ANNUAL REPORT
and
CONSOLIDATED FINANCIAL STATEMENTS

2019-01-01 - 2019-12-31

STRONGHOLD INVEST AB

556713-9067

The Annual Report includes:	**Page**

CERTIFICATE OF ESTABLISHMENT

The undersigned board member hereby certifies, on the one hand, that this copy of the annual report corresponds to the original and, on the other hand, that the income statement and balance sheet have been adopted at the Annual General Meeting on May 14, 2020. The MEETING also resolved to approve the Board's proposal for a distribution of results.

Stockholm, 14 May 2020

Urban Edenstrom

STRONGHOLD

NEWSEC | NIAM

ANNUAL REPORT
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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR STRONGHOLD INVEST AB

The Board of Directors and the Ceo of Stronghold Invest AB, corporate identity number 556713-9067, with registered office in Stockholm, hereby submit the annual report and consolidated financial statements for the financial year
2019-01-01 - 2019-12-31.

MANAGEMENT REPORT

Information about the business

Group
The Stronghold Group (Group) offers professional and comprehensive real estate-related advice, property management and fund management. The customers mainly consist of real estate investors, property owners and local users. The Group has gradually moved forward its positions and developed into northern Europe's leading real estate advisor. At the end of the year, the Group has approximately 2,000 employees around Northern Europe. The parent company Stronghold Invest AB has its registered office in Stockholm.

The business operates from some 40 own offices in eight countries around Northern Europe - including Stockholm, Gothenburg, Malmö, Helsinki, Tampere, Oslo, Trondheim, Copenhagen, Aarhus, Lyngby, Naestved, Vilnius, Tallinn, Riga and London. Together with a partner BNP Paribas Real Estate, which is one of the leading players in Europe, the needs of the Group's international customers are met.

Stronghold operates primarily through the two brands Newsec and Niam.

The subsidiaries are governed via the key figures growth, profitability, satisfied employees (NMI) and satisfied customers (NKI).

Parent company
Stronghold Invest AB is an active owner company that invests in and develops real estate-related knowledge companies in Northern Europe. Stronghold Invest adds value by adding expertise, market contacts and capital and is responsible for overall business management and strategy issues.

Stronghold Invest is based on an entrepreneurial organization and strives for decentralized decision-making, which promotes rapid action and execution of new business opportunities. As an active owner, Stronghold Invest continuously searches for new innovations and concepts within the framework of the company's investment philosophy and through its incubator business offers entrepreneurs and employees support to develop new business ideas.

Already in 2015, Stronghold Invest established the business area – Proptech – to meet challenges and seize opportunities in the ongoing digital transformation, thereby ensuring that the Group is at the forefront of digital technology in the real estate sector. Part of the strategy also involves investments in start-ups in the tech sector regarding commercial real estate. Examples of investments that have been made are Tessin (the Nordic region's leading digital financing platform for real estate) and Workaround (digital service that matches landlord and tenant).

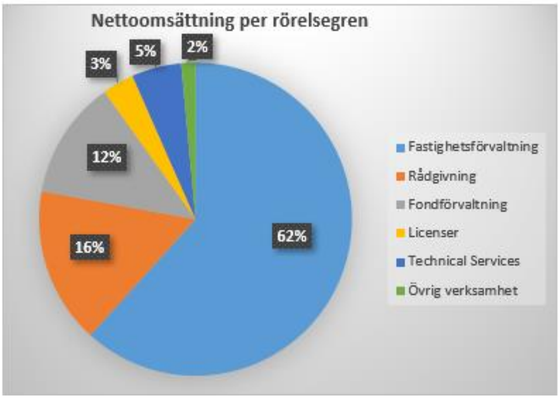
Newsec – The Full Service Property House in Northern Europe
Newsec – the Full Service Property House in Northern Europe – offers property owners, investors and tenants a wide range of management services (Property Asset Management) and Advisory Services.

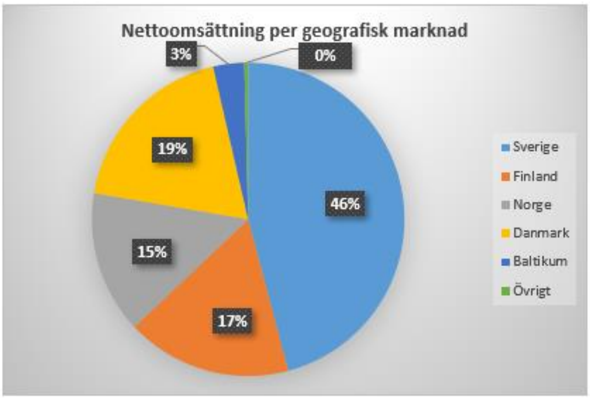
Newsec was founded in 1994 and today has approximately 1,900 employees spread across seven countries in the Nordic and Baltic countries. Newsec has approximately SEK 600 billion under management, annually signs lease agreements of approximately 1,000,000 square meters, carries out transactions of approximately SEK 50 billion and values properties with an underlying value of approximately SEK 1,750 billion.

Thanks to large volumes, local presence and breadth and depth in various businesses, Newsec has unique knowledge of the real estate market in Northern Europe. Newsec is part of the BNP Paribas Real Estate Alliance, which gives us access to an international network of potential customers and partners.

Niam

Niam is Northern Europe's leading fund manager in real estate investments and offers financial investors the opportunity to invest in the Nordic market through their funds. Since its founding in 1998, Niam has invested in properties with a total value in excess of EUR 8.7 billion. Niam currently operates three active opportunist funds and two core-plus funds that manage properties with a total value of approximately EUR 3.3 billion. Niam has realized approximately 25 percent gross IRR in its opportunistic funds since its inception, with a gross return multiple of 1.9. The company's top management has an average of 24 years of experience in the real estate industry. The collective knowledge within Niam is something that makes the company an obvious partner for those who want to develop their property. Niam has offices in Stockholm, Helsinki, Oslo and Copenhagen.





The charts show the Group's net sales as of December 31, 2019.

Significant events during the financial year

At the end of 2019, Datscha was divested to an American player. Datscha was founded by the Stronghold Group in 2000 and has developed into Sweden's and Finland's leading provider of services for information and analysis of commercial properties.

In July, Newsec Basale AS completed an acquisition of Tjuvholmen Drift AS to strengthen its presence in the Oslo region, which complements other operations well. The purchase price amounted to SEK 26 million.

In August, Stronghold acquired an additional 17 percent of the shares in Newsec Advisory A/S worth SEK 8 million. The group then owns more than 50 percent in the company. Newsec Advisory A/S is active in the area that the Group calls Advisory.

The Swedish Tax Agency has decided to reconsider Stronghold Invest's and the subsidiary Niam AB's income taxes for the tax year 2017. The Swedish Tax Agency has rejected that a divestment of trading company shares should be seen as a tax-free capital gain. The review decision entails additional tax and fees amounting to approximately SEK 170 million. The companies have appealed the Swedish Tax Agency's decision to the Administrative Court. The likelihood of a positive outcome in the cases is greater than the likelihood that the Swedish Tax Agency's decision will be permanent. Advisors brought in for so-called second opinion purposes in the exchange of letters with the Administrative Court also express the opinion that the current law corresponds to the company's interpretation and declaration. Deferral of the payment of the tax has been granted until the cases are finally decided.

During the year, a subcontractor to Newsec Technical Services AB caused a fire in a bus depot in Stockholm. The bus depot suffered extensive damage and the costs of restoring the building are high. An investigation is ongoing as to who is causing the damage and the matter has been reported to the Group's insurance company. There is no indication that the Group will suffer financial damage, so no provision has been made in the financial statements.

Comments on operations, results and position

Turnover and earnings
The Group's net sales during the year increased by 12 percent to SEK 2,965 (2,650) million. Net sales are mainly attributable to property management reporting revenues of SEK 1,830 million (1,678), while fund management accounts for SEK 364 (315) million, property operations SEK 152 (147), property advisory services SEK 478 (367) million, licenses SEK 97 (91) million and other operations SEK 44 (50) million.

The financial year has been successful in all of the Group's business areas. The increase in sales is mainly explained by successful sales work and extended mandates from existing customers in property management, but also partly by acquisitions of companies in the second half of 2019. A strong transaction market that has resulted in new sales and valuation assignments has meant improved sales for real estate advice.

Other operating income amounts to SEK 603 (1) million and consists mainly of the result generated in the Group as a result of the divestment of Datscha AB.

Personnel costs amount to SEK 1,843 million (1,663), of which variable remuneration to employees including social costs of SEK 170 (146) million. Other external costs have decreased and amount to SEK 700 (776) million and consist mainly of costs for consultants, rent, marketing and IT. Some of the consulting costs have been switched to employees, which has resulted in reduced other external costs. The transition to IFRS 16 has also resulted in lower other external costs as a result of the cost of leasing fees being shifted to depreciation and interest expenses.

Operating profit before depreciation and amortization (EBITDA) amounts to SEK 1,025 (211) million. The EBITDA margin has increased mainly as a result of the result on the sale of Datscha AB. The increase is also due to the fact that costs have not increased at the same rate as sales, but it is also a result of the introduction of IFRS 16, which moves costs from other external costs to depreciation and interest expenses.

Depreciation for the year amounts to SEK 157 (43) million and write-downs for the year to SEK 147 (0) million. This year's write-downs mainly relate to customer relationships in Denmark and write-downs of earned time for an intra-group project. Depreciation has increased as a result of the introduction of IFRS 16, which has resulted in a depreciation of SEK 97 million in 2019.

Operating profit amounts to SEK 721 (169) million.

Profit after financial items amounts to SEK 698 (172) million. The Company applies IFRS 9 and market values certain assets and liabilities. The Group's other financial shareholdings are valued at fair value above the income statement and in 2019 this results in a financial income of SEK 3 (36) million. Some of the Group's currency and interest-related derivative instruments are also valued at fair value over the income statement and during the year this has resulted in a financial income of SEK 11 (3) million.

Financial position
At the end of the year, the Group's cash and cash equivalents amounted to SEK 799 million compared to SEK 197 million at the beginning of the year. Equity at the end of December amounts to SEK 1,318 million compared to SEK 739 million at the beginning of the year. The Group's equity/assets ratio at the balance sheet date is 38 (28) percent.

Investments
Investments in tangible and intangible fixed assets amount to SEK 61 (86) million. The Group continues to invest in the business. The largest item in 2019 relates to the acquisition of customer relationships of SEK 56 (35) million in connection with the acquisition of Tjuvholmen Drift AS and Newsec Advisory A/S. Investments have also been made in various customer-related systems during the year. In 2018, the largest item related to the acquisition of customer relations in connection with the acquisition of Salling's operations in Denmark.

Cash flow
The Group's operating cash flow, cash flow from operating activities after investments and changes in working capital, amounts to SEK 805 (-26) million. The change compared to the previous year in cash flow from operating activities, SEK 369 million (145), is mainly explained by a strong result for the year. Cash flow from investment activities amounts to SEK 435 million (-171). The major difference between the years is due to the Group's divestment of Datscha, which has affected cash flow from investment activities by SEK 551 million.

The negative cash flow from financing activities is mainly explained by IFRS 16, where amortization of the lease liability affects by SEK -99 million. Financing operations are also affected by dividends to majority and minority shareholders of SEK -87 million. In addition, the Group has amortized loans.

During the year, a dividend of SEK 60 (50) per share has been paid out, totalling SEK 60 million. The resolution was made at the Annual General Meeting held on May 23, 2019.

Significant events after the end of the financial year

Since the end of February, Stronghold is following on a daily basis the development of the situation that has arisen as a result of the Covid-19 outbreak. This includes continuity planning for the operational activities, which have so far been carried out without significant disruption. The Group follows guidelines from the Public Health Agency of Sweden, who and ECDC (European Centre for Disease Prevention and Control). However, the escalation of Covid-19 in recent weeks has, and will, in various ways affect society at large, the Group's customers and their decision-making processes and ultimately Stronghold. To what extent can not be quantified today.

No other events of a material nature occurred after the closing date.

Significant risks and uncertainties

All business activities are associated with risks that the Board of Directors and management must relate to and act on. However, the stronghold group's geographical spread and diversification of services help to reduce risk exposure. The risks identified within the Group can be related to three areas: general market risk, risk linked to specific customer relationships and loss of key employees.

Market risk
The global economy showed a clear slowdown in 2019, with increased uncertainties about the future development of the world economy due to, among other things, political turbulence and major global risks. The Nordic economy has previously shown a high resistance to the slowdown in the globally slowing growth rate, but after several years of high growth began to slow down in 2019. The overall assessment of economic developments in 2020 was until recently that growth in the Nordic economy is slowing down, but that the economic situation will remain positive with high population growth, good employment, continued rising disposable incomes and slowly rising interest rates. At present, the outbreak and the rapid spread of COVID-19 affect most things in society, which will lead to a rapidly deteriorating economic situation and lower growth forecasts. As a result of the changing situation, it is currently not possible to predict the duration or extent.

The Stronghold Group offers strategic real estate, buying and selling advice, property valuation, asset management and in fund management indirect real estate investments. All of these services are affected differently in the event of a change of economy. The companies within the Group work proactively with action plans to maintain a high level of preparedness and to be able to fend off market risk.

Customer risk
The risk related to customers is primarily the risk that a customer chooses to end their cooperation with the Stronghold Group, or that a customer is unable to fulfill their commitments. The customer base for the Group as a whole is diversified and in some subsidiaries there are agreements with long maturities, which creates a stable foundation. However, some of the Group's subsidiaries have individual customers who account for a significant part of the company's turnover. The companies work actively to manage customer relationships in the best way.

Loss of key employees
The Stronghold Group operates a number of knowledge-intensive operations and capitalizes to a large extent on the competence of its employees. The Group's values "Passion for colleagues and customers" confirm the strategic view of employees. Creating the best possible conditions and stimulating jobs for employees also increases the possibility of satisfied customers, continued economic growth and profitability for the Group. The Group's ambition is to attract and recruit the best employees for the business.

Financial instruments and risk management

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

Staff

The average number of employees in the Group during the year was 1,941 (1,741), of which 951 (870) are women. The increase is mainly explained by organic growth but also partly by acquisitions of companies in Norway and Denmark during the year.

Non-financial disclosures

Environmental issues

In accordance with the Group's values, there is constant work to work towards a safe and stimulating work environment. The Group also works to reduce the impact on the environment as far as technically, economically and practically possible. In order to meet the growing demand for an environmental perspective, Newsec Property Asset Management, which forms a significant part of the Group and is one of Sweden's leading property managers, has chosen to environmentally certify its operations according to ISO 14001:2004, thereby taking responsibility for reducing climate impact and contributing to long-term sustainable development for people and the environment. The company is also certified according to ISO 9001:2008. Furthermore, Newsec Property Asset Management in turn works to support its customers' efforts to reduce the climate impact of their property portfolio, as well as to contribute to an efficient allocation of resources. Niam AB has since 2009 been certified according to ISO 9001:2008 regarding quality and according to ISO 14001:2004 regarding the environment.

Sustainability report

Sustainability report is prepared by the companies that have legal requirements. In the Stronghold Group it is Newsec Property Asset Management AB and Niam AB.

Human resources

A group such as the Stronghold Group, whose operations are based on knowledge-intensive advisory activities, is always heavily dependent on its employees. The Group conducts active and long-term work with performance management and leadership development and conducts annual employee surveys at the company. Newsec is one of the best workplaces in the Nordic region for the tenth year in a row. According to Great Place to Work, Newsec ranks third on the list of best workplaces in large organizations.

Social issues

The Group's overall goal includes working with high business ethics. This means that the customer's interest is always put before the Group's interest in ongoing assignments. Assignments that may obviously violate the Group's ethics or may harm the Group are declined. Stronghold-
The Group works under the common values "Passion for colleagues and customers" and strives for Excellence, Integrity and Innovation. Passion for colleagues and customers means a great responsibility for our employees to live by our values and that is why we choose not to work with anyone who does not share these values – whether it is colleagues or customers. Customer and market research is conducted annually.

Corporate governance

Stronghold's corporate governance is about how the business is managed, managed and controlled in order to create value for Stronghold's owners and other stakeholders. Stronghold's corporate governance is based on both external and internal regulations and steering documents. The external steering documents that form the framework for corporate governance within Stronghold include the Swedish Companies Act, the Annual Accounts Act, other relevant laws and regulations. The most important internal steering instrument is the articles of association adopted by the meeting. In addition, the Board's rules of procedure and the Board's instructions for the Ceo and policies, guidelines and instructions established by the Board of Directors with binding effect for the entire Group are available. Taking into account the existing ownership structure and Stronghold's current corporate governance work, as well as the resources required to comply with the Code, Stronghold has chosen not to apply the same at this time.

No significant changes in corporate governance have occurred during the year.

Shareholder
Stronghold has 1,000,000 outstanding shares, all of the same series. The total number of voting rights amounts to
1,000,000. The number of shareholders at the end of the financial year was 77 (66). All shareholders, except board members, are operationally active within the Stronghold Group.
Urban Edenström indirectly owns 50 percent of the shares in the company plus one share. No other shareholder represents more than 10 percent of the shares and votes in the company.

General meeting
The shareholders' influence is exercised at the general meeting, which is the company's highest decision-making body. The general meeting is planned and carried out in order for the shareholders to best exercise their influence in the company. Notice and other information is designed to enable shareholders to exercise their influence and to be able to make informed decisions on the matters arising at the general meeting. Stronghold works actively with its website and intranet to keep accurate, clear and relevant information available to shareholders and other stakeholders.

The Annual General Meeting took place on May 23, 2019 at 11:00 a.m. CET. 16.30 at Strandvägen 7, in Stockholm. Shareholders corresponding to 67.1 per cent of the share capital and votes attended the MEETING, and a dividend of SEK 60 per share was adopted for the financial year 2018. The Annual General Meeting resolved that Stronghold's Board of Directors shall consist of 7 members without deputies. The Annual General Meeting resolved to re-elect the board members Urban Edenström, Anders Lönnqvist, Mikael Lövgren, Anders Böös, Risto Silander, Håkan Johansson and Johan Edenström. Furthermore, it was decided to re-elect Anders Lönnqvist as Chairman of the Board. The Annual General Meeting resolved that no fees shall be paid to the Board of Directors. The Annual General Meeting 2020 will be held on May 14, 2020 at 12:00 CET. 14, at Stronghold Invest's head office, Stureplan 3 in Stockholm. Further details can be found on Stronghold's website.

Board
The Board of Directors is responsible for Stronghold's organization and management. The Board of Directors is also responsible for the governance of the company's operations, which among other things aims to increase shareholder value and safeguard Stronghold's interests. The Board's tasks include:

- Setting business objectives and strategy
- Ensure that there are effective systems for monitoring and controlling the company's operations
- Ensure that there is a satisfactory check of the company's compliance with laws and other rules applicable to the company's operations
- Ensure that there are required ethical guidelines for the company's operations
- Ensure that the company's information provision is transparent and accurate, relevant and reliable
- Appoint, evaluate and, if necessary, dismiss the CEO

An important steering document for the Board's work is its rules of procedure, which are adopted annually at the inaugural Board meeting. At the inaugural Board meeting, the Board also decides on the right to sign a signature. In 2019, the Board adopted a rules of procedure, including an instruction regarding the division of duties between the Board of Directors and the CEO and regarding financial reporting. The Board records its meetings and all minutes are provided to the Board of Directors and auditor.

Composition of the Board of Directors
The Board of Directors shall have a size and composition that ensures its ability to manage the company's affairs with integrity and efficiency. According to Stronghold's Articles of Association, the Board of Directors shall consist of at least 4 and not more than 8 members. Stronghold's Board of Directors 2019 consisted of 7 ordinary members, without deputies, each of whom holds important

competences and experience from, among other things, service entrepreneurship, start-up and acquisition of companies, the financial sector, sales and marketing of services and the real estate industry. There are no committees and the entire board is doing the work that the committees would have done. The division of duties within the Board of Directors is based on the competence required based on the current issues that are discussed.

The Independence of the Board of Directors

All board members, except Johan Edenström, are also shareholders in the company. The company's two largest shareholders are represented on the Board of Directors. Ceo Urban Edenström and Håkan Johansson, strategic business development and M&A are on the board, but otherwise no one in the management is represented on the board.

Nominating committee

The company does not have a nominated Nomination Committee. If any shareholder wishes to change the Board of Directors, an active dialogue is conducted with the principal owner.

The Board's work during the year

According to the Board's rules of procedure, at least four ordinary meetings are normally held per year in addition to the constituent meeting. In addition, the Board of Directors may meet when circumstances so require. During 2019, the Board held 8 Board meetings, of which 1 constituent meeting, 4 ordinary meetings and 3 extraordinary meetings. All meetings were held in Stockholm. At this year's meetings, the Board discussed the fixed points that existed at the respective Board meeting such as business situation, business plan, financial reporting, significant investments and ongoing projects. Other issues discussed during the year were future strategy and growth. In addition, at elected board meetings, issues relating to annual accounts, forecasts and budgets were discussed. At the first board meeting of the year, observations from the audit were presented and Stronghold's auditor attended.

Ceo and management

The President and CEO is appointed by the Board of Directors and is responsible for the day-to-day operations in accordance with the Board's guidelines and instructions. This means, among other things, responsibility for financial reporting, the production of information and decision-making documents and that obligations, agreements and other legal documents are not in violation of Swedish and foreign laws and regulations. Urban Edenström has been President and CEO of Stronghold since its inception in 1994. Urban Edenström's shareholding, indirectly, amounted to 500,001 shares in Stronghold as of December 31, 2019.

Composition and work of Group Management

The Group Management of Stronghold consists of 7 people, who are Stronghold's CEO, Deputy CEO and CFO, Head of Communications, HR Manager, PropTech Manager, M&A Manager and PA to the CEO. Stronghold is an active owner company but has a decentralized organization with great responsibility for each subsidiary. An annual business plan is developed by each business area. Working on the business plans engages employees at several levels in the Group. In addition to the business plan, long-term plans are developed. During the year, new forecasts for the business are drawn up.

Auditors

The auditors are appointed by the Annual General Meeting. According to Stronghold's Articles of Association, an auditor together with a maximum of equal number of deputies shall be appointed or a registered accounting firm. At the Annual General Meeting 2019, the registered accounting firm Deloitte AB was elected with authorized public accountant Jonas Ståhlberg as auditor in charge, for the period until the end of the Annual General Meeting held in 2020. The auditors meet with the Board of Directors annually. They review Stronghold's management and annual report. The Group does not have an audit committee and instead the entire Board performs the duties that should have been assigned to the Audit Committee.

Internal control over financial reporting
Stronghold's internal control over financial reporting shall be designed to provide reasonable assurance regarding the reliability of financial reporting and accounting in accordance with applicable regulations, accounting standards and other requirements for companies with listed securities. The internal control is organized based on the company's specific operations and conditions. Both the organisation of internal control and its work shall be continuously adapted to changes and needs in Stronghold's operations and the world around them.

Control environment
The basis for internal control of financial reporting is the overall control environment. An important part of the control environment is that decision paths, powers and responsibilities are clearly defined and communicated between different levels of the organization and that governing documents in the form of internal policies, manuals, guidelines and manuals are available. As an example, the Group has established a so-called "Code of Conduct". The Board of Directors has the ultimate responsibility for internal control regarding financial reporting.

Effective board work is the basis for good internal control. Stronghold's Board of Directors has an established rules of procedure and clear instructions for its work. The responsibility for maintaining an effective control environment and the ongoing work on risk management and internal control regarding financial reporting is delegated to the MANAGING DIRECTOR. Managers at different levels of the company, in turn, have this responsibility in their respective areas. An important part of the control environment is to ensure that the staff has the right skills in key positions in the company. Stronghold's CFO is responsible for ensuring that follow-up and work on Stronghold's internal control takes place in accordance with what the Board decides. Part of the Board's work is to develop and approve basic policies, guidelines and frameworks. These include the Board's rules of procedure, decision-making order, CEO instruction, financial policy and certification instructions. Furthermore, the Board of Directors has ensured that the organizational structure provides clear roles, responsibilities and processes that promote effective management of business risks. Group management adopts other policies and instructions and responsible group staff issue guidelines and monitor the application of all policies and instructions. The Group's accounting and reporting rules are established and are available to all financial staff. These rules are reviewed and updated regularly in the event of changes to, for example, legislation or accounting standards.

The Board of Directors annually reviews risks in the financial reporting, but has delegated responsibility for the control to the Group's CFO. The purpose is to ensure that internal control is satisfactory regarding the Group's most important risk areas. Together with external auditors, regular monitoring and evaluation of internal control takes place. When reviewing the risks in the financial reporting, the Board of Directors has been based on the income and balance sheet items where the risk of material errors is assessed as greatest.

