Annual Report
and
consolidated
financial statements

T. Andréasson Fastighetsaktiebolag (publ)

Corp. Reg. No. 556723-0130

Financial year 1 January 2020 – 31 December 2020

Administration Report

The Board of Directors of T. Andréasson Fastighetsaktiebolag (556723-0130) hereby submits the Annual Report and consolidated financial statements for the 1 January 2020 – 31 December 2020 financial year. The company's registered office is in Stockholm, Sweden. The Annual Report has been prepared in Swedish kronor (SEK). All amounts are presented in thousands of SEK (TSEK) unless otherwise stated.

Information regarding the operations

T. Andréasson Fastighetsaktiebolag ("TAFAB")

The Group's operations comprise property development and trading in securities. The operations are divided into the business lines of "Property Development" and "Securities Trading."

Background

TAFAB is a specialist in property development primarily in the Stockholm and Uppsala areas. The company was founded in 2007 by Thomas Andréasson and is now run together with his son Tom Andréasson. Since it started, TAFAB has been involved in and delivered more than 30 profitable projects, but its experience extends further back than so.

Since the beginning of the 90s, TAFAB's owner Thomas Andréasson has participated in more than 100 property projects comprising mainly tenant-owner apartments, all of which were successful and generated positive results. In 2010, he founded Fastighetsförädlarna i Mälardalen AB (FFAB). Since 2017, Thomas has also worked with rental apartments, commercial properties and care homes, including participating in the construction of the largest care facility in the Nordic region together with Veidekke, Rikshem and Attendo. In spring 2019, Thomas decided to sell his holding in FFAB and instead focus on TAFAB's operations.

All of our projects have been profitable and generated high returns for everyone who was involved. Banks and venture capitalists who have worked with us appreciated the fact that we are quick and easy to work with, that we adopt a long-term approach, that we stand for what we say and of course that we deliver healthy profits at relatively low risk.

TAFAB primarily constructs residential buildings comprising 25-300 units in upcoming areas, meaning that TAFAB's properties contribute to a positive development. The business concept is to built space-smart and green rental apartments that comply with the environmental and climate construction regulations of the Swedish National Board of Housing, Building and Planning, located close to rail transit – homes customised to the needs and budgets of normal people.

Property Development

The Property Development operations are divided into different business areas These business areas are:

- Rental apartment properties
- Care homes
- Office and commercial properties
- Student homes
- Freeholds

Property development in 2020 almost exclusively focused on the development of rental apartment properties, concentrating specifically on the development of rental properties in the Knivsta Nydal area.

Knivsta Nydal - Ängby 1:17 and 1:21

Knivsta Nydal is a property project under development. A brand new town district featuring 9,000 homes is planned to be built in the Nydal planning area in Knivsta. In addition to homes, the planning area also includes schools, offices and care homes, which provides the opportunity to develop properties that are unique and well suited to the market. Knivsta is one of the fastest growing municipalities in Sweden. TAFAB has one of the most attractive properties for developing homes, commercial areas and potentially a public-sector property.

Construction of a brand new town district featuring 9,000 homes is planned in the Västra Knivsta new planning area pursuant to the four-track rail expansion agreement signed with the municipality. In total, the agreement encompasses 15,000 new homes in the urban areas of Knivsta and Alsike. Under the agreement, the railway line is to be expanded and a new train station will be built in Alsike. TAFAB's holding in the planning area comprises 10,000 sqm of land with an estimated development right of about 25,000 sqm gross floor area above ground. TAFAB's application for the detailed development plans for the Ängby 1:17 and 1:21 properties was approved by the municipality in September 2020.
These properties are situated about 150 metres from Knivsta commuter train station. It is one stop from Knivsta to Uppsala C, and one stop to Arlanda airport by commuter train. It takes about 20 minutes to Stockholm C by regional train or 40 minutes by commuter train. Knivsta centre, with its stores, library, services, restaurants and banks is about 300 metres from the properties.

Knivsta Nydal – Land allocation

In addition to the Ängby 1:17 and Ängby 1:21 properties, TAFAB also has a land allocation agreement in central Knivsta for a housing project of 25,000 sqm gross floor area above ground. The first ruling is expected in Q3 2021 and the detailed development plan is expected to be adopted in Q4 2022.
The land allocation has a broad range, for example, housing, schools, public-sector properties and commercial. TAFAB is discussing the placement of the loan allocation with the municipality. It has currently be decided that the development right is to be included within the Västra Knivsta Nydal planning programme.

Earnings, financial position and cash flow for property management

Since the property projects in property development are in an early stage, ongoing rental income is limited and pertains only to rent for properties that will be demolished and replaced by rental apartment buildings. Rental income totalled TSEK 718 (841). Cash flow for property development was negative for the year due to investments and administrative expenses. However, the large investments in properties meant that the change in value of the Group's investment properties reported a very positive result with a positive effect of TSEK 125,767 (25,982). Profit for active property management amounted to TSEK 384 (-1,290) due to a sharp decline in property costs.

Securities trading

The Group's asset management in the Securities Trading business area is conducted by the subsidiary Benavada Trading. Activities in securities trading increased substantially compared with last year, and the total turnover in securities trading amounted to TSEK 660,109 (95,074). The high level of activity during the year also meant that costs for purchased securities essentially increased to the same extent and amounted to TSEK -660,251 (-95,187) and loss for this part of the operations totalled TSEK -142 (-113).

Ownership structure

For most of 2020, Thomas Andréasson owned 100% of TAFAB. As part of inter-company restructuring, Thomas Andréasson's stake was transferred to AXT Investment VII AB during the year, which formally was TAFAB's Parent Company as of 31 December 2020.

