



CARNEGIE GROUP INTERIM REPORT

JANUARY – JUNE 2023

- Operating revenues decreased by 14 percent to SEK 1,807 million (2,100). Driven primarily by higher transaction volume, revenues in Q2 increased by 10 percent compared to Q1.
- Profit before tax decreased by 33 percent to SEK 312 million (467). Profit in Q2 increased by 43 percent compared to Q1.
- Total assets under management increased by 6 percent to SEK 317 billion (299).
- Investment Banking & Securities generated revenues of SEK 994 million (1,309).
- Revenues for Private Banking amounted to SEK 424 million (474) and assets under management were SEK 190 billion (188).
- Asset Management is reporting revenues of SEK 294 million (303) and assets under management of SEK 126 billion (111).
- Carnegie has maintained its leading market position and continues to take market shares in key segments despite the challenging market climate.
 - Q2 shows a favourable trend, driven by higher activity in the transaction market.
 - Business volumes increased for Investment Banking at the end of H1 as the transaction market opened further alongside growing client interest in debt-related advisory. Although revenues decreased in H1 overall, M&A and ECM revenues increased in Q2.
 - Commission revenues from equity sales were stable during the period. Carnegie continues to maintain its strong market position and was once again recognised as the Best Research House.
 - Underlying operations in Private Banking demonstrated continued stability, Assets under management increased, particularly within discretionary management.
 - The favourable trend for Asset Management continued and the business area is showing positive net inflow and 14 percent growth in assets under management.
- Operating expenses decreased by 8 percent, primarily due to lower personnel expenses resulting from the muted business flow, while other expenses increased slightly due to further investments in business development.
- The Group's financial position is strong, with persistently good profitability and low exposure to financial risks. The common equity Tier 1 capital ratio and the capital adequacy ratio were both 18.9 percent (18.6).

The Carnegie Group acquired three fund companies in 2022. The comparative figures in the report have been restated to reflect the Group as if Carnegie had owned the acquired entities for the entire period presented.

OPERATING REVENUES

1,807

SEKM

PROFIT BEFORE TAX

312

SEKM

ASSETS UNDER
MANAGEMENT

317

SEKBN

CAPITAL ADEQUACY
RATIO

18.9%

“Carnegie is one of the strongest brands in the market. Combined with our leading position, this provides good opportunities to focus on business development.”

Tony Elofsson, Carnegie Group President and CEO

THE CEO COMMENTS ON THE REPORT SUSTAINED LEADING POSITION IN A CHALLENGING MARKET

Carnegie’s position remains strong and combined with the resilient business model is contributing to stable revenue flows despite market uncertainty.

Q1 began on a relatively weak note due to the cautious stance that characterised the market. Conditions stabilised somewhat in Q2 and we saw increased activity in the transaction market, which buoyed the positive trend in revenue streams.

Recurring revenues through the new business area

Early in 2023, we proceeded with the integration of our new business area Asset Management, which includes the acquisitions of two subsidiaries, Carnegie Fonder and Holberg. By means of these acquisitions, we have continued to diversify our revenue streams, which has helped grow our recurring revenues in absolute numbers. The new Asset Management business area has thus contributed to further strengthening the resiliency of our business model, while the revenue sources that are impacted by stock market volatility are now balanced by a more stable stream of recurring revenues.

Firm foundation for further business development

Carnegie is one of the strongest brands in the market. Combined with our leading position, this provides good opportunities to focus on business development. We are focusing on further developing our digital offering and expanding our product palette, particularly in areas that generate recurring revenues.

Sustainability remains important

Promoting a sustainable society is important to us and our clients. We are continuing our efforts to integrate ESG in our advisory and our products. As well, we are pursuing a continuous transition project connected to regulations and business development to make Carnegie even more sustainable as a financial market participant, company and employer.

Business-critical issue

Carnegie's employees are the best in the industry and are often ranked at the top in independent surveys. Employees are crucial to Carnegie's success, and therefore, it is of the utmost priority that we focus on issues that make us the best employer in the market. Currently, we have a healthy turnover rate and consistently receive high ratings in employee surveys. However, there is one area where we need to pick up the pace. In order to continue recruiting the best employees, it is important that we are perceived as a workplace where everyone, regardless of who they are and what background they come from, can envision their future at Carnegie. This is a business-critical issue for us and something that both management and the board prioritize.

Our clients are always top of mind

On the 4th of May, we celebrated the 220th anniversary of the date David Carnegie Sr founded D. Carnegie, the seed that has grown into the company we are today. In the 220 years that Carnegie has been in business, the company has evolved from trading company to financial institution, illustrating our willingness to change and progress, driven by entrepreneurship and enterprise. But regardless of the business we are running and whatever we do, there is one fixed axis around which everything else revolves: the trust of our clients. Thank you for continuing to invest in new enterprises and new ideas so that our society can evolve – and thank you for letting us be a part of it.

Tony Elofsson, President and CEO

SIGNIFICANT EVENTS DURING THE PERIOD

Organisational changes

Tony Elofsson, CEO as of 17 April

Tony Elofsson took over as President and CEO of Carnegie Holding AB and Carnegie Investment Bank AB on 17 April. This comes after Björn Jansson announced his resignation as CEO of Carnegie and thus transitions into a new role as Senior Partner.

Gustav Axelson is the new board member

Gustav Axelson is replacing Klas Johansson on Carnegie's board. Gustav Axelson serves as a Director at Altor and also sits on the boards of Rillion, QNTM, and ARC. He has previously worked at McKinsey & Company.

