position when the obligation in the agreement has been fulfilled or in another way ceases to apply. The same applies for a component of a financial liability.

Financial assets and liabilities are offset and reported with a net amount in the statement of financial position when there is a legal right to offset and where the intent is to regulate items with a net amount or to simultaneously realise assets and regulate liabilities. Financial income and expense are offset in the income statement in cases where they are linked to the financial assets and liabilities that are offset.

Acquisition and divestment of financial assets are reported on the transaction date. The transaction date is the day when the company commits itself to acquire or divest the asset.

Measurement at initial recognition

Financial instruments are initially reported at fair value with addition/deduction for transaction expenditure, with the exception of instruments that are continuously measured at fair value via the profit or loss for which transaction expenditure is instead expensed as it arises. Accounts receivable – trade (without a significant financing component) are initially measured at the transaction price that is established according to IFRS 15.

Classification and subsequent measurement of financial assets

At initial recognition, a financial asset is classified as measured at amortised cost, fair value via other comprehensive income (debt instrument investment), fair value via other comprehensive income (equity investment), or fair value via the profit or loss. Below is a description of how the Group's different holdings of financial assets are classified:

Holdings of unlisted funds

The Group has participations in unlisted funds. The participations in funds do not fulfil the criteria for equity instruments and the cash flows from the funds do not consist solely of payments of principals and interest. The funds are therefore measured at fair value via the profit or loss.

Holdings of unlisted shares

The Group's holdings of shares and participations in unlisted companies (that are not subsidiaries, associated companies or joint ventures) are measured at fair value via the profit or loss.

Holdings of listed shares
The holdings of listed shares are measured at fair value via other comprehensive income.

Derivative assets
Derivatives that have a positive fair value for Volito are reported as assets in the statement of financial position and measured at fair value via the income statement. Derivatives are made up of interest rate swaps that are used to financially hedge interest rate risks. Changes in value are reported in a specific line in profit or loss for the year. Volito does not apply hedge accounting.

Other financial assets
All other financial assets are reported at the amortised cost. This is because they are held within the framework of a business model whose goal is to receive the contractual cash flows at the same time as the cash flows from the assets are solely composed of payments of principals and interest.

Classification and subsequent measurement of financial liabilities
Financial liabilities are classified as being measured at amortised cost or measured at fair value via the profit or loss. The financial liabilities that are measured at fair value via the profit or loss consist of derivatives that have a negative fair value for Volito. Changes in value are reported in a specific line in profit or loss for the year. Derivatives are made up of interest rate swaps that are used to financially hedge interest rate risks. Volito does not apply hedge accounting. All other financial liabilities are reported at the amortised cost with the application of the effective interest method.

Liquid funds
Liquid funds consist of balances at the bank at accounting year-end and are reported at nominal value.

Write-downs
The book values of the Group's assets are tested at each accounting year-end to determine if there is any indication that write-downs are required. IAS 36 is applied for testing write-down requirements for assets other than financial assets, which are tested in accordance with IFRS 9, available-for-sale assets and divestment groups, which are reported in accordance with IFRS 5, inventories, managed assets used for the financing of remuneration to employees, and deferred tax assets. For excepted assets as above, the book value is tested according to the respective standard.

Write-down tests for tangible and intangible assets, and participations in subsidiaries, joint ventures, associated companies etc.
If there is an indication that a write-down is required, the asset's recoverable amount is calculated in accordance with IAS 36. For goodwill and other intangible assets that are not yet ready for use, the recoverable amount is also calculated annually. If it is not possible to determine significant independent cash flows to an individual asset, the assets on being tested for write-down requirements shall be grouped at the lowest level where it is possible to identify significant independent cash flows – a so-called cash-generating unit.

A write-down is reported when an asset's or cash-generating unit's book value exceeds the recoverable amount. The write-down of assets relating to a cash-generating unit (group of units) is assigned first of all to goodwill. Thereafter, a proportional write-down is carried out for other assets included in the unit (group of units).

The recoverable amount is the highest value of the fair value minus sales costs and value in use. In the calculation of value in use, future cash flows are discounted with a discounting factor that takes into consideration risk-free interest and the risk that is associated with the specific asset.

A write-down is reversed if there is both an indication that a write-down requirement no longer exists and that a change has occurred in the assumption that was the basis for calculation of the recoverable amount. However, write-downs of goodwill are never reversed. A reversal is carried out only to the extent that the asset's book value after reversal does not exceed the book value that would have been reported, with deduction for depreciation if applicable, if no write-down had been carried out.

Write-down tests for financial assets
The Group reports a loss allowance for expected credit losses on financial assets measured at amortised cost. The loss allowance for accounts receivable – trade is measured at an amount that corresponds to the expected losses for the remaining duration. For other receivables, the loss allowance is measured at an amount that corresponds to 12 months of expected credit losses, provided that the credit risk has not increased significantly since the time when the receivable was first reported. If the credit risk has increased significantly since the time when the receivable was first reported, the loss allowance is instead measured at an amount that corresponds to the expected credit losses for the remaining duration.

The loss allowance is calculated as the present value of all deficits in the cash flows (i.e. the difference between the cash flows according to the agreement and the cash flows that the Group is expected to receive). Short-term receivables, however, are not discounted. In the balance sheet, the assets are reported net after any write-downs. Write-downs are reported in the profit or loss.

A financial asset's reported gross value is written off when the Group does not have any reasonable expectation of recovering a financial asset, fully or in part.

Equity
Dividends are reported as a reduction of equity after the Annual General Meeting has made a decision.

Provisions
A provision differs from other liabilities as there is uncertainty over the payment date or the size of the amount for regulating the provision. A provision is reported when the company has a formal or informal commitment as the result of an event that has occurred and it is likely that an outflow of resources is required to regulate the commitment, and that a reliable estimate of the amount can be made. Present value calculations are made to take significant time effects into account for future payments.

Remuneration to employees
Remuneration to employees in the form of salaries, paid holiday, paid sick leave, etc. is reported at the rate that it is earned. Regarding pensions and other remuneration after employment ends, these are classified as contribution-based or benefit-based plans. The commitment regarding the contribution-based plans is fulfilled through contributions to independent authorities or companies that administer the plans. A number of employees in the Volito Group have ITP plans with rolling payments to Alecta/Collectum. In accordance with IFRS, these are classified as benefit-based plans that cover several employers. As there is not sufficient information to report these as benefit-based plans, they are reported as contribution-based plans.

Remuneration on severance of employment
A provision for remuneration in connection with termination of employment for staff is reported only if the company is evidently obligated, without a realistic possibility of withdrawal, to terminate employment before the normal time and affected groups of employees have been informed of the termination plan. The provision is made for that part of the severance pay that has no requirement for received services from the employee.

Short-term remuneration
Short-term remuneration to employees is calculated without discounting and is reported as expense when the related services are received.

A provision is reported for the expected expense for bonus payments when the Group has a valid legal or informal obligation to make such payments as a result of services received from employees and the obligation can be calculated reliably.

Fixed assets held for sale and discontinued operations
The meaning of having a fixed asset (or disposal group) classified as held for sale is that its book value will be recovered mainly through a sale rather than through use. An asset or disposal group is classified as being held for sale if it is available for immediate sale in its present condition and according to conditions that are normal, and that it is very probable that the sale will be made. These assets or disposal groups are reported in a specific line as current assets and short-term liabilities respectively in the statement of financial position.

Immediately before classification as held for sale, the book value of assets and liabilities in a disposal group is determined in accordance with applied standards. In the initial classification as held for sale, the fixed assets and disposal groups are reported at the lowest of the book value and fair value with deductions for sales costs. Certain assets, separately or as part of a disposal group, are exempt from the valuation rules described above, namely investment properties, financial assets, deferred tax assets and managed assets relating to benefit-based pension plans.

A profit is reported at every increase of the fair value with deductions for sales costs. This profit is limited to an amount that corresponds to the total of all previously executed write-downs.

Losses as a result of a fall in value in the initial classification as held for sale are reported in the profit or loss for the year. Subsequent changes in value, both profits and losses, are also reported in the profit or loss for the year.

A discontinued operation refers to a part of a company's business that represents an independent operating arm or a significant operation within a geographical area or is a subsidiary that was acquired exclusively with an aim to be sold on. Classification as a discontinued operation is made on divestment or at an earlier time if the operation meets the criteria to be classified as held for sale.

Profit or loss after tax from discontinued operations is reported in a specific line in the statement of income and other comprehensive income. When an operation is classified as discontinued, the formulation of the comparison year's statement of income and other comprehensive income changes so that it is reported as if the discontinued operation had been discontinued at the start of the comparison year. The formulation of the statement of financial position for the current year and previous year are not changed in a corresponding way.

Contingent liabilities
A contingent liability is reported when there is a possible obligation that arises from events that have happened and whose existence is confirmed only by one or more uncertain future events or when there is an obligation that is not reported as a liability or a provision due to the improbability of an outflow being required.

The Parent company's accounting principles

The Parent company has drawn up its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554), and the Swedish Financial Accounting Standards Council recommendation, RFR 2 Accounting for a legal entity. RFR 2 means that the Parent company in the annual accounts for the legal entity shall apply all of the EU-developed IFRS and pronouncements as far as this is possible within the framework of the Annual Accounts Act, the law on safeguarding pension commitments, and with consideration taken for the connection between accounting and taxation. The recommendation states the exceptions and additions to IFRS that are to be made.

Changed accounting principles

The Parent company's accounting principles are unchanged compared with the previous financial year.

Forthcoming changes in accounting principles

Changes to IFRS and/or RFR 2 with future application dates are not expected to have a significant effect on the Parent company's financial statements.

Differences between the Group's and Parent Company's accounting principles

The differences between the Group's and Parent Company's accounting principles are given below.

Classification and format

The Parent company's income statement and balance sheet are drawn up according to the Annual Account Act's scheme. The differences compared with IAS 1, Presentation of financial statements, which have been applied in the presentation of the Group's financial statements, are principally reporting of financial income and expense, fixed assets, equity and the presence of provisions as a specific heading in the balance sheet.

Financial instruments

The Parent company does not apply IFRS 9 as a legal entity.

In the Parent company, financial assets are measured at acquisition value minus any write-down, and financial current assets according to the lowest value principle. The acquisition value for interest-bearing instruments is adjusted for the accrued difference between what was paid originally, after deductions for transaction expenses, and the amount that was paid on the due date.

Subsidiaries, participations in associated companies and jointly controlled companies

Participations in subsidiaries, associated companies and jointly controlled companies are reported in the Parent company according to the cost method. This means that acquisition expenditure is included in the book value of participations in subsidiaries. In the consolidated financial statements, the acquisition expenditure relating to participations in subsidiaries is, from 2013 onwards, reported directly in profit or loss when it arises.

The book value is reviewed continuously against the fair value of assets and liabilities in the subsidiaries, associated companies and jointly controlled companies. In cases where the book value of the participations exceeds the companies' fair value, write-downs are made that affect the income statement. In cases where a previous write-down is no longer justified, a reversal is carried out.

Financial guarantees

The Parent company's financial guarantee agreements consist mainly of guarantees for the benefit of subsidiaries, associated companies and jointly controlled companies. Financial guarantees mean that the company has an obligation to compensate holders of a debt instrument for losses if these are incurred due to a stated debtor not fulfilling payment on the due date according to the agreement conditions. For reporting of financial guarantee agreements, the Parent company applies one of the Swedish Financial Accounting Standards Council's permitted participation exemption rules compared with the rules in IFRS 9. The participation exemption rule relates to financial guarantee agreements formulated for the benefit of subsidiaries, associated companies and jointly controlled companies. The Parent company reports financial guarantee agreements as provisions in the balance sheet when the company has an obligation for which payment is probably required in order to regulate the obligation.