Significant events during the year

Transition to IFRS

From 1 January 2020, T. Andréasson Fastighetsaktiebolag prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee as endorsed by the European Union (EU). The date of the Group's transition to IFRS is 1 July 2018. The effects of the change in accounting policies is recognised directly against opening equity. More information about the transition to IFRS can be found in Note 22 of this Annual Report.

Change in share capital and number of shares

The Extraordinary General Meeting on 20 April 2020 resolved on a bonus issue of 9,990,000 shares. In connection with this, the company's share capital increased SEK 9,000,000.

Future development

Demand for rental apartments is expected to remain very high in the future, particularly in attractive areas within commuting distance of large cities. The Group has development rights and investment properties at its disposal, which are deemed to generate favourable returns over many years, and the Group's properties have very high potential. The plan for the future is to continue to acquire and develop rental properties in attractive locations with a green profile. The Group has not noted any effect of COVID-19 on the operations.
The Board believes that it will have a very limited impact since demand for rental apartments in attractive locations is not expected to be affected by the pandemic.

Risks and uncertainties

Risks related to property development

TAFAB works actively on property development and new-build projects in the Stockholm area and adjacent areas. Risks with property development pertain to trends in local rental markets, and to the design of rental apartments and the implementation of the projects, including cost control. The Group focuses on properties in attractive locations where TAFAB can build residential properties on its own land, which considerably lowers risk. Extensive experience in project organisation ensures that projects are carried out efficiently and that the properties maintain a high standard of quality and are well-suited for long-term property management. Long-term partnerships and well-conducted procurement processes are priority areas.

Risks related to the value of the properties

In accordance with IFRS, TAFAB measures its properties at fair value with changes in value in profit or loss. This means that mainly earnings, but also the company's financial position, can be relatively volatile for certain periods of time. The market value of the properties is determined based on supply and demand in the market. The market value of the properties primarily depends on profitability, vacancies and yield requirements. Net operating income and yield requirements heavily influence the value of property.

Property valuation

All of the Group's properties are externally valued at least once a year. Valuations are performed by well-reputed appraisers such as Cushman & Wakefield and Forum Fastighetsekonomi.

Financing risk

The Group's financial position is to be structured in such a manner that short and long-term financing needs are secured at as low a cost as possible. TAFAB successfully issued a bond totalling MSEK 300 during the year, of which MSEK 135 has been utilised as per 31 December 2020. The bond carries fixed interest at a rate of 11% on drawn amounts.

Widespread interest was shown in the bond issue, and the bond was oversubscribed following high demand from family offices, private and institutional investors.

The proceeds from the bond issues will be used in detailed development planning and continuing the development of the project portfolio, which is expected to significantly increase in value and provide the Group with the opportunity to decide on whether it wants to further develop the projects or sell the development rights.

JOOL Corporate Finance AB served as corporate finance advisor, Roschier Advokatbyrå and Advokatbyrån Törngren Magnell served as legal corporate finance advisors and Intertrust (Sweden) AB was the agent.
This is expected to secure the Group's financing requirements over the next three years.

Parent Company

The primary operations of the Parent Company comprise Group-wide services encompassing financing, accounting, strategy, communication and business development.

Multi-year review

Group TSEK	2020	2019	2018/19
Property-related performance measures			
Property value at end of period	188,215	56,997	-
Financial performance measures			
Rental income	718	841	-
Income from securities trading	660,109	95,074	-
Profit before tax	88,717	54,108	12,059
Net profit for the year	64,333	47,756	12,059
Equity	121,866	57,533	19,725
Total assets	300,053	134,585	21,512
Equity/assets ratio, %	41%	43%	92%
No. of employees	1	1	1
Share-related performance measures			
Average no. of shares	10,000,000	10,000,000	10,000,000
No. of shares at end of period	10,000,000	10,000,000	10,000,000
Net profit for the year, SEK per share	6.43	4.78	1.21
Equity, SEK per share	12.19	5.75	1.97

Parent Company	2020	2019	2018/19
Net sales	10,338	2,220	0
Equity	16,306	19,183	19,725
Total assets	137,192	68,775	21,512
Equity/assets ratio, %	12%	28%	92%
No. of employees	1	1	1

The financial information for all periods presented in this multi-year review has been restated to IFRS.

Proposed appropriation of the company's profit

The following profits in SEK are available for distribution by the Annual General Meeting:

Retained earnings	9,183,179
Net profit for the year	-2,877,361
	6,305,818
Be distributed as follows:	
To be carried forward	6,305,818
	6,305,818

CONSOLIDATED INCOME STATEMENT

Amounts in TSEK	Note	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Rental income	4	718	841	0
Property costs	5	-334	-2,131	0
Operating surplus from property management		384	-1,290	0
Income from securities trading	4	660,109	95,074	0
Cost of securities sold		-660,251	-95,187	0
Net gain/loss from asset management		-142	-113	0
Administrative expenses	5,6,7	-20,317	-4,240	-1,016
Gain/loss from sale of property		0	23,726	0
Profit from participations in associates		703	13,410	12,940
Other operating income		0	74	0
Other operating expenses		7	-982	0
Financial income		2,632	265	199
Financial expenses	8	-20,363	-2,724	-64
Profit/loss before changes in value		**-37,096**	**28,126**	**12,059**
Change in value, investment properties	11	125,813	25,982	0
Profit before tax		**88,717**	**54,108**	**12,059**
Tax	9	-24,384	-6,352	0
Net profit for the year		**64,333**	**47,756**	**12,059**
Net profit for the year attributable to Parent Company shareholders		52,373	38,114	12,059
Non-controlling interests		11,960	9,642	0
Net profit for the year		**64,333**	**47,756**	**12,059**