Significant engagement

Carnegie Sustainability Award 2023 conferred on 25 May

For the fifth consecutive year, the Carnegie Sustainability Award was given to three Nordic companies. The honour is intended to call attention to sustainability factors that generate shareholder value. The award is based on analysis of all companies covered by Carnegie and is given in three categories. Novo Nordisk was named the winner in the Large Cap category, AF Gruppen won the Small Cap category and Kempower was recognised as the Best Newcomer.

Affärsbragd Business Achievement Award given on 23 May

Ali Khalil, Saleh Karrani, Shafik Muwanga and their company Miljonbemanning won this year's Affärsbragd in May. Miljonbemanning is a skills provider whose vision is to make society a better place for everyone.

Client recognition and awards

Winner of the annual Financial Hearings survey

Carnegie's research team was named the best in Sweden in June for the tenth year running when Financial Hearings presented the results of its annual survey.

Winner of the Prospera High Yield ranking

Carnegie topped the list as of preferred advisers for High Yield Issuers in Sweden when Kantar Sifo Prospera carried out its annual client survey. Carnegie achieved first-place rankings in seven categories.

Best Private Bank of the Year according to Euromoney

Private Banking won the Euromoney Award for Excellence in March and was recognised as the best private bank in Sweden, while also winning the Best Digital Solutions category.

CARNEGIE GROUP

Operating revenues

Consolidated operating revenues¹⁾ amounted to SEK 1,807 million (2,100), a decrease of 14 percent compared to H1 2022. The decrease is attributable mainly to lower activity in the transaction market. Revenue streams are stabilised, however, by recurring revenues. In the comparison between the two quarters in H1, the negative revenue trend was mitigated to an extent and Q2 delivered positive results for several types of revenue.

Operating expenses

Operating expenses amounted to SEK 1,494 million (1,631), corresponding to a decrease of 8 percent, due primarily to lower personnel expenses resulting from the muted business flow. Other expenses have increased for reasons including further investments in business development.

Profit

Profit for the period was SEK 312 million (467), down 33 percent from the same period last year. Profit in the comparison period was reduced by non-recurring costs of SEK 34 million. A comparison between the two quarters shows a positive trend in which profit increased by 43 percent in Q2 compared to Q1.

Investments

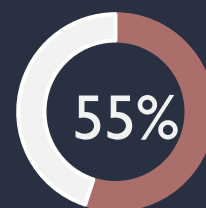
Consolidated investments in tangible and intangible non-current assets amounted to SEK 8 million (21) during the period. Consolidated investments in financial assets amounted to SEK 24 million (238).

1) SEE PAGE 25 FOR SUPPLEMENTARY INFORMATION.

Income statement

SEKm	Jan-Jun		Full-year
	2023	2022	2022
Operating income	1,807	2,100	3,883
Operating expenses	-1,494	-1,631	-3,234
Profit before tax	312	467	652
Asset under management, SEK bn	317	299	298
Common Equity Tier 1 capital ratio, %	18.9	18.6	19.2
Average number of employees	809	771	787

INVESTMENT BANKING & SECURITIES



Share of operating revenues

Revenues for Investment Banking & Securities amounted to SEK 994 million (1,309), a decrease compared to 2022. Nevertheless, IB&S shows positive tendencies in Q2.

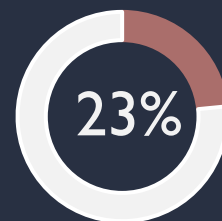
As a result of Carnegie's leading position and skilful navigation of the current market environment, Carnegie remains the investment bank that executes the most ECM transactions in the Nordics, despite the general downturn in transaction volume. Activity has picked up in the M&A market and Investment Banking continues to execute numerous transactions. Despite the cautious stance as Q1 began, transaction volume increased for Investment Banking in Q2, when June was the best month since October 2021.

Client interest in debt-related advisory has grown, resulting in revenue growth in this product segment. Notably, a significant share of these revenues within debt-related advisory are closely linked to M&A transactions, further enhancing client benefit.

Carnegie also strengthened its position in the bond market. This is reflected most clearly in business volume, as well as in Prospera's latest client evaluation of advisers to High Yield issuers in Sweden, in which clients gave Carnegie the top ranking.

Commission revenues from equity sales were stable in H1. We have maintained our leading market position and Carnegie was the winner of the annual Financial Hearings survey for the tenth year running.

PRIVATE BANKING



Share of operating revenues

Revenues from Private Banking amounted to SEK 424 million (474) for the period and assets under management were SEK 190 billion (188).

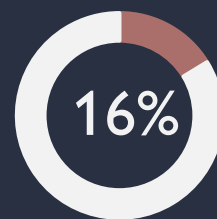
The underlying operations of Private Banking continued to demonstrate stability during the first half of the year.

Managed assets (AuM) increased from 188 to 190 billion Swedish kronor, partly driven by discretionary management showing a positive inflow during the first half.

Market fluctuations across different asset classes mean that clients still have a significant need for advisory services. Being selective and conducting thorough analysis is profitable. Portfolios benefit from risk diversification across markets, sectors, and currencies.

Private Banking has made several important recruitments in key positions during this period to continue delivering the market's best offerings to clients.

ASSET MANAGEMENT



Share of operating revenues

Revenues in Asset Management decreased by 3 percent to SEK 294 million (303) and AuM grew to SEK 126 billion (111).

Although revenues from Asset Management have decreased since the preceding year, the favourable trend is continuing for the business area's two subsidiaries, which are both reporting positive net inflows.