Anticipated dividends

Anticipated dividends from subsidiaries may be reported in cases where the Parent company alone has the right to decide on the dividend's size and the Parent company has decided on the dividend's size before the Parent company has published its financial statements. Anticipated dividends are reported as financial income.

Group contributions

Paid and received group contributions are reported as appropriations.

Shareholders' contribution

The shareholders' contribution is taken up directly against equity at the recipient and activated in shares and participations at the donor, to the extent that write-downs are not required.

Tangible fixed assets

Tangible fixed assets in the Parent company are reported at the acquisition value after deductions for accumulated depreciation and any write-downs in the same way as for the Group, but with any write-ups.

Leased assets

In the Parent company, all leasing fees are reported as an expense linearly over the leasing period.

Financial assets

In the Parent company, all financial assets are reported at the acquisition value with deductions for any write-downs. The assessment is made from share type to share type and a write-down to fair value is carried out when the decrease in value is expected to be lasting.

Other long-term receivables are valued at the amount that is expected to be received.

Taxes

In the Parent company, untaxed reserves are reported including deferred tax liabilities. However, in the consolidated financial statements, untaxed reserves are divided between deferred tax liabilities and equity.

Note 2 Important estimates and assessments

The company management and the Board have discussed the development, choice and information regarding the Group's important accounting principles and estimates, as well as the application of these principles and estimates.

Certain important accounting-related estimates that have been used in the application of the Group's accounting principles are described below.

The sources of uncertainty in the estimates stated below refer to those that involve a risk that the value of the assets or liabilities may need an adjustment to a significant extent in the coming financial year.

Investment properties

Investment properties are reported in accordance with the options in IAS 40 at fair value. This value is established by company management based on the properties' market value at accounting year-end, with changes in fair value reported in the profit or loss. Therefore, the profit or loss can be considerably affected by changes in the fair value of investment properties. The fair value has been calculated by an independent appraisal institution in accordance with good appraisal practice. Important assessments have therefore been made regarding aspects such as the cost of capital and yield requirement that are based on the appraisal institutions' experience of assessing the market's yield requirements for comparable properties. The assessments of cash flow for operating, maintenance and administration costs are based on actual costs, but consideration has also been given to experiences relating to comparable properties. Future investments have been assessed based on the actual needs that exist and with the support of the investment plans that have been drawn up. See Note 21 for a more detailed description of assumptions and assessments connected with the appraisal process.

Write-down testing of goodwill

The Group's total goodwill amounts to SEK 228 400 K (188 945). In the calculation of the cash-generating units' recoverable amounts for assessment of any write-down requirement for goodwill, several assumptions about future conditions and estimates of parameters have been made. A description of these is presented in Note 20. As can be understood from the description, changes exceeding what can reasonably be expected in 2023 relating to these assumptions and estimates could have an effect on the value of goodwill. However, this risk is very low as the recoverable amounts exceed to a great extent the book value in those cases where the goodwill values are a significant amount.

Taxes

Changes in fiscal legislation and changed practice in the interpretation of tax laws may significantly affect the size of reported deferred taxes. For more information on taxes, see Note 18 and 33.

Note 3 Net sales by type of revenue

	2022	2021
The Group		
Revenue from contracts with customers		
Sales of goods	700 223	473 330
Administrative revenue	2 222	2 310
Leasing revenue		
Rental revenue	162 452	157 024
Net sales	**864 897**	**632 664**
The Parent company		
Revenue from contracts with customers		
Administrative revenue	5 453	7 373
	5 453	**7 373**

Contract liabilities and assets
The Group has contract liabilities in the form of advance payments from customers, which are reported in other short-term liabilities. The amount is SEK 4 699 K (13 917). The Group has no significant contract assets. The Group has no significant contract assets. For information on accounts receivable – trade, see Note 42.

Order book
The order book within Volito Industry companies amounted at year-end to SEK 235 786 K (208 002). The orders will be delivered in 2023. For information on the duration of Volito Fastigheter's contract portfolio, see Note 21.

Note 4 Other operating income

	2022	2021
The Group		
State support	378	166
Reversed additional purchase price	–	559
Capital gains on receivables/liabilities relating to operations	780	–
Other	554	1 227
	1 712	**1 952**
The Parent company		
Other	23	23
	23	**23**

Note 5 Leasing revenue relating to operational leasing

Rental and leasing revenue is based on rental and leasing agreements that are regarded as operational leasing agreements in which the Group is the lessor.

One property in the Volito Fastigheter group is leased out through a financial leasing agreement, see Note 34.

Real estate
The rental revenue includes not only basic rent, continuing charges for items such as heating, electricity, water and sanitation, and property tax, but also a deduction for granted rent rebates. Also included is revenue relating to premature settlement of rental contracts. Of rental revenue, SEK 1 000 K (2 168) consists of turnover-based premises rents. Rents and rent rebates that are only debited during a certain period of a contract's duration are accrued linearly over the respective contract's entire duration.

Rental revenue in the Volito Fastigheter group according to the contract portfolio at year-end was divided between 89% (89%) commercial premises and 11% (11%) residential. The commercial rental revenue was divided between 146 (150) contracts within a number of different sectors. With the aim of limiting exposure to credit losses, regular follow-ups are made of tenants' credit ratings. No sector or tenant accounts for more than 10% of the rental revenue.

For information on the duration of Volito Fastigheter's contract portfolio, refer to Note 21.

Note 6 Auditing: fees and expenses

	2022	2021
The Group		
KPMG		
Audit assignments	40	140
Tax consultations	–	18
Other assignments	52	257
ERNST & YOUNG		
Audit assignments	1 406	1 067
Tax consultations	12	–
Other assignments	139	80
OTHER AUDITORS		
Audit assignments	21	41
Other assignments	–	70
The Parent company		
KPMG		
Other assignments	–	85
ERNST & YOUNG		
Audit assignments	405	350
Other assignments	108	80

Audit assignments refer to the scrutiny of the annual accounts, accounting, and the Board's and CEO's administration, as well as other tasks that fall to the company's auditor to carry out, and consultation or other assistance resulting from observations of such scrutiny or the carrying out of such other tasks. Tax consultations include consultations concerning income tax and valued added tax. Other assignments refer to consultations that are not applicable to any of the above-named service categories.

Note 7 Staff and personnel costs

Average number of employees	2022	Of which, men	2021	Of which, men
The Parent company				
Sweden	6	33 %	6	33 %
Subsidiaries				
Sweden	136	87 %	123	88 %
Finland	82	91 %	81	89 %
Total in subsidiaries	218	89 %	204	89 %
Group total	**224**	**87 %**	**210**	**87 %**

Gender distribution in company management	2022 Percentage of women	2021 Percentage of women
The Group		
Board of Directors	0 %	0 %
Other senior executives	50 %	50 %

Expenses and remuneration to employees	2022	2021
The Group		
Salaries and remuneration etc	139 644	123 601
Pension costs, contribution-based plans	19 445	18 048
Social security expenditure	33 629	31 768
	192 718	**173 417**

Salaries, other remuneration and social security expenses	2022 Salaries and remuneration	2022 Social security expenses	2021 Salaries and remuneration	2021 Social security expenses
The Parent company	13 155	7 285	22 033	9 644
(of which, pension costs)		[1](1 937)		[1] (2 496)
Subsidiaries	126 489	45 789	101 568	40 172
(of which, pension costs)		(17 508)		(15 552)
Total for the Group	**139 644**	**53 074**	**123 601**	**49 816**
(of which, pension costs)		**[2] (19 445)**		**[2] (18 048)**

[1] Of the Parent company's pension costs, SEK 1 019 K (1 518) refers to the company's Board and CEO. The company has no outstanding pension obligations to them.

[2] Of the Group's pension costs, SEK 5 470 K (5 852) refers to the subsidiaries' Boards and CEOs. Outstanding pension obligations to them amount to SEK 11 K (30).

Salaries and other remuneration by senior executives, and other employees in the Parent company	2022	2021
The Parent company		
SENIOR EXECUTIVES (6 PEOPLE, CEO AND BOARD MEMBERS)		
Salaries and other remuneration	9 248	16 207
(of which, bonuses and similar)	(–)	(7 147)
Social security expenses	4 889	6 533
(of which, pension costs)	(1 019)	(1 518)
OTHER EMPLOYEES		
Salaries and other remuneration	3 907	5 826
(of which, bonuses and similar)	(100)	(110)
Social security expenses	2 396	3 111
(of which, pension costs)	(918)	(978)
The Parent company, total		
Salaries and other remuneration	13 155	22 033
(of which, bonuses and similar)	(100)	(7 257)
Social security expenses	7 285	9 644
(of which, pension costs)	(1 937)	(2 496)

Salaries and other remuneration by senior executives, and other employees in the Group	2022	2021
The Group		
SENIOR EXECUTIVES		
Salaries and other remuneration	28 584	31 939
(of which, bonuses and similar)	(2 188)	(8 298)
Social security expenses	14 871	16 012
(of which, pension costs)	(5 470)	(5 852)
OTHER EMPLOYEES		
Salaries and other remuneration	111 060	91 662
(of which, bonuses and similar)	(3 925)	(292)
Social security expenses	38 203	33 804
(of which, pension costs)	(13 975)	(12 196)
The Group, total		
Salaries and other remuneration	139 644	123 601
(of which, bonuses and similar)	(6 113)	(8 590)
Social security expenses	53 074	49 816
(of which, pension costs)	(19 445)	(18 048)

Remuneration to senior executives

Principles

The Chairman of the Board receives no remuneration. The other Board members receive a fee of SEK 350 K according to the Annual General Meeting's decision. There is no agreement concerning future pension/severance pay for either the Chairman of the Board or other Board members. Remuneration to the CEO and other senior executives consists of basic salary, other benefits and pension. There is an agreement with the CEO of the Parent company regarding a bonus scheme and severance pay corresponding to one year's salary.

Remuneration and other benefits

Other benefits refer to company cars. Pension costs refer to the costs that affect the profit or loss for the year. For the CEO and other senior executives, premium-based pension plans apply, and the retirement age is 65. Costs for the CEO's pension consist of a premium of 35% of the pension-qualifying salary during the period of employment. For other senior executives, ITP plans or equivalent apply, and the retirement age is 65.

Other senior executives

On termination of employment from the company's side, other senior executives have the right to severance payments amounting to between six months' and 12 months' salary.

Note 8 Depreciation of tangible and intangible fixed assets

	2022	2021
The Group		
Intangible assets	-430	-773
Industrial premises	–	-211
Right-of-use assets	-19 336	-14 168
Machinery and other technical fixed assets	-528	-598
Equipment, tools and installations	-3 671	-3 436
	-23 965	**-19 186**
The Parent company		
Intangible assets	-104	-104
Equipment, tools and installations	-26	-26
	-130	**-130**

Note 9 Other operating expenses

	2022	2021
The Group		
Capital gains/losses	-51	-73
Exchange losses on receivables/liabilities relating to operations	–	-132
Credit losses	-275	-186
Other	-374	-17
	-700	**-408**

Note 10 Profit or loss from participations in subsidiaries

	2022	2021
The Parent company		
Dividends	9 000	9 000
Write-downs of paid shareholders' contributions	-35 536	-40 459
	-26 536	**-31 459**

Note 11 Profit or loss from participations in joint ventures

	2022	2021
The Group		
Profit or loss from participations in joint ventures for the year	13 202	41 817
Capital gains from divested participations	–	849
	13 202	**42 666**

Note 12 Profit or loss from participations in associated companies

	2022	2021
The Group		
Profit or loss from participations in associated companies for the year	14 253	31 012
Reversed write-downs	8 348	–
	22 601	**31 012**
The Parent company		
Dividends	11 419	10 000
Reversed write-downs	8 348	–
	19 767	**10 000**

Note 13 Profit or loss from other financial income and expense

	2022	2021
The Group		
Other dividends	87 377	77 790
Capital gains from divestments	34 888	61 332
Write-downs	-6 964	-6 287
Reversed write-downs	1 792	–
Change in value	323 815	65 307
	440 908	**198 142**
The Parent company		
Other dividends	86 560	77 790
Capital gains from divestments	33 855	1 032 853
Write-downs	-6 714	-6 287
	113 701	**1 104 356**

Note 14 Interest income and similar income

	2022	2021
The Group		
Interest income, other	245	179
Leasing revenue	1 252	1 327
Exchange profits	–	605
	1 497	**2 111**
The Parent company		
Interest income, subsidiaries	6 608	4 385
Interest income, other	151	–
Exchange profits	12 079	2 019
Guarantee-related income, subsidiaries	879	204
	19 717	**6 608**

All interest income is attributable to instruments measured at amortised cost.