The Group's control structure is designed to manage the risks that the Board of Directors deems to be essential for the internal control of financial reporting. The purpose of the appropriate control activities is to detect, prevent and correct errors and deviations in the reporting. Control activities include, for example, certification and approval procedures, bank and account reconciliations, analytical follow-up of performance and balance sheet items, division of administrative, controlling functions and execution of functions, automatic controls built into IT systems and controls in the underlying IT environment. The Group's CFO reviews and approves quarterly reports for all significant operating units.

Information and communication
Policies and guidelines are particularly important for accurate accounting, reporting and disclosure.

Stronghold's policies and guidelines are primarily communicated via the Group's intranet. Within Stronghold, policies and guidelines regarding financial reporting are updated on an ongoing basis. For communication with internal and external parties, there is a communication policy, including a list of spokespeople. The purpose of the information policy is to ensure that all information is handled in a correct
and complete way.

Follow-up
Financial follow-up takes place monthly at group level. Follow-up takes place against budget, previous year, latest forecast and market assessment. Forecasts are drawn up three times a year. The results are analyzed by both the finance function and the person responsible for results. The CFO reports to the CEO, who submits financial reports to the Board of Directors on a monthly basis. The Board continuously evaluates the information provided by management. Management follows up on the reports received by the auditors and ensures that the proposed improvement measures are implemented, where they are deemed appropriate.

Internal audit

Taking into account the company's scope and type of operations, the Board of Directors considers that the company does not need an internal audit function. The external auditors carry out additional audits in addition to statutory audits, in case the Board of Directors deems it necessary.

Development of operations, position and earnings (Group)

Amount in SEK thousand	2019	2018	2017	2016	2015
Sales and earnings					
Take	2 964 637	2 648 828	2 050 033	1 339 635	1 183 868
Operating profit before depreciation and amortization	1 024 573	211 398	224 806	182 168	134 895
Operating income	720 645	168 793	162 430	78 630	123 400
Profit after financial items	697 666	172 490	157 724	509 024	123 339
Profit after tax	675 828	140 208	116 980	497 612	99 872
Change in turnover	11,9 %	29,2 %	53,0 %	13,2 %	18,0%
Operating margin	34,6 %	8,0 %	11,0 %	13,6 %	11,4%
Profit margin	23,5 %	6,5 %	7,7 %	38,0 %	10,4%
Capital structure					
Fixed assets	1 832 380	1 566 347	1 394 135	722 613	527 330
Short-term receivables	668 583	680 837	554 629	424 641	385 800
Short-term investments	-	-	-	-	-
Cash register and bank	799 216	197 011	361 058	422 472	213 191
Total assets	3 300 179	2 444 195	2 309 822	1 569 726	1 126 321
Equity, owner of the parent	1 244 873	680 876	626 010	639 052	342 172
Holdings without control	73 506	58 401	63 784	76 469	58 995
Provisions/long-term liabilities	1 065 758	844 722	757 032	196 267	167 346
Current liabilities	916 042	860 196	862 996	657 938	557 808
Total equity and liabilities	3 300 179	2 444 195	2 309 822	1 569 726	1 126 321
Solidity	37,7 %	27,9 %	27,1 %	40,7 %	30,4%
Capital employed	2 510 714	1 585 789	1 552 510	931 633	667 088
Profitability					
Return on capital employed	29,6%	14,2%	12,0%	77,0 %	22,9%
Return on total capital	22,5%	9,2%	8,1%	36,1 %	13,5%
Return on equity	54,3%	20,6%	18,7%	77,9 %	29,2%
Staff					
Average number of employees	1 941	1 743	1 616	908	805
Turnover per employee	1 527	1 520	1 269	1 475	1 471
Earnings before tax per employee	359	99	98	561	153

Return on equity; Profit for the year as a percentage of equity attributable to the parent company's shareholders
Return on capital employed; Profit before tax plus financial expenses as a percentage of capital employed
Return on total capital; Profit before tax plus financial expenses as a percentage of the balance sheet total
Operating profit before depreciation and amortization (EBITDA); Operating profit excluding depreciation and amortization
Operating profit (EBIT); Operating profit after depreciation and amortization
Operating margin; Operating profit excluding depreciation as a percentage of net sales
Profit margin; Profit before tax as a percentage of net sales
Total assets/balance sheet total; Total assets excluding client funds
Total liabilities/balance sheet total; Total liabilities excluding client funds
Solidity; Equity's share as a percentage of the balance sheet total excluding client funds
Capital employed; Balance sheet total reduced by non-interest-bearing liabilities and deferred tax liabilities
Change in turnover; Net sales for the year in relation to the previous year's turnover
Turnover per employee; Turnover divided by average number of employees
Earnings before tax per employee; Profit before tax divided by average number of employees

Parent

The company's net sales during the year amounted to SEK 48 (40) million and profit after net financial items amounted to SEK 648 (131) million. Profit after tax amounted to SEK 673 (127) million. At the end of the year, shares in the subsidiary Datscha were divested, which generated a total capital result of SEK 581 million. During the year, the company received dividends from subsidiaries of SEK 82 (128) million.

Revenue in the Parent Company consists of royalties for the Niam, Newsec and Datscha brands and group-wide costs that have been re-invoiced. The company's costs mainly relate to costs for personnel, consulting services, administration and premises.

Expected future developments

The combination of an established low interest rate climate, as well as an increased allocation to the Nordic real estate sector, creates a very attractive market climate for the capital-intensive real estate market in the Nordic region. In 2019, the Nordic real estate market showed very high transaction volumes from a historical perspective, with the Nordic transaction volume in total accounting for almost 20 percent of the European transaction volume during the year.

Stronghold believes that the Nordic property market will, relatively speaking, continue to be an attractive investment option and asset class for both domestic and international players. The rapid spread of COVID-19 is of course also affecting Stronghold's operations in both the short and long term, partly as a result of a cyclical slowdown. It is currently not possible to predict the duration or extent and thus not quantitative effects for the Group. At the same time, the Group's operations mainly consist of services with a very high degree of recurring revenue, and a diversified customer portfolio, which lowers the risk level and entails a more stable earnings. All in all, the Board of Directors and management are positive about the Group's future development and underlying earnings over time.

Proposal for profit allocation

At the disposal of the Annual General Meeting;

Parent

At the disposal of the Annual General Meeting are the following earnings (SEK)

Retained earnings	574 075 012
Profit for the year	672 531 613
	1 246 606 625

The Board of Directors proposes that the profits be	
Handing out to shareholders	300 000 000
In a new count, the	946 606 625
	1 246 606 625

The Board's opinion on the proposed dividend

The Board of Directors' opinion is that the proposed dividend does not prevent the company and the Group from fulfilling their obligations in the short and long term, nor to fulfill the necessary investments. The proposed dividend can thus be defended in the light of what is stated in ABL Chapter 17, Chapter 3§ 2-3. (The precautionary rule).

Regarding the parent company's and the Group's earnings and position in general, reference is made to subsequent financial statements. All amounts are expressed in thousands of Swedish kronor where nothing else is stated.

THE GROUP'S PROFIT AND LOSS REPORT

Amount in SEK thousand	Note	2019	2018
Take	5,6	2 964 637	2 648 828
Other revenues	7	603 444	845
		3 568 081	**2 649 673**
Operating expenses			
Other external costs	8,9	-700 427	-775 906
Personnel costs	10	-1 842 645	-1 663 053
Depreciation and amortization of tangible and intangible assets	16,17,18	-303 928	-42 605
Other operating expenses		-423	-1 039
Share of profit and loss associated companies	20	-13	1 723
		-2 847 436	**-2 480 880**
Operating income		**720 645**	**168 793**
Financial items			
Share of profit and loss associated companies	20	3 476	4 527
Financial income	11	19 980	51 269
Financial costs	12	-46 435	-52 099
		-22 979	**3 697**
Profit before tax		**697 666**	**172 490**
Income tax	14	-21 838	-32 282
Profit for the year		**675 828**	**140 208**
Attributable to:			
Shareholders of the parent company		627 549	111 038
Holdings without control		48 279	29 170

THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME

Amount in SEK thousand	Note	2019	2018
Profit for the year		**675 828**	**140 208**
Other comprehensive income			
Records that may be returned to the result:			
Translation differences for the year when converting foreign subsidiaries		17 265	11 896
Hedge accounting		-14 458	-
Total records that may be returned to the result		2 807	11 896
Total comprehensive income		**678 635**	**152 104**
Attributable to:			
Shareholders of the parent company		629 324	122 390
Holdings without control		49 311	29 714

THE GROUP'S STATEMENT ON FINANCIAL POSITION

Amount in SEK thousand	Note	2019-12-31	2018-12-31
ASSETS			
Fixed assets			
Intangible assets			
Goodwill	15	1 044 425	1 026 980
Other intangible fixed assets	16	221 173	296 763
		1 265 598	**1 323 743**
Tangible fixed assets			
Furniture	17	49 949	50 616
Rights	18	328 039	7 235
		377 988	**57 851**
Financial fixed assets			
Shares in associates	20	15 064	32 970
Derivative instruments	4,21	5 451	5 420
Other long-term receivables	4,22	146 812	128 014
		167 327	**166 404**
Other fixed assets			
Deferred tax assets	37	21 467	18 349
		21 467	**18 349**
Total fixed assets		**1 832 380**	**1 566 347**
Current assets			
Derivative instruments	4,21	1 778	1 504
Accounts receivable	23	340 044	334 133
Contract assets	25	162 204	206 452
Receivables of associates		418	-
Current tax assets		20 332	7 838
Prepaid costs and accrued revenue	26	52 110	49 704
Other short-term receivables	27	91 697	81 206
Cash and cash equivalents	28	799 216	197 011
Client funds	28	156 661	167 957
		1 624 460	**1 045 805**
TOTAL ASSETS		**3 456 840**	**2 612 152**

THE GROUP'S REPORT ON FINANCIAL POSITION, CONTINUED

Amount in SEK thousand	Note	2019-12-31	2018-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital (1,000,000 shares, quota value 10)	29	10 000	10 000
Conversion reserve	30	58 890	29 472
Foreign exchange hedging reserve		-14 458	-
Retained earnings including profit for the year		1 190 441	641 404
Equity attributable to the parent company's shareholders		**1 244 873**	**680 876**
Holdings without control	35	**73 506**	**58 401**
		1 318 379	**739 277**
Long-term liabilities			
Liabilities to credit institutions	32	727 598	739 148
Derivative instruments	4,21	1 327	4 171
Lease	34	232 891	4 932
Other long-term liabilities	33	42 555	27 620
Deferred tax liabilities	37	57 003	66 464
Other provisions	38	4 384	2 387
		1 065 758	**844 722**
Current liabilities			
Liabilities to credit institutions	32	50 293	39 550
Derivative instruments	4,21	5 868	4 872
Lease	34	89 969	1 597
Accounts payable		118 205	103 265
Contractual liabilities	39	80 385	161 698
Current tax liabilities		37 450	22 235
Other current liabilities		108 807	123 286
Accrued costs and prepaid income	40	425 065	403 693
Client funds	28	156 661	167 957
		1 072 703	**1 028 153**
AMOUNT OF EQUITY AND LIABILITIES		**3 456 840**	**2 612 152**

THE GROUP'S REPORT ON CHANGES IN EQUITY

Amount in SEK thousand	Share capital	Conversion reserve	Currency hedging reserve	Balanced earnings including profit for the year	Total equity attributable to the parent company's shareholders	Holdings without control	**Sum equity**
Opening balance as of January 1, 2018	**10 000**	**18 120**	**-**	**597 890**	**626 010**	**63 784**	**689 794**
Correction last year*				-15 506	-15 506		-15 506
Power transition to IFRS 9				-1 954	-1 954		-1 954
Adjusted opening balance sheet January 1, 2018	**10 000**	**18 120**	**-**	**580 430**	**608 550**	**63 784**	**672 334**
Comprehensive income							
Profit for the year				111 038	111 038	29 170	140 208
Other comprehensive income:							
Translation differences		11 352			11 352	544	11 896
Total other comprehensive income		11 352			11 352	544	11 896
Total comprehensive income	**0**	**11 352**	**-**	**111 038**	**122 390**	**29 714**	**152 104**
Transactions with shareholders:							
Issued warrants				4 720	4 720		4 720
Dividends				-50 000	-50 000	-22 976	-72 976
Minority withdrawals/contributions during the year						-6 529	-6 529
Transactions with non-controlling interests				-4 784	-4 784	-5 592	-10 376
Total transactions with shareholders	**0**	**0**	**-**	**-50 064**	**-50 064**	**-35 097**	**-85 161**
Closing balance as of December 31, 2018	**10 000**	**29 472**	**-**	**641 404**	**680 876**	**58 401**	**739 277**
Opening balance as of January 1, 2019	**10 000**	**29 472**	**-**	**641 404**	**680 876**	**58 401**	**739 277**
Correction last year**		13 185		-13 185	**0**		**0**
Adjusted opening balance sheet January 1, 2019	**10 000**	**42 657**	**-**	**628 219**	**680 876**	**58 401**	**739 277**
Comprehensive income							
Profit for the year				627 549	**627 549**	48 279	**675 828**
Other comprehensive income:							
Translation differences		16 233			**16 233**	1 032	**17 265**
Hedge accounting			-14 458		**-14 458**		**-14 458**
Total other comprehensive income		16 233	-14 458		**1 775**	1 032	**2 807**
Total comprehensive income	**0**	**16 233**	**-14 458**	**627 549**	**629 324**	**49 311**	**678 635**
Transactions with shareholders:							
Repurchased warrants				-267	**-267**		**-267**
Dividends				-60 000	**-60 000**	-27 282	**-87 282**
Acquisition of own shares				-1 959	**-1 959**	-2 784	**-4 743**
Minority withdrawals/contributions during the year						2 847	**2 847**
Transactions with non-controlling interests				-3 101	**-3 101**	-6 987	**-10 088**
Total transactions with shareholders	**0**	**0**	**0**	**-65 327**	**-65 327**	**-34 206**	**-99 533**
Closing balance sheet as of December 31, 2019	**10 000**	**58 890**	**-14 458**	**1 190 441**	**1 244 873**	**73 506**	**1 318 379**

*In 2018, there was a correction attributable to 2017 that has affected opening equity. Last year, equity was overvalued by SEK 15,506 thousand. The counter item was among other short-term receivables. ** In 2019, there has been a correction attributable to 2018 that has affected opening equity and entails a reclassification between translation reserves and retained earnings.

THE GROUP'S CASH FLOW REPORT

Amount in SEK thousand	Note	2019	2018
Cash flow from operating activities			
Operating income		720 645	168 793
Adjustments for items that are not included in cash flow:			
Depreciation	16, 17, 18	152 952	42 605
Impairment losses	16, 17, 18	150 976	-
Share of earnings associated companies	20	13	-1 723
Acquisition-related items		-	620
Capital gains fsg fixed assets	7	-216	-519
Earnings sales group companies		-603 228	-
Provision bonus		20 828	12 474
Other		2 126	-9
Interest received		3 269	10 324
Interest paid		-30 768	-26 915
Income tax paid		-51 318	-47 155
		365 279	**158 495**
Decrease (+)/increase (-) in trade receivables		-16 297	-18 053
Decrease (+)/increase (-) of receivables		-4 204	-130 244
Decrease (-)/increase (+) in accounts payable		14 278	26 095
Decrease (-)/increase (+) in current liabilities		9 983	108 808
Cash flow from operating activities		**369 039**	**145 101**
Investment			
Acquisition of intangible fixed assets	16	-36 061	-18 783
Acquisition of customer relationship in connection with acquisitions	43	-	-35 340
Sale of intangible fixed assets	16	706	389
Acquisition of equipment	17	-24 669	-30 433
Sale of inventories	17	794	969
Investment in/lending to funds		-2 450	-3 398
Repayment from funds		3 001	-
Repayment of long-term receivable		-	-
Lending long-term receivable		-	-2 834
Contributions to associated companies		-	-
Acquisition of shares and shares	22	-12 999	-18 894
Acquisition associated companies	20	-686	-19 913
Sale of associated companies	20	1 875	1 113
Paid earn-out		-	-37 354
Acquisition of own shares		-4 744	-
Acquisition of group companies	43, 45	-40 266	-6 854
Sale of group companies	46, 47	551 233	686
Cash flow from investment activities		**435 735**	**-170 646**
Financing activities	44		
Contributed capital from non-controlling interests		2 924	3 077
Capital withdrawn from non-controlling interests		-79	-9 388
Amortization of debt/repayment of loans		-91 513	-857 937
Loans taken out		75 334	815 075
Amortization of the principal amount of the lease liability		-98 866	-
Dividends to non-controlling interests		-27 282	-22 976
Dividend		-60 000	-50 000
Sale options		-	7 274
Buyback options		-267	-24 221
Cash flow from financing activities		**-199 749**	**-139 096**
Cash flow for the year		**605 025**	**-164 641**
Cash and cash equivalents at the beginning of the year		197 011	361 058
Translation effect cash and cash equivalents		-2 820	594
Cash and cash equivalents at year-end		**799 216**	**197 011**

PARENT COMPANY'S INCOME STATEMENT

Amount in SEK thousand	Note	2019	2018
Take	6	47 541	39 701
Other revenues	7	-	60
		47 541	**39 761**
Operating expenses			
Other external costs	8, 9	-40 397	-32 990
Personnel costs	10	-29 825	-24 497
Depreciation of tangible and intangible assets	16,17	-653	-138
Other operating expenses		-30	-60
		-70 905	**-57 685**
Operating income		**-23 364**	**-17 924**
Financial items			
Financial income	11	705 505	168 116
Financial costs	12	-33 177	-18 951
		672 328	**149 165**
Profit before tax		**648 964**	**131 241**
Appropriations	13	25 514	-3 478
Tax	14	-1 946	-1 162
Profit for the year		**672 532**	**126 601**

The parent company has no items that are reported in other comprehensive income, so no statement of comprehensive income is presented.

PARENT COMPANY'S BALANCE SHEET

Amount in SEK thousand	Note	2019-12-31	2018-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Furniture	17	1 492	1 503
		1 492	**1 503**
Financial fixed assets			
Shares in group companies	19	497 408	522 239
Shares in associates	20	6 989	7 200
Receivables from group companies	24	1 053 551	966 911
Other long-term receivables	22	36 857	26 529
		1 594 805	**1 522 879**
Total fixed assets		**1 596 297**	**1 524 382**
Current assets			
Short-term receivables			
Accounts receivable		71	271
Receivables from group companies	24	299 749	201 128
Prepaid costs and accrued revenue	26	1 858	1 046
Other short-term receivables	27	1 061	3 335
		302 739	**205 780**
Cash and cash equivalents	28	159 632	2 142
		462 369	**207 922**
TOTAL ASSETS		**2 058 668**	**1 732 304**

THE PARENT COMPANY'S BALANCE SHEET, CONTINUED

Amount in SEK thousand	Note	2019-12-31	2018-12-31
EQUITY AND LIABILITIES			
Equity			
Tied equity			
Share capital (1,000,000 shares, quota value SEK 10)	29	10 000	10 000
		10 000	**10 000**
Unrestricted equity			
Retained profit or loss		574 076	507 475
Profit for the year		672 532	126 601
		1 246 608	**634 076**
Total equity		**1 256 608**	**644 076**
Untaxed reserves	31		
Alas overwrites		682	378
		682	**378**
Long-term liabilities			
Liabilities to credit institutions	32	727 444	738 555
Other long-term liabilities	33	-	3 110
Liabilities to group companies	36	-	33 000
		727 444	**774 665**
Current liabilities			
Liabilities to credit institutions	32	44 789	39 245
Accounts payable		7 548	2 632
Liabilities to group companies	36	58	258 940
Other current liabilities		2 286	3 098
Accrued costs and prepaid income	40	19 253	9 270
		73 934	**313 185**
AMOUNT OF EQUITY AND LIABILITIES		**2 058 668**	**1 732 304**

PARENT COMPANY'S REPORT ON CHANGES IN EQUITY

Amount in SEK thousand	*Tied equity*	*Unrestricted equity*		
	Share capital	Retained profit or loss	Profit for the year	Total equity
Opening balance as of January 1, 2018	**10 000**	**453 828**	**103 647**	**567 475**
Re-routing of previous years' earnings		103 647	-103 647	0
Comprehensive income				
Profit for the year			126 601	126 601
Total comprehensive income	**0**	**0**	**126 601**	**126 601**
Transactions				
Dividend		-50 000		-50 000
Total transactions with shareholders	**0**	**-50 000**	**0**	**-50 000**
Closing balance as of December 31, 2018	**10 000**	**507 475**	**126 601**	**644 076**
Opening balance as of January 1, 2019	**10 000**	**507 475**	**126 601**	**644 076**
Re-routing of previous years' earnings		126 601	-126 601	0
Comprehensive income				
Profit for the year			672 532	672 532
Total comprehensive income	**0**	**0**	**672 532**	**672 532**
Transactions with shareholders				
Dividend		-60 000		-60 000
Total transactions with shareholders	**0**	**-60 000**	**0**	**-60 000**
Closing balance per 31 December 2019	**10 000**	**574 076**	**672 532**	**1 256 608**

PARENT COMPANY'S STATEMENT OF CASH FLOWS

Amount in SEK thousand	Note	2019	2018
Cash flow from operating activities			
Operating income		-23 366	-17 924
Adjustments for items that are not included in cash flow:			
Depreciation	16,17	653	138
Interest received		32 945	19 249
Interest paid		-30 641	-9 775
Income tax paid/received		-3 104	-188
		-23 513	**-8 497**
Decrease (+)/increase (-) of receivables		-174 814	2 965
Decrease (-)/increase (+) in accounts payable		4 952	-990
Decrease (-)/increase (+) in current liabilities		-247 195	-240 772
Cash flow from operating activities		**-440 570**	**-247 297**
Investment			
Acquisition of equipment	17	-642	-1 542
Sale of subsidiaries	47	607 549	-
Sale of associated companies	20	1 875	-
Acquisition of other shares and shares	22	-10 198	-18 893
Distribution limited partnership received		86	5 066
Newly issued long-term intercompany loans	24	-92 449	-466 044
Repayment of long-term intercompany loans		-	7 000
Amortization received intercompany loans		20 700	36 201
Cash flow from investment activities		**526 921**	**-438 212**
Financing activities			
Bank loans taken up		75 334	815 075
Amortization/repayment bank loans		-41 513	-29 961
Group contributions received/paid		-5 565	-
Loan paid out		-50 000	-200 994
Amortization intra-group long-term loan	36	-33 000	-
Included intra-group long-term loan	36	-	33 000
Dividend received		185 883	120 000
Dividend paid out		-60 000	-50 000
Cash flow from financing activities		**71 139**	**687 120**
Cash flow for the year		**157 490**	**1 611**
Cash and cash equivalents at the beginning of the year		2 142	254
Translation effect cash and cash equivalents		-	277
Cash and cash equivalents at year-end		**159 632**	**2 142**

NOTES

1. General information

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

The activities of the Company and its subsidiaries ("The Group")) include real estate-related advice, asset management, fund management and web-based real estate information. In December, the Group divested the part of the business that relates to web-based real estate information.

The parent company in the Stronghold Group consists of Stronghold Invest AB, corporate identity number 556713-9067, with its registered office in Stockholm. The company is a subsidiary of Pejoni AB, corporate identity number 556716-2705.

2. Significant accounting principles

The consolidated financial statements for Stronghold have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) as approved by the European Commission for application in the EU. Stronghold has, in accordance with the exemption rules for unlisted companies, chosen not to apply IAS 33 Earnings per share.

Furthermore, the Group applies the Annual Accounts Act and the Financial Reporting Council Recommendation RFR 1, Supplementary Accounting Rules for Groups.

In the consolidated financial statements, the valuation of items has been made at cost, except in the case of certain financial instruments measured at fair value. The following describes the material accounting principles applied.

New and corrected standards adopted by the Group

IFRS 16 Leases

IFRS 16 Leases replace IAS 17 Leases including IFRIC 4 and SIC 27. The standard has a leasing model for lessees, which means that virtually all leases must be reported in the statement of financial position. The right of use (the leasing asset) and the liability are valued at the present value of future lease payments. The right of use also includes direct costs related to the subscription of the lease. The income statement recognises depreciation of the right of use and interest expenses.

The right of use is recognized separately from other assets in the statement of financial position. In subsequent periods, the right to use is recognized at cost less depreciation and possible write-downs and adjusted for any revaluations of the lease liability.

The lease liability is recognized separately from other liabilities. In subsequent periods, the liability is recognized at amortized cost and reduced with lease payments made. The lease liability is revalued in the event of changes in, among other things, the lease term, residual value guarantees and possible changes in lease payments.

Short-term leases (12 months or less) and leases where the underlying asset amounts to low value do not need to be recognised in the statement of financial position. These will be reported in operating profit in the same way as previous operating leases.

