



Management report

The Board of Directors and CEO of Garantum Fondkommission AB hereby submit the annual report for the 2021 financial year.

Ownership

Garantum Fondkommission AB, ("Garantum") owns 100% of Garantum Invest AB, corporate registration number 556859-2447 with registered office in Stockholm. Garantum has 1 subsidiaries, as set out below, and the ownership amounts to:

- 100% of the shares in Garantum Strukturerade Produkter AB, corporate registration number 556672-8365, with registered office in Stockholm.

During the year, the subsidiary Garantum Finland OY, corporate registration number 2184866-8, has been liquidated and deregistered. Garantum Invest AB prepares consolidated financial statements for the 2021 financial year.

General information about the business

Garantum operates a securities business including asset management, the arrangement of structured financial products, the brokering of financial products and otherwise participates in transactions in such instruments.

As part of its operations, Garantum provides advice on financial matters and conducts other activities relating to the securities business, and conducts these activities in accordance with the Securities Business Act and the company's securities licence. The Swedish Financial Supervisory Authority has granted Garantum permits to conduct its business since April 2005. All permits are published on www.fi.se.

The Garantum Group pursues transnational business in Norway and has 46(40) affiliated agents.

Development of the company's activities, profit/loss and financial position

Financial information

The profit for the company as of 31 December 2021.

The operating profit amounted to SEK 64.3 (19.2) million, and the profit after tax amounted to SEK 36.5 (9.5) million. Total revenue was SEK 241.9 (157.7) million.

Operating expenses amounted to SEK 178.0 (138.5) million during the financial year. At year end, total staff amounted to 54 (49) employees.

During the year, the company arranged in 139 (130) different products where the longest issue had a maturity of 8.0 (6.5) years and the shortest had a maturity of 2.0 (2.0) years. The average maturity amounted to 4.81 (4.7) years.

Equity amounted to SEK 170 (142.5) million. The total capital ratio amounted to 16.72 (18.33) %.

Corporate development

Even if the pandemic was still a factor, it affected the business to a diminishing degree and the year as a whole turned out to be the strongest in many years. The framing of a strong stock market contributed to a great degree of optimism among investors, which caused a positive effect on inflows and value growth in all business areas, such as the fund marketplace, discretionary management, share trading, and structured products. We saw an increase in on individualised guidance. The breadth in the services we offer lead to more advisors choosing to work with us, and throughout the year, more affiliated agents have joined our platform with large influxes of managed capital to our platform. Other partners who for a long time have adapted their activities to new regulations also began to resume their business relationships with us.

During the year, we introduced a new offering within the Private Banking segment. With a clearer customer and guidance levels, we also as more and larger clients chose to place their portfolio with us in competition with the well-established players. This showed that we have a powerful and competitive offering in all customer segments. During the autumn, we conducted the first edition of the Garantum Private Banking Conference, a fully booked held at Operaterassen in Stockholm, which helped properly establish Garantum as a challenger in the fields of Private Banking and Wealth Management.

Garantum was crowned "Distributor of the Year" for the seventh year in a row in both Sweden and Norway by the European organisation SRP. The assessment is a combination of the value of sold products and the returns for those that have gone into decline. For individual products, Garantum claimed nine places on the top 10 list for 2021. This was the 19th time that SRP have handed out these awards. Garantum has been awarded the title "Best Distributor" for the last seven years, and "Best Product" for the last six years. New statistics also showed that we have generated an average annual return of 8.9% in our structured products, a phenomenal result considering that the vast majority of the products contained some form of risk protection.

Investments and further development of our infrastructure and organisation continued to proceed as planned. Our technical platform with its unique tools is developing at an ever increasing pace and helps lay the groundwork for quality-assured and individualised guidance. We are starting to see how these investments create a competitive advantage where advisors who work on our platform can increase the added value for their clients compared to other solutions. During the autumn, we conducted an extensive and complex system change. With this investment, we now have the technical prerequisites in place to continue building the market's first fintech hub for individualised guidance.

Environmental policy

The company continued to work to heighten its environmental awareness. Decisions have been made previously regarding sorting at source of waste and office equipment, environmentally friendly electricity, environmentally friendly paper for advertising prints, environmentally friendly pens for advertising, and the use of bicycle couriers, as well as business trips, shall be conducted through more environmentally friendly means, such as via train instead of cars or planes. Additional efforts initiated in 2020 to significantly reduce the use of paper by, among other things, transition to

From the start, we worked actively to meet the increasing demand for sustainable investments where the exclusion criteria within this field are constantly evaluated and expanded if necessary. This is done to offer our advisors and customers the right products and tools in an ever-changing world where the goal is to facilitate the allocation of capital to sustainable investments. In order to live up to customer and external expectations, Garantum has continued to hold training courses for advisors throughout the year, focusing on the social and corporate governance aspects.