Note 15 Interest expenses and similar expenses

	2022	2021
The Group		
Interest expenses, subsidiaries	-486	–
Interest expenses, other	-81 061	-73 643
Set-up fees	-2 734	-3 719
Credit charges and commissions	-3 463	-3 731
Exchange losses	-4 601	–
	-92 345	**-81 093**
The Parent company		
Interest expenses, subsidiaries	-7 674	-3 679
Interest expenses, other	-29 558	-29 608
Set-up fees	-2 734	-3 719
Credit charges and commissions	-3 429	-3 724
	-43 395	**-40 730**

Of interest expenses, SEK 73 968 K (41 452) is attributable to instruments measured at amortised cost and SEK 7 093 K (32 191) to instruments measured at fair value.

Note 16 Change in value of investment properties

	2022	2021
The Group		
Change in value of property portfolio, 31 December	-97 715	92 733

Volito Fastigheter has not acquired or divested any properties during the year.

At every year-end all properties are valued externally. Malmöbryggan Fastighetsekonomi AB carried out a valuation of Volito's properties on 31 December 2022. The properties' values are individually assessed to correspond to the fair value of each property.

Note 21 includes a description of the valuation methods, valuation basis, market parameters etc. that are used in the valuation of the property portfolio.

Note 17 Change in value of derivatives

Derivatives are financial instruments that according to IFRS 9 are measured at fair value in the balance sheet. Changes in the value of interest rate derivatives are reported under the heading "Change in value of derivatives" in the income statement. If the agreed interest rate for the derivative deviates from the expected future market interest rate during the derivative's duration, a change in value is entered in Volito's balance sheet and income statement, but does not affect the cash flow. The reduced risk in interest payments through long fixed interest rates often creates a larger risk in derivative value due to the time factor. When the duration of the derivative has expired, the value of the interest rate derivative is always zero.

Note 18 Taxes

	2022	2021
The Group		
Current tax	-12 774	-2 828
Deferred tax	-11 251	-35 234
Total reported taxes for the Group before other comprehensive income	**-24 025**	**-38 062**
The Parent company		
Deferred tax	-1 808	-2 901
Total reported taxes for the Parent company	**-1 808**	**-2 901**

Reconciliation of effective tax		**2022**		**2021**
	Per cent	**Amount**	**Per cent**	**Amount**
The Group				
Profit before tax		518 386		396 706
Tax according to the current tax rate for the Parent company	20.6 %	-106 788	20.6 %	-81 721
Effect of other tax rates for foreign subsidiaries	0.0 %	72	0.0 %	107
Other non-deductible expenses	2.9 %	-14 868	3.8 %	-14 918
Tax-exempt income	-18.5 %	95 724	-11.0 %	43 482
Tax relating to previous years	0.1 %	-331	0.1 %	-443
Previously non-valued deficit deduction	0.0 %	30	-0.3 %	1 156
Temporary differences	0.5 %	-2 639	0.1 %	-301
Adjustment of tax attributable to profit or loss from joint ventures and associated companies	-1.1 %	5 656	-3.8 %	15 002
Other	0.2 %	-881	0.1 %	-426
Reported effective tax	**4.6 %**	**-24 025**	**9.6 %**	**-38 062**

Reconciliation of effective tax		**2022**		**2021**
	Per cent	**Amount**	**Per cent**	**Amount**
The Parent company				
Profit before tax		75 382		1 052 701
Tax according to the current tax rate for the Parent company	20.6 %	-15 529	20.6 %	-216 856
Non-deductible expenses	21.5 %	-16 216	1.6 %	-16 903
Tax-exempt income	-39.7 %	29 951	-22.0 %	231 092
Tax relating to previous years	0.0 %	-14	0.0 %	-234
Reported effective tax	**2.4 %**	**-1 808**	**0.3 %**	**-2 901**

The Group reports current tax of SEK -12 774 K (-2 828). Current tax is calculated on the fiscal results of the companies included in the Group. This is lower than the Group's reported profit or loss before tax, which is mainly because:

- Changes in value relating to investment properties, shares in listed companies and derivatives are not included in the taxable profit or loss.
- Tax deductible depreciation for buildings does not affect the Group's profit or loss.
- Directly tax-deductible amounts relating to certain rebuilding investments for properties do not affect the Group's profit or loss.
- Fiscally utilised deficit deduction does not affect the Group's profit or loss.

The nominal tax rate is 20.6% in Sweden, 7.8% in Switzerland and 20.0% in Finland.

In addition to what is reported above, there is also within the Group a tax expense attributable to components in other comprehensive income amounting to SEK +73 991 K (- 64 006).

The Group 2022	**Before tax**	**Tax**	**After tax**
Translation differences in translation of overseas businesses for the year	19 432	–	19 432
Participations in associated companies' other comprehensive income	31 235	–	31 235
Change in fair value of equity instruments measured at fair value via other comprehensive income for the year	-1 279 351	73 991	-1 205 360
Other comprehensive income	**-1 228 684**	**73 991**	**-1 154 693**

The Group 2021	**Before tax**	**Tax**	**After tax**
Translation differences in translation of overseas businesses for the year	4 139	–	4 139
Participations in associated companies' other comprehensive income	13 354	–	13 354
Change in fair value of equity instruments measured at fair value via other comprehensive income for the year	1 110 358	-64 006	1 046 352
Other comprehensive income	**1 127 851**	**-64 006**	**1 063 845**

Note 19 Scope of other comprehensive income and other reserves

The foreign exchange reserve includes all currency differences that arise in translation of financial statements from foreign subsidiaries and associated companies that have drawn up their financial statements in currencies other than the currency used in the Group's financial statements. When foreign subsidiaries are wound up or divested, this part of the foreign exchange reserve is transferred to profit or loss for the year.

The fair value reserve includes changes in value of equity instruments measured at fair value via other comprehensive income.

Note 20 Intangible fixed assets

Goodwill	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	190 089	119 151
Acquisition of subsidiaries	31 344	69 685
Exchange rate differences for the year	8 323	1 253
At year-end	**229 756**	**190 089**
Accumulated depreciation according to plan		
At start of the year	-1 144	-809
Depreciation according to plan for the year	–	-294
Exchange rate differences for the year	-212	-41
At year-end	**-1 356**	**-1 144**
Book value at end of period	**228 400**	**188 945**

Other intangible assets	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	7 306	7 324
Acquisition of subsidiaries	–	163
Other investments	563	127
Divestments and disposals	-68	-360
Exchange rate differences for the year	261	52
At year-end	**8 062**	**7 306**
Accumulated depreciation according to plan		
At start of the year	-6 547	-6 257
Acquisition of subsidiaries	–	-142
Divestments and disposals	68	360
Depreciation according to plan for the year	-430	-479
Exchange rate differences for the year	-253	-29
At year-end	**-7 162**	**-6 547**
Book value at end of period	**900**	**759**

Total intangible assets	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	197 395	126 475
Acquisition of subsidiaries	31 344	69 848
Other investments	563	127
Divestments and disposals	-68	-360
Exchange rate differences for the year	8 584	1 305
At year-end	**237 818**	**197 395**
Accumulated depreciation according to plan		
At start of the year	-7 691	-7 066
Acquisition of subsidiaries	–	-142
Divestments and disposals	68	360
Depreciation according to plan for the year	-430	-773
Exchange rate differences for the year	-465	-70
At year-end	**-8 518**	**-7 691**
Book value at end of period	**229 300**	**189 704**

Other intangible assets	2022-12-31	2021-12-31
The Parent company		
Accumulated acquisition value		
At start of the year	745	745
At year-end	**745**	**745**
Accumulated depreciation according to plan		
At start of the year	-460	-355
Depreciation according to plan for the year	-104	-104
At year-end	**-564**	**-459**
Book value at end of period	**182**	**286**

Write-down testing of goodwill in cash-generating units

The Volito Group's financial position as at 31 December 2022 includes goodwill of SEK 228 400 K (188 945). The entire amount is attributable to acquisitions within the Volito Industry group.

	2022-12-31	2021-12-31
The Group		
HydX AB	43 148	43 148
HydSupply AB	14 558	14 558
ETP Kraftelektronik AB	34 625	34 625
Blue Pac AB	9 839	9 839
Mobile Integrator AB	21 046	–
HydSupply Oy	70 030	61 483
ProTest Oy	24 393	22 418
Paineteho Oy	–	2 874
Peimarin Hydrauliikka Oy	10 761	–
At year-end	**228 400**	**188 945**

Write-downs of goodwill

During 2022, the Group made no write-downs of goodwill. For all of the cash-generating units where a calculation of the recoverable amount was carried out and no write-down requirement was identified, it is the company management's assessment that no reasonably possible changes in important assumptions would cause the recoverable amount to fall below the book value.

Method for calculating recoverable amounts

For all goodwill values, the recoverable amount has been measured through a calculation of the value in use for the cash-generating unit. The calculation model is based on a discounting of future forecast cash flows that are set against the unit's book value. The future cash flows are based on 3-year forecasts compiled by the management of the respective cash-generating unit. In testing of goodwill, an infinite horizon has been assumed and extrapolation of the cash flow for years after the forecast period has been based on a growth rate from year 4 of approx. 2%.

Important variables for calculating value in use:

The following variables are significant and common for all cash-generating units in the calculation of value in use.

TURNOVER:

The competitiveness of the business, expected business climate trend for the hydraulic sector, general socio-economic development, interest rates and local market conditions.

OPERATING MARGIN:

Historical profitability level and efficiency of the business, access to key people and qualified workforce, ability to cooperate with customers, access to internal resources, cost trends for salaries and materials.

OPERATING CAPITAL REQUIREMENTS:

An assessment on a case-by-case basis of whether the operating capital level reflects the business's requirements or needs to be adjusted for the forecast periods. For future development, a cautious assumption is that it follows growth in turnover. A high level of internally developed projects may mean a greater need for operating capital.

INVESTMENT REQUIREMENTS:

The investment needs of the business are assessed based on the investments required to reach forecast cash flows at the base level, i.e. without investments in expansion. In normal cases, the investment level has corresponded to the depreciation rate on tangible fixed assets.

DISCOUNT RATE OF INTEREST:

The discount rate of interest is determined through a balanced average cost of capital for the hydraulic sector and reflects current market assessments of the money's time value and the risks that apply in particular to the asset for which the future cash flows have not been adjusted. For cash-generating units, a discount rate of interest estimated as a WACC of 10.97% (9.45%) is used.

Note 21 Investment properties

The greater part of the Volito Group's properties has been classified as investment properties. Investment properties are properties held with an aim to generate rental revenue or value growth, or a combination of the two. Investment properties are reported in the statement of financial position at fair value.

Volito rents offices in Malmö in its own properties. The rental value for internal renting makes up a negligible part of the respective property's total rental value, which is why no classification as real estate used in business operations has been made for these properties.

Volito holds no property that has been acquired or rebuilt for subsequent immediate sale, which is why no property has been classified as a property held for resale.

Investments for the year amounted to SEK 13.4 million (17.3) and refer to completed investments during the year and fixed assets under construction, see Note 26.