The new standard contains more comprehensive information compared to the current standard. The Group has applied the standard for the first time in the current financial year. See below under heading Leases IFRS 16 for transitional effects.

Changes in IAS 28 Holdings in associates and joint ventures

The amendments make it clear that the exemption in IFRS 9 applies only to holdings recognized in accordance with the equity method. An entity shall apply IFRS 9 including its impairment requirements for long-term receivables to joint ventures and associated companies. The Group has applied the amendment to IAS 28

Holdings in associates and joint ventures for the first time in the current financial year. The changes have not had any effect on the financial statements.

Improvements to IFRSer 2015-2017
Improvements to the IFRSer 2015-2017 cycle are a change package with improvements in different standards:

• IAS 12 Income taxes
The amendments make it clear that an entity shall report the income tax consequences of dividends in profit or loss, other comprehensive income or equity based on where the entity reported the transactions that generated the distributable gains. This is the case regardless of whether different tax rates apply to distributed and unallocated profits.

• IAS 23 Borrowing expenses
The amendments make it clear that if loans taken up in particular remain outstanding after the related asset is completed for its intended use or sale, that borrowing becomes part of the financing that an entity generally borrows when calculating the interest rate for general borrowing.

• IFRS 3 Business combinations
The amendments to IFRS 3 make it clear that when an entity gains control of a business that is a joint operation, the entity applies the requirements for a multi-stage business combination that is carried out in several stages including revaluation of its previous holding in the joint business at fair value. The holding to be revalued includes any unrecognised assets, liabilities and goodwill attributable to the joint operation.

• IFRS 11 Joint Arrangements
The amendments to IFRS 11 make it clear that if a party, which participates in (but does not have joint control over) a joint activity that is a business, acquires joint control over such a joint activity, the entity shall not reassess its previous holding in the joint business.

The Group has applied the improvements in the above standards for the first time in the current financial year. The changes have not had any effect on the financial statements.

IFRIC 23 Uncertainty in the management of income taxes
IFRIC 23 clarifies how to apply the accounting and measurement rules in IAS 12 Income Taxes when there is uncertainty in the management of income taxes. These rules shall apply to the determination of taxable profit (and loss), tax bases, unused tax losses, unused tax credits and tax rates.

IFRIC 23 clarifies that an entity must assume that the tax authority will fairly the company's income tax return and assume that the authority has full information about all relevant facts and circumstances. Furthermore, companies must assess whether it is likely that the tax authority accepts any tax management, or group of tax handles, that the company applied or plans to apply in its income tax return. If the company considers it likely that the tax authority will accept a certain tax handling, the accounting should reflect the declaration in that regard. If the entity deems it unlikely that the tax authority will accept a particular tax management, the entity shall apply the most likely amount or expected value to the tax management when determining, for example, taxable profit, taxable value and tax liabilities, etc.

The interpretation implies a clarification that assets or liabilities arising from uncertain tax positions shall be recognized as short-term or long-term tax liabilities (or tax assets) in the statement of financial position. The impact on income statement or other comprehensive income shall be included on the same line as tax expense (revenue).

The Group has applied IFRIC 23 Uncertainty in the management of income taxes for the first time in the current financial year. IFRIC 23 has had no effect on the financial statements.

In addition to what is described above, the Group's applied accounting principles remain unchanged compared to the Annual Report 2018.

New and corrected standards not yet in force

Amendments to IFRS 9, IAS 39 and IFRS 7: The reference interest rate reform

The change is an effect of reforms to reference rates that include future exchanges of commonly used reference rates (e.g. STIBOR, EURIBOR, LIBOR) towards alternative, risk-free reference rates. The IASB has made easing the hedging accounting criteria so that companies applying hedge accounting can assume that the reference rate on which hedged cash flows and cash flows from hedging instruments are based does not change as a result of uncertainties in the reference interest rate reforms. Management's assessment is that the relief rule will be used but that the change will not have a material effect on the financial statements.

Changes in IFRS 3 Business Combinations: Definition of a movement

The purpose of the change is to clarify the definition of a business combination with the aim of making it easier for companies to analyse whether an acquisition constitutes a business combination or acquisition of assets.

The change makes it clear that movements normally have the ability to generate returns (outputs) but that yields are not a requirement for an integrated set of activities and assets to be categorized as a business combination. To take into account that an acquired set of activities and assets must, at a minimum, include financial resources (inputs) a substantial process that together contribute substantially to an ability to generate returns (outputs).

The amendments introduce a voluntary merger test that allows for a simplified assessment of whether an acquired set of activities and assets is a business or asset acquisition. This voluntary test means that if substantially the entire fair value of the gross assets acquired can be attributed to an asset or group of similar assets, the acquisition does not constitute a business combination, but an asset acquisition.

The changes apply to all operating and asset acquisitions with an acquisition date during or after the financial year beginning or after the financial year beginning or later on or after 1 January 2020. Management's assessment is that the changes will not have a material effect on the financial statements.

Consolidated financial statements

The consolidated financial statements include the parent company Stronghold Invest AB and the companies over which the parent company has control (subsidiaries).

Control over an investee is achieved when the entity has:

• Influence over the investee through existing rights that allow the entity to control the relevant activities of the investee;

• exposure to, or rights to, variable returns from the engagement in the investee, and

• can use its influence to control the investee to influence its return.

The Entity takes into account all relevant facts and circumstances in assessing whether the entity's voting rights in an investee are sufficient to empower it to govern, including the size of its holding of voting rights in relation to the size and distribution of other holders' voting rights, potential voting rights held by the investor itself, other investors or any other party; rights from other contractual agreements and additional facts and circumstances that indicate that the entity has, or does not have, the current ability to control the relevant activities at the time the decisions are to be made, including voting patterns at previous general meetings.

The entity reassesses whether it has control over investees if facts and circumstances indicate that there have been changes in one or more of the criteria involving control.

Subsidiaries are consolidated in the consolidated financial statements from the time of acquisition up to and including the time when the controlling influence ceases.

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

The accounting principles in subsidiaries have, if necessary, been adjusted to comply with the Group's accounting principles. All intra-group transactions, balances and unrealized gains and losses related to intercompany transactions have been eliminated when preparing the consolidated financial statements.

Business combinations
Business combinations are reported according to the acquisition method.
The purchase price for the business combination is measured at fair value at the time of acquisition, which is calculated as the sum of the fair values at the time of acquisition of assets paid, incurred or assumed liabilities and issued equity interests in exchange for control of the acquired business. Acquisition-related costs are recognized in the income statement when they arise.

The identifiable acquired assets and assumed liabilities and contingent assets are recognized at fair value at the acquisition date with the following exceptions:

• Deferred tax asset or – liabilities and liabilities or assets attributable to the acquired entity's employee compensation agreement are recognized and valued in accordance with IAS 12 income taxes and IAS 19 Employee Benefits, respectively.

Contingent liabilities taken over in a business combination are recognized as existing obligations arising from past events and the fair value of which can be reliably calculated.

In the case of business combinations where the sum of the purchase price, any non-controlling interest and fair value at the time of acquisition of previous shareholdings exceeds fair value at the time of acquisition of identifiable net assets, the difference is recognized as goodwill in the statement of financial position. If the difference is negative, this is recognized as a profit on a low-priced acquisition directly in the result after reassessing the difference.

For each business combination, previous non-controlling interests in the acquired entity are measured either at fair value or at the value of the proportional share of the non-controlling influence of the acquired entity's identifiable net assets.

When transferred compensation in a business combination includes assets and liabilities resulting from contingent considerations, the contingent consideration is measured at its fair value at the time of acquisition and is included in the transferred consideration in the business combination. Changes in fair value of a contingent consideration that qualifies as adjustments during the measurement period are adjusted retroactively with the corresponding adjustment of the acquisition cost.

Subsequent changes in fair value for a contingent consideration that do not qualify as adjustments during the measurement period are recognized differently depending on how the contingent purchase price is classified. Contingent consideration that is classified as equity is not revalued in subsequent periods and subsequent settlement is recognized within equity. Contingent considerations classified as an asset or liability are revalued in accordance with IAS 39 or IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", depending on the standard applicable, and the corresponding gain or loss is recognised in profit or loss.

In the case of incremental business combinations, the Group's previous holdings are revalued at fair value at the time of acquisition (i.e. the time when the Group acquires control) and any gain or loss that arises is recognized in profit or loss is recognized in profit or loss. Amounts previously recognized in other comprehensive income relating to holdings in the acquired entity prior to the acquisition date shall be reclassified as profit or loss on the basis that would be required if those shares had been disposed of.

Transactions with non-controlling interests
In the case of incremental acquisitions/sales where there are changes in the parent's share in a subsidiary that do not lead to a loss of control, the transactions are recognized as an item within equity. Any difference between the amount by which non-controlling interests are recorded and the fair value of the purchase price paid or received is recognised directly against equity and distributed to the owner of the parent undertaking.

Loss of control
In the case of incremental sales where the parent loses control over a subsidiary, the result of the transaction on the disposal is calculated as the difference between:

(i) the sum of the fair value of the consideration received and the fair value of any remaining holdings and
(ii) the previously recognised values of the subsidiary's assets (including goodwill) and liabilities and any non-controlling interests.

Accrued gain or loss is recognized in the income statement. Any changes in the value of the previous equity shares recognised before the acquisition date in other comprehensive income are reclassified to profit or loss on the basis of the same basis as would be required if its shares had been disposed of.

Goodwill
Goodwill arising from the acquisition of subsidiaries constitutes the amount by which the sum of the purchase price, any non-controlling interest and fair value at the time of acquisition of previous shareholdings, exceeds the fair value at the time of acquisition of identifiable net assets acquired. Goodwill arising from the acquisition of subsidiaries is recognized at cost less any accumulated impairment losses.

When assessing possible impairment, goodwill is allocated to the cash-generating units that are expected to benefit from the synergies arising from the acquisition. Goodwill shall be tested annually for any impairment, or more often when there is an indication that the carrying amount may not be recoverable. If the recoverable amount of a cash-generating unit is determined at a lower value than the carrying amount, the amount of the impairment loss is allocated. First, the amount is reduced by the carrying amount of goodwill attributable to the cash-generating unit and then the carrying amount of goodwill attributed to the other assets of an entity is reduced. A recognised impairment of goodwill is not reversed in a later period.

When selling a subsidiary, the remaining carrying amount of goodwill is taken into account in the calculation of the capital result.

Segment reporting
An operating segment is part of a business-based entity from which it can receive revenue and incur costs and whose operating profit is regularly monitored by the company's top executive decision-makers and for whom there is independent financial information. The company's reporting of operating segments is consistent with internal reporting. The highest executive decision maker is the function that assesses the performance of the operating segments and decides on the allocation of resources. The company's assessment is that it is the board of directors that constitutes the highest executive decision maker.

Take
The Group's revenues during the year are derived from property and fund management, consulting services, licenses and interest and dividend income. In December, the part of the Group that relates to the granting of licenses was divested.

IFRS 15 is based on a revenue accounting model (five-step model) that arises from agreements with customers. The basic principle of IFRS 15 is a control approach, i.e. that an entity should recognise revenue to depict the transfer of promised goods and services to customers with an amount that reflects the remuneration to which the entity is expected to be entitled in exchange for those goods or services. The five-step model means that the Group's revenues will be assessed on the basis of five steps:

1. Identify the contract with the customer
2. Identify the different performance commitments
3. Determine the transaction price
4. Allocate the transaction price by the different performance commitments
5. Report revenue when the performance obligation is met

The Group has the following significant revenue streams and these have been analysed using the five-step model. The criteria for a customer contract are considered to be met regarding the Group's contract. There are no significant start-up costs (cost to obtain a contract) to fulfill the contracts.

Fixed-price contracts
In the property management segment, the Group mainly conducts technical management and financial management with fixed fees. The contracts usually run over several years and also include the possibility of additional services such as rental services, renegotiation and project services. These revenue streams are described separately below.

In the Property Operations segment, the Group conducts property management through fixed staffing and or production cost agreements. The agreements often run over several years and include that the Group shall provide operation and maintenance of specified properties specified in the agreement. The agreements also often include the possibility of additional services and re-invoicing.

In the Advisory segment, the Group delivers services related to valuation, strategic analysis and strategic advice. Most of the assignments are done at a fixed price.

Common to the above described is that the promise to provide services on an ongoing basis over the term of the contract is considered to be a performance obligation (i.e. a series of distinct services that are essentially the same and follow the same pattern of transfer to customer). There is a performance obligation in these agreements and the transaction price is fixed, i.e. the distribution of the transaction price is not applicable (respectively the provision of services should be seen as a single performance obligation). The customer receives the benefits of the company's performance when the company fulfills a commitment. The Services are routine and recurring services in which the customer's simultaneous receipt and consumption of the benefits of the company's performance can be identified. The pattern of services to the customer, as well as the company's attempts to fulfil the contract, is unlikely to vary much between the months in which the revenue is recognized linearly over the contract period. Revenue is thus recognized over time. A certain part of the fixed-price assignments within Advisory have a different character and are only recognized in connection with final delivery to the customer.

Management fee
In the fund management segment, fund fees received on promised or managed capital are invoiced in the funds in accordance with the investor agreements. According to the investor agreements, the Group shall manage the Fund throughout the life of the Fund, which is considered to be a performance obligation (i.e. a series of distinct services that are essentially the same and follow the same pattern of transfer to the client). The customer receives the benefits of the Group's performance when the Group fulfils a commitment. The Services are routine and recurring services in which the customer's simultaneous receipt and consumption of the benefits of the company's performance can be identified. Income from fund management is recognized as the services are performed over time. The price is variable in that it is a fixed percentage throughout the fund's life cycle that is calculated based on a base that changes over time. At first, the price is calculated based on promised capital, but later in the fund's life cycle it is invested capital that is the basis for calculating the management fee. As there is great uncertainty about what invested capital will amount to in the future, it is not taken into account in the revenue movement, but the revenue for the period is calculated based on the base that prevails at the given time.

Additional services
Revenue from the sale of additional services is mainly carried out on an ongoing basis. There is then an agreed hourly fee for the service (which is negotiated individually per contract). There is only one performance obligation whereby the distribution of the transaction price does not apply. Most of this revenue type is in the property management segment. There, such an additional project may be, for example, project management of local adaptations for offices. The company's performance obligation is then to create and/or refine an asset that the customer controls throughout the project. The performance takes place continuously during the agreed period as the work is carried out. Most of the projects are reported over time.

Renegotiation and rental
Proceeds from Renegotiation and Rental are in the property management and advisory segments. Many of the Group's customers are property owners and as part of the Group's service offering includes assisting customers with renting out their premises and renegotiating the customers' rental contracts with their customers. The price is usually a % rate on the annual rent as stipulated in the contract. The performance obligation is to help the customer to rent out/renegotiate their premises and the customer receives the benefits of the Group's performance only when the rental is fulfilled. Revenue recognition occurs only when the rental agreement is signed for the customer, i.e. at a certain given time.

Licence fees
In the Licenses segment, licenses are granted in the Datscha program. In December 2019, the Group sold its ownership in Datscha AB including subsidiaries. The contracts run for at least one year and a fixed annual invoicing takes place once a year. There is only one performance obligation and the transaction price is fixed, i.e. the distribution of the transaction price is not applicable (respectively the provision of services should be seen as a single performance obligation).

The promise to provide the license on an ongoing basis over the term of the contract is considered a performance obligation because, according to both the agreement and the expectation of the customer, the Group must conduct business that significantly affects the intellectual property to which the customer is entitled. The Group has a commitment to the customer to continuously update the system with relevant and up-to-date data during the license period and to maintain the system so that the functionality works as agreed, but also that the system is upgraded development-wise according to the development standard that prevails in the market. The Group can thus recognise the promise to grant the customer a license as a performance obligation over time as the customer will at the same time obtain and consume the advantage of the company's provision of access to its intellectual property when the system is improved and updated. The pattern of services to the customer, as well as the Group's attempts to fulfil the contract, do not vary between months. Based on this, it is considered appropriate to recognise revenue from the Services on a straight-line basis over the license period.

Incentive
Incentive-based revenues are primarily within the Advisory Segment and involve assignments where the Group shall, on an exclusive basis, act as advisor to the customer in the divestment of the customer's property. The Group's fee amounts to a certain percentage of the property's purchase price, which means that it is a variable remuneration. It is a so-called success-based fee, which means that if the transaction is not carried out, the Group receives no remuneration. For the contract there is only one performance obligation and the transaction price is one percent of the purchase price, i.e. distribution of the transaction price is not applicable. The Group acts as an ongoing advisor throughout the property sale, but the transaction is considered completed only when a buyer takes office and pays the full purchase price for the property. The performance obligation is thus to "get the property sold". The customer receives the benefits of the company's performance only when the property is sold, it is only then that consumption of the benefits of the company's performance can be identified. The revenue is therefore recognized when the transaction is completed and the sales contract is signed. It is also on this occasion that it is considered very likely that the revenue will not have to be returned in the future.

Other income related to incentives is recognized when they can be found that the Group's commitment under the underlying agreement is fulfilled and other conditions for remuneration have occurred.

Promote
The company may receive excess returns attributable to investments in the funds so-called promote, which are paid out when the fund closes. Revenue recognition takes place when the amount can be determined with reasonable certainty and it is likely that payment will be made. Promote revenues are recognized in net financial items as investments in the funds are classified as a financial investment.

Materials and additional services
The Group purchases materials and services from subcontractors in order to be able to perform services on the properties in accordance with agreements. These purchases are re-invoiced to the customer with a certain mark-up. The Group's re-invoicing is reported gross, i.e. the costs are recognized separately and the revenues as turnover, since it is clear from the agreements with the customer that the Group has as the commitment to purchase materials and services in order to be able to perform a service for the Group's customers and stands the risk. The promise to provide the materials/services needed to perform services on the properties included in the

contract is considered a performance obligation. The customer receives the benefits of the company's performance when the Group provides the property with the necessary materials/services, which in turn enables the Group to perform its service in accordance with the agreement. The commitment is thus very closely linked to the commitment described under fixed-price agreements and is recognized accordingly over time. The revenue for the re-invoicing is reported in the period when the cost of the material/services arises.

In addition to what is described, the Group has not identified any variable remuneration, material financing components, non-cash remuneration or other remuneration paid to the customer. There are also no significant setup costs for fulfilling the contracts.

Dividend income is recognized when the shareholder's right to receive dividends has been determined.
Interest income is recognized over the maturity using the effective interest method. The effective interest rate is the interest rate that makes the present value of all future receipts and payments during the fixed-rate period equal to the carrying amount of the receivable.

Lease IFRS 16 applied as of January 1, 2019

On January 1, 2019, IFRS 16 Leasing entered into force and Stronghold applies the recommendation from the said date. Thus, no retroactive application has taken place, but the group has chosen to use the modified retroactive method. The comparative figures for 2018 are thus reported in accordance with previous accounting principles in accordance with IAS 17. As a lessee, Stronghold has carried out a detailed review and analysis of the Group's leases, whereby the rental of premises and cars has been identified as the essential agreements that meet the requirements to be reported in accordance with the new standard. The Group also has leases such as office equipment and the like, all of which have been deemed to be of lower values. Stronghold has chosen to apply the practical relief rule related to short-term leases (12 months or less) and lower value leasing. These are thus not reported in the statement of financial position but in the operating profit in the same way as previous operating leases.

The Group assesses whether an agreement is or contains a lease at the beginning of the agreement. The Group recognises a right of use and a corresponding lease liability for all leases in which the Group is a lessee with the exception of the agreements that fall under the relief rules described above.

The lease liability is initially valued at the present value of the lease payments not paid at the start date, discounted using the implicit interest rate of the lease. If this interest rate cannot be easily determined, the Group uses the marginal borrowing rate. The marginal borrowing rate is the interest rate that a lessee would have to pay for financing through loans over a corresponding period, and with the corresponding collateral, for the right of use of an asset in a similar economic environment.

Options are included in the lease term only if the exercise of an extension option is considered reasonably safe or if the exercise of a termination option is considered not reasonably safe. In order to reduce the uncertainty for options that are far in the future, only the first option in a contract is included in the assessment. Management takes into account all available information that provides financial incentives to exercise an extension or termination option such as the possibility of finding a suitable replacement location, moving costs, existing improvements on someone else's property or negotiation costs for entering into a new lease. For termination options where both the lessee and the lessor can exercise the option, management assesses that significant penalties exist based on the financial significance of the lease, which does not fully depend on the civil form of the contract.

Leasing fees included in the valuation of the lease liability include:
*fixed lease payments (including fixed fees in substance) less any benefits,
*variable lease payments depending on an index or price, initially valued using index or price at the start date;
*amounts expected to be paid by the lessee for residual value guarantees;
*the exercise price of a call option if the lessee is reasonably confident of exercising such an opportunity, and
*penalties payable upon termination of the lease, if the lease period reflects that the lessee will take advantage of an opportunity to terminate the lease.

The lease liability is presented on its own line in the Group's report on financial position. After initial recognition, the lease liability is valued by increasing the carrying amount to reflect the interest on the lease liability (using the

effective interest method) and by reducing the carrying amount to reflect lease payments paid. The Group revalues the lease liability (and makes a corresponding adjustment to the associated right of use) if:
*the lease term has changed or if there is a change in the assessment of an option to purchase the underlying asset. In these cases, the lease liability is revalued by discounting the amended lease payments at an amended discount rate;

*lease payments change as a result of changes in an index or price or a change in the amounts expected to be paid under a residual value guarantee. In these cases, the lease liability is revalued by discounting the amended lease payments at the initial discount rate (unless the changes in the lease payments are due to a change in variable interest rate, then a changed discount rate is used instead), or

*a lease is amended and the change is not recognized as a separate lease. In these cases, the lease liability is revalued by discounting the amended lease payments at an amended discount rate.

At the time of acquisition, the rights of use are recognized for the value of the corresponding lease liability, lease payments paid at or before the commencement date and any initial direct expenses. In subsequent periods, they are valued at cost less accumulated depreciation and write-downs. If the group incurs obligations for the dismantling and removal of a leased asset, the restoration of the place where it is located or the restoration of the underlying asset to the condition provided for in the terms of the lease, a provision is recognised in accordance with IAS 37. Such provisions are recognised as part of the cost of the right of use, unless these expenses arise in connection with the production of goods.

Depreciation of rights of use takes place over the estimated useful life or over the agreed lease term, if it is shorter. If a lease transfers ownership of the underlying asset at the end of the lease term or if the cost of the right-to-use reflects that the Group expects to exercise a call option, depreciation occurs over the useful life of the underlying asset. The depreciation commences at the beginning date of the lease.

Right-of-use assets are presented on their own line in the Group's report on financial position. The Group applies IAS 36 Write-downs to determine whether there is an impairment requirement for the right of use and in the same way as described in the principles for tangible fixed assets

Variable lease payments that do not depend on an index or price are not included in the valuation of the lease liability and right of use. Such lease payments are recognized as an expense in the period in which they arise and are included in a series of Other external costs in the Group's income statement.

The following table presents the effects that IFRS 16 has had on the Group's assets and liabilities. Since Stronghold has chosen to apply the modified retroactive method, the transition has had no effect on equity.

Effects on assets and liabilities, 1 January 2019	Ref.	Carrying balance sheet items 1 Jan 2019	Recalculation to IFRS 16	Converted balance sheet items 1 Jan 2019
Assets				
Goodwill		1 026 980		1 026 980
Other intangible fixed assets		296 763		296 763
Furniture		50 616		50 616
Rights	**A**	7 235	395 317	402 552
Financial fixed assets		166 404		166 404
Deferred tax assets		18 349		18 349
Current assets	**B**	680 837	-10 161	670 676
Cash and cash equivalents		197 011		197 011
Client funds		167 957		167 957
Total assets		**2 612 152**	**385 156**	**2 997 308**
Equity attributable to the parent company's shareholders		680 876		680 876
Holdings without control		58 401		58 401
Long-term liabilities				
Liabilities to credit institutions		739 148		739 148
Derivative instruments		4 171		4 171
Leasing liabilities	**C**	4 932	292 118	297 050
Other long-term liabilities		27 620		27 620
Deferred tax liabilities		66 464		66 464
Other provisions		2 387		2 387
Current liabilities				
Liabilities to credit institutions		39 550		39 550
Derivative instruments		4 872		4 872
Leasing liabilities	**C**	1 597	93 038	94 635
Accounts payable		103 265		103 265
Contractual liabilities		161 698		161 698
Current tax liabilities		22 235		22 235
Other current liabilities		123 286		123 286
Accrued costs and prepaid income		403 693		403 693
Client funds		167 957		167 957
Total liabilities and equity		**2 612 152**	**385 156**	**2 997 308**

Reference:

A: In accordance with IAS, the Group reported 17 rights of use related to the Group's financial leases (cars) as of December 31, 2018. The transition to IFRS 16 has resulted in operational car leasing and leases regarding the rental of premises being reported in the statement of financial position. The distribution of rights of use in the recalculated balance sheet item is as follows, SEK 389,860 thousand relates to rent of premises and SEK 12,692 thousand relates to cars.