OTHER COMPREHENSIVE INCOME

Amounts in TSEK	Note	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Net profit for the year		64,333	47,756	12,059
Other comprehensive income		-	-	-
Comprehensive income for the year		**64,333**	**47,756**	**12,059**

CONSOLIDATED BALANCE SHEET

Amounts in TSEK	Note	31 Dec 2020	31 Dec 2019	1 Jul 2019
Assets				
Non-current assets Tangible assets				
Investment properties	11	188,215	56,997	-
Machinery and equipment	10	7,716	198	-
Financial assets				
Participations in associates	13	177	567	75
Other non-current receivables	12	8,828	16,540	1,900
Total non-current assets		**204,936**	**74,302**	**1,975**
Current assets				
Rental and accounts receivable		12	167	-
Participations in tenant-owner apartments		-	13,773	-
Receivables from Parent Company		5,000	-	-
Receivables from associates		23	150	113
Other receivables	12	69,073	43,239	18,280
Prepaid expenses and accrued income		2,117	1,297	1,095
Cash and cash equivalents		18,892	1,657	49
Total current assets		**95,117**	**60,283**	**19,537**
TOTAL ASSETS		**300,053**	**134,585**	**21,512**
EQUITY AND LIABILITIES				
Equity	15			
Share capital		10,000	1,000	1,000
Retained earnings, including net profit for the year		90,264	46,891	18,725
Total equity attributable to Parent Company shareholders		**100,264**	**47,891**	**19,725**
Non-controlling interests		21,602	9,642	-
Total equity		**121,866**	**57,533**	**19,725**
Non-current liabilities				
Interest-bearing liabilities	16.17	135,456	38,747	1,350
Deferred tax liabilities	9	30,736	6,352	-
Total non-current liabilities		**166,192**	**45,099**	**1,350**
Current liabilities				
Interest-bearing liabilities	16.17	815	27,000	-
Tax liabilities		-	4	-
Accounts payable	12.17	1,223	1,740	221
Other current liabilities		2,768	2,403	7
Accrued expenses and deferred income		7,189	806	209
Total current liabilities		**11,995**	**31,953**	**437**
TOTAL EQUITY AND LIABILITIES		**300,053**	**134,585**	**21,512**

Consolidated statement of changes in equity

	Attributable to Parent Company owners			Total equity attributable to	Non-controlling interests	
	Share capital	Other contributed capital	Retained earnings incl. net profit for the year	Parent Company shareholders		Total equity
Opening equity, 1 Jul 2018	**1,000**	**0**	**6,617**	**7,617**	**0**	**7,617**
Net profit for the year			12,059	12,059	0	12,059
Other comprehensive income for the year			-	0	0	0
Comprehensive income for the year	**0**	**0**	**12,059**	**12,059**	**0**	**12,059**
Transactions with Group's owners						
Capital contribution from owners in connection with intra-Group restructuring			50	50	0	50
Total transactions with owners	**0**	**0**	**50**	**50**	**0**	**50**
Closing equity, 30 Jun 2019	**1,000**	**0**	**18,726**	**19,726**	**0**	**19,726**
Opening equity, 1 Jul 2019	**1,000**	**0**	**18,726**	**19,726**	**0**	**19,726**
Net profit for the year			38,114	38,114	9,642	47,756
Other comprehensive income for the year			0			0
Comprehensive income for the year	**0**	**0**	**38,114**	**38,114**	**9,642**	**47,756**
Transactions with Group's owners						
Value transfers to owners in connection with intra-Group restructuring			-9,950	-9,950		-9,950
Total transactions with owners	**0**	**0**	**-9,950**	**-9,950**	**0**	**-9,950**
Closing equity, 31 Dec 2019	**1,000**	**0**	**46,890**	**47,890**	**9,642**	**57,532**
Opening equity, 1 Jul 2020	**1,000**	**0**	**46,890**	**47,890**	**9,642**	**57,532**
Net profit for the year			52,373	52,373	11,960	64,333
Other comprehensive income for the year			0			0
Comprehensive income for the year	**0**	**0**	**52,373**	**52,373**	**11,960**	**64,333**
Transactions with Group's owners						
Bonus issue	9,000		-9,000			0
Total transactions with owners	**9,000**	**0**	**-9,000**			**0**
Closing equity, 31 Dec 2020	**10,000**	**0**	**90,263**	**100,263**	**21,602**	**121,865**

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in TSEK	Note	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 31 Dec 2019	1 Jul 2018 30 Jun 2019
Operating activities				
Profit before tax		88,717	54,108	12,059
Adjustments for non-cash items	18			
Change in value of investment properties		-125,813	-25,982	0
Depreciation and disposals		800	70	0
Other adjustments for non-cash items		0	-37,346	-12,940
Income tax paid	9	-4	4	0
Cash flow from operating activities before changes in working capital		**-36,300**	**-9,146**	**-881**
Cash flow from changes in working capital				
Change in operating receivables		-4,144	-33,870	-3,107
Change in operating liabilities		11,199	3,171	261
Cash flow from operating activities		**-29,245**	**-39,845**	**-3,727**
Investing activities				
Acquisition of subsidiaries, asset acquisitions	18	0	-7,294	-
Investments in equipment		-831	-268	-
Direct investments in investment properties, etc.		-22,268	0	-
Sale of subsidiaries containing investment properties	18	-49	14,187	-
Net investments in financial assets		6,590	4,365	3,100
Cash flow from investing activities		**-16,558**	**10,990**	**3,100**
Financing activities				
Borrowings		129,586	30,386	500
Repayment of loans		-66,548	0	0
Transactions with Group's owners		-	77	50
Cash flow from financing activities		**63,038**	**30,463**	**550**
Cash flow for the year		**17,235**	**1,608**	**-77**
Cash and cash equivalents at beginning of the year		1,657	49	126
Cash and cash equivalents at end of year		**18,892**	**1,657**	**49**

CONSOLIDATED NOTES

Note 1 Significant accounting policies

This Annual Report and the consolidated financial statements comprise the Swedish Parent Company T. Andréasson Fastighetsaktiebolag (publ), Corp. Reg. No. 556723-0130 and its subsidiaries. The Group's operations comprise property development and trading in securities. The operations are divided into the business lines of "Property Development" and "Securities Trading."
The property portfolio is concentrated to the Stockholm area and primarily comprises residential properties under construction.