Risks and uncertainties

Garantum's operations are subject to a number of different risks on a daily basis. In some segments, these are a natural part of business activities, such as market risks in the trading portfolio.

Garantum's Board of Directors has executive responsibility for Garantum's risk management. Board of Directors has a special instruction, and have within certain frameworks delegated the responsibility to Garantum's CEO, who is ultimately responsible for Garantum's risk management. For the daily risk management and checks, Garantum has entered into an outsourcing with Garantum Invest AB concerning risk management and compliance. The Board is kept informed by reporting on a regular basis.

See Note 3 for more details. The risks to which Garantum is exposed and which are managed include:

- Market risks
- Liquidity risks
- Operational risks
- Credit risks
- Legal risks

Staff

The average number of employees in the company during the financial year was 54 persons (49). The number of employees at the end of the financial year was 54 (53), of whom 33 (34) were men and 21 (19) were women. See further details in Note 9.

Events after the balance sheet date

The year started out strong, but the Russian invasion of Ukraine at the end of February has played its part in dampening the willingness to invest among customers. This extraordinary situation and humanitarian disaster has of course affected us all in various ways. A fundraiser among the personnel, which Garantum then matched, generated over SEK 150 000 to those in need in Ukraine.

Business-wise, we still see satisfactory flows in all segments, even if the rate is slightly lower than before the war. The financial result remains positive. Demand for alternate yield profiles through our award-winning structured products remain high. Rates interest rates contributes positively to the conditions and we are seeing a growing interest in investing in capital-protected investments.

PROPOSAL FOR PROFIT ALLOCATION

At the disposal of the Annual General Meeting is SEK

Retained earnings	124 484 614
Profit/loss for the year	36 508 164
Total	160 992 778

SEK 3333 per share is distributed to the shareholders	30 000 000
Profit carried forward to next year	130 992 778
Total	160 992 778

Board assesses that the company's activities, after the proposed dividend, will be continue to be conducted with good profitability. The liquidity in the company is also assessed to be maintained at a reassuring level, and the company is expected to continue to fulfil the regulatory capital adequacy requirements for the operations. The proposed dividend can therefore be justified in light of the statements made in ABL, Chapter 17, Section 3, second paragraph (precautionary rule). See further details in Note 21.

MULTI-YEAR OVERVIEW

PROFIT/LOSS AND BALANCE SHEETS	2021	2020	2019	2018	2017
Income statement					
Total operating income	241 937	157 728	214 097	187 227	160 609
Total costs before credit losses	-177 627	-138 512	-183 481	-154 514	-133 999
Operating profit/loss	64 310	19 216	30 616	32 713	26 609
Profit/loss for the year	36 508	9 544	16 985	14 608	11 063
Balance sheet					
Lending to credit institutions	790 064	686 310	382 657	352 812	364 836
Other assets	974 561	752 204	681 925	606 018	582 726
Total assets	1 764 625	1 438 513	1 064 582	958 830	947 562
Deposits from the public	857 296	846 789	635 417	589 513	642 769
Other liabilities	695 786	413 808	258 915	196 551	146 636
Total liabilities	1 553 082	1 260 597	894 332	786 065	789 405
Untaxed reserves	41 550	35 432	37 309	42 809	42 809
Equity	169 993	142 485	132 941	129 956	115 348
RATIOS					
Balance sheet total, SEK 1000	1 764 625	1 438 513	1 064 582	958 830	947 562
Return on assets, %	2,07	0,66	1,60	1,52	1,17
Solvency, %	12	12	12	14	12
Total capital ratio, %	16,72	18,33	18,68	18,20	23,09
Capital ratio	2,09	2,29	2,33	2,27	2,89
Average number of employees	54	49	42	39	46

As regards Garantum's profit/loss and financial position in general, reference is made to subsequent income statements and balance sheets and associated *notes to the accounts*.

GROUP INCOME STATEMENT

1 January – 31 December

SEK thousand	Note	2019	2018
Interest income	4	764	427
Interest expenses	4	-2 380	-3 741
Net interest income		-1 616	-3 314
Commission income	5	343 599	345 683
Commission costs	6	-193 137	-205 520
Net income from financial transactions	7	25 209	25 178
Other operating income	8	41 440	28 893
Total operating income		215 496	190 920
General administrative expenses	9	-137 122	-132 351
Depreciations, right-of-use assets	9	-305	-
Depreciations, tangible assets	16	-7	-9
Other operating expenses	10	-48 311	-32 320
Total costs before credit losses		-185 744	-164 680
Operating profit/loss		29 751	26 240
Year-end appropriations	11	-12 600	-6 000
Tax on profit for the year	12	-5 354	-6 105
Profit/loss for the year		11 797	14 135

Attributable to:

Parent company's shareholders	12 040	14 479
Ownership without controlling influence	-242	-344

GROUP REPORT FOR THE TOTAL PROFIT/LOSS

1 January – 31 December

SEK thousand	2019	2018
Profit/loss for the year	11 797	14 135
Items that can be reversed into the profit/loss		
Conversion of foreign operations	48	-21
Other comprehensive income after tax	48	-21
Comprehensive income after tax	11 845	14 114
Attributable to:		
Parent company's shareholders	12 082	14 460
Ownership without controlling influence	-237	-346

GROUP BALANCE SHEET

As per 31 December

SEK thousand	Note	2019	2018
TOTAL ASSETS			
Lending to credit institutions	13	385 180	355 341
Bonds and other securities	14	167 571	126 206
Right-to-use assets	9	610	-
Tangible assets	16	18	24
Current tax asset	12	33 613	22 898
Other assets	17	448 845	435 217
Deferred costs and accrued income	18	32 983	21 735
Total assets		1 068 819	961 422
LIABILITIES, PROVISIONS AND EQUITY			
Deposits from the public	19	635 417	589 513
Deferred income tax liability	12	8 148	9 418
Lease liabilities	9	616	-
Other liabilities	20	211 097	158 505
Accrued costs and deferred income	21	49 970	38 096
Total liabilities		905 249	795 532
EQUITY			
	23		
Share capital (9,000 shares and P/B ratio SEK 1,000)		9 000	9 000
Conversion reserve		-187	-228
Earned profits, including profit/loss for the year		155 364	157 488
Total equity attributable to the parent company's shareholders		164 177	166 260
Ownership without controlling influence		-607	-370
Total equity		163 571	165 890
Total liabilities, provisions and equity		1 068 819	961 422

SUMMARY OF GROUP CHANGES IN EQUITY

SEK thousand	Share capital	Conversion of foreign subsidiaries	Earned profits	Equity attributable to the parent company's shareholders	Ownership without controlling influence	Total equity
Opening equity 1 January 2018	9 000	-210	143 010	151 800	-24	151 776
Profit/loss for the year			14 479	14 479	-344	14 135
Other comprehensive income		-18		-18	-3	-21
Total comprehensive income	-	-228	157 489	166 260	-370	165 890
Closing equity 31 December 2018	9 000	-228	157 489	166 260	-370	165 890

SEK thousand	Share capital	Conversion of foreign subsidiaries	Earned profits	Equity attributable to the parent company's shareholders	Ownership without controlling influence	Total equity
Opening equity 1 January 2019	9 000	-228	157 489	166 260	-370	165 890
Profit/loss for the year			12 040	12 040	-242	11 797
Changed tax rate, deferred income tax liability			-164	-164		-164
Other comprehensive income		42		42	6	48
Total comprehensive income	9 000	-187	169 364	178 178	-607	177 571
Transactions with owners						
Dividend, SEK 1,555.5555 per share			-14 000	-14 000	-	-14 000
Total	-	-	-14 000	-14 000	-	-14 000
Closing equity 31 December 2019	9 000	-187	155 364	164 178	-607	163 571

GROUP'S CASH FLOW STATEMENT

1 January – 31 December

SEK thousand	2019-12-31	2018-12-31
Ongoing operations		
Operating income	29 751	26 240
Adjustment for items not included in the cash flow		
Unrealised changes in the value of securities	7 120	-3 369
Unrealised gains / losses	-142	-1 376
Depreciations	7	9
Income tax paid	-17 339	992
Cash flow from ongoing operations before changes in working capital	19 397	22 496
Cash flow from changes in working capital		
Change in bonds, shares and participation	-48 484	-63 870
Change in other assets	-25 485	40 575
Change in other liabilities	52 318	38 015
Cash flow from ongoing operations	-2 254	37 216
Investment activities		
Investments in tangible assets	-1	-1
Cash flow from investment activities	-1	-1
Financing activities		
Deposits from the public	45 904	-53 256
Dividend paid	-14 000	-
Cash flow from financing activities	31 904	-53 256
Cash flow for the year	29 649	-16 041
Cash and cash equivalents at the beginning of the year	355 341	370 028
Exchange-rate difference in cash and cash equivalents	190	1 354
Cash and cash equivalents at year-end	385 180	355 341
SEK thousand	2019-12-31	2018-12-31
The following subcomponents are included in cash and cash equivalents:		
Lending to credit institutions	385 180	355 341
Total	385 180	355 341
Interest paid and dividends received that are included in cash flow from ongoing operations		
SEK thousand	2019	2018
Interest received	764	427
Interest paid	2 380	3 741