B: Part of the usufruct arising from the transition to IFRS 16 was in the Group's balance sheet as prepaid rent as of December 31, 2018. In connection with the transition to IFRS 16, this amount is reclassified as usufruct and is calculated as part of the leased asset.

C: In accordance with IAS, the Group reported 17 long-term and short-term liabilities related to the Group's financial leases (cars) as of December 31, 2018. The transition to IFRS 16 has resulted in liabilities relating to operational car leasing and leases regarding the rental of premises being reported in the statement of financial position.

Reconciliation disclosure of operating leases in accordance with IAS 17 and recognized lease liability in accordance with IFRS 16

Commitment for operating leases as of December 31, 2018	341
Financial leasing liabilities as of December 31, 2018	7
Leases with short maturity and lesser value (departs when expensed)	-12
Effects of extension options	87
Effects of reclassification from leases	-5
Discount effect	-25
Reported lease liability balance sheet January 1, 2019	**392**

The commitment for operating leases as of December 31, 2018 includes a number of leases that are not deemed to meet the criteria for being recognized as an asset and liability in accordance with IFRS 16 primarily because the contract cannot be linked to a specific asset. These are presented in the above table under the heading Effects of reclassification from leases.

The weighted average marginal borrowing rate at 1 January 2019 was 2.0 per cent for premises and 3.98 per cent for cars.

Leases IAS 17
For the financial year 2018, IAS 17 applies as the Group has not chosen to apply IFRS 16 retroactively. A financial lease is a contract under which the economic risks and benefits associated with the ownership of an object are essentially transferred from the lessor to the lessee. Other leases are classified as operating leases. Financial leases in the Group refer to cars.

Assets held under financial leases are recognized as fixed assets in the Group's balance sheet at fair value at the beginning of the lease term or at the present value of the minimum lease payments if this is lower. These assets are subject to depreciation in accordance with the correspondingly owned assets. In cases where it is not reasonably certain that ownership will be taken over at the end of the lease term, the asset is depreciated over the shorter of the lease term and the useful life.

The liability that the lessee has towards the lessor is recognized in the balance sheet under the headings Leasing cars (there are both long-term and short-term debt). The lease payments are divided between interest and amortization of the debt. The interest is distributed over the lease period so that each accounting period is charged with an amount corresponding to a fixed interest rate on the liability recognized during each period.

Operating lease payments are expensed on a straight-line basis over the lease term, unless another systematic manner better reflects the user's financial benefit over time.

Foreign currency
Items included in the financial statements of the different entities in the Group are recognized in the currency used in the primary economic environment in which each entity mainly conducts its business (functional currency). When preparing consolidated financial statements, foreign subsidiaries' assets and liabilities are translated into Swedish kronor, which is the parent company's functional currency and reporting currency, according to the balance sheet date's rate. Revenue and expense items are translated at the average price of the period, unless the exchange rate fluctuated significantly during the period when the exchange rate of the transaction date is used instead. Any translation differences that arise are recognized in other comprehensive income and

accumulate in the translation reserve in equity. In the case of a divestment of a foreign subsidiary, such translation differences are recognized in the income statement as part of the capital gain.

Transactions in foreign currency are translated into functional currency in the parent company at the exchange rates applicable on the date of the transaction. At each balance sheet date, monetary items in foreign currency are recalculated at the rate of the balance sheet date. Non-monteary items, which are measured at fair value in a foreign currency, are converted at the exchange rate on the date on which the fair value was determined. Non-monetary items, which are valued at historical cost in a foreign currency, are not recalculated.

Currency differences are recognized in the income statement for the period in which they arise with the exception of the items in which hedge accounting is applied.

Borrowing costs
Borrowing costs directly attributable to the purchase, construction or production of an asset which necessarily takes significant time to complete for its intended use or sale are included in the cost of the asset, until the time when the asset is completed for its intended use or sale. Interest income from the temporary placement of borrowed funds for the asset described above is deducted from the borrowing expenses that may not be recovered in the cost of the asset.

Other borrowing expenses are recognized in profit or loss in the period in which they arise.

Employee benefits
Employee benefits in the form of salaries, bonuses, paid leave, paid sick leave and pensions are reported in line with earnings. In the case of pensions and other post-employment benefits, these are classified as defined contribution or defined benefit pension plans. The Group has no defined benefit pension plans beyond the ITP plan. The ITP plan is a plan comprising several employers and secured through insurance in Alecta. Since Alecta cannot provide sufficient information for the Group to be able to recognise it as defined benefit, it is recognized as defined contribution.

Defined contribution plans
For the defined contribution plans, the entity pays set fees to a separate independent legal entity and has no obligation to pay additional fees. The Group's earnings are charged for costs as the benefits are earned, which normally coincides with the times when premiums are paid.

Compensation in the event of termination
Termination compensation is when an employee's employment is terminated before the normal retirement period or when an employee accepts voluntary termination from an employment in exchange for such compensation. The Group recognises severance pay when it is demonstrably obliged, either to terminate employees under a detailed formal plan without the possibility of withdrawal or to provide compensation in the event of termination as a result of an offer made to encourage voluntary redundancy from employment. Benefits that expire more than 12 months from the balance sheet date are discounted to present value.

Related party transactions
Related parties refer to both legal and natural persons:
- all companies within the Stronghold Group
- board members and management
- close family members of board members and management
- companies controlled by board members or management
- shareholders controlling more than 10 % of the shares or votes

Share-based compensation settled with cash
Share-based compensation settled with cash is measured at the fair value of the liability. The premium received is recognized as a financial liability. The company revalues the liability every balance sheet day and per settlement date and recognises each change as a financial item in the income statement. The fair value of the options is calculated according to Black & Scholes.

Taxes
The tax expense consists of the sum of current tax and deferred tax.

Current tax
Current tax is calculated on the taxable profit for the period. Taxable income differs from the reported income in the income statement as it has been adjusted for non-taxable income and non-deductible expenses, as well as for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated at the tax rates that have been decided or announced at the balance sheet date.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the taxable value used in the calculation of taxable profit. Deferred tax is reported according to the so-called balance sheet method. Deferred tax liabilities are recognized for virtually all taxable temporary differences, and deferred tax assets are recognized in principle for all deductible temporary differences to the extent that the amounts are likely to be used against future taxable surpluses. Deferred tax liabilities and tax assets are not recognized if the temporary difference is attributable to goodwill or if it arises as a result of a transaction that constitutes the first recognition of an asset or liability (which is not a business combination) and which, at the time of the transaction, does not affect recognised profit or tax result.

Deferred tax liabilities are recognized for taxable temporary differences attributable to investments in subsidiaries, except where the group can control the timing of reversal of the temporary differences and it is likely that such reversal will not take place in the foreseeable future. The deferred tax assets attributable to deductible temporary differences in respect of such investments are recognized only to the extent that the amounts are likely to be used against future taxable surpluses and it is likely that such exploitation will take place in the foreseeable future.

The carrying amount of deferred tax assets is tested at each closing date and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available to be used, in whole or in part, against the deferred tax asset.

Deferred tax is calculated at the rates expected to apply for the period in which the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been decided or announced at the balance sheet date.

Deferred tax assets and liabilities are set off when they relate to income tax charged by the same authority and when the Group intends to settle the tax with a net amount.

Current and deferred tax for the period
Current and deferred tax is recognized as an expense or income in the income statement, except where the tax is attributable to transactions that have been recognized in other comprehensive income or directly against equity. In such cases, the tax shall also be recognized in other comprehensive income or directly against equity. In the case of current and deferred tax arising from the recognition of business combinations, the tax effect shall be reported in the acquisition calculation.

Tangible fixed assets
Tangible fixed assets are included at cost less accumulated depreciation and loss.

The cost consists of the purchase price, expenditure directly attributable to the asset to bring it in place and fit for use, and estimated expenditure on dismantling and removing the asset and restoring the place where it is located. Additional expenses are only included in the asset or recognized as a separate asset, when it is likely that future economic benefits attributable to the item will benefit the Group and that the cost of the asset can be reliably calculated. All other costs for repairs and maintenance and additional expenses are recognized in the income statement in the period in which they arise.

Depreciation of tangible fixed assets is expensed so that the value of the asset is reduced by the estimated residual value at the end of the useful life, is depreciated linearly over its estimated useful life, which is estimated at:

Furniture	5 years
Improvement expense on someone else's property	3 years
Assets held under financial leases	3 years

Inventories of lesser value are expensed directly at the time of purchase, as are computers that are deemed to have a limited service life. Estimated useful lives, residual values and depreciation methods are reviewed at least at the end of each accounting period, the effect of any changes in assessments is reported prospectively.

The carrying amount of a tangible fixed asset is removed from the statement of financial position upon disposal or disposal, or when no future economic benefits are expected from the use or disposal/disposal of the asset. The gain or loss arising from the disposal or disposal of the asset, consists of the difference between any net income on the disposal and its carrying amount, is recognised in profit or loss in the period when the asset is removed from the statement of financial position.

Intangible assets
Separately acquired intangible assets
Intangible assets with determinable useful life acquired separately are recognized at cost less accumulated depreciation and any accumulated impairment losses. Depreciation occurs linearly over the asset's estimated useful life. Intangible fixed assets consist mainly of customer relationships that are depreciated in between 7-20 years and software that is depreciated in between 3-5 years. Estimated useful life and depreciation methods are reviewed at least at the end of each financial year, the effect of any changes in assessments is reported prospectively.

Internally earned intangible assets – capitalized product development expenses
Internally generated intangible assets derived from the Group's product development are recognized only if the following conditions are met:

• It is technically possible to complete the intangible asset and use or sell it;
• The company's intention is to complete the intangible asset and use or sell it;
• There are conditions for using or selling the intangible asset,
• The company shows how the intangible asset will generate likely future economic benefits,
• There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
• The expenditure attributable to the intangible asset during its development can be reliably calculated

If it is not possible to recognise any internally generated intangible asset, development expenses are recognised as an expense in the period in which they arise. After initial recognition, internally earned intangible assets are recognized at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of an intangible fixed asset is removed from the statement of financial position upon disposal or disposal or when no future economic benefits are expected from the use or disposal/disposal of the asset. The gain or loss arising from the disposal or disposal of the asset is recognised in profit or loss in the period when the asset is removed from the statement of financial position.

Impairments of tangible fixed assets and intangible assets excluding goodwill
At each balance sheet date, the Group analyses the carrying amounts of tangible and intangible assets to determine whether there is any indication that these assets have decreased in value. If this is the case, the recoverable amount of the asset is calculated in order to determine the value of any impairment loss. Where it is not possible to calculate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet ready for use shall be tested annually for any impairment loss, or where there is an indication of depreciation.

The recoverable amount is the higher value of the fair value less selling costs and its value in use. When calculating value in use, estimated future cash flow is discounted at present value at a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks associated with the asset.

If the recoverable amount of an asset (or cash-generating unit) is determined at a lower value than the carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to the recoverable amount. An impairment loss shall be immediately expensed in the income statement.

If an impairment loss is then reversed, the carrying amount of the asset (the cash-generating unit) increases to the revalued recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been determined if no impairment was made of the asset (the cash-generating unit) in previous years. A reversal of an impairment loss recognised directly in the income statement.

Financial instruments IFRS 9

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms. A financial asset or part of a financial asset is booked off the balance sheet when the rights in the contract are realized, matured or when the company loses control of it. A financial liability or part of a financial liability is booked off the balance sheet when the obligation in the contract is fulfilled or otherwise extinguished.

Classification and valuation

At each balance sheet date, a calculation of expected credit losses is made for a financial asset or group of financial assets.

Financial assets are classified based on the business model in which the asset is managed and the cash flow nature of the asset. If the financial asset is held within the framework of a business model whose objective is to collect contractual cash flows (hold to collect) and the agreed terms of the financial asset at specified times give rise to cash flows consisting solely of payments of principal and interest on the outstanding principal amount, the asset is recognised at amortised cost.

If the business model's objectives are instead achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell), and the agreed terms of the financial asset at certain times give rise to cash flows consisting solely of payments of principal and interest on the outstanding principal amount, the asset is recognized at fair value via other comprehensive income.

All other business models (other) where the purpose is speculation, holding for trading or where the cash flow nature excludes other business models involve fair value accounting via the income statement.

Financial assets and financial liabilities that are not measured at fair value through the income statement are recognized at the initial recognition at fair value, in addition and less transaction costs respectively. Financial assets and financial liabilities that are measured at fair value through the income statement are recognized at the initial recognition at fair value. In subsequent recognition, financial instruments are measured at amortised cost or fair value depending on the initial categorisation in accordance with IFRS9.

In the initial recognition, a financial asset or financial liability is categorized into one of the following categories in accordance with IFRS 9:

Financial assets
- Amortised cost
- Fair value through other comprehensive income
- Fair value via income statement

Financial liabilities
- Fair value via income statement
- Amortised cost

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

• The fair value of financial assets and liabilities with standard terms traded on an active market is determined by reference to the quoted market price.

• The fair value of other financial assets and liabilities is determined according to generally accepted valuation models based on information derived from observable current market transactions.

• For all financial assets and liabilities, the carrying amount is considered to be a good approximation of its fair value, unless otherwise specified in the subsequent notes.

Amortized cost
Amortized cost refers to the amount to which the asset or liability was initially recognized less amortization, supplements or deductions for accumulated accrual according to the effective interest method of the initial difference between the amount received/paid and the amount to be paid/received on the due date and less write-downs.

The effective interest rate is the interest rate that, in the event of a discounting of all future expected cash flows over the expected maturity, results in the initial carrying amount of the financial asset or financial liability.

Set-off of financial assets and liabilities
Financial assets and liabilities are set off and recognized with a net amount in the balance sheet when there is a legal right to set off and when there is an intention to settle the items with a net amount or to simultaneously realize the asset and settle the liability.

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances as well as other short-term liquid investments that can be easily converted into cash and are subject to an insignificant risk of changes in value. In order to be classified as cash and cash equivalents, the maturity may not exceed three months from the date of acquisition. Cash and bank balances are categorized as assets that are valued at amortized cost. Due to the fact that bank funds are payable on demand, the amortised cost is equal to the nominal amount. Short-term investments are categorized as "Fair value through the income statement" and are measured at fair value with changes in value in the income statement. From time to time, the Group invests its surplus liquidity in fixed-rate accounts with a maturity of three months. The placement is in accordance with the financial policy established by the Board of Directors.

Accounts receivable
Trade receivables are valued at amortized cost. However, the expected maturity of accounts receivable is short, which is why accounting is made at a nominal amount without discounting. Deductions are made for claims that have been deemed to be undecided as a result of an individual assessment of the claim. In addition, a collective calculation of the expected credit risk is also made based on which further write-downs are made. Write-downs of trade receivables are recognized in operating expenses.

Write-down trade receivables
Definition of default:
Based on historical experience, the Group assesses that the following events indicate that a receivable will not be paid:
* when the customer breaks financial covenants
* when either internal information or information from external sources indicates that the customer will most likely not be able to pay their debts.
* when the claim is older than 90 days.

Collective assessment basis:
When there is not yet a basis for assessing the credit risk on an individual level, the trade receivables are grouped based on the remaining maturity. The Group's customers are all active in the real estate industry, whereby it has not been deemed relevant to make any further division.

Category	Description	Write-down related to credit risk
Very low risk	The counterparty has no overdue amounts. There are no indications of a deterioration in ability to pay.	0,10%
Low risk	The counterparty has amounts that are due up to 30 days. There are no indications of a deterioration in ability to pay.	1%
Medium risk	The counterparty has amounts that are due more than 30 days or that there are indications of an increased credit risk.	2%
High risk	The counterparty has amounts that are due more than 60 days or that there is evidence of an increased credit risk.	6,1%
Write-off	The counterparty has amounts due more than 90 days or that there is clear evidence and events indicating that the counterparty has serious financial problems and thus that the group has no realistic possibility of receiving payment.	100%

In order to reduce the risk of credit losses, the Group monitors the maturity structure and risk grading regularly.

Risk management process accounts receivable:
The average payment terms when selling services are 30 days.

The Group uses the simplified model with matrix for trade receivables when calculating expected credit losses. The matrix is created on the basis of historical credit losses where the historical probability of default is calculated based on the number of days of late payment and subsequently adjusted for current conditions and forward-looking factors. The adjustment for future expectations has been assessed based on asset-specific and current factors among the Group's customers. Trade receivables due more than 90 days are written down in full.

There have been no changes in significant assumptions related to credit assessments and write-downs during the current reporting period.

The Group writes down trade receivables on an individual basis when there is information indicating that the counterparty has serious financial concerns and there is no realistic possibility of receiving payment, such as when the counterparty is in liquidation or commenced bankruptcy proceedings. A collective calculation of the credit risk is made on all trade receivables in accordance with what is described above.

When a new customer is accepted, an assessment of the customer's ability to pay is made, which is continuously followed up. In connection with monthly financial statements, an individual review of all overdue accounts receivable, and thus also these customers' ability to pay, is carried out to ensure that impairment is made if necessary. In this way, the Group's senior executives consider that the Group's credit risk is reduced.

The Group's trade receivables consist of a large number of customers spread across different geographical areas where the Group operates. The vast majority of customers are active in the real estate industry in one way or another. Of the accounts receivable at the end of the year, SEK 31 million relates to the Group's two largest customers. In addition to this, the Group does not have any significant credit risk exposure to any specific counterparty or group of related counterparties, i.e. part of the same group. The concentration of credit risk to the Group's two largest companies does not exceed 3% of the Group's liquid assets at any time during the year. The Group's credit risk is limited as a result of a large number of customers who are independent of each other.

Accounts payable
Accounts payable are valued at amortized cost. However, the expected maturity of the accounts payable is short, which is why the debt is recognized at a nominal amount without discounting.

Liabilities to credit institutions and other loan liabilities
Interest-bearing bank loans, overdrafts and other loans are valued at amortized cost. Any differences between the loan amount received (net of transaction costs) and the loan repayment amount are accrued over the life of the loan according to the effective interest method and are recognized in the income statement as an interest expense.

Derivative instruments
Interest rate derivatives constitute a financial asset or liability that is measured at fair value with changes in value via the income statement. In order to manage exposure to fluctuations in the market interest rate in accordance with the decided financial policy, Stronghold has entered into interest rate derivative agreements. When using interest rate derivatives, changes in value occur mainly due to changes in the market interest rate. Interest rate derivatives are initially recognized in the balance sheet at cost on the business day and are then measured at fair value with changes in value in the income statement.

Stronghold uses currency derivatives to hedge net investments in Norway, Finland and the Baltics, which is achieved through the admission of credits in the foreign company's functional currency. The Group also has currency hedges to secure large flows in EUR and DKK. In accordance with IFRS 9, the Group has chosen to hedge some of the currency derivatives. Hedge accounting is made for the currency derivatives used to hedge net investments as well as for the currency hedges raised to secure a large future cash flow related to promote that will be received in EUR. These are initially recognized in the balance sheet at cost on the business day and then at fair value where the effective part of the exchange rate change regarding the hedging instrument is recognized in other comprehensive income, while the ineffective part is recognized as a change in value in the income statement. To determine fair value, the rate of the balance sheet date is used. At the time of the hedges' conclusion, there is hedge documentation describing the hedges and the company's strategy and risk management, as well as a description of the effectiveness of the hedges and how it is measured and followed up. The hedges are considered to be very effective based on the following criteria. There is an economic relationship between the hedged item and the hedging instrument. The effect of credit risk does not dominate the changes resulting from the economic relationship. The hedging ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge the amount of secured items. If a hedge ceases to be effective for reasons related to the hedging ratio but nothing changes in the risk strategy, the company will rebalance the hedge. The Group cancels hedge accounting only when the hedge no longer meets the qualification criteria such as when the hedging instruments are disposed of or resolved or when a hedged forecast no longer meets the requirements to be highly probable.

Other currency derivatives are measured at fair value with changes in value via the income statement.

Provisions
Provisions are recognized when the Group has an existing obligation (legal or informal) as a result of an event that occurred, it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The amount set aside constitutes the best estimate of the amount required to settle the existing obligation at the balance sheet date, taking into account the risks and collateral associated with the obligation. When a provision is calculated by estimating the payments that are expected to be required to settle the obligation, the carrying amount shall correspond to the present value thereof.

Where part or all of the amount required to settle a provision is expected to be reimbursed by a third party, the indemnification shall be separately reported as an asset in the statement of financial position when it is virtually certain that it will be obtained if the entity regulates the obligation and the amount can be calculated reliably.

Accounting policies for the parent company
The parent company applies the Annual Accounts Act and the Financial Reporting Council recommendation RFR 2 Accounting for legal entities. Application of RFR 2 means that the parent company applies as far as possible all EU approved IFRS within the framework of the Annual Accounts Act and taken into account the relationship between accounting and taxation. The differences between the parent company's and the Group's accounting principles are set out below.

Changed accounting policies IFRS 16
Due to the relationship between accounting and taxation, the rules of IFRS 16 do not need to be applied in a legal entity. For those companies that choose to apply the exemption, rules are instead introduced that include the principles to be applied to the recognition of leases of lessees and lessors, the accounting of sale-and-lease-back transactions, and disclosure requirements. The amendments to RFR 2 regarding IFRS 16 shall begin to apply fiscal years beginning or later on or after 1 January 2019. The Parent Company has chosen not to apply IFRS16 in legal entity.

Other changes to RFR 2

The other changes to RFR 2 Accounting for legal entities that have entered into force and are valid for the financial year 2019 mainly relate to the following areas:

• Changes in IFRS 9 Financial Instruments: Right to early redemption with negative compensation
• Changes in IAS 28 Holdings in associates and joint ventures: Long-term holdings in associates and joint ventures
• Improvements to IFRSer 2015-2017
• IFRIC 23 Uncertainty in the management of income taxes

The above amendments shall also be applied in legal entities, with one exception: improvements to IFRSer 2015-2017 include a change in IFRS 3 Business Combinations. Due to the difficulty to assess the tax effects of that change in IFRS 3, RFR 2 introduces the possibility of exemption from the amendment in IFRS 3. The changes have not had any effect on the parent company's financial statements.

Decided amendments to RFR 2 that have not yet entered into force
The Financial Reporting Council has not decided on any material changes that have not yet entered into force.

Proposals for amendments to RFR 2 that have not yet entered into force
The Financial Reporting Council has not proposed any amendments that have not yet entered into force.

Form of financial statements
Stronghold Invest AB's income statement and balance sheet are prepared according to the annual accounts act's schedules. The difference with IAS 1 Presentation of financial statements applied in the formulation of the Group's financial statements is primarily accounting that the parent's financial statements do not contain a statement of comprehensive income.

Dividend
Dividends to the parent company's shareholders are recognized as liabilities in the Group's financial statements in the period when the dividend is approved by the parent company's shareholders and payment has not yet taken place. Dividend income is recognized when the right to receive payment has been established.

Shares in subsidiaries
Shares in subsidiaries are recognized at cost less any write-downs. Acquisition-related costs for subsidiaries, which are expensed in the consolidated financial statements, are included as part of the cost of shares in subsidiaries.

Shares in associates
Shares in associates are recognized in the parent company according to the cost method. As income in the income statement, only dividends received are recognized provided that these are derived from earnings earned after the acquisition. Dividends that exceed these earned earnings are considered as a repayment of the investment and reduce the carrying amount of the share in the balance sheet.

Group contributions and shareholder contributions
Received and made group contributions are reported in the income statement as a financial statement.

Shareholder contributions are reported to the donor as an increase in the item shares in group companies, after which an impairment of the value of the shares is required. Shareholder contributions received are reported to the recipient directly against unrestricted equity.

Pensions
The parent company has only pension plans that are classified as defined contribution.

Leasing
In the parent company, all leases are recognized as operational regardless of whether they are to be considered financial or operational.

Untaxed reserves

The parent company recognises untaxed reserves including deferred tax liabilities. In the consolidated financial statements, on the other hand, untaxed reserves are divided into deferred tax liabilities and equity.

Financial instruments
The parent company applies the exemption contained in RFR 2 from applying IFRS 9 in legal entity. In the parent company, a method is applied on the basis of cost in accordance with the Annual Accounts Act. The impairment requirements under IFRS 9 are applied even though the parent company has chosen to apply the exemption in RFR 2.

3. Material assessments and assumptions

In order to prepare financial statements in accordance with IFRS, management must make assessments and assumptions that affect recognized assets, liabilities, income and expenses. These assessments are based on both historical experience and other factors that have been deemed reasonable in the current circumstances. Actual outcomes may differ from these assessments if other assumptions are made or other conditions exist. Assessments and assumptions are reviewed regularly. Changes to assessments are recognized in the period the change is made if the change only affects this period, or the period the change is made and future periods if the change affects both the current period and future periods.