The Parent Company is a public limited liability company registered and domiciled in Stockholm, Sweden. The address of the head office is Biblioteksgatan 3, Stockholm, Sweden.

The Board of Directors approved this Annual Report and these consolidated financial statements on 29 April 2021, which will be presented for adoption at the Annual General Meeting on 29 April 2021.

Applied regulations

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the EU. In addition, Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for Groups was applied.

The accounting policies described have, unless otherwise stated, been applied consistently for all periods presented in the Group's financial statements.

These are TAFAB's first financial statements prepared in accordance with IFRS. The Group applied IFRS 1 First-time Adoption of International Financial Reporting Standards to the preparation of these financial statements. The transition to IFRS is described in more detail in Note 22 Transition to IFRS.

Accounting currency and functional currency
The Parent Company's functional currency is Swedish kronor (SEK), which also constitutes the presentation currency for the Parent Company and the Group. Accordingly, the financial statements are presented in SEK. All amounts are presented in thousands of SEK (TSEK) unless otherwise stated.

Classification
Non-current assets and non-current liabilities essentially consist of amounts that are expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

Consolidation policies

Subsidiaries are companies over which TAFAB has control. Control means that TAFAB is exposed to variable returns from the subsidiary and can influence these returns through its control. Subsidiaries are initially recognised in the consolidated financial statements using the acquisition method. Subsidiaries are included in the consolidated financial statements as of the day when control is transferred to the Group and are derecognised from the consolidated financial statements as of the day when control ceases. Intra-Group receivables and liabilities, income or costs and unrealised gains or losses arising from intra-Group transactions among Group companies are eliminated in their entirety when preparing the consolidated financial statements.

Asset acquisitions and business combinations
When an acquisition is made, an assessment is performed to determine if it is a business combination or an asset acquisition. An asset acquisition exists when the acquisition refers to properties but does not include the organisation and processes required for running the property management operations. Other acquisitions are business combinations.

All of TAFAB's acquisitions of subsidiaries have been classified as asset acquisitions since the acquisition refers to investment properties. For asset acquisitions, the acquisition price includes acquisition costs for the individually acquired assets and liabilities based on their fair value on the acquisition date. Deferred tax is not recognised on these initial temporary differences. Full deferred tax is recognised on temporary differences arising after the acquisition. Acquired investment properties are measured at fair value on the next balance sheet date, which could deviate from the acquisition value. Contingent earnouts are added to the acquisition value for acquired net assets when it is deemed probable that an outflow of funds will be required to settle the earnout.

Income
Rental income
All of the Group's leases are all classified as operating leases. Rental income including supplements is advised in advance and rent is allocated straight-line so that only the portion of the rent that accrues for that period is recognised as income. Recognised rental income is reduced by the value of rental discounts provided, where applicable. Such rental discounts are allocated straight-line over the relevant lease term. Compensation from tenants for vacating premises early is recognised as income when the contractual relationship ends and no commitment remains. This normally takes place when the tenant moves out.
Rental income includes the standard rent charged including indexation, additional charges for investments and property tax and extra services such as heating, electricity, water, waste, etc. TAFAB has analysed these circumstances to determine whether the Group acts as the principal or agent for these services and has concluded that in its role of property owner the Group primarily acts as principal. The conclusion is also that any service income included in invoicing is insignificant.
Income from the sale of property
Income from the sale of property is normally recognised on the possession date unless it is deemed that control has passed to the buyer at an earlier stage. This assessment considers the terms of agreement between the parties regarding control and which party is involved in routine management.

Income from securities trading

The subsidiary Benavada Trading AB conducts securities operations. For this part of the Group's operations, income and expenses are recognised at gross amounts. Income is included in Net sales and primarily includes the sales price for securities sold during the year and dividends received. The cost of securities sold primarily comprises the acquisition value of the sold securities.

Leases

The Group is the lessor for leases for premises and residential properties as well as garage and parking spaces. The leases are recognised as operating leases, meaning that income is continuously recognised. Properties leased under operating leases are included under the item investment properties.

The Group is the lessee for a small number of leases for office premises and cars. Leases in which the Group is lessee are recognised as right-of-use assets with accompanying lease liabilities. The right-of-use assets represent a right to use the underlying asset and the lease liabilities represent the obligation to make future lease payments.
Exceptions are available for short-term leases and low-value leases. Leases are recognised as right-of-use assets and included in tangible assets and a corresponding liability is included in interest-bearing liabilities. Recognition commences on the date the leased asset becomes available for use by the Group. Each lease payment is allocated between repayment of the liability and financial expense. The financial expense is distributed over the lease term such that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognised in each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities include the net present value of the following lease payments:
- fixed payments

- variable lease payments that depend on an index or a rate

There are no residual value guarantees or purchase options that are considered reasonably certain to be used, nor any penalties for terminating the lease. The lease payments are discounted using the rate implicit in the lease if it is readily determinable. Otherwise the payments are discounted by the incremental borrowing rate for the companies included in the lease. Right-of-use assets are measured at cost which corresponds to the amount that the lease liability was originally measured at.
No initial direct costs or restoration costs for the asset exist. Payments associated with short-term leases and low-value leases are expensed straight-line in profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value leases include IT equipment and smaller items of office furniture.