Calculation of fair value

On 31 December 2022, the company carried out an external market valuation of the Group's properties. The fair value of the investment properties has been assessed by external, independent property appraisers with relevant professional qualifications and experience of both current market areas and the type of property that is being valued. Volito has used Malmöbryggan Fastighetsekonomi AB.

The valuation has been done in accordance with the guidelines applied in the SFI/IPD Swedish Real Estate Index. Fair value has been estimated through the application of the present value method, which is calibrated against comparable purchases and other available, relevant market information. The present value method is based on the present value calculation of future actual cash flows that is successively market-adjusted, normally over five to eight years, and the present value of assessed residual value at the calculation period's end. Valuation of the investment properties has been categorised as belonging to level three in the fair value hierarchy, as non-observable input data used in the valuation has a significant effect on the assessed value. The properties' values are individually assessed to correspond to the fair value of the respective property.

The value is calculated as an average yield of 4.45% (3.92%).

Reconciliation of property valuation	**2022-12-31**	**2021-12-31**
Properties' value according to external appraiser	3 485 000	3 566 000

Change in book value for the year	**2022-12-31**	**2021-12-31**
Book value at start of the year	3 566 000	3 454 901
Investments	2 689	135
Reclassifications	10 039	18 232
Change in value of remaining properties at year-end	-97 715	92 732
Book value	**3 481 013**	**3 566 000**

Summary

Valuation date	**2022-12-31**	**2021-12-31**
Calculation period	5–8 years In normal cases, five years for most properties. However, certain properties have other calculation periods due to length of contracts.	5–8 years
Assessed yield requirement, residual value.	Between 2.85 and 7.00%	Between 2.56 and 5.25%
Long-term vacancy rate	1.0–7.0%	1.43–7.53%
Operating and maintenance costs	Assessed normalised cost levels SEK 271–1 308/m² (SEK 260–529/m²) based on outcome 2018–2021, forecast 2022 and budget 2023.	
Inflation forecast	CPI assessed to rise by 8.5% for 2023, 3.5% for 2024 and thereafter by 2.0% per year.	

Accrued rebuilding expenses regarding properties classified as investment properties are reported under the item "Fixed assets under construction and advances relating to tangible fixed assets", Note 26.

	2022-12-31	**2021-12-31**
The Group	3 987	3 297

Investment properties – Effect on profit or loss for the period

	2022-12-31	**2021-12-31**
The Group		
Rental revenue	162 131	157 025
Direct costs for investment properties that generated rental revenue during the period (operating and maintenance costs, property tax and ground rent)	-54 323	-42 299

The duration of the contract portfolio for commercial premises within the Volito Group, as at 31 December 2022, expires according to the table below. Stated amounts refer to contracted closing annual rents in the portfolio:

	2022-12-31	**2021-12-31**
The Group		
Within one year	12 970	16 459
Between one and five years	139 883	123 447
Later than five years	6 830	3 500
	159 683	**143 406**

Counterparty risks in rental revenue

According to the contract portfolio at year-end, rental revenue was divided between 89% (89%) commercial properties and 11% (11%) residential. The commercial rental revenue was divided between 146 (150) contracts in a number of different sectors. With the aim of limiting exposure to credit losses, regular follow-ups are made of tenants' credit ratings. No sector or tenant accounts for more than 10% of the rental revenue.

Note 22 Industrial premises

	2022-12-31	**2021-12-31**
The Group		
Accumulated acquisition value		
At start and end of the year	**10 644**	**10 644**
Accumulated depreciation according to plan		
At start of the year	-7 252	-7 041
Depreciation according to plan for the year	–	-211
	-7 252	**-7 252**
Book value at end of period	**3 392**	**3 392**
Of which, land		
The Group		
Accumulated acquisition value	**598**	**598**

Note 23 Leasing agreements

Leasing agreements in which the company is the lessee

The Group's tangible fixed assets consist of owned and leased assets. Leased assets consisting of investment properties are reported as a financial leasing agreement in a specific item.

	2022-12-31	**2021-12-31**
The Group		
Right-of-use assets, not investment properties	59 952	56 607

The Group leases several types of assets. No leasing agreements contain covenants or other limitations in addition to security in the leased asset.

Right-of-use assets	**Properties**	**Vehicles**	**Equipment**	**Total**
The Group				
Depreciation during the year	-15 086	-4 059	-191	-19 336
Balance carried forward 31 Dec 2022	44 949	14 812	191	59 952

Addition to right-of-use assets in 2022 amounted to SEK 24 820 K (28 443). This amount includes the acquisition value of newly acquired right-of-use assets in 2022 as well as additional amounts from the review of leasing liabilities due to altered payments as a result of the leasing period having changed.

Leasing liabilities	**2022-12-31**	**2021-12-31**
The Group		
Short-term leasing liabilities	22 201	17 616
Long-term leasing liabilities	36 266	37 520
Leasing liabilities included in the statement of financial position	**58 467**	**55 136**

For duration analysis of leasing liabilities, see Note 42, Financial instruments and financial risk management in the section on liquidity and financing risks.

Amount reported in profit or loss	2022	2021
The Group		
Depreciation	-19 336	-14 168
Interest on leasing liabilities	-1 392	-1 051
Revenue from sub-leasing of right-of-use assets	–	135
Expenses for leasing of low value	-60	-78

Amount reported in statement of cash flows	2022	2021
Total cash outflows attributable to leasing agreements		
Leasing fees	20 110	15 219
Leasing of low value	60	78

Property leasing
The Group leases buildings for its office premises. The leasing agreement for office premises normally has a duration of one to three years. All agreements contain an option to renew the leasing agreement at the end of the leasing period by a further period of the same duration.

Certain leasing agreements contain leasing fees based on changes in local price indexes or the Group's turnover in the leased premises during the year. Certain leasing agreements require that the Group pays fees connected with the property taxes that apply to the lessor. These amounts are determined annually.

Extension and termination options
Leasing agreements contain extension and termination options that the Group can utilise or not utilise up to one year before the expiry of the non-cancellable leasing period. When it is practical, the Group tries to include such options in new leasing agreements, as they contribute to operative flexibility. The options can only be utilised by the Group, not the lessor. Whether it is reasonably certain that an extension option will be utilised or not is determined on the leasing agreement's start date. The Group reviews whether it is reasonably certain that an extension option will be utilised or not in the event of an important event or significant change in circumstances that lies within the Group's control.

The Group's rental agreements for both office premises and other premises consist mainly of non-cancellable periods of one to three years, that are extended by further periods of one to three years, if the Group does not terminate the agreement with a six-month to one-year period of notice. The agreements contain no definitive end date. For agreements that have shorter non-cancellable periods than five years, it is assessed that it is reasonably certain that a further period will be utilised, resulting in leasing periods of up to six years. The reported leasing liability for this amounts to SEK 43 506 K (40 557).

Significant changes may occur in the future in the event of a review of the leasing period being carried out regarding one of the Group's significant property agreements.

Other leasing agreements
The Group leases vehicles and equipment with leasing periods of three years in normal cases. In certain cases, the Group has the option to purchase the asset at the end of the leasing period. In other cases, the Group guarantees the leased asset's residual value at the end of the leasing period. Extension options occur only to a limited extent.

Estimated residual value guarantees are reviewed at each accounting year-end in order to revalue the leasing liability and right-of-use asset. The estimated value as at 31 December 2022 was SEK 8 764 K (8 290).

In some individual cases, machinery and IT equipment is also leased with leasing periods of one to three years. These leasing agreements and/or leases are of low value. The Group has chosen not to report the right-of-use assets and leasing liabilities for these leasing agreements.

Leasing agreements in which the company is the lessor
Financial leasing agreements
Within the Group is a property that is leased out via a financial leasing agreement, see Note 34. The Group classifies the sub-leasing agreement as a financial leasing agreement, as the sub-lease extends over the main leasing agreement's entire remaining leasing period.

The Parent company
Non-cancellable leasing payments

	2022	2021
Within one year	3 108	2 784
Between one and five years	8 197	1 353
	11 305	**4 137**

Expensed payments for leasing agreements

	2022	2021
Minimum lease payments	3 007	2 669

The Parent company's leasing agreement has been extended and runs up to and including 30 June 2026, with no specific restrictions and with an option to extend. Other agreements relating to leasing are divided between small agreements and consist of negligible amounts.

Note 24 Machinery and other technical fixed assets

	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	7 807	7 777
New acquisitions	98	30
Divestments and disposals	-1 083	–
Reclassifications	-15	–
	6 807	**7 807**
Accumulated depreciation according to plan		
At start of the year	-5 432	-4 834
Divestments and disposals	1 028	–
Depreciation according to plan of acquisition value for the year	-528	-598
	-4 932	**-5 432**
Book value at end of period	**1 875**	**2 375**

Note 25 Equipment, tools and installations

	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	47 768	43 806
Acquisition of subsidiaries	404	2 331
New acquisitions	3 070	1 791
Divestments and disposals	-5 212	-340
Reclassifications	15	–
Exchange rate differences for the year	1 078	180
	47 123	**47 768**
Accumulated depreciation according to plan		
At start of the year	-34 468	-30 300
Acquisition of subsidiaries	-120	-866
Divestments and disposals	4 893	235
Depreciation according to plan of acquisition value for the year	-3 671	-3 436
Exchange rate differences for the year	-656	-101
	-34 022	**-34 468**
Book value at end of period	**13 101**	**13 300**

	2022-12-31	2021-12-31
The Parent company		
Accumulated acquisition value		
At start of the year	4 214	4 182
New acquisitions	–	32
	4 214	**4 214**
Accumulated depreciation according to plan		
At start of the year	-1 433	-1 407
Depreciation according to plan of acquisition value for the year	-26	-26
	-1 459	**-1 433**
Book value at end of period	**2 755**	**2 781**

Note 26 Fixed assets under construction and advances relating to tangible fixed assets

	2022-12-31	2021-12-31
The Group		
At start of the year	3 301	4 343
Reclassifications to investment properties	-10 039	-18 232
Investments	10 787	17 190
Book value at end of period	**4 049**	**3 301**

Borrowing expenses
No activated interest is included in the acquisition value.

Note 27 Participations in subsidiaries

	2022-12-31	2021-12-31
Accumulated acquisition value		
At start of the year	676 664	643 704
Paid shareholders' contribution	35 536	32 960
	712 200	**676 664**
Accumulated write-downs		
At start of the year	-327 982	-287 522
Write-downs for the year	-35 536	-40 460
	-363 518	**-327 982**
Book value at end of period	**348 682**	**348 682**

Note 27 (cont.) Specification of the Parent company's and Group's holdings of shares in subsidiaries

Subsidiary / Corp. ID No. / Registered office	No. of shares	Shares in % [1]	2022-12-31 Book value	2021-12-31 Book value
Volito Aviation AB, 556603-2800, Malmö	10 000	100.0	23 088	23 088
Volito Fastigheter AB, 556539-1447, Malmö	423 000	100.0	312 014	312 014
Volito Fastighetsutveckling AB, 556375-6781, Malmö		100.0		
Volito Fastighetsförvaltning AB, 556142-4226, Malmö		100.0		
HB Ran Förvaltning, 916766-5224, Malmö		100.0		
Volito Fastighetskupolen AB, 556629-1117, Malmö		100.0		
Fastighets AB Centralposthuset i Malmö, 556548-1917, Malmö		100.0		
Volito Leisure AB, 556541-9164, Malmö		100.0		
Volito Mosippan AB, 556631-7979, Malmö		100.0		
Volito Delfinen AB, 556630-7988, Malmö		100.0		
Volito Proveniens AB, 556758-2415, Malmö		100.0		
Volito Sankt Peter AB, 556658-6904, Malmö		100.0		
Volito Claus AB, 556758-3090, Malmö		100.0		
Volito Laxen AB, 556758-3975, Malmö		100.0		
Volito Stjärnan AB, 556758-3074, Malmö		100.0		
Volito Södra Porten AB, 556758-3108, Malmö		100.0		
Volito Söderhavet AB, 556758-3561, Malmö		100.0		
Volito Visenten AB, 556749-9636, Malmö		100.0		
Volito Elefanten AB, 559125-9766, Malmö		100.0		
Volito Industri AB, 556662-5835, Malmö	85 500	95.0	13 460	13 460
Volito Automation AB, 556669-2157, Malmö		100.0		
HydX AB, 556791-5326, Ystad		100.0		
HydSupply AB, 556718-2091, Malmö		100.0		
ETP Kraftelektronik AB, 556589-7609, Partille		100.0		
Blue Pac AB, 559242-9087, Partille		100.0		
Mobile Integrator Sweden AB, 556803-0174, Halmstad		100.0		
Hintratech AB i likvidation, 556568-9436, Vetlanda		100.0		
Hyd Partner A/S, 913929616, Krokkleiva, Norway		100.0		
HydSupply Oy, 0606351-2, Jyväskylä, Finland		100.0		
ProTest Engineering Oy, 2311605-7, Jyväskylä, Finland		100.0		
Peimarin Hydrauliikka Oy, 2427274-8, Piikkiö, Finland		100.0		
Volito Kapital AB, 556671-0140, Malmö	1 000	100.0	120	120
			348 682	**348 682**

[1] Refers to the ownership share of the capital, which also agrees with the proportion of votes for the total number of shares.