Impairment test
A number of material assumptions and assessments must be made when measured in use based on the expected future discounted cash flows attributable to the asset, for example in respect of factors such as discount rate, growth and working capital requirements. Forecasts for future cash flows are based on the best possible estimates of future revenues and operating expenses, based on historical developments, general market conditions, developments and forecasts for the industry, and other available information.

Controlling and significant influence
Under IFRS 10, an investor has control over the investee when exposed to or entitled to variable returns from its involvement in the investee and may influence the return using its controlling influence over the investee. In the wholly owned subsidiary Niam AB, the Group conducts property fund management where financial investors are offered to invest in the Nordic markets through the Group's funds. Niam manages the day-to-day management and control of the funds, which is regulated in the investor agreement between Niam and the investors. However, the investor agreement imposes significant restrictions on Niam to exercise any influence as the interests of all investors must be taken into account. The return that Niam receives is a mixture of fixed remuneration and variable remuneration, which means that they are exposed to a variable return. However, the variable return Niam is exposed to is limited as the holding in the funds is less than 1%. In view of the limitations contained in the agreement that require other investors' interests to be taken into account, it is management's assessment that the Group does not have control but instead acts as an agent for other investors regarding management and control of the funds. The holdings in the funds are therefore not consolidated.

4. Financial risk management and financial instruments

Through its operations, the Group is exposed to various types of financial risks such as credit, liquidity, currency and price risks. It is the company's Board of Directors that is ultimately responsible for exposure, management and follow-up of the Group's financial risks. The framework for exposure, management and follow-up of financial risks is set by the Board of Directors in a financial policy that is revised annually. Within the framework of this policy, the Group strives for a low risk profile. The Board of Directors has the opportunity to decide on temporary deviations from the established financial policy. The Board of Directors has delegated the ongoing management of risks to the CFO, who reports back to the Board on a quarterly basis. Risk reporting and policy compliance are included in the report, as well as decision-making basis for possible revision of the financial policy.

Credit risks
The placement of cash and cash equivalents may only take place in high-quality interest-bearing investments that are ensured by requirements for the counterparty's rating. Investments in addition to bank balances are made in short-term interest-bearing investments at large banks. Derivative instruments may only be concluded for risk management purposes.

The Group's credit risk regarding customers is considered small as the customers mainly consist of medium and large companies and groups that conduct their business professionally, long-term and under strong brands. Historically, customer losses have been small. In cases where the Group's customers have been credit assessed by independent appraisers, these assessments are used. If this is not the case, a risk assessment of the customer's creditworthiness is made where financial position is taken into account, as well as previous experience with the customer and other factors. The exposure corresponds to the book value of trade receivables and cash and financial investments respectively.

Liquidity risks
In order to monitor the short- and long-term capital supply, the Group regularly prepares liquidity budgets and forecasts and ensures short-term payment readiness by holding a liquidity reserve in the form of cash and unutilized confirmed credits. Liquidity risk is minimized in the long term by securing long-term financing in the form of confirmed loan facilities and risk-bearing capital. Available cash and cash equivalents as of December 31, 2019 amount to SEK 799 million (197). The Group has an unutilized overdraft facility of SEK 78.5 (77) million. The Group is not exposed to any material liquidity risk as a result of the lease liabilities. Leasing liabilities are followed up as part of the Group's treasury work.

The Group's liabilities have a maturity as follows:

Group 2019-12-31	**Within 3 months**	**3-12 months**	**1-5 years**	**Above 5 years**	**Total carrying amount**
Liabilities to credit institutions	11 197	39 096	727 598	-	777 891
Debt leases	-	89 969	190 097	42 794	322 860
Debt derivative instruments	-	5 868	1 327	-	7 195
Other long-term liabilities	-	-	33 531	9 024	42 555
Other provisions	-	-	4 384	-	4 384
Accounts payable	118 205	-	-	-	118 205
Other current liabilities	360 890	290 814	-	-	651 704
Sum	**490 292**	**425 747**	**956 937**	**51 818**	**1 924 794**

Group 2018-12-31	**Within 3 months**	**3-12 months**	**1-5 years**	**Above 5 years**	**Total carrying amount**
Liabilities to credit institutions	9 873	29 677	739 148	-	778 698
Debt leases	-	1 597	4 932	-	6 529
Debt derivative instruments	-	4 872	4 171	-	9 043
Other long-term liabilities	-	-	27 620	-	27 620
Other provisions	-	-	2 387	-	2 387
Accounts payable	103 265	-	-	-	103 265
Other current liabilities	337 087	373 825	-	-	710 912
Sum	**450 225**	**409 971**	**778 258**	**-**	**1 638 454**

Parent 2019-12-31	Within 3 months	3-12 months	1-5 years	Over 5 years	Sum
Liabilities to credit institutions	11 197	33 592	727 444	-	772 233
Accounts payable	7 548	-	-	-	7 548
Other current liabilities	21 539	-	-	-	21 539
Sum	**40 284**	**33 592**	**727 444**	**-**	**801 320**

Parent 2018-12-31	Within 3 months	3-12 months	1-5 years	Over 5 years	Sum
Liabilities to credit institutions	9 873	29 372	738 555	-	777 800
Other long-term liabilities	-	-	3 110	-	3 110
Long-term intra-group liabilities	-	-	33 000	-	33 000
Accounts payable	2 632	-	-	-	2 632
Other current liabilities	11 137	1 229	-	-	12 366
Sum	**23 647**	**30 601**	**774 665**	**-**	**828 908**

A refinancing was made in the Group in 2018 where all bank loans were moved to the parent company.

A large proportion of the Group and the Parent Company's liabilities mature within 1-5 years. Such risks are managed through an ongoing discussion with the counterparty.

Face value is a good approximation of fair value for all balance sheet items. In the case of bank loans, the interest rate is variable and the credit margin remains unchanged during the term, however, depending on the debt-to-equity ratio in accordance with the loan agreement, whereby fair value does not differ materially from nominal value.

Currency risks
The Group has two different types of currency risks, transaction exposure and translation effects. Currency risks in the form of transaction exposure are limited by the fact that invoicing and costs primarily arise in the local currency of each group company. Larger transactions are future-proofed if necessary.

The Group hedges expected future cash flows and as of the end of December, the hedged amount was EUR 81 million and DKK 48 million with a maximum maturity of just over 1.5 years.

Translation effects arise when recalculation of the balance sheets and income statements of foreign subsidiaries. At the end of December, the Group had exposures in EUR, NOK, DKK, GBP and USD. Of which net exposure in EUR in the form of receivables and liabilities at the end of December amounted to SEK 9 million. Net exposure for the remaining currencies was as follows: in DKK 282 MSEK, in NOK 119 MSEK, in GBP 2 million and in USD 7 million.

Interest rate risks
The Group is a net lender and a change in interest rates affects the Group's net financial items primarily through the valuation effect but also to a lower extent through net interest income. In order to minimize interest rate risk, the Group has swapped variable interest rates in bank financing to fixed for 39 (75) percent of the Group's total external financing.

Price risks
Price risk is the risk that a fair value or future cash flow from a financial instrument will be affected by a change in the market price of the instrument. To limit price risk, the Stronghold Group only invests in instruments with a liquid market, unless the investment is a long-term, strategic investment. Derivative instruments may only be used for risk management purposes.

Sensitivity analysis (transaction risks, interest rate risks)

Group	**2019-12-31**		**2018-12-31**	
	Result	**Equity**	**Result**	**Equity**
Transaction exposure				
EUR +5%	2 413	435	3083	577
EUR -5%	-2 413	-435	-3 083	-577
NOK +5%	611	5 943	843	4 853
NOK -5%	-611	-5 943	-843	-4 853
DKK +5%	1 870	14 100	-2 549	15 839
DKK -5%	-1 870	-14 100	2 549	-15 839
Interest rates				
Effect on future net financial items +1 percentage point	-7 553	-7 553	-8 464	-8 464
Effect on future net financial items -1 percentage point	7 553	7 553	8 464	8 464

Parent	**2019-12-31**		**2018-12-31**	
	Result	**Equity**	**Result**	**Equity**
Transaction exposure				
EUR +5%	-5 967	-5 967	-2 391	-2 391
EUR -5%	5 967	5 967	2 391	2 391
NOK +5%	9 145	9 145	7 292	7 292
NOK -5%	-9 145	-9 145	-7 292	-7 292
DKK +5%	18 548	18 548	14 121	14 121
DKK -5%	-18 548	-18 548	-14 121	-14 121
Interest rates				
Effect on future net financial items +1 percentage point	2 813	2 813	561	561
Effect on future net financial items -1 percentage point	-2 813	-2 813	-561	-561

The transaction exposure shown is prior to consideration of the Group's currency derivatives and hedge accounting of net exposure in NOK and EUR. The interest rate exposure shown is before taking into account the Group's interest rate swaps.

Categorization of financial instruments
The book value of financial assets and financial liabilities broken down by measurement category in accordance with IFRS 9 is shown in the table below.

	Group		**Parent**	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
Financial assets				
Fair value through the income statement				
Derivative instruments held for trading	7 229	6 924	-	-
Shareholdings	115 676	96 608	-	-
Amortized cost	1 413 276	845 855	1 514 865	1 173 787
Total financial assets	**1 536 181**	**949 387**	**1 514 865**	**1 173 787**
Financial liabilities				
Fair value through the income statement				
Derivative instruments held for trading	2 116	9 043	-	-
Fair value via comprehensive income				
Derivatives designated as hedging instruments	5 079	-	-	-
Amortized cost	1 405 459	1 048 800	782 658	1 079 565
Total financial liabilities	**1 412 654**	**1 057 843**	**782 658**	**1 079 565**

There have been no reclassifications between the valuation categories above in 2019 and 2018.

Net gains/losses from financial assets and financial liabilities broken down by measurement category in accordance with IFRS 9 are shown in the table below. Information is provided only for the Group as the Parent Company has no assets/liabilities that are measured at fair value through the income statement.

	Group	
	2019	**2018**
Derivative instruments		
Currency-related	5 868	5 317
Interest-related	4 853	-2 067
Shareholdings	3 098	35 965
Net profit/loss	**13 819**	**39 215**

Of the SEK 10,721 thousand related to earnings effects related to derivative instruments, SEK 3,287 thousand is an effect of early interest rate swaps during the year. In the income statement, this revenue has been classified as a reduced interest expense whereby the amount above does not correspond to the amount in Note 11 Financial Income.

Calculation of fair value
Financial assets and financial liabilities measured at fair value in the balance sheet are classified in any of three levels based on the information used to determine fair value. The tables below show the Group's and the parent company's classification of financial assets and financial liabilities measured at fair value. During the periods, there have been no significant transfers between levels.

Level 1 - Financial instruments where fair value is determined on the basis of observable (unadjusted) quoted prices on an active market for identical assets and liabilities. A market is considered active if quoted prices from an exchange, broker, industry group, pricing service or supervisory authority are readily and regularly available and these prices represent real and regular market transactions at arm's length.

Level 2 - Financial instruments where fair value is determined on the basis of valuation models based on observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).
Examples of observable data within level 2 are:
• Quoted prices for similar assets and liabilities.
• Data that can form the basis for assessing price, e.g. market rates and yield curves.

Level 3 - Financial instruments where fair value is determined based on valuation models where material input is based on non-observable data.

The Group has assets related to currency derivatives and interest rate swaps, which are measured at fair value through the income statement. The value on December 31, 2019 amounted to SEK 7.2 million (6.9). The Group also has liabilities related to currency derivatives and interest rate swaps, which are measured at fair value through the income statement and some at fair value via comprehensive income. The value as of December 31, 2019 amounted to SEK 7.2 million (SEK 9.0 million). The Group also has shareholdings that are measured at fair value through the income statement. The value of these amounted to SEK 115.7 million at December 31, 2019 (SEK 96.6 million). Otherwise, no items are recognized at fair value. For tier 2 derivatives, the fair value is calculated by discounting future cash flows based on market data.

Group (SEK thousand)	2019-12-31			2018-12-31		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets:						
Shareholdings	-	-	115 676	-	-	96 608
Derivative instruments						
Currency-related	-	5 586	-	-	6 924	-
Interest-related	-	1 643	-	-	-	-
Total financial assets	**-**	**7 229**	**115 676**	**-**	**6 924**	**96 608**
Financial liabilities:						
Derivative instruments						
Currency-related	-	7 195	-	-	4 872	-
Interest-related	-		-	-	4 171	-
Total financial liabilities	**-**	**7 195**	**-**	**-**	**9 043**	**-**

For the Group's other financial assets and financial liabilities, the carrying amounts are considered to be a good approximation of the fair values. A fair value calculation based on discounted future cash flows, where a discount rate reflecting the counterparty's credit risk constitutes the most material input, is not deemed to make a material difference compared to the carrying amount.

5 Segment information

The information reported to senior executive decision-makers, as a basis for allocating resources and assessing segment performance, consists of the Group's business areas: Property Management, Property Management, Fund Management, Advisory and Licenses. The business areas constitute the Group's reportable operating segments.

Operating segments

• Property management: The income from Property Management consists of fees for technical and financial management for property owners. The segment also includes revenue from rental and property development for the Group's management customers.

• Fund management: The proceeds from Fund Management are fund fees that are received on promised or managed capital in the funds.

• Advice: Income from Advisory services is obtained through consulting fees for valuation and analysis of properties, fees for buying and selling advice and brokering of properties.

• Licenses: Revenue from Licenses consists of compensation for the granting of licenses in the Datscha program.

* Property operation: Income from operations consists of fees for operation and property management for property owners.

• Other: consists of group-wide costs and other small companies within the Group.

Segment revenue and earnings

The following is an analysis of group revenue and earnings for each reportable segment:

Group 2019	Property management	Fund management	Counselling	Licenses	Property operation	Other	Elimination	Group
External sales	1 830 180	363 856	477 743	96 782	152 149	43 927	-	2 964 637
Internal sales	172 851	76 692	56 644	10 250	32 123	110 413	-458 973	0
Total revenue	**2 003 031**	**440 548**	**534 387**	**107 032**	**184 272**	**154 340**	**-458 973**	**2 964 637**
Operating income	**-91 055**	**118 369**	**95 837**	**4 315**	**6 999**	**586 180**	**-**	**720 645**
Financial income								23 456
Financial costs								-46 435
Profit before tax								**697 666**
Tax								-21 838
Profit for the year								**675 828**

Group 2018	Property management	Fund management	Counselling	Licenses	Property operation	Other	Elimination	Group
External sales	1 678 291	314 818	367 470	91 195	147 449	49 605	-	2 648 828
Internal sales	139 410	84 608	41 119	3 360	28 551	123 340	-420 388	0
Total revenue	**1 817 701**	**399 426**	**408 589**	**94 555**	**176 000**	**172 945**	**-420 388**	**2 648 828**
Operating income	**9 452**	**92 665**	**71 946**	**6 566**	**-2 644**	**-9 192**	**-**	**168 793**
Financial income								55 796
Financial costs								-52 099
Profit before tax								**172 490**
Tax								-32 282
Profit for the year								**140 208**

The other business branch includes Stronghold Invest AB, Cikoria Partners AB and Newsec Competence AB.

The accounting policies for the reportable segments are consistent with the Group's accounting policies, which are described in Notes 1-4. The segment's earnings are matched by earned income for each segment, financial expenses and income taxes. This is the performance measure reported to senior executive decision-makers as a basis for allocation of resources and assessment of segment performance.

Other segment information

	Depreciation		Impairment losses	
	2019	2018	2019	2018
Property management	-114 023	-39 077	-133 858	-
Fund management	-9 171	-48	-	-
Counselling	-17 093	-648	-17 118	-
Licenses	-7 627	-361	-	-
Property operation	-3 011	-137	-	-
Other	-2 027	-2 334	-	-
Sum	**-152 952**	**-42 605**	**-150 976**	**-**

	The company's share of earnings for associates	
	2019	2018
Property management	-	-
Fund management	-	-
Counselling	-	1723
Licenses	-	-
Property operation	-	-
Other	3 436	4 527
Sum	**3 436**	**6 250**

Information about geographical areas
The Group operates in five main geographical areas – Sweden (the company's registered office), Finland, Norway, Denmark, the Baltics and England.

Below, the Group's revenue from sales to external customers is specified based on the physical location of operations and fixed assets:

	Revenue from external customers		Fixed assets*	
	2019	2018	2019	2018
Sweden (registered office of the company)	1 359 891	1 259 065	717 204	624 417
Finland	506 718	403 129	62 790	17 834
Norway	436 295	442 948	266 789	195 201
Denmark	554 770	476 213	747 889	701 118
Baltics	95 384	58 466	16 241	9 290
England	11 579	9 007	-	138
Sum	**2 964 637**	**2 648 828**	**1 810 913**	**1 547 998**

*Fixed assets are excluding deferred tax assets.

Information about larger customers
The Group has two customers who make up 11.5% (0%) and 7.3% (4.3%) of the Group's revenues in 2019, respectively. Revenues from customers amount to SEK 191 million and SEK 121 million respectively and are found in the segments Fund Management and Property Management.

Assets and liabilities of segments
Information is not provided about assets and liabilities broken down by segment as this is not included in the internal reporting to the chief executive decision-maker. For the same reason, information on investments in fixed assets is also not provided.

6 Take

Information on purchases and sales within the same group	Parent	
	2019	2018
Sale	95,5%	98,0%
Purchase	8%	10%

The Group's significant revenue streams (external turnover), identified in accordance with IFRS15, are distributed as below in the Group's segments. Below is also a table showing the time of revenue recognition.

Group 2019	Property management	Fund managem ent	Counselling	Licenses	Property operation	Other	Total
Fixed-price contracts	1 134 305	-	239 570	-	70 967	5 277	1 450 119
Management fee	-	343 063	-	-	-	-	343 063
Additional services	396 001	-	30 413	-	22 883	33 705	483 002
Renegotiation and rental	126 596	-	41 017	-	-	-	167 613
Licence fees	-	-	-	96 782	-	-	96 782
Incentive	9 142	-	155 600	-	-	-	164 742
Promote	-	-	-	-	-	-	-
Materials and additional services	150 914	-	10 800	-	57 791	-	219 505
Other revenues	13 222	20 793	343	-	508	4 945	39 811
Total revenue	**1 830 180**	**363 856**	**477 743**	**96 782**	**152 149**	**43 927**	**2 964 637**

Group 2018	Property management	Fund managem ent	Counselling	Licenses	Property operation	Other	Total
Fixed-price contracts	1 011 876	-	200 951	-	69 847	16 567	1 299 241
Management fee	-	295 026	-	-	-	-	295 026
Additional services	368 304	-	23 180	-	9 373	30 551	431 408
Renegotiation and rental	111 035	-	27 377	-	-	-	138 412
Licence fees	-	-	-	91 180	-	-	91 180
Incentive	16 125	-	106 088	-	-	-	122 213
Promote	-	-	-	-	-	-	-
Materials and additional services	159 002	-	2 701	-	67 684	-	229 387
Other revenues	11 383	19 792	6 993	-	389	3 404	41 961
Total revenue	**1 677 725**	**314 818**	**367 290**	**91 180**	**147 293**	**50 522**	**2 648 828**

Group 2019	**Property management**	**Fund management**	**Counselling**	**Licenses**	**Property operation**	**Other**	**Total**
Over time:							
Fixed-price contracts	1 133 818	-	126 274	-	70 967	-	1 331 059
Management fee	-	343 063	-	-	-	-	343 063
Additional services	396 002	-	16 509	-	22 883	33 705	469 099
Renegotiation and rental	-	-	-	-	-	-	-
Licence fees	-	-	-	96 782	-	-	96 782
Incentive	-	-	-	-	-	-	-
Promote	-	-	-	-	-	-	-
Materials and additional services	150 914	-	10 800	-	57 791	-	219 505
Other revenues	13 222	20 793	343	-	508	4 946	39 812
	1 693 956	**363 856**	**153 926**	**96 782**	**152 149**	**38 651**	**2 499 320**
At any given time:							
Fixed-price contracts	487	-	113 296	-	-	5 276	119 059
Management fee	-	-	-	-	-	-	-
Additional services	-	-	13 903	-	-	-	13 903
Renegotiation and rental	126 596	-	41 017	-	-	-	167 613
Licence fees	-	-	-	-	-	-	-
Incentive	9 141	-	155 601	-	-	-	164 742
Promote	-	-	-	-	-	-	-
Materials and additional services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Sum	**136 225**	**-**	**323 816**	**-**	**-**	**5 276**	**465 317**
	1 830 180	**363 856**	**477 743**	**96 782**	**152 149**	**43 927**	**2 964 637**

Group 2018	Property management	Fund management	Counselling	Licenses	Property operation	Other	Total
Over time:							
Fixed-price contracts	1 008 236	-	110 804	-	69 847	13 784	1 202 671
Management fee	-	295 026	-	-	-	-	295 026
Additional services	368 304	-	14 739	-	9 373	30 551	422 967
Renegotiation and rental	-	-	-	-	-	-	-
Licence fees	-	-	-	91 180	-	-	91 180
Incentive	-	-	-	-	-	-	-
Promote	-	-	-	-	-	-	-
Materials and additional services	159 002	-	2 701	-	67 684	-	229 387
Other revenues	11 383	19 792	6 993		389	3 404	41 961
	1 546 925	**314 818**	**135 237**	**91 180**	**147 293**	**47 739**	**2 283 192**
At any given time:							
Fixed-price contracts	3 640	-	90 147	-	-	2 783	96 570
Management fee	-	-	-	-	-	-	-
Additional services	-	-	8 441	-	-	-	8 441
Renegotiation and rental	111 035	-	27 377	-	-	-	138 412
Licence fees	-	-	-	-	-	-	-
Incentive	16 125	-	106 088	-	-	-	122 213
Promote	-	-	-	-	-	-	-
Materials and additional services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Sum	**130 800**	**-**	**232 053**	**-**	**-**	**2 783**	**365 636**
	1 677 725	**314 818**	**367 290**	**91 180**	**147 293**	**50 522**	**2 648 828**

7 Other revenues

	Group		Parent	
	2019	**2018**	**2019**	**2018**
Capital result sale of FA assets	216	519	-	-
Earnings sales subsidiaries*	603 228	-	-	-
Course differences	-	326	-	-
Other	-	-	-	60
Sum	**603 444**	**845**	**-**	**60**

* In the Group, the capital result on the sale of subsidiaries is classified as another operating income. In the parent company, it is classified as a financial income.

8 Disclosure of the auditor's fees and expenses

	Group		Parent	
	2019	**2018**	**2019**	**2018**
Deloitte				
audit engagements	3 359	3 513	605	375
audit-related services	267	293	150	-
tax advice	70	103	-	-
other assignments	4 343	704	4 045	-
Price Waterhouse Coopers				
audit engagements	34	-	-	-
audit-related services	-	-	-	-
tax advice	-	-	-	-
other assignments	-	-	-	-
EY				
audit engagements	370	184	-	-
audit-related services	-	-	-	-
tax advice	-	-	-	-
other assignments	-	-	-	-
Other accountant				
audit engagements	1 182	87	-	-
audit-related services	-	-	-	-
tax advice	-	-	-	-
other assignments	-	-	-	-
Sum	**9 625**	**4 884**	**4 800**	**375**

Audit engagements refer to the auditor's remuneration for the statutory audit. The work includes the audit of the annual accounts and accounts, the management of the Board of Directors and the CEO, and fees for audit advice provided in connection with the audit assignment.

Audit activities in addition to the audit assignment refer to services that are not included in the statutory audit.

Other assignments relate to services in addition to the above categories.

9 Leasing

Below are information for 2019 in accordance with IFRS 16 for the Group and in accordance with ÅRL and RFR 2 for the Parent Company that has chosen not to apply IFRS 16.

Leasing – lessee, Group

	Group
	2019
Depreciation of rights of use	-97 297
Interest expense for lease liabilities	-7 416
Costs attributable to short-term lease agreements	-2 501
Costs attributable to low value leases	-5 781

Rent payments for most of the local contracts increase annually according to the index linked to the CPI and contain other no moving parts. The lease payments for cars also do not contain any moving parts.

On December 31, 2019, the Group has obligations regarding short-term lease agreements of SEK 2,082 for the coming years. The obligations for the Group regarding low value leasing for the next five years amount to SEK 7,211 thousand.

The total cash outflow for lease payments amounted to SEK 98.9 million.

Operational leasing - lessee, parent company
This year's cost for operating leases in the Parent Company amounts to SEK 2.4 (2) million.

At the balance sheet date, the parent had outstanding commitments in the form of minimum lease payments under non-exortionable operating leases, with maturities as set out below:

	Parent company	
	2019	2018
Within a year	2 508	1 619
Between 1 and 5 years	2 650	3 169
Later than 5 years	-	-
Sum	**5 158**	**4 788**

The operating leases primarily relate to various office machines and leasing cars. The lease period for operational car leasing amounts to 3 years and for various office machines it varies between 3-5 years.