Extension options
Extension and termination options are included in a number of the Group's leases for buildings and equipment. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reassessed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Administrative expenses
Costs at a Group-wide level that are not directly attributable to the management of the Group's property portfolio, such as costs for Group management, business development, property development and financing, are classified as administrative expenses.

Property costs

Property costs include direct property costs and costs for operation, maintenance and property tax, and indirect property costs in the form of leases and property administration.

Employee benefits
Employee benefits comprise salaries, paid holiday, paid sick leave, other benefits and pension.

For pension plans, the company pays fixed contributions to a separate legal entity and has thereafter fulfilled its obligation to the employee. Defined contribution pension plans are recognised as a cost in the period in which the Group's obligation has arisen on the basis of the employee receiving pension rights.

Financial income and expenses
Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the rate that means the present value of all future incoming and outgoing payments during the fixed-interest period is equal to the carrying amount of the asset or liability. Financial income and expenses are recognised in the period to which the amounts pertain.

Taxes
Tax for the year comprises current tax and deferred tax. Taxes are recognised in profit or loss, except where the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the related tax effect is also recognised in the same place.

Current tax is the tax calculated on the taxable earnings for the period. Taxable earnings differ from reported earnings in since they have been adjusted for non-taxable and non-deductible items. Current tax is tax payable or due in respect of the current year, with potential adjustments for current tax attributable to prior periods.

Deferred tax is recognised on the difference between the carrying amount and the tax base of assets and liabilities. The change in the recognised tax asset or receivable is recognised as an expense or income in profit or loss, except when the tax is attributable to items that are recognised in other comprehensive income or directly in equity.

Investment properties

Investment properties, meaning the properties held for the purpose of generating rental income and appreciation in value, are initially recognised at cost, including directly attributable transaction costs. After initial recognition, investment properties are measured at fair value. Fair value is primarily based on yield-based valuations according to the cash flow model, meaning that the future cash flows that the property is expected to generate are forecast and discounted to a present value.
For more information about the valuation of investment properties, refer to Note 11 Investment properties.

Unrealised changes in value are recognised in the consolidated income statement on the row "Change in value, investment properties." The unrealised change in value is calculated based on the valuation at the end of the period compared with the valuation at the beginning of the period or the acquisition value if the property was acquired during the period, taking into account investments for the period.

Additional expenses are capitalised when it is probably that the Group will receive future economic benefits associated with the costs, and thus increase the valuation, and the costs can be reliably measured. Other maintenance costs and repairs are recognised continuously in the periods in which they arise.

The Group reclassifies a property from an investment property only when its area of use is changed. A change in the area of use takes place when the property fulfils or ceases to fulfil the definition of an investment property and there is evidence of a change in the area of use.

Investment properties under construction are classified as an investment property even during the construction and remodelling phase if the intention is that the Group will use the property as an investment property. During the construction phase for a rental property, fair value is deemed to be the market value that the investment property had at the start of the project, plus investments made thereafter. The fair value of development rights is also recognised in investment properties.

For certain asset acquisitions, earnouts are to be paid if certain events occur in the future. These earnouts are recognised when the underlying event triggering payment of the earnout occurs.

Borrowing costs
Borrowing costs are recognised in profit or loss using the effective interest method. Interest expenses on the Group's properties are not expensed according to the exemption rules in IAS 23 since the Group's investment properties are measured at fair value according to the rules in IAS 40.

Tangible assets
Tangible assets are recognised in the Group at cost less accumulated depreciation and any impairment. Cost includes the purchase price and expenses directly attributable to the asset for bringing it to its place of use and preparing it for use in accordance with the purpose of the acquisition.

The carrying amount of an asset is derecognised from the balance sheet on its disposal or sale, or when no future financial benefits are expected from the use or after divestment or disposal of the asset. Gains or losses arising on the sale or disposal of an asset consist of the difference between the selling price and the carrying amount of the asset less any direct selling expenses. Gains and losses are recognised as other operating income/expenses.

Additional expenses
Additional expenses are added to the cost only if it is likely that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably calculated. All other additional expenses are recognised as costs in the period in which they arise. Repairs are expensed on an ongoing basis.

Depreciation principles
Assets are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives are:

Machinery and equipment	3-5years

The depreciation methods used, residual values and useful lives are reviewed at the end of every year.

Recognition of associates
The company's holdings of participations in companies that are not subsidiaries, but where the Group exercises significant influence but not control, are classified as holdings of participations in associates. Associates are usually companies in which the Group holds more than 20% but less than 50% of the votes in the legal entity. The Group recognises participations in associates according to the equity method. When participations in associates are divested, such that a significant influence no longer exists, the entire holdings are recognised as divested and any gains or losses are recognised in the consolidated income statement. The Group's share of profit from holdings recognised according to the equity method is included in consolidated profit or loss and the Group's share of other comprehensive income is included in other comprehensive income.

Impairment of non-financial assets
Impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and the asset's value in use. When testing for impairment, assets are grouped at the lowest level where separate cash flows (cash-generating units) are identifiable. When impairment requirements have been identified for a cash-generating unit (or group of units), the impairment amount is distributed. Proportional impairment of other assets in the unit (group of units) subsequently takes place.