Asset Management now generates a large share of the Group's recurring revenues and the establishment of the business area with the acquisitions of Carnegie Fonder and Holberg has proven to be a key element in creating more stable revenue streams for the entire Group. Asset Management demonstrating positive performance and revenues were up in Q2 compared to the same period last year.

Fund returns have generally been good. Holberg has attracted positive net flows, primarily in credit funds. Carnegie Fonder expanded the family of funds for institutions and professional private investors during the period.

AuM for Asset Management increased by 14 percent. Carnegie Fonder and Holberg have demonstrated a positive trend with a good average increase of AuM compared to the preceding year.

CARNEGIE IS THE FOREMOST FINANCIAL ADVISER AND ASSET MANAGER IN THE NORDICS

WE BRING INVESTORS TOGETHER WITH ENTREPRENEURS
AND COMPANIES TO ENABLE CLIENTS, OWNERS AND
SOCIETY TO GROW SUSTAINABLY

OUR MISSION

We enable companies,
capital and communities to
grow sustainably

OUR CLIENTS

We we work with
companies, their owners,
institutions and individuals

Investment Banking & Securities

Carnegie Investment Banking offers professional advisory in mergers and acquisitions (M&A) and equity capital market (ECM) transactions. The Debt Capital Markets (DCM) unit also provides advisory related to capital acquisition via corporate bonds and fixed income instruments. Carnegie Securities offers institutional clients services within research, brokerage and sales trading and ECM transactions. In addition, the Fixed Income unit offers bond research and sales.

Operations in:

Denmark
Finland
Norway
Sweden
UK
USA

Private Banking

Carnegie Private Banking provides comprehensive financial advisory to high net worth individuals, small businesses, institutions and foundations. The staff includes experts in areas including asset allocation, asset management, law, tax management, pensions and trading in securities and fixed-income bonds.

Operations in:

Denmark
Sweden

Asset Management

Carnegie Asset Management offers long-term, sustainable and active capital management based on fundamental research through its two fund companies, Carnegie Fonder and Holberg. Carnegie Fonder operates in Sweden and Holberg in Norway. They are independent fund companies that offer a complete range of services from tailored total solutions to individual fund products in traditional and alternative asset classes. Asset Management addresses institutions, partners and direct retail clients.

Operations in:

Norway
Sweden

FINANCIAL POSITION

The Carnegie Group has a strong financial position with persistently good profitability and low exposure to financial risks. About three quarters of consolidated risk-weighted assets are comprised of operational risk and structural risk arising from ownership of foreign subsidiaries. Risk in the trading book makes up less than one percent of consolidated risk-weighted assets.

The trend within Carnegie's credit portfolio remained stable with no actual credit losses or need for further allowances beyond the statistical allowances made under the applied ECL model, which resulted in an increased credit loss allowance of SEK 1 million on the consolidated statement of comprehensive income. Previous reviews of the ECL models have been assessed as adequate and responsive to future outlooks affected by factors including negative macroeconomic projections.

The Group's liquidity investments continue to have a low risk profile, including low duration and exposure to institutions and instruments with low credit risk. Surplus liquidity is placed primarily with the Riksbank through deposits and certificates as well as government and municipal bonds and senior secured notes with a minimum AAA rating. All investments have short maturities.

The common equity Tier 1 capital ratio (CET1) and the capital adequacy ratio were both 18.9 percent (18.6). Further information and comparative figures are presented in Note 3. A more detailed description of Carnegie's capital adequacy and liquidity is available online at www.carnegie.se.

The Group's financing comprises equity and deposits from the public. Equity accounts for 23 percent (20), deposits from the public account for 64 percent (70) and other debt accounts for 13 percent (10) of the balance sheet total.

Overview of the parent company

Net sales in the parent company amounted to SEK 0 million (0). The operating loss was SEK -3 million (-28). Operating profit for the comparison period was reduced by non-recurring costs of SEK 25 million. Profit from financial items

was SEK 1 million (0). The loss for the period was SEK -1 million (-22).

There were no investments in fixed assets during the period (-). Liquidity, defined as cash and bank balances, was SEK 1 million (10) as of 30 June 2023. Equity amounted to SEK 2,816 million (1,763) as of 30 June 2023.

Risks and uncertainties

By nature of its business activities, the Carnegie Group is exposed to market, credit, liquidity and operational risks.

- Market risk is defined as the risk of loss due to, among else, the impact of movements in equity prices, interest rates or exchange rates.
- Credit risk is defined as the risk of loss due to failure of counterparties to fulfil contractual obligations. Credit risk originates mainly from lending to clients with shares as underlying collateral.
- Liquidity risks are linked to the need for, and access to, liquidity in operations.
- Operational risk refers to the risk of loss resulting from inadequate and/or failed processes or systems, the human factor, or external events.

There have been no material changes in the perspective above regarding risk and uncertainty factors. This is justified because the determined risk appetites in the above areas have proven to be sufficiently low to withstand the intermittently volatile equity market trend and the external factors that have been affected by inflation, without increasing the loss level.

A more detailed description of risk and risk management at Carnegie is provided in the 2022 annual report and online at www.carnegie.se.

Related party transactions

Carnegie's transactions with related parties are reported in Note 31 of the 2022 annual report. No material changes have subsequently occurred.