The following is information for 2018 in accordance with IAS 17 for the Group.

Operational lease - lessee
This year's cost for operating leases amounts to SEK 95 million for the Group. At the balance sheet date, the Group had outstanding commitments in the form of minimum lease payments under non-deplorable operating leases, with maturities as set out below:

	Group
	2018
Within a year	107 156
Between 1 and 5 years	222 524
Later than 5 years	11 156
Sum	**340 836**

The operating leases primarily relate to the rental of premises including the Group's head office in Stockholm, as well as various office machinery and leasing cars in the foreign subsidiaries, which do not meet the conditions for being recognized as financial leases.

The lease term for the Group's rental premises amounts to 2-6 years. An extension of the lease agreement at the end of the lease period may be made at what the Group considers to be a market fee. Rent payments for most of the contracts increase annually according to the index linked to the CPI and do not contain any variable parts.

The lease period for operational car leasing amounts to 3 years and for various office machines it varies between 3-5 years.

10 Number of employees, salaries, other remuneration and social costs

Average number of employees	2019 Number employees	2019 Whereof number of men	2018 Number Employees	2018 Whereof number of men
Parent				
Sweden	13	54%	10	52%
Total in the parent company	**13**	**54%**	**10**	**52%**
Subsidiary				
Sweden	696	53%	663	52%
Finland	413	43%	337	43%
Norway	275	77%	258	75%
Denmark	430	40%	371	37%
Baltics	101	39%	94	39%
England	13	77%	10	70%
Total in subsidiaries	**1 928**	**51%**	**1 733**	**50%**
Total in the Group	**1 941**	**51%**	**1 743**	**50%**

Distribution of senior executives as of the balance sheet date	Group		Parent company	
	2019-12-31	2018-12-31	2019-12-31	2018-12-31
Women:				
Board members	15	15	0	0
other members of the company's management including the CEO	14	16	3	3
Men:				
Board members	46	51	7	7
other members of the company's management including the CEO	37	41	4	4
Completely	**112**	**123**	**14**	**14**
Salaries, allowances, etc.m.	**2019**		**2018**	
	Salaries and second Allowances	**Soc kostn (of which pension costs)**	**Salaries and second Allowances**	**Soc kostn (of which pension costs)**
Parent company	19 378	7 963	15 392	7 134
		(2 195)		(1 801)
Subsidiaries*	1 303 946	368 121	1 146 825	326 927
		(166 303)		(142 879)
Total Group	**1 323 324**	**376 084**	**1 162 217**	**334 061**
				(144 680)

Salaries and remuneration distributed between board members and others. and employees	2019		2018	
	Board of Directors and CEO (of which tantiem o d)	Other employe es	Board of Directors and CEO (of which tantiem o d)	Other employe es
Parent	5 568	13 810	4 596	10 796
	(-)	(1 441)	(-)	(464)
Subsidiaries in Sweden	39 874	419 769	36 150	397 754
	(13 162)	(50 434)	(10 563)	(54 857)
Subsidiaries abroad				
Finland	8 978	261 067	8 572	207 245
	(2 614)	(27 139)	(3 119)	(24 830)
Norway	11 793	195 275	12 308	179 602
	(3 293)	(17 603)	(2 696)	(13 999)
Denmark	9 910	314 376	14 710	260 500
	(2 736)	(5 846)	(2 648)	(849)
Baltics	4 481	27 033	1 647	20 505
	(699)	(5 109)	(574)	(2 584)
UK	(-)	11 390	(-)	7 832
	(-)	(374)	(-)	(693)
Total Group	**80 604**	**1 242 720**	**77 983**	**1 084 234**
	(22 504)	(107 946)	(19 600)	(98 204)

Pensions
The Group's cost for defined contribution pension plans amounts to SEK 168,498 thousand (144,680). The parent company's cost for defined contribution pension plans amounts to SEK 2,195 thousand (1,801).

For officials in Sweden, the ITP 2 plan's defined benefit pension commitments for old-age and family pensions (alternatively family pension) are secured by insurance in Alecta. According to a statement from the Financial Reporting Council, UFR 10 Classification of ITP plans funded through insurance in Alecta, this is a defined benefit plan that includes multiple employers. For the financial year 2019 and 2018, the company has not had access to information in order to report its proportional share of the plan's obligations, plan assets and costs, which meant that the plan has not been possible to report as a defined benefit plan. The pension plan ITP 2, which is secured through an insurance policy in Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit old-age and family pension is individually calculated and depends, among other things, on salary, previously earned pension and expected remaining period of service. Expected fees for the next reporting period for ITP 2 insurance policies subscribed in Alecta amount to SEK 16.6 million (2018: SEK 16.8 MILLION). The Group's share of the total fees to the plan and the Group's share of the total number of active members in the plan amounts to 0.08234 and 0.04575 percent respectively (2018: 0.07656 and 0.04545 percent, respectively).

The collective level of consolidation consists of the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The level of collective consolidation should normally be allowed to vary between 125 and 155%. If Alecta's collective consolidation level is below 125 per cent or exceeds 155 per cent, measures shall be taken to create the conditions for the level of consolidation to return to the normal range. In case of low consolidation, one measure may be to increase the agreed price for new subscription and extension of existing benefits. In case of high consolidation, one measure may be to introduce premium reductions. At the end of 2019, Alecta's surplus in the form of the collective consolidation level amounted to 148 percent (2018: 142 percent).

Remuneration to senior executives
No fees are paid to the Chairman of the Board of Directors and members in accordance with the resolution of the General Meeting.

2019	**Basic salary/ Fee**	**Mobile compensation**	**Other benefits**	**Pension cost**	**Sum**
Managing Director	5 568	-	6	-	**5 574**
Deputy Ceo	1 920	408	111	410	**2 849**
Other senior executives (3 persons)	3 670	54	115	829	**4 668**
Sum	**11 158**	**462**	**232**	**1 239**	**13 091**
2018	**Basic salary/Fee**	**Variable remuneration**	**Other benefits**	**Pension cost**	**Sum**
Managing Director	4 596	-	6	324	**4 926**
Deputy Ceo	1 740	370	86	382	**2 578**
Other senior executives (3 persons)	3 436	52	72	737	**4 297**
Sum	**9 772**	**422**	**164**	**1 443**	**11 801**

Two of the seven senior executives in 2019 and 2018 are hired as consultants. Their compensation amounts to a total of SEK 1,462 thousand (SEK 1,911 thousand) and is among other external costs.

Pensions
The retirement age for the CEO, as well as Stronghold Invest AB's CEO, is 60 years. For other senior executives, the retirement age is 65 years. The pension premium follows a plan similar to the ITP plan but is defined contribution.

Severance pay
Between the company and the CEO, a mutual notice period of 6 months applies. In the event of termination by the company, the CEO shall also receive a severance payment corresponding to one annual salary upon termination of the employment contract. Between the company and other senior executives, a mutual notice period of 3-6 months applies.

11 Financial income

	Group		Parent	
	2019	2018	2019	2018
Dividends from group companies	-	-	81 904	128 323
Share of profit limited partnership	-	-	-	2 390
Share of profit from other financial investments	576	6 394	-	-
Interest income, Group companies	-	-	33 719	24 522
Course differences	-	2 959	5 473	12 780
Interest income, external	3 846	2 671	-	101
Gains on fair value instruments	10 532	39 215	-	-
Earnings sales subsidiaries*	-	-	580 702	-
Earnings sales associated companies	1 428	-	1 664	-
Other	3 598	30	2 043	-
Total financial income	**19 980**	**51 269**	**705 505**	**168 116**

* In the Group, the capital result on the sale of subsidiaries is classified as another operating income. In the parent company, it is classified as a financial income.

12 Financial costs

	Group		Parent	
	2019	2018	2018	2018
Interest expense, leasing	-7 416	-121	-	-
Interest expenses, external	-27 325	-31 687	-31 810	-11 626
Interest expenses, internal	-	-	-	-117
Write-down of financial receivable/shareholding	-804	-	-	-
Write-down of shares in subsidiaries	-	-	-	-5 050
Course differences	-5 194	-	-	-
Fair value incremental acquisition Newsec Advisory A/S	-3 847	-	-	-
Fair Value Options Datscha	-	-6 827	-	-
Result-based setup fee on solved bank loan	-	-9 977	-	-
Other	-1 849	-3 487	-1 367	-2 158
Total financial costs	**-46 435**	**-52 099**	**-33 177**	**-18 951**

13 Appropriations

	Parent	
	2019	2018
Group contributions made	-	-5 564
Group contributions received	25 818	-
Reversal accrual fund	-	2 450
Depreciation beyond plan	-304	-364
Sum	**25 514**	**-3 478**

14 Tax

Current tax	Group		Parent	
	2019	2018	2019	2018
Current tax on profit for the year	-51 016	-43 054	-1 992	-1 162
Adjustments reported in the current year regarding previous years' current tax	-816	1 507	46	-
Sum	**-51 832**	**-41 547**	**-1 946**	**-1 162**
Deferred tax	**Group**		**Parent**	
	2019	**2018**	**2019**	**2018**
Deferred tax temporary differences	29 994	9 265	-	-
Sum	**29 994**	**9 265**	**-**	**-**
Total tax	**-21 838**	**-32 282**	**-1 946**	**-1 162**

Income tax in Sweden is calculated at 21.4% (22%) on the tax result for the year. Tax in other jurisdictions is calculated at the rate applicable to each jurisdiction. Below is presented on a reconciliation between reported earnings and tax expense for the year:

Reconciliation of tax expense for the year

Reconciliation of tax expense for the year	Group		Parent	
	2019	2018	2019	2018
Profit before tax	697 666	172 490	674 476	127 763
Tax expense of the year	-21 838	-32 282	-1 946	-1 162
Tax calculated according to Swedish tax rate	-149 301	-37 948	-144 338	-28 108
Difference in tax rate between parent and foreign subsidiaries	-448	1 012	-	-
Tax attributable to previous years	-816	1 105	-46	-
Revaluation of deferred taxes due to a change in tax rate*	283	1 004	-	-
Permanent tax difference due to exchange rate effect on intercompany loan classified as part of net investment**	-	3 456	-	-
Tax effect of non-deductible costs	-4 144	-6 051	-153	-1 285
Tax effect of non-taxable income	132 559	2 022	142 591	28 231
Utilized loss deduction (not booked in the balance fg year)	-	418	-	-
Deficits on which deferred tax has not been booked	-	103	-	-
Other	29	2 597	-	-
Sum	**-21 838**	**-32 282**	**-1 946**	**-1 162**
Reported tax expense for the year	**-21 838**	**-32 282**	**-1 946**	**-1 162**

*In 2018, the tax rate was changed in Sweden and Norway. In 2019, the tax rate in Sweden was again changed for the coming years, which affects the deferred taxes.

** In the parent company, the exchange rate effect on an intra-group loan is as a cost, but in the consolidated financial statements the effect is moved to equity with the effect of generating an income in the Group's income statement that is a permanent tax difference. In 2019, this move will not be made, of which a similar permanent difference does not exist. See the Group's report on changes in equity for more information.

New legislation on interest deduction restrictions and reduced corporate tax
On 1 January 2019, new tax legislation entered into force regarding interest deduction restrictions – all in accordance with EU directives. The legislation broadly entails a maximum deduction of net interest income of 30% on taxable EBITDA. Furthermore, the corporate tax rate was reduced in two stages; 21.4% from 2019 to be lowered from 2021 to 20.6%. Stronghold can, despite the new interest deduction restrictions in 2019, claim deductions for all of the Group's total interest expense.

15 Goodwill

	Group	
	2019-12-31	**2018-12-31**
Acquisition values	1 026 980	1 010 362
Acquisition	6 114	-
Exchange rate differences	11 331	16 618
Closing carrying amount	**1 044 425**	**1 026 980**
	Group	
	2019-12-31	**2018-12-31**
Property management	630 762	614 583
Property operation	31 670	31 670
Counselling	6 487	5 221
Unallocated	375 506	375 506
Closing carrying amount	**1 044 425**	**1 026 980**

In the Group, impairment requirements for goodwill are tested annually and when there is an indication that there is an impairment requirement. Goodwill arising from business combinations has been allocated to the cash-generating units in the Group that are expected to receive benefits from the acquisition.

The recoverable amount of a cash-generating unit is determined based on calculations of value in use. The calculations are based on estimated future cash flows based on financial forecasts approved by management covering a 5-year period. In the assessment of future cash flows, assumptions are primarily made about sales growth, operating margin and discount rate. The estimated growth rate over the 5-year period is based on forecasts and is estimated to be 4-5% with growth rates up to 15% in a single year and also negative growth in certain years and for individual cash generating units (3-9%). The discount rate, which is between 8.0% to 11.2% depending on the cash-generating unit (between 11.7% to 12.9%), is pre-tax and reflects specific risks associated with the asset. The forecasted operating march has been based on past performance and management's expectations in the market. Growth over periods beyond the 5-year period is estimated to be 3% (3%), which coincides with the Group's long-term assumption of inflation and the long-term growth of the market.

Based on the assumptions presented above, the value in use exceeds the recognized goodwill value. Reasonable changes to the above assumptions would not result in any impairment requirement for goodwill.

16 Other intangible assets

	Group	
	2019-12-31	2018-12-31
Input acquisition values	489 320	427 716
Acquisitions*	56 392	34 514
Sale of subsidiaries	-19 818	-
Purchase	36 061	18 783
Reclassification from short-term receivable	17 081	-
Sales/disposal	-5 820	-858
Exchange rate differences	3 912	9 165
Closing ack. acquisition values	**577 128**	**489 320**
Opening depreciation	-68 039	-45 989
Sales/disposal	5 061	469
Sale of subsidiaries	11 126	-
Depreciation for the year	-34 026	-21 929
Exchange rate differences	-280	-590
Closing ack. depreciation	**-86 158**	**-68 039**
Opening write-downs	-124 518	-124 518
Write-downs for the year**	-147 230	-
Exchange rate differences	1 951	-
Closing ack. depreciation	**-269 797**	**-124 518**
Closing carrying amount	**221 173**	**296 763**

* In 2018, an acquisition of customer contracts in Denmark. The value of them amounted to SEK 34.5 million and they are depreciated in 7 years. In 2019, two acquisitions were made. In Norway, Tjuvholmen Drift AS was acquired. The acquisition included a customer base that was allocated a value of SEK 21.8 million. Depreciation takes place over 7 years. In Denmark, additional shares were acquired in the associated company Newsec Advisory A/S, which resulted in the company becoming a subsidiary of the Group. In connection with this acquisition, a customer base was identified that was allocated a value of SEK 34.6 million. In 2019, parts of this customer base have been written down with a value of SEK 17.1 million. The unwritten customer relationships are depreciated in 5 years.

** During the year, customer relationships regarding Newsec Datea A/S and Newsec Advisory A/S have been written down with a total value of SEK 128 million. In addition, write-downs have also been made in the Group's subsidiaries regarding various types of intangible assets that are no longer considered to provide economic benefits in the future.

17 Furniture

	Group		Parent	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
Input acquisition values	164 113	137 784	1 925	432
Acquisition of companies	1 260	-	-	-
Sale of subsidiaries	-3 106	-	-	-
Purchase	24 669	30 433	642	1 542
Sales/disposal	-3 633	-8 108	-	-49
Exchange rate differences	3 102	4 004	-	-
Closing ack. acquisition values	**186 405**	**164 113**	**2 567**	**1 925**
Opening depreciation	-113 497	-99 735	-422	-333
Sales/disposal	3 055	7 658	-	49
Sale of subsidiaries	1 224		-	-
Depreciation for the year	-21 656	-18 840	-653	-138
Exchange rate differences	-1 863	-2 580	-	-
Closing ack. depreciation	**-132 737**	**-113 497**	**-1 075**	**-422**
Opening write-downs	-	-	-	-
Write-downs for the year	-3 719	-	-	-
Closing ack. write-downs	**-3 719**	**-**	**-**	**-**
Closing carrying amount	**49 949**	**50 616**	**1 492**	**1 503**

18 Rights

The Group leases a number of assets such as buildings and cars. The leases are normally written for fixed periods of 3 to 5 years. The average lease term is 5 years. The Group recognises leasing fees for short-term leases and low-value assets leasing in accordance with the relief rule in IFRS 16, paragraph 6.

Leases for premises are negotiated locally and separately for each contract and contain a large number of different contract terms. The Group has no call options or guarantees residual values. The leases do not contain any special conditions, covenants or restrictions that would terminate the contracts, but the leased assets may not be sold or pledged or used as collateral for loans.

In the case of leases for premises, the Group must keep these properties in good condition and restore the premises in acceptable condition upon termination of the lease. Furthermore, the Group must carry out and pay for the necessary maintenance in accordance with the rental contracts.

Options to extend agreements are included in a number of the Group's leases regarding premises to increase flexibility in the business. When determining the length of the lease, management takes into account all available information that provides a financial incentive to exercise an extension option, or not to exercise an option to terminate a contract. Possibilities to extend a contract are only included in the length of the lease if it is reasonably certain that the Group will extend the lease term (or not terminated). As of December 31, 2019, there are both extension periods included in the lease term and extension options that are deemed not reasonably safe and thus not included in the lease liability.

Leasing fees are mostly fixed fees. For a number of leases, there are future lease payments based on a consumer price index that are not included in the lease liability/value of the right of use as long as the change in the consumer price index or variable interest rate has not occurred. Property tax costs are considered a variable lease payment and are therefore not included in the lease liability.

In 2018, the Group had a number of financial leases for cars that were recognized as usufruct in the balance sheet in accordance with IAS 17. The transition effect to IFRS 16 for cars is SEK 5,457 thousand and for existing buildings SEK 389,860 thousand.

Cars	**Group**	
	2019-12-31	**2018-12-31**
Cost		
As of January 1 (incl. transition effect IFRS 16)	21 077	19 052
Adjustment of additional rights of use	5 570	1 939
Adjustment of completed rights of use	-2 716	-5 371
Exchange rate differences	43	-
Closing ack. acquisition values	**23 931**	**15 620**
Accumulated depreciation and amortization		
As of January 1	-8 385	-8 950
Adjustment of completed rights of use	1 351	2 590
Depreciation for the year	-7 744	-1 836
Exchange rate differences	34	-189
Closing ack. depreciation	**-14 744**	**-8 385**
Closing carrying amount	**9 187**	**7 235**

Buildings	**2019-12-31**
Cost	
As of January 1, 2019	389 860
Adjustments to additional rights of use	38 606
Adjustment of completed rights of use	-3 053
Sale of subsidiaries	-29 522
Exchange rate differences	4 196
Closing ack. acquisition values	**400 087**
Accumulated depreciation and amortization	
As of January 1, 2019	-
Adjustment of completed rights of use	3 053
Sale of subsidiaries	3 757
Depreciation for the year	-89 553
Exchange rate differences	1 508
Closing ack. depreciation	**-81 235**
Closing carrying amount	**318 852**

An estimated one-tenth of car leases expire in the current financial year. The expired leases have been replaced by new leases for the underlying assets. This has resulted in an increase in rights of use of SEK 3 million in 2019. The remaining increase is due to the increased number of employees within the Group. The share of leases for buildings expiring in the current year is very low and the additional rights of use during the year mainly relate to new premises as a result of a growing business. During 2019, the Group sold its holding in Datscha AB including subsidiaries, which has a net effect on rights of use of SEK 25.8 million. Leasing debt has also decreased as a result of this by an amount of similar size.

19 Shares in group companies

	Parent	
	2019-12-31	**2018-12-31**
Input acquisition values	522 239	275 137
Repaid shareholder contribution	-	-275 072
Shareholder contributions made	5 150	-
Intra-group takeover of shares at book value	-	529 828
Sale of subsidiaries	-29 957	-
Share of profit limited partnership	162	2 462
Distributions limited partnership	-86	-5 066
Liquidation subsidiaries	-100	-
Write-down	-	-5 050
Closing acquisition values	**497 408**	**522 239**

In December 2019, the parent company sold its shares in Datscha AB. During the year, the subsidiary Orjol AB was also liquidated.

In 2018, a reorganization took place within the Group, which meant that Stronghold Group AB transferred the shares in the following companies to Stronghold Investment AB: Newsec AB, Niam AB, Datscha AB, Orjol AB, Westpartner AB, Niam IV Co-Investment AB, Niam V Co-Investment AB, Stronghold Business IT AB and Niam Core Plus Investment KB. The transfer made to book values. In 2018, the value of the shares in Stronghold Business IT AB (now Cikoria Partners AB) was also written down to zero as the subsidiary's operations have been transferred to another company within the Group.

Company, company registration number	Seat	2019-12-31 Capital percentage %*	2018-12-31 Capital share %*	2019-12-31 Carrying amount	2018-12-31 Carrying amount
Stronghold Group AB, 556947-5329	Stockholm	100	100	65	65
Newsec AB, 556644-2348	Stockholm	100	100	251 820	251 820
Newsec Communication AB, 556943-0050 2)	Stockholm		51		
Newsec Infra AB, 556652-7148 1)	Stockholm	51	-		
Newsec Advisory A/S, 32271316 5)	Copenhagen	50,16	-		
Newsec Asset Management AS, 991211241	Oslo	100	100		
Newsec Technical Services AB, 556670-4358	Stockholm	100	100		
Campido Fastighetsförvaltning AB, 556737-2759 3)	Stockholm	-	100		
Sefab gruppen AB (in liquidation), 556388-3254 3)	Stockholm	-	100		
Newsec Sweden AB, 556695-7592	Stockholm	51	51		
Newsec Advice AB, 556305-7008	Stockholm	100	100		
Newsec Capital Markets AB, 556339-0797	Stockholm	100	100		
Newsec Infra AB,556652-7148(fd.Newsec Investment AB)1)	Stockholm	-	100		
Newsec Competence AB, 556557-8555 2)	Stockholm	95	100		
Newsec Nordic Asset Management AB, 556899-7489	Stockholm	100	100		
Newsec PAM Denmark ApS, 38802224	Copenhagen	100	100		
Newsec Datea A/S, 25326296	Copenhagen	100	100		
Newsec Asset Management Oy, 0726489-3	Helsingfors	100	100		
Newsec Asset Management AB, 556348-0283	Gothenburg	100	100		
Newsec Basale AS, 959 718 482	Trondheim	100	100		
Bekkestua Senter Drift AS, 913435559 3)	Oslo	-	100		
Venator AS, 984 500 106	Trondheim	100	100		
Newsec Fornebu AS, 920216641	Trondheim	100	100		
Newsec Naeringsmegling AS, 866 323 372	Trondheim	100	100		
Newsec Drift AS, 993 276 863	Trondheim	100	100		
Newsec Sör AS, 816 226 202	Trondheim	51	51		
Sameiedrift AS, 998 314 712	Trondheim	100	100		
Sameiedrift 2 AS, 912 494 462	Trondheim	100	100		
Fellesservice AS, 914 827 507	Trondheim	100	100		
OCA Drift AS, 915 439 241	Trondheim	100	100		
Drift AS Gallery, 915 439 241	Trondheim	100	100		
Tjuvholmen Drift AS, 991 060 014 5)	Oslo	100	-		
Newsec AS, 986033033	Oslo	51	51		
Newsec Advice Oy, 2259752-2	Helsingfors	51	51		
Newsec Valuation Oy, 0629716-7 4)	Helsingfors	-	100		
UAB Resolution Holdings, 302310538 6)	Vilnius	59,16	51,67		
UAB Newsec Valuations, 126212869	Vilnius	100	100		
UAB Newsec Property Management, 300050216	Vilnius	100	100		
Sia Newsec Valuations LV, 40103216919	Riga	100	100		
Sia Resolution Property Management LV, 40103216783	Riga	100	100		
OU Newsec Advisers EE, 11388266	Tallinn	100	100		
OU Newsec Valuations EE, 11930446	Tallinn	100	100		
OU Newsec Property Management EE, 11266439	Tallinn	100	100		
NWC Valuations LT UAB, 302310552	Vilnius	100	100		
Newsec Advisers LT UAB, 302504219	Vilnius	100	100		
Newsec LV SIA, 40103379173	Riga	70	70		
UAB Newsec Finance LT, 302819916	Vilnius	100	100		
UAB Newsec Project Management, 304910019	Vilnius	100	100		

UAB Resolution LT, 300631876 5)	Vilnius	100	-		
Niam AB, 556339-0789	Stockholm	100	100	227 700	222 550
Niam Lux Management S.á.r.l	Luxembourg	100	100		
Niam Core Plus II Luxemburg S.á.r.l	Luxembourg	100	100		
Niam AS, 991478361	Oslo	100	100		
Niam OY, 2129219-6	Helsingfors	100	100		
Niam Project Development AB, 556783-9922	Stockholm	100	100		
Niam VI Investment KB, 969773-9291 8)	Stockholm	58,155	55,13		
Niam VII Investment KB 8)	Stockholm	54,17	-		
Niam Core Plus II Investment KB, 969778-3224 8)	Stockholm	57,155	51,555		
Niam Core Plus Investment KB, 969715-3907 8)	Stockholm	-	5,15		
Niam VI Co-Investment AB, 556865-2837	Stockholm	100	100		
Niam Fund Accounting, 556987-0966	Stockholm	100	100		
Niam Denmark A/S, DK33495137	Copenhagen	100	100		
Niam Core Plus Investment KB, 969715-3907	Stockholm	55,15	50	449	373
Niam IV Co-Investment AB, 556740-4297	Stockholm	100	100	59	59
Niam V Co-Investment AB, 556833-1192	Stockholm	78	78	17 215	17 215
Orjol AB, 556662-8946 3)	Stockholm	-	100	-	100
Westpartner AB, 556730-2731	Stockholm	100	100	100	100
Cikoria Partners AB, 559008-4900 9)	Stockholm	100	100	-	-
Datscha AB, 556578-7503 7)	Stockholm	-	100	-	29 957
Datscha UK Ltd, 08956124	London	-	100		
Datscha Oy, 2349669-4	Helsingfors	-	100		
				497 408	**522 239**

* As well as voting rights share

1) During the year, Newsec Sweden AB sold all its shares in Newsec Infra AB (formerly Newsec Investment AB) and instead Newsec AB has acquired 51 percent in the company. Ownership in the Group is thus unchanged between the years.