Subsidiary	Country	Business segment	Holdings with non-controlling interest 2022-12-31	2021-12-31
Volito Industri AB	Sweden	Industry	5%	5%

Subsidiaries	Volito Industri AB (group) 2022	2021
Net sales	700 223	473 330
Profit or loss	8 535	11 240
Other comprehensive income	16 044	2 105
Total comprehensive income	**24 579**	**13 345**
Attributable to acquisitions with non-controlling interest	1 229	667
Fixed assets	248 075	208 910
Current assets	400 300	250 021
Provisions	-657	–
Long-term liabilities	-140 716	-229 027
Short-term liabilities	-406 989	-187 749
Net assets	**100 013**	**42 155**
Attributable to acquisitions with non-controlling interest	5 001	2 107
Cash flow from:		
Operating activities	7 991	12 598
Investing activities	-71 109	-56 213
Financing activities	69 674	37 772
Cash flow for the year	**6 556**	**-5 843**

Acquisitions in 2022
In 2022 the Group acquired three companies. All the companies are in the Volito Industry group.

Effects of acquisitions in 2022
Volito purposefully adapted its offering to meet customers' increased needs for automation, electrification and connectivity. This led to continued expansion in electrification and the IoT. As a step in this expansion, Mobile Integrator AB and the Danish subsidiary Mobile Integrator ApS were acquired for a total of SEK 26.8 million as well as Peimarin Hydrauliikka Oy in Finland for SEK 18.6 million.

Mobile Integrator specialises in monitoring and control systems in mobile electronics as well as connected functions and services. The company provides an extensive range of products and services designed for the mobile market. The company has further strengthened Volito Automation's OEM segment, one of the Nordic region's most competitive businesses in hydraulics, pneumatics and electric operation with considerable expertise in integrated system solutions.

Peimarin Hydrauliikka offers service, preventive maintenance and production optimisation in hydraulics and pneumatics and is a part of Volito Automation's aftermarket business in the Nordic region, where Volito works for customers' long-term functionality and continuous operation.

The acquired companies contributed SEK 30.9 million to the Group's turnover and SEK 1.6 million to the Group's profit after tax in 2022. If the acquisitions had been completed on 1 January 2022, the company management estimates that the Group's revenue would have increased by a further SEK 42.0 million and the period's profit after tax would have been SEK 4.8 million higher.

Net assets of the acquired companies

Acquired assets and liabilities:	Mobile Integrator AB	Mobile Integrator ApS
Group goodwill	21 046	–
Tangible fixed assets	83	–
Inventories	3 604	–
Operating receivables	4 483	177
Liquid funds	2 113	336
Total assets	**31 329**	**513**
Operating liabilities	4 777	271
Total provisions and liabilities	**4 777**	**271**
Purchase price	26 794	–

Acquired assets and liabilities:	Peimarin Hydrauliikka Oy
Group goodwill	10 298
Tangible and intangible fixed assets	230
Inventories	5 094
Operating receivables	3 033
Liquid funds	2 628
Total assets	**21 283**
Operating liabilities	2 690
Total provisions and liabilities	**2 690**
Purchase price	18 593

Note 28 Receivables from subsidiaries

	2022-12-31	2021-12-31
The Parent company		
Book value at start and end of year	**107 997**	**107 997**

Note 29 Participations in joint ventures

	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	381 994	340 177
Participations in joint ventures' profit or loss for the year	13 202	41 817
	395 196	**381 994**

Specification of the Parent company's and Group's holdings of shares in joint ventures

Joint venture/Corp. ID no., Registered office	Shares/ number in %	Equity share's value in the Group	2022-12-31 Book value at Parent company
Indirectly owned			
Point Hyllie Holding AB, 559023-4034, Malmö	50.0	395 196	–
Book value at end of period		**395 196**	**–**

Joint venture/Corp. ID no., Registered office	Shares/ number in %	Equity share's value in the Group	2021-12-31 Book value at Parent company
Indirectly owned			
Point Hyllie Holding AB, 559023-4034, Malmö	50.0	381 994	–
Book value at end of period		**381 994**	**–**

Below is a specification of the group-wise value relating to owned participations in joint ventures' revenue and expenses, as well as assets and liabilities.

	Hyllie Point group 2022	2021
Revenue	42 411	29 716
Expenses	-29 980	-35 027
Change in value of properties	-4 139	47 128
Change in value of derivatives	4 910	–
	13 202	**41 817**
Assets	952 675	941 148
Liabilities	-557 479	-559 154
Net assets	**395 196**	**381 994**

Note 30 Participations in associated companies

	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	457 350	417 273
Purchases	3 662	3 891
Participations in associated companies' profit or loss for the year	14 253	31 012
Participations in associated companies' other comprehensive income for the year	31 235	13 354
Exchange rate differences for the year	3 635	2 094
Transactions relating to equity		
Dividends	-11 419	-10 000
Transactions with owners	158	-274
Book value at end of period	**498 874**	**457 350**
The Parent company		
Accumulated acquisition value		
At start of the year	246 306	242 415
Purchases	3 662	3 891
Book value at end of period	**249 968**	**246 306**

Specification of the Parent company's and Group's holdings of shares in associated companies

Associated company/Corp. ID no., Registered office	Shares/ number in %	Equity share's value in the Group	2022-12-31 Book value at Parent company
Directly owned			
Bulten AB (publ), 556668-2141, Gothenburg	24.3	469 976	249 968
Nordkap Holding AG, CHE - 110.234.439, Zug, Switzerland	40.0	0	0
Indirectly owned			
Volito Aviation AG, CHE - 111.972.238, Zug, Switzerland	49.0	24 967	–
Kiinteistöy Oy, 1107347-5, Porin Pienteollisuustalo, Finland	42.0	3 931	–
		498 874	**249 968**

Specification of the Parent company's and Group's holdings of shares in associated companies

Associated company/Corp. ID no., Registered office	Shares/ number in %	Equity share's value in the Group	2021-12-31 Book value at Parent company
Directly owned			
Bulten AB (publ), 556668-2141, Gothenburg	24.1	432 245	246 306
Nordkap Holding AG, CHE - 110.234.439, Zug, Switzerland	40.0	0	0
Indirectly owned			
Volito Aviation AG, CHE - 111.972.238, Zug, Switzerland	49.0	21 492	–
Kiinteistöy Oy, 1107347-5, Porin Pienteollisuustalo, Finland	42.0	3 613	–
		457 350	**246 306**

Below is a specification of the group-wise value relating to owned participations in associated companies' revenue and expenses, as well as assets and liabilities.

	Bulten AB (publ) 2022	2021	Volito Aviation AG 2022	2021	Kiinteistöy Oy 2022	2021
Revenue	1 094 211	904 177	660	1 817	–	–
Expenses	-1 080 117	-873 258	-501	-1 724	–	–
Acquired profit participation	–	–	–	–	–	–
	14 094	**30 919**	**159**	**93**	**–**	**–**
Assets	1 058 513	822 611	26 404	22 697	3 963	3 643
Liabilities	-621 341	-423 170	-1 437	-1 205	-32	-30
Acquired surplus value	32 804	32 804	–	–	–	–
Net assets	**469 976**	**432 245**	**24 967**	**21 492**	**3 931**	**3 613**

Note 31 Receivables from associated companies

	2022-12-31	2021-12-31
The Group		
Accumulated acquisition value		
At start of the year	11 189	10 507
Regulated receivables	-12 615	–
Exchange rate differences for the year	1 426	682
	–	11 189

Note 32 Other long-term securities holdings

	2022-12-31	2021-12-31
The Group		
Shares and participations	3 535 838	4 447 226
Book value at year-end	**3 535 838**	**4 447 226**

Changes relating to other long-term securities holdings for the year

	2022-12-31	2021-12-31
The Parent company		
Accumulated acquisition value		
At start of the year	2 391 686	1 413 966
Additional assets	32 043	1 018 979
Divested assets	-32 812	-41 259
	2 390 917	2 391 686
Accumulated write-downs		
At start of the year	-8 877	-2 589
Write-downs for the year	-6 148	-6 288
	-15 025	-8 877
Book value at year-end	**2 375 892**	**2 382 809**

	2022-12-31		2021-12-31	
List of securities	**The Group**	**The Parent company**	**The Group**	**The Parent company**
Peab AB (publ)	986 970	449 825	1 907 140	449 825
Annehem Fastigheter AB (publ)	97 020	164 049	179 040	161 388
EQT AB (publ)	220 600	67 000	493 000	67 000
EQT funds	2 217 727	1 684 585	1 885 958	1 698 697
Avensia AB (publ)	5 000	1 932	7 100	1 932
Other	8 521	8 501	4 988	3 967
	3 535 838	**2 375 892**	**4 447 226**	**2 382 809**

Note 33 Deferred tax asset/tax liability

	Deferred tax asset	Deferred tax liability	Net
The Group 2022			
Accelerated depreciation			
Machinery and equipment	–	569	-569
Tax allocation reserves	–	1 355	-1 355
Fair value			
Investment properties	–	292 774	-292 774
Swaps	–	13 259	-13 259
Temporary differences	1 064	71 440	-70 376
Deficit deduction	270	–	270
Other	283	1 986	-1 703
Net deferred tax liability	**1 617**	**381 383**	**-379 766**

	Deferred tax asset	Deferred tax liability	Net
The Group 2021			
Accelerated depreciation			
Machinery and equipment	–	676	-676
Tax allocation reserves	–	1 041	-1 041
Fair value			
Investment properties	–	341 540	-341 540
Swaps	–	-7 975	7 975
Temporary differences	1 121	108 313	-107 192
Deficit deduction	3 234	–	3 234
Other	158	2 966	-2 808
Net deferred tax liability	**4 513**	**446 561**	**-442 048**

	Deferred tax asset	Deferred tax liability	Net
The Parent company 2022			
Temporary differences	–	15 856	-15 856
Deficit deduction	270	–	270
Net deferred tax liability	**270**	**15 856**	**-15 586**

	Deferred tax asset	Deferred tax liability	Net
The Parent company 2021			
Temporary differences	–	15 856	-15 856
Deficit deduction	2 078	–	2 078
Net deferred tax liability	**2 078**	**15 856**	**-13 778**

Unreported deferred tax assets	**2022-12-31**	**2021-12-31**
Fiscal deficit	**905**	**156**

The fiscal deficit is attributable to Swedish companies.

Note 34 Financial leasing agreements

One of the properties in the Volito Fastigheter group is leased out through a financial leasing agreement.