FINANCIAL STATEMENTS

Consolidated income statement

(SEKm)	Note	Jan-Jun		Full-year
		2023	2022	2022
Commission income		2,044	2,487	4,531
Commission expenses		-412	-419	-798
Net commission income		1,632	2,068	3,733
Interest income		243	51	189
Interest expenses		-86	-22	-52
Net interest income		157	29	137
Net result from financial transactions		18	3	13
Other operating revenue		-	-	-0
Operating income		1,807	2,100	3,883
Personnel expenses		-1,005	-1,168	-2,208
Other administrative expenses		-428	-406	-860
Depreciation and amortisation of tangible and intangible fixed assets		-61	-58	-166
Operating expenses		-1,494	-1,631	-3,234
Profit before credit losses		313	469	649
Credit Losses, net		-1	-2	3
Profit before tax		312	467	652
Tax		-71	-98	-184
Profit for the year		241	369	467
Attributable to:				
Shareholders of the Parent company		232	360	453
Non-controlling interest		9	9	14
		241	369	467

Consolidated statement of comprehensive income

SEKm	Note	Apr-Jun		Full-year
		2023	2022	2022
Profit for the year		241	369	467
Other comprehensive income				
Items that have been transferred or can be transferred to the result (after tax)				
Translation of foreign operations		-20	26	45
Other comprehensive income for the year, after tax		-20	26	45
Total comprehensive income for the year		221	395	512
Attributable to:				
Shareholders of the Parent company		212	384	494
Non-controlling interest		9	12	18
		221	395	512

Consolidated statements of financial position

(SEKm)	Note	30 Jun		31 Dec
		2023	2022	2022
Assets				
Cash and bank deposits with central banks		1,104	294	1,287
Negotiable government securities		4,564	6,245	6,018
Loans to credit institutions ¹		2,204	5,963	3,086
Loans to the general public		3,398	4,007	3,173
Bonds and other interest-bearing securities		1,304	1,823	2,784
Shares and participations		536	546	613
Derivative instruments		7	12	8
Intangible assets		804	882	826
Tangible fixed assets		367	357	373
Current tax assets		200	437	68
Deferred tax assets		135	170	120
Other assets		285	754	565
Prepaid expenses and accrued income		309	231	201
Total assets		15,216	21,721	19,122
Liabilities and equity				
Liabilities to credit institutions		1	22	17
Deposits and borrowing from the general public		9,778	15,081	13,295
Short positions, shares		24	9	25
Derivative instruments		6	5	11
Current tax liabilities		63	442	45
Deferred tax liabilities		58	54	61
Other liabilities		927	833	764
Accrued expenses and prepaid income		844	1,585	1,094
Other provisions		67	76	66
Equity		3,448	3,614	3,744
Total liabilities and equity		15,216	21,721	19,122
Pledged assets and contingent liabilities				
Contingent liabilities for own debts		174	449	405
Other contingent liabilities		409	1,426	1,032
Contingent liabilities and guarantees		237	345	280

1) Whereof client funds SEK 53 million (1 579, YTD 643).

Consolidated cash flow statements

(SEKm)	Jan-Jun		Full-year
	2023	2022	2022
Profit before tax	312	467	652
Adjustments for non-cash items	64	66	181
Paid tax	-202	-214	-270
Cash flow from operating activities before changes in working capital	174	320	562
Changes in working capital	-2,227	36	-338
Cash flow from operating activities	-2,053	356	224
Purchase of tangible and intangible assets	-8	-21	-31
Acquisition of financial assets	-24	-238	-277
Divestment of financial assets	48	31	66
Cash flow from (-used in) investing activities	16	-227	-241
Dividend to shareholders of the parent company	-500	-1,391	-1,391
Dividend to non-controlling interest	-16	-22	-22
Amortisation of leasing	-41	-33	-72
Cash flow from financing activities	-557	-1,446	-1,485
Cash flow for the period	-2,594	-1,317	-1,502
Cash and cash equivalents at the beginning of the period ¹	9,458	10,796	10,796
Exchange difference in cash and cash equivalents	36	64	165
Cash and cash equivalents at the end of the period	6,900	9,543	9,458

1) Excluding loans to credit institutions that are not payable on demand, cash and cash equivalents pledged as collateral and client funds.

Consolidated statements of changes in equity

SEKm	Attributable to parent company's shareholders				Total equity attributable to the parent company's owners	Non-controlling interest	Total Equity
	Share capital	Other contributed capital	Reserves	Retained profit including the periods result			
Equity, Opening balance, 1 January 2023	2	1,646	-43	2,052	3,657	87	3,744
Net Profit for the period				232	232	9	241
Other comprehensive income:							
Translation of foreign operations			-20		-20	0	-20
Other comprehensive income for the year, net of tax			-20	232	212	9	221
Transactions with shareholders:							
Dividend to shareholders				-500	-500	-16	-516
Equity, Closing balance, 30 June 2023	2	1,646	-63	1,784	3,657	80	3,448

SEKm	Attributable to parent company's shareholders				Total equity attributable to the parent company's owners	Non-controlling interest	Total Equity
	Share capital	Other contributed capital	Reserves	Retained profit including the periods result			
Equity, Opening balance, 1 January 2022	239	1,721	-84	2,682	4,558	91	4,649
Net Profit for the period				360	360	9	369
Other comprehensive income:							
Translation of foreign operations			24		24	2	26
Other comprehensive income for the year, net of tax			24	360	384	12	395
Transactions with shareholders:							
Reduction of share capital	-237			237			
Changes in Group structure				-17	-17		-17
Dividend to shareholders				-1,391	-1,391	-22	-1,413
Equity, Closing balance, 30 June 2022	2	1,721	-60	1,871	3,534	80	3,614