Previously recognised impairment is reversed if the recoverable amount exceeds the carrying amount. However, impairment is reversed to the extent that the carrying amount of the asset does not exceed what it would have been if the impairment had not been recognised previously.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset for one company and a financial liability for another company. Recognition differs depending on how the financial instruments are classified.

Recognition and derecognition
Financial assets and liabilities are recognised when the Group becomes a party to a financial instrument in accordance with its contractual conditions. Transactions in financial assets are recognised on the trade date, which is the date on which the Group undertakes to acquire or divest the assets. Accounts receivable are recognised when the invoice has been sent. Liabilities are recognised when the counterparty has performed and a contractual obligation exists to pay. A financial asset is derecognised from the balance sheet (wholly or partly) when the rights in the contract have been realised, expire or the Group no longer has control of them. A financial liability is derecognised from the balance sheet (wholly or partly) when the contractual obligation is discharged or otherwise extinguished. The net amounts of a financial asset and a financial liability is recognised in the balance sheet when there is a legally enforceable right to offset the recognised amounts, and there is an intent to settle the items on a net basis or to realise the asset and settle the liability simultaneously. Gains and losses on derecognition from the balance sheet are recognised in profit or loss.

Classification and measurement
Financial assets
Debt instruments: the classification of financial assets that are debt instruments is based on the Group's business model for holding the assets and the characteristics of the asset's contractual cash flows. The Group's instruments are measured at amortised cost.

Financial assets measured at amortised cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The cash flows of the financial assets are only interest on the principal amount outstanding. Financial assets measured at amortised cost are initially measured at fair value plus transaction costs. After initial recognition, the assets are measured according to the effective interest method. The assets are subject to loss allowances for expected credit losses.

Financial liabilities
Financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost are initially measured at fair value including transaction costs. After initial recognition, they are measured according to the effective interest method.

Impairment of financial assets
Financial assets are subject to impairment for expected credit losses. Impairment for credit losses according to IFRS 9 are forward-looking and a loss allowance is made when there is exposure to credit risk, usually on initial recognition of an asset or receivable. Expected credit losses reflect the present value of all deficits in cash flows attributable to default either for the next 12 months or the full lifetime expected losses for the financial instrument, depending on class of asset or credit impairment since initial recognition.
Expected credit losses are to reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes based on reasonable and supportable forecasts.

Measuring expected credit losses is based on different methods for different credit risk exposures. The method for accounts receivable is based on a past credit loss rate combined with forward-looking factors. Other receivables and assets are impaired according to a ratings-based model using external credit ratings. Expected credit losses are measured at the total of probability of default, loss given default and exposure at default. Individual assessments are made for credit-impaired assets and receivables, taking into account past, current and forward-looking information. The measurement of expected credit losses also considers any collateral or other credit enhancement in the form of guarantees.

The financial assets are recognised in the balance sheet at amortised cost, meaning the net of gross amount and the loss allowance. Changes in the loss allowance are recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and readily available balances with banks and similar institutions as well as short-term liquid investments that have a shorter maturity than three months from the acquisition date.

Deferred tax

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the tax base used in calculating taxable earnings. Deferred tax is recognised using the balance sheet method. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are reported for all deductible temporary differences to the extent it is likely that the amount can be utilised against future taxable surpluses. However, deferred tax is not recognised if the temporary difference arose on initial recognition of assets and liabilities that are part of an asset acquisition. After the acquisition date of an asset acquisition, deferred tax is recognised on the change in the carrying amount and the changes in the tax base arising after the acquisition date. Deferred tax is calculated by applying statutory tax rates that have been enacted on the balance sheet date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Cash flow
The cash flow statement has been prepared using the indirect method. This means that profit is adjusted for transactions that do not entail inflows and outflows of cash as well as for income and expenses attributable to investing and/or financing activities.

Note 2 Disclosures regarding forthcoming standards

New and amended IFRS with future application are not expected to have any material effect on the consolidated financial statements.

Note 3 Significant estimates and assessments

The preparation of the financial statements requires that the company management and the Board make certain assessments and assumptions that affect the carrying amount of assets, liabilities, income and expenses, as well as other information disclosed. These assessments are based on experience and assumptions that management and the Board deem to be reasonable under the current circumstances. The actual outcome could differ from these assessment if other circumstances arise. The assessments that are most significant to the preparation of the company's financial statements are described below.

Investment properties

Recognition is particularly sensitive to the assessments and assumptions forming the basis of the measurement of investment properties. Investment properties are measured at fair value, which is determined by company management based on the market value of the properties. Significant assessments have thus been made regarding, for example, cost of capital and the yield requirement based on the appraisers' experience-based assessments of the market's minimum returns on comparable properties. Assessments of cash flow for operating, maintenance and administrative expenses are based on actual costs as well as experience from comparable properties. Future investments have been assessed based on actual existing requirements.
For more information about inputs and assessments for the valuation of investment properties, refer to Note 11 Investment properties.

Earnouts

There is a receivable for the earnout that will be received from the Parent Company's divestment of participations in the associate Fastighetsförädlarna i Mälardalen AB. This item is recognised in the Annual Report on the row "Other receivables." Measurement is based on recognised profit for the project calculated according to the share transfer agreement.

Asset acquisitions and business combinations

When companies are acquired, an assessment is made whether the acquisition is to be classified as an asset acquisition or a business combination. An asset acquisition exists when the acquisition refers to properties but does not include the organisation and processes required for running the property management operations. Other acquisitions are business combinations. For property transactions, an assessment is also made of when the risks and benefits are transferred. This assessment provides guidance for determining when the transaction is to be recognised. Company management assesses each individual acquisition or sale to determine whether the transaction is to be recognised as a business combination or an asset acquisition and when it is to be recognised.