	2022-12-31	2021-12-31
The Group		
Reconciliation of the gross investment and the present value of receivable relating to future minimum leasing fees:		
Gross investment	27 201	31 096
Less: Unearned finance income	-7 482	-8 734
Present value of receivable relating to future minimum leasing fees	**19 719**	**22 362**
As at 31 December, the breakdown of the remaining durations was as follows:		
Gross investment		
Within one year	2 538	2 538
Later than one but within two years	2 538	2 538
Later than two but within three years	2 538	2 538
Later than three but within four years	2 539	2 538
Later than four but within five years	2 539	2 538
Later than five years	14 509	18 406
	27 201	31 096
Less: Unearned finance income	-7 482	-8 734
Net investment in financial leasing agreements	**19 719**	**22 362**
Present value of receivable relating to future minimum leasing fees		
Within one year	1 364	1 286
Later than one but within two years	1 446	1 364
Later than two but within three years	1 532	1 446
Later than three but within four years	1 625	1 532
Later than four but within five years	1 724	1 625
Later than five years	12 028	15 109
	19 719	**22 362**
Variable component of leasing fee included in profit or loss for the period	289	289

Variable fees change according to the CPI, in accordance with the rental agreement.

Note 35 Other long-term receivables

	2022-12-31	2021-12-31
The Group and Parent company		
Accumulated acquisition value		
At start of the year	44	2 656
Additional receivables	61 985	44
Reclassifications	-44	-2 656
Book value at year-end	**61 985**	**44**

Note 36 Prepaid expenses and accrued income

	2022-12-31	2021-12-31
The Group		
Prepaid expenses	3 859	3 900
Borrowing costs allocated to period	5 391	5 966
Accrued income	1 305	306
	10 555	**10 172**
The Parent company		
Prepaid expenses	1 304	1 099
Borrowing costs allocated to period	2 922	3 781
	4 226	**4 880**

Note 37 Liquid funds

Liquid funds consist of cash and bank balances, SEK 15.6 million (8.4), as well as a bank overdraft facility balance of SEK 38.3 million (0). Unutilised bank overdraft facilities that are not included in liquid funds amount to SEK 250.0 million (225.7), of which in the Parent company SEK 250.0 million (225.7).

Note 38 Equity

		Number of issued shares	
	Fully paid	Not fully paid	Quota value
Class B shares	2 440 000	–	100

All shares have the same voting rights, one vote per share.

Other contributed capital
Refers to equity that is contributed by the owners. This includes premiums paid in connection with share issues.

Reserves
Foreign exchange reserve
The foreign exchange reserve includes all the exchange rate differences that arise from translating financial statements in a currency other than the currency used to present the consolidated financial statements. The Parent company and the Group present their financial statements in SEK. Furthermore, the foreign exchange reserve includes the exchange rate differences that arise in expanded investment in foreign businesses as well as reloans from foreign businesses.

Fair value reserve
The fair value reserve includes the accumulated net change in fair value after tax of equity instruments that are reported at fair value via other comprehensive income.

Retained earnings including profit or loss for the year
Retained earnings including profit or loss for the year consists of earned profits from the Parent company and its subsidiaries, jointly controlled companies and associated companies.

The Parent company
Reserve fund
The aim of the reserve fund has been to save a part of the net profit that is not designated for covering losses carried forward. The reserve fund also includes amounts that, prior to 1 January 2006, were transferred to the premium reserve. The reserve fund is not to be reduced through paying a dividend.

Retained earnings
Includes the previous year's profit or loss brought forward after paying a dividend. Constitutes together with profit or loss for the year the total non-restricted equity, i.e. the amount that is available for dividends to shareholders.

Proposed allocation of the company's profit
The Board of Directors and CEO propose that the unappropriated earnings, SEK 1 671 495 950.68 are allocated as follows:

Dividend, [2 440 000 * SEK 24.50 per share]	59 780 000
Retained earnings carried forward	1 611 715 951
	1 671 495 951

Information on allocation of profit
The Group's equity has been calculated in accordance with the EU-developed IFRS standards and interpretations of these (IFRIC), and in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 1 Supplementary reporting rules for groups.

The Parent company's equity has been calculated in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 2 Reporting for legal entities. The proposed dividend reduces the Parent company's equity ratio from 57.43% to 55.66%. The equity ratio is prudent, in view of the fact that the company's activities continue to operate profitably. Liquidity in the Group is expected to be maintained at a similarly stable level.

The Board's understanding is that the proposed dividend will not hinder the company from carrying out its obligations in the short or long term, nor from conducting necessary investments. The proposed dividend is thus defensible with consideration to what is stated in ABL chapter 17, section 3, paragraph 2-3 (prudence principle).

Note 39 Interest-bearing liabilities

	2022-12-31	2021-12-31
The Group		
Due date, up to 1 year from accounting year-end	1 211 614	1 470 620
Due date, 1-5 years from accounting year-end	1 858 329	1 612 159
Due date, more than five years from accounting year-end	7 560	32 716
	3 077 503	**3 115 495**
The Parent company		
Due date, up to 1 year from accounting year-end	1 043 413	1 067 743
Due date, 1-5 years from accounting year-end	–	–
	1 043 413	**1 067 743**

Long-term liabilities	**2022-12-31**	**2021-12-31**
The Group		
Bank loans	1 829 623	1 569 076
Derivative instruments	–	38 279
Leasing liabilities	36 266	37 520
	1 865 889	**1 644 875**
The Parent company		
Bank loans	–	–

Short-term liabilities	**2022-12-31**	**2021-12-31**
The Group		
Bank loans	1 189 413	1 428 240
Bank overdraft facilities	–	24 330
Derivative instruments	–	434
Leasing liabilities	22 201	17 616
	1 211 614	**1 470 620**
The Parent company		
Bank loans	1 043 413	1 043 413
Bank overdraft facilities	–	24 330
	1 043 413	**1 067 743**

	2022-12-31	2021-12-31
The Group		
Borrowings at start of the year	3 115 495	3 057 194
Additional borrowings	706 611	750 723
Regulated borrowings	-690 676	-701 166
Change in bank overdraft facilities	-24 330	24 330
Change in leasing liabilities	3 331	9 984
Change in value of derivatives	-38 713	-26 644
Exchange rate differences	5 785	1 074
	3 077 503	**3 115 495**
The Parent company		
Borrowings at start of the year	1 067 743	1 043 413
Change in bank overdraft facilities	-24 330	24 330
	1 043 413	**1 067 743**

The Group's derivative instruments consist of interest rate swaps, which are utilised to cover risks of changes in interest rates. Derivative instruments are reported continuously at fair value in accordance with IFRS 9. The change in value of interest rate derivatives is reported in the income statement on a separate line "Change in value of derivatives." The change in value for the year amounts to SEK 103.1 million (26.6).

	2022-12-31	2021-12-31
Value of swaps IFRS 7, level 2		
Brought forward fair value, liability	-38 713	65 357
Change in value	103 078	-26 644
	64 365	**38 713**

Note 40 Bank overdraft facilities

	2022-12-31	2021-12-31
The Group and Parent company		
Granted credit limit	250 000	250 000
Unutilised part	-250 000	-225 670
Unutilised credit amount	**–**	**24 330**

Note 41 Measurement of financial assets and liabilities at fair value

For a description of how the Group's financial assets and financial liabilities are classified under IFRS 9, see Note 1 "Significant accounting principles". The table below shows the book value compared with the assessed fair value per type of financial asset and liability.

The fair value of listed shareholdings has been calculated according to the closing rate at accounting year-end. The fair value of fund participations is based on the Net Asset Value (NAV) that has been provided by the administering institute. For other holdings of unlisted holdings, the acquisition value is considered to essentially correspond to the fair value. The fair value of interest rate swaps is based on the present value of future cash flows discounted with a market rate of interest for remaining durations.

For the Group's interest-bearing liabilities, the book value is considered to be a reasonable approximation of the fair value. The same applies for other items that are not measured at fair value in the statement of financial position, such as accounts receivable – trade and accounts payable – trade.

	Measured at fair value via profit or loss		Measured at fair value via other comprehensive income		Valued at amortised cost		Total book value		Total fair value	
Amounts in SEK M	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
The Group										
Financial assets										
Other long-term securities holdings	2 226.2	1 891.0	1 309.6	2 586.2	0.0	0.0	3 535.8	4 477.2	3 535.8	4 477.2
Interest-bearing long-term receivables	0.0	0.0	0.0	0.0	0.0	11.2	0.0	11.2	0.0	11.2
Other long-term receivables	62.0	0.0	0.0	0.0	19.7	21.2	81.7	21.2	81.7	21.2
Accounts receivable – trade	0.0	0.0	0.0	0.0	121.0	88.3	121.0	88.3	121.0	88.3
Interest-bearing short-term receivables	0.0	0.0	0.0	0.0	0.0	14.0	0.0	14.0	0.0	14.0
Prepaid expenses and accrued income	0.0	0.0	0.0	0.0	10.6	10.2	10.6	10.2	10.6	10.2
Other short-term receivables	2.0	0.0	0.0	0.0	5.1	6.5	7.1	6.5	7.1	6.5
Cash and bank balances	0.0	0.0	0.0	0.0	53.9	8.4	53.9	8.4	53.9	8.4
Total financial assets	**2 290.2**	**1 891.0**	**1 309.6**	**2 586.2**	**210.3**	**159.8**	**3 810.1**	**4 637.0**	**3 810.1**	**4 637.0**

	Measured at fair value via profit or loss		Valued at amortised cost		Total book value		Total fair value	
Amounts in SEK M	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Financial liabilities								
Interest-bearing financial liabilities	0.0	38.3	1 865.9	1 606.6	1 865.9	1 644.9	1 865.9	1 644.9
Other long-term liabilities	0.0	0.0	29.9	24.3	29.9	24.3	29.9	24.3
Interest-bearing short-term liabilities	0.0	0.4	1 211.6	1 470.1	1 211.6	1 470.5	1 211.6	1 470.5
Accounts payable – trade	0.0	0.0	71.4	66.6	71.4	66.6	71.4	66.6
Accrued expenses and deferred income	0.0	0.0	21.8	7.5	21.8	7.5	21.8	7.5
Other short-term liabilities	0.0	0.0	36.6	12.4	36.6	12.4	36.6	12.4
Total financial liabilities	**0.0**	**38.7**	**3 237.2**	**3 187.5**	**3 237.2**	**3 226.2**	**3 237.2**	**3 226.2**

The effects of measuring financial instruments at fair value is included in the Groups' profit or loss with a total of SEK 426.9 million (92.0) and relates to the market value of interest rate swaps and fund participations.

Fair value

Fair value is determined though categorisation based on three levels.
Level 1: according to the quoted price in an active market for the same instrument.
Level 2: based on direct or indirect observable market data that is not included in level 1.
Level 3: based on input data that is not observable in the market.

The table below shows the division by level of the financial assets and liabilities that are reported at fair value in the balance sheet.

	Level 1		Level 2		Level 3		Total	
Amounts in SEK M	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
The Group								
Financial assets								
Other long-term securities holdings								
Market listed	1 309.6	2 586.2	0.0	0.0	0.0	0.0	1 309.6	2 586.2
Fund holdings	0.0	0.0	0.0	0.0	2 217.7	1 886.0	2 217.7	1 886.0
Other securities holdings	0.0	0.0	0.0	0.0	8.5	5.0	8.5	5.0
Other long-term receivables - swaps	0.0	0.0	62.0	0.0	0.0	0.0	62.0	0.0
Other short-term receivables - swaps	0.0	0.0	2.4	0.0	0.0	0.0	2.4	0.0
Total financial assets	**1 309.6**	**2 586.2**	**64.4**	**0.0**	**2 226.2**	**1 891.0**	**3 600.2**	**4 477.2**
Financial liabilities								
Other long-term liabilities								
Interest rate swaps	0.0	0.0	0.0	38.3	0.0	0.0	0.0	38.3
Other short-term liabilities								
Interest rate swaps	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.4
Total financial liabilities	**0.0**	**0.0**	**0.0**	**38.7**	**0.0**	**0.0**	**0.0**	**38.7**

Reconciliation of fair value in level 3

The table below presents a reconciliation between incoming and outgoing balances for financial instruments measured in level 3.