SEKm	Attributable to parent company's shareholders				Total equity attributable to the parent company's owners	Non-controlling interest	Total Equity
	Share capital	Other contributed capital	Reserves	Retained profit including the periods result			
Equity, Opening balance, 1 January 2022	239	1,721	-84	2,682	4,558	91	4,649
Net Profit for the period				453	453	14	467
Other comprehensive income:							
Translation of foreign operations			40		40	4	45
Other comprehensive income for the year, net of tax			40	453	493	19	512
Transactions with shareholders:							
Reduction of share capital	-237			237			
New issue	0				0		0
Changes in Group structure		-75		71	-4		-4
Dividend to shareholders				-1,391	-1,391	-22	-1,413
Equity, Closing balance, 31 December 2022	2	1,646	-43	2,052	3,657	87	3,744

Parent company income statement

(SEKm)	Jan-Jun		Full-year
	2023	2022	2022
Net sales	-	-	-
Other external expenses	-3	-26	-33
Personnel expenses	-0	-2	-11
Operating profit or loss	-3	-28	-44
Income from other securities and receivables that are fixed	2	-0	-
Interest income and similar income	0	-	0
Interest expenses and similar expenses	-0	-0	-1
Profit from participations in subsidiaries	-	-	613
Profit from financial items	1	-0	612
Profit before tax	-2	-28	569
Tax	1	6	-0
Profit for the year	-1	-22	569

Parent company statement of financial position

(SEKm)	30 Jun		31 Dec
	2023	2022	2022
Assets			
Shares and participations in group companies	2,776	1,780	2,776
Holdings in other companies	1	-	7
Total financial non-current assets	2,777	1,780	2,783
Receivables from Group companies	40	-	613
Cash and cash equivalents	1	10	2
Tax receivable	0	0	0
Deferred tax assets	1	6	-
Other current receivables	6	1	0
Prepaid expenses and accrued income	-	19	-
Total current assets	48	35	615
Total assets	2,825	1,815	3,398
Equity and liabilities			
Equity	2,816	1,763	3,317
Liabilities to Group companies	-	43	70
Current tax liabilities	0	0	0
Other current liabilities	9	1	10
Accrued expenses and prepaid income	0	8	2
Total equity and liabilities	2,825	1,815	3,398
Pledged assets and contingent liabilities			
Contingent liabilities	113	113	113

Parent company statement of changes in equity

(SEKm)	30 Jun		31 Dec
	2023	2022	2022
Equity - at beginning of year	3,317	2,985	2,985
Non-cash issue	-	-	963
Dividend to shareholders	-500	-1,200	-1,200
Comprehensive income for the period	-1	-22	569
Equity - at end of the period	2,816	1,763	3,317

NOTES

Accounting policies

With respect to the Group, this report was prepared in compliance with IAS 34 Interim Reporting, the Swedish Act on Annual Reports of Credit Institutes and Securities Companies (ÅRKL 1995:1559) and the Regulations and general recommendations regarding annual reporting of credit institutions and securities companies issued by the Swedish Financial Supervisory Authority (FFFS 2008:25). RFR 1, Supplementary Accounting Regulations for Corporate Groups, issued by the Swedish Financial Accounting Standards Council, was also applied. The parent company's accounts were prepared in accordance with the Swedish Annual Accounts Act (1995:1554, ÅRL) and recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council.

The accounting policies and calculation methods applied in this report are identical to those applied in the 2022 annual report.

Please note that rounding in the report may result in amounts in SEK millions not agreeing when summed. Unless otherwise specified, all comparison figures in the report refer to the corresponding period in 2022.

Basis of consolidation

On 29 November 2022, Carnegie Holding AB acquired 93.75 percent of Carnegie Fonder AB (556266-6049), 70 percent of Holberg Fondsforvaltning A/S (982 076 218) and 100 percent of CAAM Fund Services AB (556648-6832) from Altor Fund III, i.e., the same fund that has control over Carnegie Holding AB. The transaction thus occurred between companies under common control. Altor Fund III had control over Carnegie

Holding AB and the acquired entities both before and after the transactions. IFRS contain no guidance on accounting for business combinations under common control. In the absence of an IFRS that specifically applies to a transaction, management must, according to IAS 8, use its judgement in developing and applying an accounting policy that results in information that is relevant and reliable. An appropriate and generally accepted principle is to use previously recognised values in the selling group, which is the principle Carnegie Holding has chosen to apply in the consolidated accounts, with the following additions. According to Chapter 2, Section 6 of the Swedish Companies Act, the value of non-cash consideration may not be set higher than fair value, which has resulted in an impairment of goodwill attributable to Holberg Fondsforvaltning A/S in the amount of SEK 55 million. As regards Carnegie Fonder AB, the company was previously owned by Carnegie Holding AB during the period of 2010 through the end of 2016 and the calculation of the carrying amount was therefore based on the original acquisition analysis.

The comparative figures in the consolidated accounts have been restated to reflect the Group as if Carnegie had owned the acquired entities for the entire period presented in the closing report, regardless of the actual transaction date. Altor Fond III gained control over Holberg Fondsforvaltning A/S on 16 March 2021 and the company is therefore included in the comparative figures from that date.

New and amended accounting standards effective 1 January 2023

Amendments to accounting standards have had no impact on Carnegie's financial statements.