Deferred tax

Another assessment area in the accounts is the measurement of deferred tax. Deferred tax is normally recognised without discounting, with consideration given to accounting rules. When measuring loss carry-forwards, an assessment is made of the possibility of using the loss carry-forwards against future profits. If there are significant deferred tax liabilities attributable to temporary differences on properties, these are recognised at net amounts against loss carry-forwards in the Group.

Note 4 Operating income

	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Securities trading	660,109	95,074	0
Rental income	718	841	0
Other income	0	0	0
Operating income	**660,827**	**95,915**	**0**

All rental income is attributable to leases classified as operating leases.

Note 5 Expenses by nature

Property costs	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Operating costs	-136	-119	0
Property maintenance	-131	-15	0
Depreciation	-65	-65	0
Other	-2	-1,932	0
Total	**-334**	**-2,131**	**0**
Administrative expenses			
Personnel costs	-1,279	-636	-147
Depreciation	-736	-5	
Advisory services	-15,565	-2,159	0
Other expenses	-2,737	-1,440	-869
Total	**-20,317**	**-4,240**	**-1,016**

Note 6 Auditors' fees

KPMG AB	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Audit assignment	150	0	0
Other auditing activities	25	0	0
Tax advisory services	0	0	0
Other services	0	0	0
Total	**175**	**0**	**0**
Certe Revision AB			
Audit assignment	0	155	67
Other auditing activities	0	0	0
Tax advisory services	0	0	0
Other services	223	0	0
Total	**223**	**155**	**67**

Note 7 Employees and personnel costs

	1 Jan 2020 - 31 Dec 2020		1 Jul 2019 - 31 Dec 2019		1 Jul 2018 - 30 Jun 2019	
Average no. of employees	**Average no. employees**	**Of whom men, %**	**Average no. employees**	**Of whom men, %**	**Average no. employees**	**Of whom men, %**
Parent Company	1	100%	1	100%	1	100%
Subsidiaries	-	-	-	-	-	-
Total, Group	**1**	**100%**	**1**	**100%**	**1**	**100%**

	1 Jan 2020 - 31 Dec 2020		1 Jul 2019 - 31 Dec 2019		1 Jul 2018 - 30 Jun 2019	
Gender distribution, Board and senior executives	**Number on balance sheet date**	**Of whom men, %**	**Number on balance sheet date**	**Of whom men, %**	**Number on balance sheet date**	**Of whom men, %**
Board members	3	67%	2	100%	1	100%
CEO	1	100%	1	100%	1	100%
Other senior executives	2	100%	2	100%	-	-
Total, Group	**6**	**83%**	**5**	**100%**	**2**	**100%**

	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Board, CEO and other senior executives			
Salaries and other benefits	995	487	0
(of which variable remuneration)	*(-)*	*(-)*	*(-)*
Social security contributions	284	149	0
(of which, pension costs)	*0*	*0*	*0*
Total	**1,279**	**636**	**0**
Other employees			
Salaries and other benefits	29	0	0
(of which variable remuneration)	*(-)*	*(-)*	*(-)*
Social security contributions	9	0	0
(of which, pension costs)	*0*	*0*	*0*
Total	**38**	**0**	**0**
Total, Group	**1,317**	**636**	**0**

Total employee salaries, benefits and social security expenses refers to the Parent Company.

1 Jan 2020 - 31 Dec 2020	Basic salary Board fees	Variable remuneration	Pension costs	Other remuneration	Total
Board Chairman					
Christian Hahne	-	-	-	-	0
Board member					0
Kimberly Hero	-	-	-	-	0
CEO and Board member					0
Thomas Andréasson	514	-	-	481	995
Other senior executives (2)	-	-	-	-	0
Total	**514**	**0**	**0**	**481**	**995**

1 Jul 2019 - 31 Dec 2019	Basic salary Board fees	Variable remuneration	Pension costs	Other remuneration	Total
Board Chairman					
Christian Hahne	0	0	0	0	0
CEO and Board member					
Thomas Andréasson	416	0	0	71	487
Other senior executives (2)	0	0	0	0	0
Total	**416**	**0**	**0**	**71**	**487**

1 Jul 2018 - 30 Jun 2019	Basic salary Board fees	Variable remuneration	Pension costs	Other remuneration	Total
CEO and Board member					
Thomas Andréasson	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Remuneration and employment terms for senior executives

Remuneration of the CEO consists of basic salary, other benefits and car benefits. Other senior executives refers the people who together with the CEO comprise Group management.

Note 8 Financial expenses

	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Interest expenses for liabilities measured at amortised cost	-15,790	-2,724	-64
Other financial expenses	-4,573	0	0
Total	**-20,363**	**-2,724**	**-64**

Note 9 Tax

Tax in profit or loss **Current tax**	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Current tax on net profit for the year	0	0	0
	0	0	0
Deferred tax			
Deferred tax on temporary differences	-24,384	-6,352	0
Recognised tax in profit or loss	**-24,384**	**-6,352**	**0**

No tax was recognised directly against equity, and the Group has no tax items recognised in other comprehensive income.

Effective tax **Reconciliation of effective tax rate**	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Profit before tax	**88,717**	**54,108**	**12,059**
Tax at applicable tax rate for Parent Company (21.4%; 22%)	-18,985	-11,579	-2,653
Tax effect of:			
Non-taxable income	150	7,947	2,769
Non-deductible expenses	-2,215	0	0
Non-deductible interest expenses	-2,691	-	-
Non-capitalised loss carry-forwards	-139	-2,404	-116
Remeasurement of tax rate for deferred tax to 20.6%	1,193	-247	-
Tax attributable to prior periods	0	0	0
Utilisation of prior years' non-capitalised loss carry-forwards	0	-	-
Other	-1,697	-69	0
Recognised tax	**-24,384**	**-6,352**	**0**
Effective tax rate	-27.5%	-11.7%	0.0%

The resolved tax rate of 20.6% applies for financial years beginning on or after 1 January 2021, which is why deferred taxes are measured at this tax rate.