The Group	**Funds**	**Unlisted shares**	**Total**
Fair value 2021-01-01	**270.4**	**1 080.4**	**1 350.8**
Total reported profits and losses:			
Reported in other comp. income	0.0	389.5	389.5
Reported in profit/loss for the year*	59.1	0.0	59.1
Reclassifications	1 466.1	-1 466.1	0.0
Acquisition value, acquisitions	138.9	1.5	140.4
Settlement at sale	-48.5	-0.3	-48.8
Fair value 2021-12-31	**1 886.0**	**5.0**	**1 891.0**
Total reported profits and losses:			
Reported in profit/loss for the year*	323.8	2.7	326.5
Write-down	-6.4	0.0	-6.4
Acquisition value, acquisitions	61.6	4.6	66.2
Settlement at sale	-47.3	-3.8	-51.1
Fair value 2022-12-31	**2 217.7**	**8.5**	**2 226.2**

* Reported in Profit or loss from other financial income and expense in the income statement.

Sensitivity analysis for level 3 holdings

Fund holdings

For holdings of unlisted funds, the Group does not have access to the input data used by the administering institute in the valuation of fund participations. A sensitivity analysis that shows the effects of reasonable possible changes in input data can therefore not be provided.

Note 42 Financial instruments and financial risk management

Framework for financial risk management

In its business activities the Volito Group is exposed to various types of financial risks. Financial risks relate to changes in exchange rates and interest rates that affect the company's cash flow, income and thereby associated equity. Financial risks also include credit and refinancing risks.

The Group's finance policy for managing financial risks has been designed by the Board and creates a framework of guidelines and rules in the form of risk mandates and limits for the business. Responsibility for the Group's financial transactions and risks is managed centrally by the Group's Finance department, which is within the Parent company. The overall aim for the Finance department is to provide cost-efficient financing and to minimise negative effects on the Group's income that stem from market risks. Reporting is conducted on a regular basis to the CEO and the Board, which have overall responsibility for financial risk management.

Management of financial risks

Liquidity and financing risks

Liquidity and financing risks refer to the risks of not being able to fulfil payment obligations as a result of insufficient liquidity or difficulties in arranging new loans. Volito shall be able to carry through business transactions when the opportunity arises and always be able to fulfil its obligations. Refinancing risks increase if the company's credit rating deteriorates or a large part of the debt portfolio becomes due on one or only a few dates.

Liquidity risks are managed through both regular liquidity forecasts and Volito's access to credit or liquid assets that can be raised at short notice in order to even out fluctuations in payment flows.

Borrowing risks refer to risks that financing is unavailable or available on unfavourable terms at a certain time. In order to limit financing risks, Volito strives to spread final due dates regarding credit over as long a period as possible according to the prevailing market conditions.

Part of Volito's borrowing is linked to fulfilling financial ratios (covenants) in the form of interest coverage ratio, loan-to-value ratio and equity ratio, which is customary for this type of borrowing. These ratios are followed up continuously and make up a part of the management's framework for financial planning of the business. Volito's policy regarding borrowing is that the due dates for loans shall be spread over time. Volito's policy regarding interest rates is that fixed interest periods for the portfolio shall be well balanced and adjusted to the company's current view of the fixed income market at any given time. Duration analysis of financial liabilities, non-discounted cash flows including interest;

2022-12-31	Nominal amount in original currency	1 year or less	1–5 years	>5 years	Total
Interest-bearing financial liabilities					
Bank loans, SEK, Real Estate	1 846 561	90 829	1 918 144	8 522	2 017 495
Derivatives		10 767	29 400	8 680	48 847
Bank loans, EUR, Industry	6 834	79 571	–	–	79 571
Bank loans, SEK, Industry	53 000	55 601	–	–	55 601
Investment loans, SEK	1 043 413	1 097 668	–	–	1 097 668
Leasing liabilities	58 467	23 501	37 366	1	60 868
Bank overdraft facilities, SEK	–	1 125	–	–	1 125
Total interest-bearing financial liabilities		**1 359 062**	**1 984 910**	**17 203**	**3 361 175**
Non-interest-bearing financial liabilities					
Accounts payable – trade, SEK	58 876	58 876	–	–	58 876
Accounts payable – trade, EUR	1 114	12 397	–	–	12 397
Accounts payable – trade, DKK	112	168	–	–	168
Other short-term liabilities	15 508	15 508	–	–	15 508
Total non-interest-bearing financial liabilities		**86 949**	**–**	**–**	**86 949**
Total financial liabilities		**1 446 011**	**1 984 910**	**17 203**	**3 448 124**

2021-12-31	Nominal amount in original currency	1 year or less	1–5 years	>5 years	Total
Interest-bearing financial liabilities					
Bank loans, SEK, Real Estate	1 857 695	403 251	1 515 512	8 303	1 927 066
Derivatives		14 599	46 527	19 094	80 220
Bank loans, EUR, Industry	5 985	4 006	58 364	–	62 370
Bank loans, SEK, Industry	35 000	625	35 155	–	35 780
Investment loans, SEK	1 043 413	1 069 445	–	–	1 069 445
Leasing liabilities	45 152	18 618	38 651	34	57 303
Bank overdraft facilities, SEK	24 330	25 858	–	–	25 858
Total interest-bearing financial liabilities		**1 536 402**	**1 694 209**	**27 431**	**3 258 042**
Non-interest-bearing financial liabilities					
Accounts payable – trade, SEK	53 339	53 339	–	–	53 339
Accounts payable – trade, EUR	1 152	11 781	–	–	11 781
Other short-term liabilities	10 988	10 988	–	–	10 988
Total non-interest-bearing financial liabilities		**76 108**	**–**	**–**	**76 108**
Total financial liabilities		**1 612 510**	**1 694 209**	**27 431**	**3 334 150**

Currency exposure

The risk that fair value and cash flows relating to financial instruments may fluctuate when the value of foreign currencies change is called currency risk.

The Volito Group's exposure to foreign currencies has been drastically reduced in recent years in connection with the winding up of the Volito Aviation group, where only minor exposure now remains, and the winding up of Nordkap Holding AG. In addition, the Volito Group also has exposure to changes in EUR through its holdings in HydSupply Oy, Paineteho Oy, ProTest Engineering Oy and Peimarin Hydrauliikka Oy.

The Board of Volito has decided to accept the exposure to the above-mentioned currencies, as this exposure in itself constitutes a risk diversification within the Volito Group. The extent of this exposure will be decided according to continuous review.

Interest rate exposure

Interest rate risk is the risk that Volito's cash flow or the value of financial instruments vary due to changes in market interest rates. The interest rate risk can lead to changes in fair value and changes in cash flows.

The Volito Group is exposed to changes mainly in short-term interest rates through its involvement in the Volito Fastigheter group. The Parent company, Volito AB, also has risk exposure relating to short-term interest rates. Volito's policy regarding interest rates is that fixed rate periods for the portfolio shall be well balanced and adjusted to the company's current view of the fixed income market at that time. How much and how fast a change in interest rates makes an impact on financial results depends on the chosen fixed rate term. A rise in interest rates is often initiated by higher inflation. In commercial rental contracts it is normal that the rent is index-adjusted upwards for inflation.

A combination of loans with short fixed-rate periods and utilisation of financial instruments in the form of interest rate swaps enables flexibility to be achieved and the fixed rate period and interest rate level can be adjusted so that the aims of financing activities can be achieved with limited interest rate risk and without underlying loans needing to be renegotiated. In order to manage the interest rate risks and achieve even development of net interest income, the average fixed rate peropd for Volito's interest-bearing liabilities is adjusted according to the assessed risk level and interest rate expectations.

Overall, the Volito Group's total loans exposed to short-term interest rates amount to SEK 2 100.0 million (2 012.6). Hedging relating to 49.8% (54.3) of the debt portfolio of the Volito Fastigheter group, corresponding to 30.4% (33.4) of the entire Volito Group, is managed with swaps, something that gives the company a higher degree of flexibility in terms of future debt management.

The nominal amount of Volito Fastigheter's outstanding interest rate swaps as at 31 December amounted to SEK 919.0 million (1 009.0). As at 31 December, the fixed interest rates varied from 0.33% (0.33%) to 2.60% (2.60%) and the floating interest rates are STIBOR 3-months with a supplement for a margin relating to borrowing in SEK.

Financial exposure Liabilities	Loan amount	2022-12-31 Fair value	Loan amount	2021-12-31 Fair value
The Group				
Interest rate swaps	919 000	64 365	1 009 000	-38 713

Fair value has been calculated as the costs/revenues that would have arisen if the contracts had closed at accounting year-end. For this, the banks' official rates have been applied.

Below is a summary of the Group's interest rate swaps by duration.

		Due date					
Liabilities	**Nom. amount**	**2023**	**2024**	**2025**	**2026**	**2027**	**>2028**
The Group							
Interest rate swaps 2022-12-31	919 000	131 000	91 000	81 000	148 000	82 000	386 000
Liabilities	**Nom. amount**	**2022**	**2023**	**2024**	**2025**	**2026**	**>2027**
The Group							
Interest rate swaps 2021-12-31	1 009 000	90 000	131 000	91 000	81 000	148 000	468 000

Credit risks

Credit risks refer to the risk of losing money due to another party being unable to fulfil their obligations.

Credit risks in accounts receivable – trade

Demand for premises is affected by general business conditions. Volito Fastigheter's activities are concentrated in Malmö, which is deemed to be attractive in the long term regarding location, population growth, employment and general communications. A broad portfolio of contracts reduces the risk of large fluctuations in vacancies. Leases are divided between commercial properties 89% (89%) and residential 11% (11%). The commercial rental revenue is divided between 146 (150) contracts within a number of different sectors. A combination of good local knowledge, active involvement and a high level of service creates conditions for long-term rental relations and thereby a reduced risk of new vacancies. A certain level of vacancies provides opportunities in the form of new leases and flexibility for existing tenants who want to expand or reduce their premises. Furthermore, Volito Fastigheter bears the risk that tenants are unable to make rent payments. Regular follow-ups are carried out on the tenants' credit ratings in order to reduce exposure to credit losses. A credit assessment of tenants is carried out for all new leases, and, if required, the rental agreement is supplemented with personal guarantees, rent deposit or bank guarantee. All rents are paid quarterly or monthly in advance.

Within Volito Industry, risks are linked to project management. Many projects are customised and Volito bears the risk that customers cannot fulfil their obligations. Customers make advance payments on major projects in order to reduce the risk of credit losses.

Distribution of overdue accounts receivable – trade	2022-12-31	2021-12-31
The Group		
Accounts receivable – trade, that are neither overdue nor written-down	102 611	77 293
Accounts receivable – trade that are overdue		
1–30 days	14 617	7 694
31–60 days	1 190	1 289
61–90 days	1 565	320
>90 days	1 317	115
Of which, provision (excluding VAT)	-825	-237
Total	**120 475**	**86 474**

The total cost for confirmed and suspected customer losses for the year amounted to SEK 767 K (1 431).

Offsetting agreements and similar agreements

The Group has entered into a derivative agreement under the International Swaps and Derivatives Association (ISDA) master netting agreement. The agreement means that when a counterparty cannot regulate their obligation according to all transactions, the agreement is broken and all outstanding dealings shall be regulated with a net amount. The ISDA agreement does not fulfil the criteria for offsetting in the statement of financial position. This is because offsetting in accordance with the ISDA agreement is only permitted if the counterparty or group cannot regulate their obligations. In addition, it is not the counterparty or the Group's intention to regulate dealings on a net basis or at the same juncture.

The company has not offset any amounts in the balance sheet relating to 2022 or 2021.