Not 1. Note 1 Financial assets and liabilities

30 Jun 2023

(SEKm)	Amortized cost	Fair value through profit and loss	Non financial instruments	Total
Assets				
Cash and bank deposits with central banks	1,104	-	-	1,104
Negotiable government securities	4,564	-	-	4,564
Loans to credit institutions	2,204	-	-	2,204
Loans to the general public	3,398	-	-	3,398
Bonds and other interest-bearing securities	1,280	24	-	1,304
Shares and participations	-	536	-	536
Derivative instruments	-	7	-	7
Other assets	255	-	29	285
Prepaid expenses and accrued income	89	-	219	309
Total	12,894	567	249	13,710
Liabilities				
Liabilities to credit institutions	1	-	-	1
Deposits and borrowing from the general public	9,778	-	-	9,778
Short positions, shares	-	24	-	24
Derivative instruments	-	6	-	6
Other liabilities	840	-	87	927
Accrued expenses and prepaid income	844	-	-	844
Total	11,463	30	87	11,580

30 Jun 2022

(SEKm)	Amortized cost	Fair value through profit and loss	Non financial instruments	Total
Assets				
Cash and bank deposits with central banks	294	-	-	294
Negotiable government securities	6,245	-	-	6,245
Loans to credit institutions	5,963	-	-	5,963
Loans to the general public	4,007	-	-	4,007
Bonds and other interest-bearing securities	1,821	2	-	1,823
Shares and participations	-	546	-	546
Derivative instruments	-	12	-	12
Other assets	683	-	71	754
Prepaid expenses and accrued income	31	-	200	231
Total	19,042	559	272	19,874
Liabilities				
Liabilities to credit institutions	22	-	-	22
Deposits and borrowing from the general public	15,081	-	-	15,081
Short positions, shares	-	9	-	9
Derivative instruments	-	5	-	5
Other liabilities	749	-	84	833
Accrued expenses and prepaid income	1,585	-	-	1,585
Total	17,437	14	84	17,535

31 Dec 2022

(SEKm)	Amortized cost	Fair value through profit and loss	Non financial instruments	Total
Assets				
Cash and bank deposits with central banks	1,287	-	-	1,287
Negotiable government securities	6,018	-	-	6,018
Loans to credit institutions	3,086	-	-	3,086
Loans to the general public	3,173	-	-	3,173
Bonds and other interest-bearing securities	2,777	7	-	2,784
Shares and participations	-	613	-	613
Derivative instruments	-	8	-	8
Other assets	441	-	124	565
Prepaid expenses and accrued income	18	-	183	201
Total	16,799	628	307	17,735
Liabilities				
Liabilities to credit institutions	17	-	-	17
Deposits and borrowing from the general public	13,295	-	-	13,295
Short positions, shares	-	25	-	25
Derivative instruments	-	11	-	11
Other liabilities	678	-	86	764
Accrued expenses and prepaid income	1,094	-	-	1,094
Total	15,084	36	86	15,207

Determination of fair value of financial instruments

When the Group determines the fair value of financial instruments, various methods are used depending upon the degree of observability of market data upon measurement and market activity. A regulated or reliable marketplace on which quoted prices are readily available and demonstrate sufficient frequency is considered an active market. Activity is assessed

on an ongoing basis by analysing factors such as differences in bid and ask prices.

The methods are divided into three different levels:

1. Level 1 – Financial assets and financial liabilities valued on the basis of unadjusted quoted prices from an active market for identical assets or liabilities.

2. Level 2 – Financial assets and financial liabilities valued on the basis of either:

Adjusted quoted prices for similar assets or liabilities, or identical assets or liabilities from markets not deemed to be active; or

Measurement models based primarily on directly or indirectly observable inputs. Observable inputs are derived using market data such as public information about actual events or transactions, which reflects the assumptions that market actors would use in pricing the asset or liability.

3. Level 3 – Financial assets and financial liabilities that are not valued based on observable market data.

The level in the fair value hierarchy at which a financial instrument is classified is determined based on the lowest level of inputs material to the fair value in its entirety.

In cases where there is no active market, fair value is determined using established measurement methods and models. In these cases, assumptions that cannot be derived directly from a market are applied. These assumptions are then based on experience and knowledge about measurement in the financial markets. The goal is, however, to always maximise the use of data from an active market. Where deemed necessary, relevant adjustments are made to reflect a fair value, in order to correctly reflect the parameters contained in the financial instrument and which must be reflected in its measurement.

The fair value of financial instruments recognised at fair value through profit or loss is determined primarily based on quoted closing prices on the reporting date for the assets.

Currency forwards are measured at fair value by using the current exchange rate and interest level.

Derivatives linked to equities and equity indices, consisting of forward contracts and options listed on Nasdaq are measured primarily at the official market prices. If such are outdated, unavailable or deemed misleading, a theoretical measurement is used based on observable market data. The measurement is carried out according to generally accepted models.

Unlisted derivatives are found to a minor extent. Where possible, they are measured based on the issuer's price. If that is impossible, they are measured based on observable market data and generally accepted models.

For lending and borrowing at a variable rate of interest, including loans secured by financial instruments or residential property, which are recognised at amortised cost, the carrying amount is deemed to coincide with fair value. For financial assets and financial liabilities in the statement of financial position with a remaining maturity of less than six months, the carrying amount is deemed to reflect fair value.