2) In 2019, Newsec AB has also sold 5 percent of the shares in Newsec Competence AB to a minority shareholder and sold all shares in Newsec Communication AB.

3) Four companies in the Group have been liquidated in 2019; Campido Fastighetsförvaltning AB, Sefab gruppen AB, Orjol AB and Bekkestua Senter Drift AS.

4) As of 30 November 2019, Newsec Valuation Oy was merged into its parent company Newsec Advice Oy.

5) In 2019, three companies have been acquired; Tjuvholmen Drift AS, UAB Resolution LT and Newsec Advisory A/S. Newsec Advisory A/S was an associated company in the 2018 financial statements.

6) During the year, the Baltic parent company acquired shares in itself, which affects the ownership share. In addition, Newsec AB has also acquired additional shares in the company.

7) In December 2019, Stronghold Invest AB sold its shares in Datscha AB.

8) During the year, Niam AB has acquired shares from employees in some of the limited partnerships, which affects the ownership. In addition, Niam AB has sold its 5.15% stake in Niam Core Plus Investment KB to Stronghold Invest AB. The total ownership of this company in the Group remains unchanged between the years.

9) During the year Stronghold Business IT AB changed its name to Cikoria Partners AB.

20 Shares in associates

	Group		Parent	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
Input acquisition values	32 970	7 428	7 200	7 200
Profit share, movement	-13	1 723	-	-
Share of profit, financial	3 476	4 527	-	-
Sale	-447	-1 073	-211	-
Write-down associated company incremental acquisition	-3 947	-	-	-
Turnaround earn-out	-1 777	-	-	-
Reclassification to subsidiaries	-15 863	-	-	-
Acquisition	686	19 913	-	-
Currency revaluation	-121	452	-	-
Closing acquisition values	**15 064**	**32 970**	**6 989**	**7 200**

Associate company, company registration number	**Seat**	**2019-12-31**	**2018-12-31**
		Equity %*	**Equity %***
Tessin Nordic AB, 556965-9187	Stockholm	28,46	31,92
Newsec Advisory A/S, 32 27 13 16	Copenhagen	-	33,34
UAB Trecia diena, 304211859	Vilnius	47,5	46,8
NAS Nutrition Mediation AS, 922183155	Stavanger	45,4	-

* As well as voting rights share

As of August 1, 2019, Newsec AB acquired additional shares in Newsec Advisory A/S. The holding now amounts to 50.16% and the company is no longer an associated company but a subsidiary. In connection with the step-by-step acquisition, the associated company share has been valued at fair value based on the acquisition price of the new shares and the effect has been taken over the income statement. The revaluation effect was a cost of SEK 3,847 thousand.

During the spring, 45.4 percent of the shares in the Norwegian company NAS Näringsmedling AS were also acquired for SEK 686 thousand.

A new share issue has been made in Tessin Nordic AB during the year. Stronghold did not participate in the rights issue, whereby the ownership was diluted from 31.92 percent to 29.33 percent. The new share issue was made at a premium, which has enriched Tessins Nordic AB's equity and thereby also enriched Stronghold. The value of Tessin Nordic AB has been adjusted with the Group's share of the change in the company's net assets as a result of the new share issue and is reported as a result from associated companies. Since then, Stronghold Invest AB has also sold shares in Tessin Nordic AB and as of December 31, 2019, the holding is 28.46%. The capital gain result in the Group amounts to SEK 1,428 thousand and in the Parent Company to SEK 1,664 thousand.

During the autumn, contributions were made to UAB Trecia diena, which has led to an increase of 0.7 per cent in the holding.

Condensed financial information relating to associates		2019-12-31	2018-12-31
Total assets		65 569	76 260
Total liabilities		-29 461	-34 906
Total net assets		36 108	41 354
The Group's share of associates' net assets		**10 378**	**13 452**
Total revenue		31 931	63 127
Total profit for the year		-15 697	-3 381
The Group's share in the associated company's earnings		**3 463**	**6 250**
Impairment losses		**3 947**	**-**
The Group's share in the associate's other comprehensive income		**-**	**-**

21 Derivative instruments

Group	2019-12-31		2018-12-31	
	Assets	Debts	Assets	Debts
Currency futures	5 586	7 195	6 924	4 872
Interest rate swaps	1 643	-	-	4 171
Sum	**7 229**	**7 195**	**6 924**	**9 043**
Of which long-term part	5 451	1 327	5 420	4 171
Of which short-term part	1 778	5 868	1 504	4 872
Sum	**7 229**	**7 195**	**6 924**	**9 043**

Derivatives are entered into for risk management purposes only. All derivatives in the Group have matching terms with underlying transactions.

Derivative instruments held for trading are classified as financial fixed assets/current assets or long-term liabilities/current liabilities depending on when they mature.

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

	Derivative value	Settlement amount	Net
Derivatives with positive values	7 229	-7 195	34
Derivatives with negative values	-7 195	7 195	-

22 Other long-term receivables

	Group		Parent	
	2019-12-31	2018-12-31	2019-12-31	2018-12-31
Long-term securities holdings	115 676	96 608	36 857	26 529
Other long-term receivables	31 136	31 406	-	-
Sum	**146 812**	**128 014**	**36 857**	**26 529**

Long-term securities holdings refer to shares in companies Niam V Holding AB and Niam VI Holding AB and a number of smaller shareholdings in various companies. During the year, the parent company invested in ABRF

Holding AB, where 8 percent of the shares in the company were acquired. The shareholdings are measured at fair value above the income statement.

Other long-term receivables relate mainly to the receivables of Niam V Holding AB and Niam VI Holding AB.

23 Accounts receivable

The following is information on trade receivables for 2019 and 2018 in accordance with IFRS 9:

	Group	
	2019-12-31	**2018-12-31**
Trade receivables, gross	352 435	344 808
Expected credit losses, general assessment	-7 430	-7 924
Expected credit losses, individual assessment	-4 961	-2 751
Total trade receivables, net of reserve for expected credit losses	**340 044**	**334 133**

Provisions for expected credit losses	**Group**	
	2019-12-31	**2018-12-31**
Provisions at the beginning of the year	-10 675	-2 845
Power transition to IFRS 9	-	-2 505
Settled claims	10 675	5 350
Expected credit losses, general assessment	-7 430	-7 924
Expected credit losses, individual assessment	-4 961	-2 751
Total trade receivables, net of reserve for expected credit losses	**-12 391**	**-10 675**

Management considers that the carrying amount of trade receivables, net of expected credit losses, is a good approximation of the fair value of the receivables.

Group Age analysis trade receivables	**2019-12-31**		
	Accounts receivable gross	**Reserve expected credit losses, individual**	**Accounts receivable, net**
Not overdue	241 999	-	241 999
Overdue 30 days	78 574	-	78 574
Expired 31-60 days	14 316	-	14 316
Overdue 61-90 days	6 320	-53	6 267
Overdue 90-120 days	3 410	-184	3 226
Overdue > 120 days	7 816	-4 724	3 092
Sum	**352 435**	**-4 961**	**347 474**

Group Age analysis trade receivables	2018-12-31		
	Accounts receivable gross	Reserve expected credit losses, individual	Customer receivables, net
Not overdue	244 302	-	244 302
Overdue 30 days	67 419	-300	67 119
Expired 31-60 days	11 453	-186	11 267
Overdue 61-90 days	3 598	-20	3 578
Overdue 90-120 days	3 610	-899	2 711
Overdue > 120 days	14 426	-1 346	13 080
Sum	**344 808**	**-2 751**	**342 057**

General expected credit loss	Share as Defaulted	Adjustment for Expectations	Probability for default
Not overdue	0%	0,1%	0,1%
Overdue 30 days	0%	1%	1,0%
Expired 31-60 days	0%	2%	2,0%
Overdue 61-90 days	4,1%	2%	6,1%
Overdue > 90 days	-	-	100%

There is no indication that the likelihood of default has changed compared to 2018.

	2019-12-31		
	Accounts receivable net	Adjustment*	Expected credit losses, general
Not overdue	241 999	-	-243
Overdue 30 days	78 574	-5 131	-734
Expired 31-60 days	14 316	-937	-268
Overdue 61-90 days	6 267	0	-379
Overdue >90 days	6 318	-512	-5 806
Sum	**347 474**	**-6 580**	**-7 430**

	2018-12-31		
	Accounts receivable net	Adjustment*	Expected credit losses, general
Not overdue	244 302	-4 938	-240
Overdue 30 days	67 119	-	-671
Expired 31-60 days	11 267	-	-225
Overdue 61-90 days	3 578	-	-215
Overdue >90 days	15 791	-9 219	-6 572
Sum	**342 057**	**-14 157**	**-7 924**

* An adjustment is made when calculating general expected credit loss. The adjustment relates to receivables where there is not considered to be any risk as a result of claims on Niam's funds. Historically, there are no customer losses related to these claims and the business arrangement is based on payment being made when the funds start generating a certain return. Although these claims are older than 90 days, they are included in the category that is written down by 0.1 percent.

24 Receivables from group companies

Long-term	Parent	
	2019-12-31	**2018-12-31**
Opening cost	966 911	535 880
Additional receivables	92 449	466 044
Receivables taken over*	-	10 063
Currency conversion	14 891	-1 876
Settled claims	-20 700	-43 200
Closing accumulated cost	**1 053 551**	**966 911**
Short-term	**Parent**	
	2019-12-31	**2018-12-31**
Opening cost	201 128	191 483
Additional feeds	299 749	201 128
Settled claims	-201 128	-191 483
Closing accumulated cost	**299 749**	**201 128**

* In 2018, there was a transfer of shares in subsidiaries and long-term receivables from the subsidiary Stronghold Group AB to Stronghold Invest AB. The transfer was made at book values.

25 Contract assets

	Group	
	2019-12-31	**2018-12-31**
Accrued license fees	-	120
Accrued fund manager fees	4 169	90 247
Accrued fee income	158 035	116 085
Sum	**162 204**	**206 452**

In essence, the contract assets that existed in 2018 have been invoiced to customers in 2019.

A large part of the accrued fee revenues are in the Advisory segment. As the business looks in this segment, prepaid fees are an item that fluctuates a lot because it depends on when trades are closed and invoiced. For example, in real estate transactions, the revenue recognition takes place when signing sales contracts, while invoicing does not take place until the new buyer takes over the property. In Property Management, monthly fees are invoiced in arrears to certain customers.

Accrued fund manager fees fluctuate depending on which funds are ongoing and what the billing conditions are for each fund. In 2018, the Group began to manage a large fund where revenues could be taken already in 2018, but invoicing was not allowed to take place until 2019, which resulted in high accrued fees. In 2019, invoicing and revenue keeping may take place in the same year, whereby the corresponding item is not among the contract assets.

26 Prepaid costs and accrued revenue

	Group		Parent	
	2019-12-31	2018-12-31	2019-12-31	2018-12-31
Prepaid rents	1 933	11 171	-	-
Prepaid insurance	1 298	1 761	-	-
Prepaid salary-related expenses	7 379	-	-	-
Other prepaid costs	34 817	35 369	1 804	986
Other accrued revenues	6 683	1 403	54	60
Sum	**52 110**	**49 704**	**1 858**	**1 046**

Prepaid rents are lower than in 2018 as a result of IFRS16. See the accounting policies for describing the transition effect.

27 Other short-term receivables

	Group		Parent	
	2019-12-31	2018-12-31	2019-12-31	2018-12-31
Tax account	11 450	4 353	1 061	-
VAT claim	3 073	5 360	-	-
Claim Niam Nordic Inv. Fund VI, VII and Core Plus	26 662	20 699	-	-
Advances to supplier	-	17 010	-	-
Other short-term receivables	50 512	33 784		3 335
Sum	**91 697**	**81 206**	**1 061**	**3 335**

28 Cash and cash equivalents and client funds

	Group		Parent	
	2019-12-31	2018-12-31	2019-12-31	2018-12-31
Cash register and bank	799 216	197 011	159 632	2 142
Client funds	156 661	167 957	-	-
Sum	**955 877**	**364 968**	**159 632**	**2 142**

The overdraft facility granted is SEK 84 million (77). SEK 5.5 million of the overdraft facility in one of the Group's subsidiaries is used as of the balance sheet date.

Client funds
Cash and cash equivalents are managed in the subsidiaries Newsec Asset Management AB, Newsec Asset Management Oy, Newsec Basale AS, Newsec Datea A/S and Newsec AS on behalf of clients. The funds are managed on the basis of management agreements, which normally run for three years. Client funds on the liability side refer to liabilities on behalf of customers and amount to the corresponding amount available on the asset side. The funds do not belong to the Group and are not included in the Group's wealth pool when calculating key ratios. Client funds are also not included in the Group's cash flow statement.

29 Share capital

At the beginning of the financial years 2019 and 2018, the registered share capital amounted to 1,000,000 shares with a quota value of SEK 10.

30 Conversion reserve

The translation reserve includes all exchange rate differences that arise from the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

31 Untaxed reserves

	Parent	
	2019-12-31	**2018-12-31**
Overwrites	682	378
Sum	**682**	**378**

32 Liabilities to credit institutions

	Group		Parent	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
Debt to credit institutions	777 891	778 698	772 233	777 800
Revolving credit facility	-	-	-	-
Sum	**777 891**	**778 698**	**772 233**	**777 800**

As of December 31, 2019, SEK 45 million (SEK 39 million) was classified as short-term debt in the Parent Company. The remaining part of the short-term debt in the Group as of December 31, 2019 is due to a Danish subsidiary having used SEK 5.6 (-) million of its overdraft facility.

In addition to the bank loans and the overdraft facilities used in one of the Group's newly acquired companies, there is an unused overdraft facility of SEK 78.5 million (77). There is also a revolving credit facility of SEK 150 million (150). In 2019, SEK 50 million was utilized and repaid by this credit facility. In 2018, none of the credit facility was used.

The Group has a financing that means that the banks follow up two different covenants, which are reported quarterly. Net Debt/EBITDA means that the Group's indebtedness in relation to EBITDA may not exceed 3.5. In addition, the cash coverage ratio is followed, which shows that the Group's ongoing earnings cover the payment of interest, amortization and investments. The ratio must not exceed 1. The Group does not violate any covenants as of December 31, 2019.

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

Maturity structure of loan agreements	Group		Parent company	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
2019	-	-	-	-
2020	5 658	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	772 233	778 698	772 233	777 800
2024	-	-	-	-
Sum	**777 891**	**778 698**	**772 233**	**777 800**

The Group's bank loan in 2019 amounts to a total of SEK 778 million, of which SEK 5.6 million is an overdraft facility used. Of the bank loans, SEK 405 (400) million is amortization-free.

Interest rate maturity structure
All external loans, except the overdraft described above, are located in the parent company whereby the interest rate maturity structure of the parent company and the Group in principle corresponds to each other.

In 2019, SEK 303 million of the Group's loans are not secured with interest rate swaps. These are variable interest rate plus agreed margin. The corresponding figure in 2018 was SEK 194 million. The interest rate swaps mature during the period December 2024 to January 2025.

Interest rate maturity	**Group**		**Parent company**	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
2023	51 023	66 635	51 023	66 635
Sum	**51 023**	**66 635**	**51 023**	**66 635**

33 Other long-term liabilities

	Group		**Parent**	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
Option debt	-	3 110	-	3 110
Shareholder loans	9 023	-	-	-
Long-term bonus liability	30 756	21 773	-	-
Other	2 776	2 737	-	-
Sum	**42 555**	**27 620**	**-**	**3 110**

Other long-term liabilities consist mainly of long-term liabilities relating to bonuses. In addition, there are also long-term shareholder loans to the minority shareholders in the newly acquired Danish company Newsec Advisory A/S. Last year, there were long-term liabilities valued at fair value on the options issued in Datscha AB. The entire option debt was in the parent company. However, these liabilities were settled in December 2019 in connection with the sale of Datscha when the option holders received part of the sale price.

Share-based employee benefits
In 2016, a program regarding share-based remuneration was issued to selected senior executives and other key employees in Datscha AB. The share-based considerations issued in 2016 consisted of a call option for existing shares that Stronghold Invest AB owns in Datscha AB. The options were issued in September 2016 and ran for five years. The price was SEK 54.98. The options could be exercised no earlier than 5 years after issue. The purpose of the incentive program was to create conditions for retaining competent staff within Datscha. In 2018, a large part of the call options were repurchased and instead a new incentive program was issued in the form of warrants. Regulation has been expected to take place through repurchases of the options whereby the program has been handled as a cash-regulated program. No new call options have been allotted in 2019. In connection with the sale of Datscha AB to an external player during December 2019, all call options were repurchased and regulated as part of the sale result.

Number of call options	**2019**	**2018**
Outstanding at the beginning of the year	56 560	415 110
Repurchased during the year	-56 560	-358 550
Sum	**0**	**56 560**

Average exercise price in SEK per call option	**2019**	**2018**
At the beginning of the year	43,93	24,79
Awarded during the year	-	19,14
Repurchased during the year	-43,93	-
At the end of the year	**0,00**	**43,93**

In April 2018, a new incentive program was issued to selected senior executives and other key employees in Datscha AB. The incentive program consisted of warrants for existing shares that Stronghold Invest AB owns in Datscha AB. The price per option was set at SEK 13.22. The warrant program ran until April 2022. The price was set at SEK 68.07. The options could be exercised no earlier than 3 years after issue. Regulation was expected to take place through the repurchase of the options whereby the program has been handled as a cash-regulated program. The purpose of the incentive program was to create conditions for retaining competent staff within Datscha. No new warrants have been allotted in 2019. In connection with the sale of Datscha AB to an external player during December 2019, a number of warrants were used to acquire shares in Datscha AB and the remaining options were sold and regulated as part of the sale result.

Number of warrants	2019	2018
Outstanding at the beginning of the year	336 860	-
Awarded during the year	-	336 860
Sold during the year	-336 860	-
Sum	**0**	**336 860**

Average exercise price in SEK per warrant	2019	2018
At the beginning of the year	68,07	-
Awarded during the year	-	68,07
Sold during the year	-68,07	-
At the end of the year	**0,00**	**68,07**

For the share-based remuneration that is settled with cash, the debt to the employees of the subsidiary Datscha AB has been calculated by taking the difference between the current valuation of the company and the exercise price of the options paid multiplied by the number of options issued in the company. However, as of December 31, 2019, there is no debt left as a result of the settlement that took place in connection with the sale of Datscha AB.

This year's cost of share-based compensation settled with cash in connection with the sale of Datscha amounts to SEK 18,463 thousand and is included as part of the capital gain. The total debt as of December 31, 2019 amounts to SEK - (3,110) thousand.

34 Lease

Below is information about the lease liability for the Group for 2019 in accordance with IFRS 16.

The Group as a lessee has financial and operational leases for passenger cars and premises for which liabilities are included in the Group's statement of financial position. Note 4 presents a maturity analysis of the lease liabilities. The long-term part amounts to SEK 232,891 thousand and the short-term part to SEK 89,969 thousand.

Below is information about the lease liability of the Group for 2018 in accordance with IAS 17.

The Group as a lessee has financial leases for passenger cars for which liabilities are included in the Group's report on financial position. The average lease term is 3 years. The lease payments do not change during the period with the exception of the interest rate changes that occur where the interest is linked to STIBOR. There is a possibility of extending the agreements beyond the current rental period.

The carrying amount of leased assets is shown in Note 18. The lease period for cars is 3 years.

Liabilities financial leases:

	Minimum lease fees	Present value of minimum lease fees
	2018-12-31	2018-12-31
Expiration date:		
Within a year	1 552	1 597
Between 1 and 5 years	5 087	4 932
Sum	**6 639**	**6 529**
Departs future financial expenses	-110	-
Sum	**6 529**	**6 529**
Long-term part	5 087	4 932
Short-term part	1 552	1 597
	6 639	**6 529**

35 Holdings without control

The Stronghold Group has a number of non-wholly owned subsidiaries and sub-groups, of which two sub-groups are considered to have a significant minority interest.

Baltic Group
The Baltic sub-group, with UAB Resolution Holdings (302310538) as the parent company, has a minority holding amounting to 40.84 percent (48.33 percent) of the shares and voting rights in the company. During 2019, the Baltic parent company has acquired shares in itself and in addition, the Stronghold Group has acquired additional shares in which the minority has decreased compared to the previous year. During the financial year, the result attributable to the minority amounts to 7,687 (2,061) and the accumulated minority interest amounts to 4,107 (2,423) as of December 31, 2019. Below is summarized financial information for the Baltic sub-group:

Total income statement	**2019**	**2018**
Net sales	95 502	57 843
Operating income	19 246	4 875
Profit after tax for the period before minority	15 706	4 230
Other comprehensive income	381	1 599

Total balance sheet	**2019-12-31**	**2018-12-31**
Fixed assets	13 158	10 362
Current assets	23 748	16 261
Total assets	**36 906**	**26 623**
Long-term liabilities	154	593
Current liabilities	19 846	13 363
Total liabilities	**20 000**	**13 956**
Equity attributable to the parent company's shareholders	12 799	10 244
Holdings without control	4 107	2 423

Newsec Sweden Group
The Newsec Sweden Group, with Newsec Sweden AB (556695-7592) as the parent company, includes the Swedish advisory companies. The minority holding amounted to 49 percent (49 percent) of the shares and voting rights in the company as of December 31, 2019. During the financial year, profit attributable to the minority

amounted to 9,271 (14,868) and the accumulated minority interest amounts to 6,049 (9,742) as of December 31, 2019. The following is summary financial information for the sub-Group:

Total income statement	**2019**	**2018**
Net sales	151 874	164 111
Operating income	24 159	41 560
Profit after tax for the period before minority	18 920	30 977
Other comprehensive income	-	-

Total balance sheet	**2019-12-31**	**2018-12-31**
Fixed assets	3 109	136
Current assets	56 022	70 281
Total assets	**59 131**	**70 417**
Long-term liabilities	6 376	7 418
Current liabilities	40 587	42 163
Total assets	**46 963**	**49 581**
Equity attributable to the parent company's shareholders	6 119	11 094
Holdings without control	6 049	9 742

Niam Core Plus Investment KB, Niam VI KB, Niam VII KB och Niam Core Plus II Investments KB
The minority holding in Niam Core Plus Investment KB amounts to 49.85 percent of the shares and voting rights in the company. During the financial year, profit attributable to the minority amounts to SEK 145 (242) thousand and the accumulated minority interest amounts to -2,003 (-2,071) as of December 31, 2019.

The minority holding in Niam VI KB amounts to 41.85 percent of the shares and voting rights in the company. During the financial year, profit attributable to the minority amounts to SEK 363 (472) thousand and the accumulated minority interest amounts to SEK 9,721 thousand (9,442) as of December 31, 2019.

The minority holding in Niam Core Plus II Investment KB amounts to 42.845 percent of the shares and voting rights in the company. During the financial year, the result attributable to the minority amounts to SEK -27 (59) thousand and the accumulated minority interest amounts to SEK 930 (-) as of December 31, 2019.

The minority holding in Niam VII KB amounts to 45.83 percent of the shares and voting rights in the company. The company was founded in 2019. During the financial year, earnings attributable to the minority amounted to SEK 68 (59) thousand and the accumulated minority interest amounts to SEK 2,237 (1,742) as of December 31, 2019.