INCOME STATEMENT

1 January – 31 December

SEK thousand	Note	2021	2020
Interest income	4	2 011	1 172
Interest expenses	4	-1 653	-1 240
Net interest income		357	-68
Commission income	5	561 496	384 523
Commission costs	6	-371 342	-248 664
Net income from financial transactions	7	42 874	19 658
Other operating income	8	8 552	2 280
Total operating income		241 937	157 728
General administrative expenses	9	-177 627	-138 512
Write-downs of shares in subsidiaries	14	-	-
Total costs before credit losses		-177 627	-138 512
Operating profit/loss		64 310	19 216
Year-end appropriations	10, 20	-17 158	-5 903
Tax on profit for the year	11	-10 643	-3 770
Profit/loss for the year		36 508	9 544

Report for the total profit/loss

1 January – 31 December

SEK thousand	2021	2020
Profit/loss for the year	36 508	9 544
Other comprehensive income that will be reversed through the income statement	-	-
Comprehensive income after tax for the year	36 508	9 544

BALANCE SHEET

As per 31 December

SEK thousand	Note	2021	2020
TOTAL ASSETS			
Lending to credit institutions	12	790 064	686 310
Bonds and other securities	13	269 856	162 338
Shares and units in group companies	14	100	100
Current tax asset	11	6 019	12 893
Other assets	15	654 470	530 575
Deferred costs and accrued income	16	44 116	46 298
Total assets		1 764 625	1 438 513
LIABILITIES, PROVISIONS AND EQUITY			
Deposits from the public	17	857 296	846 789
Other liabilities	18	608 169	342 181
Accrued costs and deferred income	19	87 617	71 628
Total liabilities		1 553 082	1 260 597
Untaxed reserves	20	41 550	35 432
EQUITY			
Restricted equity	21		
Share capital (9,000 shares and P/B ratio SEK 1,000)		9 000	9 000
Unrestricted equity			
Retained profit or loss		124 485	123 941
Profit/loss for the year		36 508	9 544
Total equity		169 993	142 485
Total liabilities, provisions and equity		1 764 625	1 438 513

SUMMARY OF CHANGES IN EQUITY

SEK thousand	Restricted equity	Unrestricted equity		Total equity
	Share capital	Retained profit or loss	Profit/loss for the year	
Opening equity 1 January 2020	9 000	106 956	16 985	132 941
Profit/loss for the previous year	-	16 985	-16 985	-
Profit/loss for the year	-	-	9 544	9 544
Dividend	-	-	-	-
Closing equity 31 December 2020	9 000	123 941	9 544	142 485

SEK thousand	Restricted equity	Unrestricted equity		Total equity
	Share capital	Retained profit or loss	Profit/loss for the year	
Opening equity 1 January 2021	9 000	123 941	9 544	142 485
Profit/loss for the previous year	-	9 544	-9 544	-
Profit/loss for the year	-	-	36 508	36 508
Dividend	-	-9 000	-	-9 000
Closing equity 31 December 2021	9 000	124 485	36 508	169 993

CASH FLOW STATEMENT

1 January – 31 December

SEK thousand	2021-12-31	2020-12-31
Ongoing operations		
Operating income	64 309	19 216
Adjustment for items not included in the cash flow		
Unrealised changes in the value of securities	3 331	-2 220
Unrealised gains / losses	-1 990	2 034
Depreciation/write-downs	-	-
Income tax paid	-17 199	-17 364
Cash flow from ongoing operations before changes in working capital	48 451	1 666
Cash flow from changes in working capital		
Change in bonds, shares and participation	-110 850	6 123
Change in other assets	-108 283	-60 587
Change in other liabilities	270 939	147 114
Cash flow from ongoing operations	100 257	94 316
Investment activities		
Acquisition of shares in subsidiaries	-	-
Cash flow from investment activities	-	-
Financing activities		
Deposits from the public	10 507	211 371
Dividend paid	-9 000	-
Cash flow from financing activities	1 507	211 371
Cash flow for the year	101 764	305 687
Cash and cash equivalents at the beginning of the year	686 310	382 657
Exchange-rate difference in cash and cash equivalents	1 990	-2 034
Cash and cash equivalents at year-end	790 064	686 310

SEK thousand	2021-12-31	2020-12-31
The following subcomponents are included in cash and cash equivalents:		
Lending to credit institutions	790 064	686 310
Total	790 064	686 310

Interest paid and dividends received that are included in cash flow from ongoing operations		
SEK thousand	2021	2020
Interest received	2 011	1 172
Interest paid	1 653	1 240

Stockholm, date: 1th of June 2022

To the best of our knowledge, this annual report was prepared in accordance with generally accepted accounting principles. The provided information corresponds to the actual conditions of the operations and nothing of material significance which could impact the image of the company created by this annual report has been omitted.

As stated above, the Annual Report has been approved for presentation by the Board of Directors on 1th of June 2022. The company's Income Statement and Balance Sheet of the company will be adopted on 2nd of June 2022.