30 Jun 2023

(SEKm)	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value				
Bonds and other interest-bearing securities	-	24	-	24
Shares and participations	331	0	205	536
Derivative instruments	-	7	-	7
Total	331	31	205	567
Financial assets recognised at fair value for disclosure purposes				
Cash and bank deposits with central banks	-	1,104	-	1,104
Negotiable government securities	-	4,551	-	4,551
Loans to credit institutions	-	2,204	-	2,204
Loans to the general public	-	3,398	-	3,398
Bonds and other interest-bearing securities	1,280	-	-	1,280
Other assets	-	255	-	255
Accrued income	-	89	-	89
Total	1,280	11,602	-	12,882
Financial liabilities recognised at fair value				
Short positions, shares	24	-	-	24
Derivative instruments	-	6	-	6
Total	24	6	-	30
Financial liabilities recognised at fair value for disclosure purposes				
Liabilities to credit institutions	-	1	-	1
Deposits and borrowing from the general pub	-	9,778	-	9,778
Other liabilities	-	840	-	840
Accrued cexpenses	-	844	-	844
Total	-	11,463	-	11,463

30 Jun 2023

(SEKm)	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value				
Bonds and other interest-bearing securities	-	2	-	2
Shares and participations	332	-	213	546
Derivative instruments	-	12	-	12
Total	332	15	213	560
Financial assets recognised at fair value for disclosure purposes				
Cash and bank deposits with central banks	-	294	-	294
Negotiable government securities	-	5,969	-	5,969
Loans to credit institutions	-	5,963	-	5,963
Loans to the general public	-	4,007	-	4,007
Bonds and other interest-bearing securities	1,821	-	-	1,821
Other assets	-	683	-	683
Accrued income	-	31	-	31
Total	1,821	16,946	-	18,766
Financial liabilities recognised at fair value				
Short positions, shares	9	-	-	9
Derivative instruments	-	5	-	5
Total	9	5	-	14
Financial liabilities recognised at fair value for disclosure purposes				
Liabilities to credit institutions	-	22	-	22
Deposits and borrowing from the general pub	-	15,081	-	15,081
Other liabilities	-	749	-	749
Accrued cexpenses	-	1,585	-	1,585
Total	-	17,437	-	17,437

31 Dec 2022

(SEKm)	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value				
Bonds and other interest-bearing securities	-	7	-	7
Shares and participations	398	0	214	613
Derivative instruments	-	8	-	8
Total	398	16	214	628
Financial assets recognised at fair value for disclosure purposes				
Cash and bank deposits with central banks	-	1,287	-	1,287
Negotiable government securities	-	6,081	-	6,081
Loans to credit institutions	-	3,086	-	3,086
Loans to the general public	-	3,173	-	3,173
Bonds and other interest-bearing securities	2,741	-	-	2,741
Other assets	-	441	-	441
Accrued income	-	18	-	18
Total	2,741	14,086	-	16,827
Financial liabilities recognised at fair value				
Short positions, shares	25	-	-	25
Derivative instruments	-	11	-	11
Total	25	11	-	36
Financial liabilities recognised at fair value for disclosure purposes				
Liabilities to credit institutions	-	17	-	17
Deposits and borrowing from the general pub	-	13,295	-	13,295
Other liabilities	-	678	-	678
Accrued cexpenses	-	1,094	-	1,094
Total	-	15,084	-	15,084

Description of measurement levels

- Level 1 mainly contains shares and municipal bonds for which the quoted price was used in the measurement.
- Level 1 mainly contains derivative instruments and interest-bearing securities. Derivatives linked to equities and equity indices are measured using generally accepted models and based on observable market data. In other cases, issuer prices or the last price paid are used.
- Level 3 contains financial instruments where internal assumptions have material impact on the calculation of fair value.

Transfers between levels

There have been no transfers between the levels during the year or during the comparison periods.

Changes in Level 3 (SEKm)

Financial assets	
Opening balance, 1 January 2023	214
Profit and loss in the Income Statment	-3
Purchases	-
Divestments	-7
Exchange rate difference	0
Closing balance, 30 June 2023	205

Not 2. Note 2 Offsetting of financial assets and liabilities

The table below presents the financial assets and liabilities that are presented net in the balance sheet. At the closing date, these financial instruments comprised trade and client

receivables and trade and client payables. As the scope of financial assets and liabilities for which gross accounting is applied in the statement of financial position, but which are subject to legally binding master netting agreements or the like, is marginal, these disclosures have been omitted.

(SEKm)	30 Jun 2023		
	Gross amounts	Offset	Net amounts in balance Sheet
Assets			
Trade and client receivables ¹	3,901	-3,804	97
Liabilities			
Trade and client payables ²	4,181	-3,804	377

(SEKm)	30 Jun 2022		
	Gross amounts	Offset	Net amounts in balance Sheet
Assets			
Trade and client receivables ¹	4,885	-4,372	514
Liabilities			
Trade and client payables ²	4,382	-4,372	11

(SEKm)	31 Dec 2022		
	Gross amounts	Offset	Net amounts in balance Sheet
Assets			
Trade and client receivables ¹	2,629	-2,286	342
Liabilities			
Trade and client payables ²	2,325	-2,286	38

1) Included in the Consolidated statements of Financial position item Other assets.

2) Included in the Consolidated statements of Financial position item Other liabilities.

Not 3. Note 3 Capital adequacy

(SEKm)	30 Jun		31 Dec
	2023	2022	2022
Capital base			
Equity instruments and associated premium reserve	1,648	1,723	1,648
Retained earnings and reserves	1,857	1,947	2,133
Other comprehensive income	-57	-56	-37
Less planned dividend	-	-360	-500
Goodwill and intangible assets	-747	-805	-766
Deferred tax assets	-8	-13	-7
Non-controlling interest of Equity	-80	-80	-87
Prudent valuation	-1	-1	-1
Common Equity Tier 1 capital	2,381	2,355	2,383
Tier 1 capital	2,381	2,355	2,383
Capital base for capital adequacy purposes	2,381	2,355	2,383
Capital requirement			
Credit risk (standardised method)	258	291	261
Trading book risk	6	11	5
Currency risk	58	61	80
Operational risk (base method)	686	651	650
Total capital requirement	1,007	1,014	995
Surplus capital	1,374	1,342	1,388
Financial position			
Equity, SEKm	3,448	3,614	3,744
Common Equity Tier 1 capital, SEKm	2,381	2,355	2,383
Capital base, SEKm	2,381	2,355	2,383
Risk-weighted assets, SEKm	12,585	12,670	12,437
Common Equity Tier 1 capital ratio, %	18.9	18.6	19.2
Capital adequacy ratio, %	18.9	18.6	19.2