In these companies, the staff invests in Niam's funds. The result is distributed in accordance with the agreement. Each company's operations and balance sheet are deemed to be immaterial and, in addition, the companies do not have any impact on the Group's cash flow until promote is paid out from the fund. As a result, no information is provided about the companies' balance sheet and income statement.

36 Liabilities to group companies

Short-term	**Parent**	
	2019-12-31	**2018-12-31**
Opening cost	258 940	230 972
Additional liabilities	58	258 940
Settled claims	-258 940	-230 972
Closing accumulated cost	**58**	**258 940**

Long-term	Parent	
	2019-12-31	**2018-12-31**
Opening cost	33 000	-
Additional liabilities	-	33 000
Settled claims	-33 000	-
Closing accumulated cost	**-**	**33 000**

37 Deferred tax

Temporary differences exist where the reported and tax values of assets or liabilities are different. The group's and the parent company's temporary differences have resulted in deferred tax liabilities and deferred tax assets in respect of the following items:

	Group	
	2019-12-31	**2018-12-31**
Deferred tax assets		
Temporary difference in derivative instruments	3	1 012
Deficit deduction	14 782	13 557
Temporary difference in credit reserve trade receivables	1 590	1 694
Other	5 092	2 086
Total deferred tax assets	**21 467**	**18 349**
Deferred tax liabilities		
Untaxed reserves	7 297	8 285
Acquisitions*	32 451	48 769
Temporary difference in other assets measured at fair value	9 203	7 409
Other	8 052	2 001
Total deferred tax liabilities	**57 003**	**66 464**
Total deferred tax assets and liabilities, net	**-35 536**	**-48 115**

*Acquisitions refer to deferred tax that arises from temporary differences linked to acquired customer relationships.

The Group and the parent company recognise deferred tax assets to the extent that the deductions are likely to be offset against surpluses in future taxation. The Parent Company has no deferred tax assets and liabilities as of December 31, 2018 and 2019.

Of the deferred tax assets relating to deficits, the majority relate to SEK 14 million (12) to Denmark. There is no time limit regarding the exercise of the reported deficit deductions. The deficits are expected to be used in the foreseeable future based on the companies' budget and future forecasts.

The Group has not reported deferred tax assets for loss deductions of SEK - (3) million. There is no time limit regarding the use of unrecognised temporary differences.

Changes in deferred tax assets and liabilities during the year are shown below:

Group Change deferred tax assets	Deficit deductions	Temporary differences trade receivables	Derivatives instruments	Other	Sum
As of January 1, 2018	2 041	-	1 632	1 449	5 122
Transition to IFRS 9 over equity	-	551	-	-	551
Reported in the income statement	11 516	1 143	-620	637	12 676
As of December 31, 2018	**13 557**	**1 694**	**1 012**	**2 086**	**18 349**
As of January 1, 2019	13 557	1 694	1 012	2 086	18 349
Reported in the income statement	1 225	-104	-1 009	3 006	3 118
As of December 31, 2019	**14 782**	**1 590**	**3**	**5 092**	**21 467**

Group Change deferred tax liabilities	Temporary difference in other assets measured at fair value	Acquisition	Untaxed reserves	Derivatives instruments	Other	Sum
As of January 1, 2018	-	-51 068	-7 373	-174	-3 433	**-62 048**
Reported in the income statement	-7 409	2 299	-912	174	1 432	-4 416
As of December 31, 2018	**-7 409**	**-48 769**	**-8 285**	**-**	**-2 001**	**-66 464**
As of January 1, 2019	-7 409	-48 769	-8 285	-	-2 001	-66 464
Acquisition	-	-17 415	-	-	-	-17 415
Reported in the income statement	-1 794	33 733	988	-	-6 051	26 876
As of December 31, 2019	**-9 203**	**-32 451**	**-7 297**	**-**	**-8 052**	**-57 003**

In 2019, write-downs were made of intangible fixed assets in the form of customer relationships, which also resulted in a decrease in deferred tax liabilities attributable to them and generated large deferred tax revenues.

38 Other provisions

	Group	
	2019-12-31	**2018-12-31**
Opening cost	2 387	3 860
Regulated warranty provision	-2 387	-2 950
Reversed warranty provision	-	-350
Other provisions	4 384	1 827
Closing accumulated cost	**4 384**	**2 387**

39 Contractual liabilities

	Group	
	2019-12-31	**2018-12-31**
Prepaid licence fees	-	58 488
Prepaid fund manager fees	34 977	36 601
Prepaid fee income	45 408	66 609
Sum	**80 385**	**161 698**

No significant income has been recognized in 2019 that are attributable to performance commitments in previous periods.

Licence fees are usually invoiced for a full year in advance and are recognized on a straight-line basis over the term of the contract. As a result of the sale of Datscha, there are no lower contractual liabilities related to license fees in the balance sheet as of December 31, 2019. Other advance invoices refer to shorter periods and are usually recognized as early as one to two months when the work is carried out.

40 Accrued costs and prepaid income

	Group		Parent	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
Personnel-related costs	366 965	339 284	2 273	3 082
Accrued interest expenses	6 948	11 508	4 701	3 532
Rental compensation *	17 276	20 113	-	-
Other accrued costs	33 876	32 788	12 279	2 656
Sum	**425 065**	**403 693**	**19 253**	**9 270**

* In 2018, one of the Group's Norwegian companies took over a rental contract with a rent that was significantly higher than market rent. As compensation for this, the company received a one-off payment of NOK 22 million. The rental compensation is dissolved over time as a reduction in the rental cost paid.

41 Collateral and contingent liabilities

Collateral provided

	Group		Parent	
	2019-12-31	**2018-12-31**	**2019-12-31**	**2018-12-31**
For liabilities relating to leases				
Cars, fixed assets	9 187	7 235	No	No
For loan debts and overdraft facilities				
Office furniture*	2 116	-	-	-
Shares in subsidiaries**	746 537	954 973	479 520	474 370
Sum	**757 840**	**962 208**	**479 520**	**474 370**

* In one of the Group's Danish subsidiaries, office furniture is pledged as collateral for the overdraft facility.

** The shares in Niam AB, Newsec AB, Newsec Nordic AB, Newsec Basale AS, Newsec Asset Management Oy and Newsec PAM Denmark ApS are provided as collateral for the bank loan. The subsidiaries' net assets are used as the value of the security in the Group. The parent company has also issued a parent company guarantee as collateral for Niam's ISDA agreement.

Contingent liabilities

	Group		Parent	
	2019-12-31	2018-12-31	2019-12-31	2018-12-31
Rental guarantees	3 230	4 997	No	No
Sum	**3 230**	**4 997**	**No**	**No**

42 Related party transactions

Transactions between the company and its subsidiaries, which are related to the company, have been eliminated during consolidation and information about these transactions is therefore not provided in this note. Information about transactions between the Group and other related parties is presented below.

Sale of goods and services	**Parent**	
	2019	**2018**
Subsidiaries in the Group	45 386	38 873
Sum	**45 386**	**38 873**
Purchase of goods and services	**Parent**	
	2019	**2018**
Subsidiaries in the Group	5 559	5 557
Sum	**5 559**	**5 557**

Receivables and liabilities at year-end

Receivables	**Parent**	
	2019-12-31	**2018-12-31**
Subsidiaries in the Group	1 353 300	1 168 039
Sum	**1 353 300**	**1 168 039**
Debts	**Parent**	
	2019-12-31	**2018-12-31**
Subsidiaries in the Group	58	291 940
Sum	**58**	**291 940**

The sale and purchase of goods and services, as well as the sale and purchase of shares between companies within the Group and related parties, have been made on market terms.

Transactions with other related parties
The CEO's net investment in Niam Nordic Investment Fund Core-Plus through the subsidiary Niam Core-Plus Investment KB amounts to SEK 0.1 (0.1) million. In the Group, this is classified as a liability to the minority.

The CEO's ownership in Stronghold Invest AB goes through an ownership company. The Group has provided this company with various administrative services and re-invoicing of office space amounting to SEK 666 thousand.

All transactions with other related parties have been made on market terms.

Remuneration to senior executives
Information on remuneration to senior executives is presented in Note 10.

43 Business combinations

Newsec Advisory Denmark A/S

At the beginning of the year, Newsec AB owned 33.34 percent of the shares in Newsec Advisory A/S. In the 2018 Annual Report, the holding was thus classified as an associated company share. On August 1, 2019, an additional 16.82 percent was acquired in the company so that Newsec AB now owns 50.16 percent. In connection with the step-by-step acquisition, the previous equity shares have been valued at their fair value at the acquisition date, which has resulted in a loss of SEK 3,847 thousand that is recognized among financial expenses in the Group's income statement.

The acquisition is in line with the Group's goal of establishing advisory operations in Denmark. The acquisition complements the existing operations within Advisory in the Nordic region in terms of service offerings, joint customers and competence.

Below tables show the acquisition of 50.16 percent. The total remuneration presented is the remuneration that would have been paid if 50.16 per cent had been acquired at the time the 16.82 per cent were acquired.

Transferred compensation	
Amount in SEK thousand	
Total transferred compensation	**23 865**

There were no acquisition-related expenses in connection with the acquisition.

Amount recognised at the acquisition date of net acquired assets	
Amount in SEK thousand	23 865
Assets	
Tangible fixed assets	834
Financial fixed assets	986
Accounts receivable	17 981
Cash and cash equivalents (overdraft used)	-5 434
Debts	
Long-term liabilities	-8 606
Deferred tax liability	-6 382
Current liabilities	-3 780
Accounts payable and other liabilities	-4 525
Identifiable assets and liabilities, net	**-8 926**
Minority share of identifiable assets and liabilities, net	**-4 449**
Transferred compensation	23 865
Customer relationships	34 577
Deferred tax liability	-6 234

In connection with the acquisition, the entire acquisition price was allocated to customer relationships. Depreciation takes place in 5 years.

Net cash flow on business combinations	
Amount in SEK thousand	
Cash paid compensation	23 865
Minus: Acquired cash and cash equivalents	-
Reclassification from associated company to subsidiary	-15 863
Net cash flow	**8 002**

The net cash flow of SEK 8,002 thousand is what was paid for the acquired 16.82 percent. In cash flow, it is classified as acquisition of subsidiaries.

The impact of the acquisition on the Group's earnings
Of the Group's revenues, SEK 22,202 thousand is attributable to the acquisition of Newsec Advisory A/S, which has contributed SEK 1,326 thousand to the Group's earnings (profit after financial items). If the acquisition had taken place on 1 January 2019, the Group's revenues would have amounted to SEK 2,988,006 thousand and the Group's profit to SEK 695,227 thousand (profit after financial items).

Tjuvholmen Drift AS
On July 2, 2019, Newsec Basale AS acquired a company called Tjuvholmen Drift AS. The acquisition is in line with the Group's goal of becoming Northern Europe's leading property manager. The acquisition complements the existing operations in Newsec Basale and in the Nordic region in terms of service offerings, joint customers and competence.

Transferred compensation	
Amount in SEK thousand	
Total transferred compensation	**26 267**

There were no acquisition-related expenses in connection with the acquisition.

Amount recognised at the acquisition date of net acquired assets	
Amount in SEK thousand	26 267
Assets	
Tangible fixed assets	438
Accounts receivable	3 064
Other receivables	126
Cash and cash equivalents	4 429
Debts	
Current liabilities	-3 066
Accounts payable and other liabilities	-539
Identifiable assets and liabilities, net	**4 452**
Transferred compensation	26 267
Customer relationships	21 815
Deferred tax liability	-4 799
Goodwill	4 799

In connection with the acquisition, most of the acquisition price was allocated to customer relationships in accordance with the Group's policy for acquisitions of this size. Depreciation occurs in 7 years. The identified goodwill is attributable to the knowledge of the workforce and synergies. No part of the goodwill incurred in connection with the acquisition is expected to be tax deductible.

Net cash flow on business combinations	
Amount in SEK thousand	
Cash paid compensation	26 267
Minus: Acquired cash and cash equivalents	-4 429
Net cash flow	**21 838**

The net cash flow of SEK 21,838 thousand is classified in cash flow as acquisitions of subsidiaries.

The impact of the acquisition on the Group's earnings
Of the Group's revenues, SEK 12,103 thousand is attributable to the acquisition of Tjuvholmen Drift AS, which has contributed SEK 1,669 thousand to the Group's earnings (profit after financial items). If the acquisition had taken place on 1 January 2019, the Group's revenues would have amounted to SEK 2,977,550 thousand and the Group's profit to SEK 698,648 thousand (profit after financial items).

UAB Resolution LT
On January 29, 2019, UAB Resolution Holding acquired a company called Luminor Bustas UAB, which later changed its name to UAB Resolution LT.

Transferred compensation	
Amount in SEK thousand	
Total transferred compensation	**6 319**

There were no acquisition-related expenses in connection with the acquisition.

Amount recognised at the acquisition date of net acquired assets	
Amount in SEK thousand	
Assets	
Intangible fixed assets	21
Tangible fixed assets	42
Financial fixed assets	63
Accounts receivable	537
Other receivables	4 051
Cash and cash equivalents	1 547
Debts	
Current liabilities	1 189
Accounts payable and other liabilities	68
Identifiable assets and liabilities, net	**5 004**
Transferred compensation	6 319
Goodwill	1 315

The identified goodwill is attributable to the knowledge of the workforce and synergies. No part of the goodwill incurred in connection with the acquisition is expected to be tax deductible.

Net cash flow on business combinations	
Amount in SEK thousand	
Cash paid compensation	6 319
Minus: Acquired cash and cash equivalents	-1 547
Net cash flow	**4 772**

The net cash flow of SEK 4,772 thousand is classified in cash flow as acquisitions of subsidiaries.

The impact of the acquisition on the Group's earnings
Of the Group's revenues, SEK 5,506 thousand is attributable to the acquisition of UAB Resolution, which has contributed -959 to the Group's earnings (profit after financial items). If the acquisition had taken place on 1 January 2019, the Group's revenues would have amounted to SEK 2,964,637 thousand and the Group's profit to SEK 697,579 thousand (profit after financial items).

2018

Salling Ejendomsadministration A/S
On October 1, 2018, Newsec Datea A/S acquired a barge of a company called Salling Ejendomsadministration A/S. Datea A/S acquired customer contracts, personnel and liabilities related to transferred personnel. The acquisition is in line with the Group's goal of becoming Northern Europe's leading property manager. The acquisition complements the existing business Newsec Datea A/S and in the Nordic region in terms of service offerings, joint customers and competence. Based on the nature of the acquisition, it is considered to be a business combination.

Transferred compensation	
Amount in SEK thousand	
Total transferred compensation	**34 514**

Acquisition-related expenses have been expensed to the Group's income statement of SEK 826 thousand.

Amount recognised at the acquisition date of net acquired assets	
Amount in SEK thousand	
Assets	
Accounts receivable	553
Other receivables	3 654
Debts	
Current liabilities	
Accounts payable and other liabilities	-4 207
Identifiable assets and liabilities, net	**0**
Transferred compensation	34 514
Customer relationships	34 514

In connection with the acquisition, a Purchase Price Allocation (PPA) was carried out and the entire acquisition price has been allocated to customer relationships. Depreciation takes place in 7 years and this corresponds to the depreciation rate that Datea A/S has at the corresponding overvalue. Depreciation that occurs on the excess value of Datea A/S books is expected to be tax deductible, whereby no deferred tax occurs in the Group.

Net cash flow on business combinations	
Amount in SEK thousand	
Cash paid compensation	34 514
Minus: Acquired cash and cash equivalents	-
Net cash flow	**34 514**

The net cash flow of SEK 34,514 thousand is classified in cash flow as acquisition of customer relationship in connection with acquisitions.

The impact of the acquisition on the Group's earnings
Of the Group's revenues, SEK 7,734 thousand is attributable to the acquisition of Salling, which has contributed SEK 439 thousand to the Group's earnings (profit after financial items). If the acquisition had taken place on 1 January 2018, the Group's revenues would have amounted to SEK 2,678,763 thousand and the Group's profit to SEK 175,565 thousand (profit after financial items).

UAB Newsec Project Management
On 19 July 2018, 100% of the share capital of the Lithuanian company UAB Newsec Project Management was purchased. The purchase price amounted to SEK 25 thousand and the company's share capital amounted to the corresponding amount, whereby there was no goodwill in connection with the acquisition.

44 Financing activities

Group 2019-12-31	Opening balance	Loan	Installment	Acquisition	Reprocessing	Fair value change	Exchange rate change	Sale	Reclassification	Transition IFRS 16	Interest expense IFRS 16	Outgoing balance
Other long-term financial liabilities 1)	5 847	-	-	8 458	-	-	603	-3 110	-	-	-	11 798
Long-term liabilities	739 148	70 267	-	-	-50 000	-1 193	10 889	-	-41 513	-	-	727 598
Financial leasing liabilities 2)	6 529	43 779	-98 866	-	-	-	5486	-26 640	-	385 156	7 416	322 860
Current financial liabilities	39 550	5 067	-41 513	-	-	-	5 676	-	41 513	-	-	50 293

1) The change during the year relates to the option debt that was in the parent company at the beginning of the year has been regulated in connection with the sale of Datscha AB. In connection with acquisitions during the year, additional long-term loans of SEK 8,458 thousand have been added. The long-term liability relating to bonuses has not been included in this note-taking.

2) As a result of the sale of Datscha, leasing liabilities have decreased by SEK 26,640 thousand.

Group 2018-12-31	Opening balance	Loan	Installment	Acquisition	Amortization/ repayment	Fair value change	Exchange rate change	Outgoing balance
Other long-term financial liabilities 3)	20 712			2 554	-24 221	6 827	-25	5 847
Long-term liabilities 4)	659 104	775 525	-10 071		-715 581	1 893	28 278	739 148
Financial leasing liabilities	10 378	1 939	-2 047		-3 741			6 529
Current financial liabilities	132 285	39 550	-19 891		-112 394			39 550

3) The change during the year relates to the sale of options in Datscha amounting to SEK 24,221 thousand and a repurchase of options in Datscha of SEK 2,554 thousand. In addition, a fair value revaluation has been made in 2018 that relates to a correction of previous years.

4) The exchange rate change regarding long-term financial liabilities (bank loans) relates to both short and long-term bank loans.

45 Transactions with non-controlling interests - acquisition of additional shares in subsidiaries

2019

In 2019, the Group acquired additional shares of Niam VI Investment KB for SEK 3,234 thousand, whereby the Group owns 58.155 percent of the limited partnership after the acquisition. The shares are acquired by employees who have owned shares in the limited partnerships and left during the year. At the time of the acquisition, non-controlling interests decreased by SEK 1,381 thousand and equity attributable to the parent company's shareholders is affected by SEK 1,853 thousand.

In 2019, the Group acquired an additional 3.72 percent of the share capital of UAB Resolution Holding for SEK 2,420 thousand. Prior to that, UAB Resolution Holding also made an acquisition of its own shares, which means that after these two transactions the Group owns 59.16 percent of the share capital. At the time of the acquisition, non-controlling interests are reduced by SEK 958 million and equity attributable to the parent company's shareholders is affected by SEK 1,462 thousand.

2018

In 2018, the Group acquired an additional 40 percent of the share capital in Newsec Vestfold AS for SEK 2,535 thousand, whereby the Group owned 100 percent of the share capital after the acquisition. At the time of the acquisition, non-controlling interests decreased by SEK 718 thousand and equity attributable to the parent company's shareholders is affected by SEK 1,817 thousand. Later in 2018, the company has merged into Newsec Basale AS.

In 2018, the Group acquired an additional 40 percent of the share capital in Newsec Nordland AS for SEK 2,018 thousand, whereby the Group owned 100 percent of the share capital after the acquisition. At the time of the acquisition, non-controlling interests decreased by SEK 1,487 million and equity attributable to the parent company's shareholders is affected by SEK 531 thousand. Later in 2018, the company has merged into Newsec Basale AS.

In 2018, the Group acquired an additional 9 percent of the share capital of Newsec Valuation Oy for SEK 2,301 thousand, with the Group now owning 100 percent of the share capital. At the time of the acquisition, non-controlling interests decreased by SEK 319 million and equity attributable to the parent company's shareholders is affected by SEK 1,982 thousand.

Effect on equity	**2019-12-31**	**2018-12-31**
Carrying amount of acquired share of non-controlling interests	-2 339	-2 524
Consideration paid to holders without control	5 654	6 854
Consideration paid in excess of carrying amount, recognized in equity	**3 315**	**4 330**

46 Transactions with non-controlling interests - sale of shares in subsidiaries

2019
Newsec AB has sold 5% of the shares in Newsec Competence AB. The sales amount amounted to SEK 260 thousand.

2018
Newsec AB has sold 1% of the shares in Newsec Sweden AB to members of Newsec Sweden AB's operational management. The sales amount amounted to SEK 686 thousand.

47 Operating sales

Newsec Communication AB
As of March 6, Newsec AB has sold its shares in Newsec Communication AB. The sales amount amounted to SEK 105 thousand. The sale result in the Group amounts to SEK 0 thousand.

Datscha AB
On December 11, 2019, Stronghold Invest AB sold its entire holding in Datscha AB including subsidiaries. This is to be seen as the sale of a branch of business, but since the Datscha Group did not constitute a material part of the Stronghold Group's total sales and earnings, information is not provided in accordance with IFRS 5. In connection with the sale, all issued call options were repurchased and the issued warrants were sold as part of the sale. The cost of this has been included as a reducing item in the transferred compensation.

Compensation received	
Amount in SEK thousand	
Total compensation received	623 381
Transaction costs	-3 676

Part of the remuneration received relates to a directed share issue in Datscha AB amounting to SEK 12,156 thousand. The directed share issue was made as part of the total sales transaction.

Amount recognized as of the time of sale of net assets sold	
Amount in SEK thousand	
Assets	
Intangible fixed assets	8 692
Tangible fixed assets	1 882
Financial fixed assets	2 138
Accounts receivable	30 197
Other receivables	11 278
Cash and cash equivalents	68 837
Debts	
Current liabilities	-4 270
Accounts payable and other liabilities	-99 164
Identifiable assets and liabilities, net	**19 590**
Compensation received	623 381
Transaction costs	-3 676
Settlement of option liabilities booked in Stronghold Invest AB	3 113
Net assets sold	-19 590
The Group's capital gains	**603 228**

The parent company's capital result amounts to SEK 580,702 thousand.

Net cash flow on operating sales	
Amount in SEK thousand	
Cash received compensation	619 705
Minus: Divested cash and cash equivalents	-68 837
Net cash flow	**550 868**

The net cash flow of SEK 550,868 thousand is classified in the cash flow as sales of subsidiaries.

48 Events after the balance sheet date

Since the end of February, Stronghold is following on a daily basis the development of the situation that has arisen as a result of the Covid-19 outbreak. This includes continuity planning for the operational activities, which have so far been carried out without significant disruption. The Group follows guidelines from the Public Health Agency of Sweden, who and ECDC (European Centre for Disease Prevention and Control). However, the escalation of Covid-19 in recent weeks has, and will, in various ways affect society at large, the Group's customers and their decision-making processes and ultimately Stronghold. To what extent can not be quantified today.

No other events of a material nature occurred after the closing date.

49 Dividend

The dividends that were approved at the Annual General Meeting and paid in 2019 and 2018 respectively amounted to SEK 60,000 thousand (SEK 60 per share) and SEK 50,000 thousand (SEK 50 per share).

At the Annual General Meeting on May 14, 2020, a dividend of SEK 300 per share for 2020 will be proposed.

50 Profit disposition

Proposal for profit allocation
At the disposal of the Annual General Meeting are:

Parent
At the disposal of the Annual General Meeting are the following earnings (SEK)

Retained earnings	574 075 012
Profit for the year	672 531 613
Dividend	300 000 000
The Board of Directors proposes that the profits be	
in a new count, the	946 606 625
	1 246 606 625

51 Approval of financial statements

The Annual Report was approved by the Board of Directors and approved for publication on April 14, 2020.

The Board of Directors and the CEO hereby certify that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities and give a true and fair view of the company's position and results and that the Annual Report provides a true and fair view of the development of the company's operations, position and results and describes the significant risks and uncertainties that the company faces. The Board of Directors and the Ceo hereby certify that the consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS), as adopted by the EU, and give a true and fair view of the Group's position and results and that the management report for the Group provides a true and fair view of the development of the Group's operations, position and results and describes the significant risks and uncertainties faced by the companies that are part of the Group.

Stockholm, 14 April 2020

Anders Lönnqvist
Chairperson

Johan Edenström
Board member

Anders Böös
Board member

Risto Silander
Board member

Mikael Lövgren
Board member

Håkan Johansson
Board member

Urban Edenstrom
Chief executive officer

Our audit report was delivered on April 14, 2020

Deloitte AB

Jonas Ståhlberg
Authorized Public Accountant