Note 43 Accrued expenses and prepaid income

	2022-12-31	2021-12-31
The Group		
Personnel-related items	45 426	41 247
Prepaid rental revenue	31 396	26 827
Other prepaid income	–	986
Accrued interest expenses	6 035	823
Other accrued expenses	15 799	6 664
	98 656	**76 547**
The Parent company		
Personnel-related items	7 876	10 668
Accrued interest expenses	3 530	235
Other accrued expenses	2 635	1 655
	14 041	**12 558**

Note 44 Pledged assets and contingent liabilities

	2022-12-31	2021-12-31
The Group		
Pledged assets		
For own liabilities and provisions		
Property mortgages	1 837 008	1 909 515
Chattel mortgages	14 700	14 300
Funds	1 731 470	14 300
Shares	1 776 546	3 048 830
Shares in subsidiaries	388 884	1 906 033
Other	416 272	381 994
Total pledged assets	**6 164 880**	**7 260 672**
Contingent liabilities		
Guarantees for joint ventures	–	497 500
Other contingent liabilities	2 727	–
Total contingent liabilities	**2 727**	**497 500**

	2022-12-31	2021-12-31
The Parent company		
Pledged assets		
For own liabilities and provisions		
Funds	1 469 332	–
Shares	930 842	924 519
Shares in subsidiaries	–	312 014
Total pledged assets	**2 400 174**	**1 236 533**
Contingent liabilities		
Guarantees for subsidiaries	129 062	96 208
Guarantees for jointly controlled companies	–	497 500
Other contingent liabilities	1 970	–
Total contingent liabilities	**131 032**	**593 708**

Note 45 Closely related parties

Close relations

The Group is owned by AB Axel Granlund, 88.0% (88.0%), and Lennart Blecher (partly through companies), 12.0%. As a result of this, transactions with the companies listed below are noted as transactions with closely related parties.

Peab AB (publ)

Karl-Axel Granlund is a board member of Peab AB (publ). Volito AB owns 5.64% of the capital and 4.99% of the votes in Peab AB (publ).

Bulten AB (publ)

Ulf Liljedahl is a board member of Bulten AB (publ). Volito AB owns 24.30% of the capital and votes in Bulten AB (publ).

EQT AB (publ)

Lennart Blecher is a partner in EQT AB (publ).

Hjortseryd Skogar AB

Karl-Axel Granlund and family own shares in Hjortseryd Skogar. Purchases from, and sales to, have only been made for minor amounts.

Granlunden AB

Karl-Axel Granlund and family own shares in Granlunden AB. Purchases have been made amounting to SEK 0.8 million (0.8). Volito has a co-investment agreement with Granlunden AB in seven of the EQT funds.

Joint ventures/ associated companies

In addition to the closely related parties stated above, the Group has close relations with its joint ventures/associated companies, see Note 29 and 30.

Subsidiaries

In addition to the closely related parties stated for the Group, the Parent company has close relations that involve a controlling interest in its subsidiaries, see Note 27.

Of the Group's total purchases and sales measured in SEK, 0% (0%) of purchases and 0% (0%) of sales relate to other companies within the entire group of companies to which the Group belongs.

Of the Parent company's total purchases and sales measured in SEK 33% (36%) of purchases and 100% (100%) of the sales relate to other companies within the entire group of companies to which the company belongs.

Transaction conditions

Sales between the Group's different segments relate to administration fees and rents. Administration fees have been set on the basis of actual costs and utilisation. The rents are according to market conditions.

Loans between subsidiaries have interest rates set in accordance with the current finance policy. The interest rates are according to market conditions.

Summary of transactions with closely related parties

	2022	2021
The Group		
Transactions with the Parent company		
Sales to the Parent company	2 542	2 280
Purchases from the Parent company	-2 528	-2 556
Interest expense to the Parent company	-486	–
Receivable from the Parent company	451	1 786
Liabilities to the Parent company	13 564	2 647
Dividend paid to the Parent company	-52 606	-52 606

	2022	2021
The Group		
Transactions with joint ventures		
Sales to the Hyllie Point group	3 580	2 665

	2022	2021
The Group		
Transactions with associated companies		
Dividend from associated company (Bulten AB (publ))	11 419	10 000
Repaid receivable (Nordkap Holding AG)	35 553	–
Receivable from Nordkap Holding AG	–	24 000

	2022	2021
The Group		
Transactions with Peab AB (publ)		
Sales to Peab	–	6
Dividend from Peab	83 500	75 150
Operating receivable from Peab	–	6

	2022	2021
The Parent company		
Transactions with the Parent company		
Sales to the Parent company	1 667	1 440
Purchases from the Parent company	-2 528	-2 556
Interest expense to the Parent company	-486	–
Liability to the Parent company	13 564	2 647
Dividend paid to the Parent company	-52 606	-52 606

	2022	2021
The Parent company		
Transactions with subsidiaries		
Sales to subsidiaries	3 786	5 903
Purchases from subsidiaries	-2 944	-2 515
Interest income from subsidiaries	6 610	4 384
Guarantee-related revenue	877	204
Interest expense to subsidiaries	-7 188	-3 676
Receivable from subsidiaries	349 363	285 043
Liabilities to subsidiaries	347 251	277 754
Dividends from subsidiaries	9 000	9 000

	2022	2021
The Parent company		
Transactions with associated companies		
Dividend from Bulten AB (publ)	11 419	10 000
Repayment of receivable (Nordkap Holding AG)	35 553	–
Receivable from Nordkap Holding AG	–	24 000

	2022	2021
The Parent company		
Transactions with Peab AB (publ.)		
Dividend from Peab	83 500	75 150

The Group and Parent company
Transactions with EQT
The Volito Group has holdings and interests in 17 (16) of EQT's funds. Volito AB has invested in 13 funds and Volito Kapital in four funds. For 11 of the 17 funds there are co-investment agreements with AB Axel Granlund and/or Granlunden AB. Capital placed in these funds during the year amounted to SEK 61.6 million (138.9). Repaid capital amounted to SEK 81.2 million (110.1), of which realised profit amounted to SEK 33.9 million (61.6). The group-wise value of the holding in these funds at year-end 2022 was calculated at SEK 2 217.7 million (1 886.0), while the book value at the Parent company amounted to SEK 1 684.6 million (1 698.7).

Transactions with key employees
For salaries and other remuneration, expenses and obligations concerning pensions and similar benefits, and agreements concerning severance payments to the Board and the CEO, see Note 7.

Note 46 Events after accounting year-end
There have been no significant events after accounting year-end that have affected the Group's income or position.

Note 47 Information about the Parent company
Volito AB is a Swedish-registered limited company with registered office in Malmö.
The address of the registered office is Skeppsbron 3, 211 20 Malmö.

The consolidated financial statements for 2022 consist of Volito AB and its subsidiaries, together referred to as the Group. The Group also includes an owned share of holdings in associated companies and joint ventures.

The company is a subsidiary of AB Axel Granlund, org.no. 556409-6013 with registered office in Malmö. AB Axel Granlund owns 88.0% (88.0%) of the capital and votes in the Volito Group and draws up consolidated financial statements for the largest group.

Malmö, 9 March 2023

Karl-Axel Granlund Chairman	Lennart Blecher	Axel Granlund	Peter Granlund	Karl-Fredrik Granlund	Ulf Liljedahl CEO

Our auditors' report was submitted on 9 March 2023
Ernst & Young AB

Martin Henriksson
Authorised Public Accountant
Principal accountant

The Group's income statement and balance sheet, as well as the Parent Company's income statement and balance sheet will be submitted for adoption at the Annual General meeting on 16 May 2023.

AUDITOR'S REPORT

To the general meeting of the shareholders of Volito AB,
corporate identity number 556457-4639

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Volito AB for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 35-69 in this document.

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

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend 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 skepticism 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 Volito AB for the year 2022 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

Malmö 9 March 2023
Ernst & Young AB

Martin Henriksson
Authorized Public Accountant

KEY FIGURES AND DEFINITIONS

The measurements of performance and definitions below are used to describe the development of operations and to enhance comparability between periods. These correspond to the methods applied by the executive management and Board of Directors to measure the company's financial performance.

Adjusted balance sheet total
Balance sheet total including surplus and/or under value of assets, less tax and holdings with non-controlling interest.

Adjusted equity (Net Asset Value - NAV)
The Group's equity attributable to the Parent company's owners adjusted for the market value of assets that are not measured at fair value in accordance with IFRS.

Adjusted equity ratio
Adjusted equity including holdings with non-controlling interest in relation to the adjusted balance sheet total.

AUM
Assets Under Management.

Average number of full-time equivalent employees (FTE)
The total number of hours worked divided by normal annual working hours, expressed as the number of full-time positions.

Debt/equity ratio
Interest-bearing net liabilities in relation to equity. Shows financial position.

EBIT
Earnings Before Interest and Taxes.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

EBITDA margin
Earnings Before Interest, Taxes, Depreciation and Amortisation as a percentage of net sales for the year.

EBIT margin (operating margin)
Earnings Before Interest and Taxes as a percentage of net sales for the year.

Equity
Recognised Equity attributable to the Parent Company's owners.

Equity/assets ratio
Equity including holdings with non-controlling interest as a percentage of the balance sheet total at year-end. Shows financial position.

Interest coverage ratio
Pre-tax profit plus interest expenses in relation to the interest expenses. Measurement applied to show how well the interest expenses can be covered.

MOIC
Multiple Of Invested Capital.

MRO
Maintenance Repair and Overhaul
Inom Volitogruppen inkluderas i begreppet MRO:
- Installations and repair services within automation solutions
- Sales and distribution of components via stores, direct orders and webshops.

Net debt
Interest-bearing liabilities less liquid funds and interest-bearing assets at year-end.

Net investment
The change during the period of the recognised value of assets (CB-OB) plus depreciation and write-downs.

OEM
Original Equipment Manufacturer
- Design and assembly of automation solutions for e.g. mobile, industrial and marine applications
- Manufacturing of units and component systems and distribution of related components .

Operating margin
Operating profit/loss as a percentage of net sales.

Orders received
The sum of orders received during the period. Measures how new orders replace produced work.

Order book
The value at the end of the period of the remaining income in ongoing production plus orders received that will be produced/delivered.

Organic growth
Annual net sales compared with the previous year's net sales, adjusted for currency effects, aquisitions and divestments.

Return on adjusted equity
The total comprehensive income for the year in relation to average adjusted equity attributable to the Parent company's owners.

Return on equity
The total comprehensive income for the year in relation to average equity attributable to the Parent company's owners.

Vacancy rate
Calculated as income reduction due to vacancies in relation to total rental income.

Working capital
Current assets less short-term non-interest-bearing liabilities.

Addresses

Volito AB Skeppsbron 3, SE-211 20 Malmö

Phone +46 40 660 30 00 **Fax** +46 40 660 30 20 **E-mail** info@volito.se **Corporate identity number** 556457-4639 **www.volito.se**

Volito Fastigheter AB Skeppsbron 3, SE-211 20 Malmö

Phone +46 40 664 47 00 **Fax** +46 40 664 47 19 **E-mail** info@volito.se **Corporate identity number** 556539-1447 **www.volitofastigheter.se**

Volito Industri AB Skeppsbron 3, SE-211 20 Malmö

Phone +46 40 660 30 00 **Fax** +46 40 660 30 20 **E-mail** info@volito.se **Corporate identity number** 556662-5835 **www.volitoautomation.se**

Volito is a privately owned investment group headquartered in Malmö. The business was founded in 1991, with an initial focus on aircraft leasing. After achieving rapid early success, Volito broadened its activities and started to expand.

Today, Volito is a strong, growth-oriented group based on a balanced approach to risk and reward, and a long-term perspective. The Group's activities are divided into three diversified business areas: Real Estate, Industry and Portfolio Investments, areas that develop their own business units, business segments and subsidiaries.

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