Multi-year review

SEKm	2023		2022		2021		2020	
	H1	H2	H1	H2	H1	H2	H1	H2
Operating income	1,807	1,783	2,100	2,777	3,110	2,155	1,638	
Personnel expenses	-1,005	-1,040	-1,168	-1,426	-1,582	-1,118	-958	
Other expenses	-489	-563	-463	-522	-354	-354	-308	
Expenses before credit losses	-1,494	-1,603	-1,631	-1,948	-1,936	-1,472	-1,266	
Profit before credit losses	313	180	469	829	1,173	683	372	
Credit Losses, net	-1	5	-2	-6	-2	-0	0	
Write-down of financial assets	-	-15	-	-	-	-	-	
Profit before tax	312	184	467	823	1,172	683	372	
Tax	-71	-86	-98	-170	-257	-148	-86	
Profit for the year	241	98	369	652	914	535	286	
Of which items affecting comparability	-	-91	-34	-	-	-	-	
Net profit for the year excluding items affecting comparability	241	189	403	652	914	535	286	
Financial key data								
C/I ratio, %	83	90	78	70	62	68	77	
Income per employee	2	2	3	4	4	3	3	
Expenses per employees	2	2	2	3	3	2	2	
Asset under management, SEK bn	317	298	299	413	370	261	223	
Return on equity, %	9	12	24	39	43	30	20	
Adjusted Return on equity, %	6	15	26	39	44	30	14	
Total assets	15,216	19,122	21,721	22,750	20,085	15,616	16,644	
Financial position								
Common Equity Tier 1 capital ratio, % ¹	18.9	19.2	18.6	19.2	21.4	25.2	21.7	
Equity	3,448	3,744	3,614	4,649	3,968	3,252	2,729	
Employees								
Average number of employees	809	787	771	736	711	661	654	
Number of employees at the end of the period (FTE)	806	808	774	773	734	676	653	

1) Period H1'20 and H1'21 refers to Carnegie Group excluding Fund companies.

DEFINITIONS – ALTERNATIVE PERFORMANCE MEASURES*

*C/I ratio**

Total costs before credit losses as a percentage of total income.

Revenue per employee

Total revenue for the period divided by the average number of employees.

Costs per employee

Total costs for the period divided by the average number of employees.

Capital requirements

A measure of how much capital an institution must have given the risks involved in the business.

Common equity Tier 1 capital ratio

Total regulatory common equity Tier 1 capital as a percentage of risk-weighted assets.

*Capital adequacy**

Total regulatory capital base as a percentage of risk-weighted assets.

Number of employees at end of period

The number of annual employees (full-time equivalents) at the end of the period.

Average number of employees

The number of employees at the end of each month divided by number of months.

*Return on equity**

Thirteen months' rolling profit or loss divided by average equity, adjusted for the effect of deferred tax on loss carryforwards.

*Adjusted return on equity**

Thirteen months' rolling profit or loss divided by average equity, adjusted for items affecting comparability, amortisation and depreciation of acquired assets and the effect of deferred tax on loss carryforwards.

Supplementary information

Operating revenues

The difference between total operating revenue and the sum of all business areas' operating revenues refers primarily to revenues generated by the Group Treasury Department.

*Alternative Performance Measures, APM, are financial measures of historical or future financial performance, financial position, or cash flows that are not defined in the applicable reporting framework (IFRS) or in the EU Capital Requirements Directive (CRD)/Capital Requirements Regulation (CRR). Carnegie uses APM when it is relevant to track and describe Carnegie's financial performance and position and to provide further relevant information and tools to enable analysis of the same. APMs that describe the C/I ratio and return on equity measures, provide information about Carnegie's earnings capacity and efficiency from various angles. These measures may differ from similar key data presented by other entities. How the performance measures are calculated is noted above.

This report has not been reviewed by the company's auditors.

Carnegie Holding AB

Stockholm, 30 August 2023

Tony Elofsson

Chief Executive Officer

CLIENT RECOGNITION AND AWARDS

- Best Adviser in Sweden for DCM High Yield Issuers according to an independent client survey (Kantar Sifo Prospera, June 2023)
- Best Research House in Sweden for the 10th consecutive year (Financial Hearing, June 2023)
- Euromoney Award for Excellence and Best Private Bank in Sweden (Euromoney, March 2023)
- Best Wealth Management Provider, Sweden (World Finance, December 2022)
- Best Corporate Finance ECM adviser in Norway (Kantar Sifo Prospera, December 2022)
- Top ranking from clients in Sweden for Corporate Finance ECM and M&A (Kantar Sifo Prospera, December 2022)
- For the seventh year running, Carnegie topped the adviser rankings in the Nordic market within Corporate Finance, M&A and ECM transactions (Kantar Sifo Prospera, December 2022)
- Institutional investors rank Carnegie highest in Swedish equity research and sales for the seventh consecutive year (Kantar Sifo Prospera, November 2022)
- Institutional clients in the Nordic market assessed Carnegie's Back Office capacity as the highest among all firms in both Denmark and Finland (Kantar Sifo Prospera, October 2022)
- Euromoney Award of Excellence 2022 (Euromoney, July 2022)