Non-capitalised loss carry-forwards amounted to TSEK 649 (12,060; 880) at year end.

Gross changes	**Temporary difference on investment properties**	**Loss carry-forwards**	**Total**
Opening carrying amount, 1 Jan 2020	**-6,352**	**0**	**-6,352**
Recognised:			**0**
In profit or loss	-28,071	3,687	**-24,384**
Closing carrying amount, 31 Dec 2020	**-34,423**	**3,687**	**-30,736**
Opening carrying amount, 1 Jul 2019	**0**	**0**	**0**
Recognised:			**0**
In profit or loss	-6,352	0	**-6,352**
Closing carrying amount, 31 Dec 2019	**-6,352**	**0**	**-6,352**
Opening carrying amount, 1 Jul 2018	**0**	**0**	**0**
Recognised:			**0**
In profit or loss	0	0	**0**
Closing carrying amount, 30 Jun 2019	**0**	**0**	**0**

Note 10 Tangible assets

Machinery and equipment	2020	2019	2018/19
Opening cost	**223**	**0**	**0**
Purchases for the year	8,507	223	0
Sales and disposals	-232	0	0
Closing cost	**8,498**	**223**	**0**
Opening accumulated depreciation	**-25**	**0**	**0**
Depreciation for the year	-800	-25	0
Sales and disposals	43	0	0
Closing accumulated depreciation	**-782**	**-25**	**0**
Closing carrying amount	**7,716**	**198**	**0**

Recognised right-of-use assets are attributable to the following types of assets

	31 Dec 2020	31 Dec 2019	1 Jul 2019
Tangible assets	6,787	-	-
Total right-of-use assets			

Depreciation of right-of-use assets	2020	2019	2018/19
Tangible assets	700	-	-

Lease liabilities	31 Dec 2020	31 Dec 2019	1 Jul 2019
Non-current liabilities	5,872	-	-
Current liabilities	815	-	-
	6,687	-	-

The current portion refers to repayment within the next 12 months. No portion of the Group’s lease liabilities fall due more than five years after the end of the financial year.

Amount recognised in profit or loss	2020	2019	2018/19
Depreciation of right-of-use assets	700	-	-
Interest on lease liabilities	133	-	-
Costs for short-term leases, low-value leases and variable lease payments	47	201	307
	880	**201**	**307**

Amount recognised in statement of cash flows	2020	2019	2018/19
Repayment of lease liabilities	801	-	-
Paid interest attributable to leases	133	-	-

The right-of-use assets refer to leases of office premises and cars.

Note 11 Investment properties

Investment properties are measured at fair value. This means that an estimated market value is determined. All properties are valued by external appraisers with recognised qualifications at least once a year. All of the Group’s properties were externally valued in connection with preparing the annual accounts.

A cash flow valuation is based on estimates of a property’s ability to generate a yield in the future. The method entails analysing expected future payment streams that management of a property is expected to generate. The cash flow calculation calculates the net value of the payment streams that the property holding gives rise to. Each assumption about a property is made individually based on the know-how available about each property and market information from the external appraisers.

The valuations are based on a cash flow model with individual assessments for each property of its future earnings capacity and the market yield requirement.

The calculation is based on project calculations from the principal, with production cost levels and assumptions about areas and apartment divisions used in the calculation. The value assessment is a pre-valuation and refers to projects that have been completed. The land value requires that the detailed development plan has gained legal force.

Investment properties under construction are classified as an investment property even during the construction and remodelling phase if the intention is that the Group will use the property as an investment property. During the construction phase for a rental property, fair value is deemed to be the market value that the investment property had at the start of the project, plus investments made thereafter and changes in value of the project.
The valuations of investment properties are based on Level 3 of the fair value hierarchy according to IFRS 13.

Investment properties	2020	2019	2018/19
Opening carrying amount	**56,997**	**-**	**-**
Acquisition of investment properties in connection with corporate acquisitions	0	45,053	-
Investments and direct acquisitions of properties	22,268	0	-
Sales	-15,266	-14,038	-
Realised changes in value	-1,598	0	-
Unrealised changes in value	125,813	25,982	-
Other	0	0	-
Closing carrying amount	**188,214**	**56,997**	**-**

The accumulated unrealised changes in value of investment properties held on the balance sheet date amounted to MSEK 152 (26; -) on 31 December 2020. Changes for the year partitioning to this are recognised in the profit or loss on the row “Change in value, investment properties.”
All of the properties are rental properties.

Rental payments

Rental payments are charged based on actual, agreed rental levels when the properties have tenants for the intended use. The valuation is based on estimated rent based on utility value and market rents if the investment properties are under construction.

Operating and maintenance payments

Operating and maintenance costs are based on experience. Costs for periodic maintenance are reduced for the first eight years of the calculation if the buildings are under construction or new-builds. Costs are expected to rise in line with inflation.

Investment requirements

The properties’ investment requirements are assessed by the external appraisers based on the condition of the properties. TAFAB informs the external appraisers about ongoing and planned projects. If the properties are under construction, the investments after construction are deemed to be limited and far into the future, which is why these are not considered to have any impact on the calculations. One of the Group’s properties was emptied ahead of the start of construction of a brand new rental property on this site.

Valuation assumptions, weighted average	31 Dec 2020	31 Dec 2019	30 Jun 2019
Calculation period, no. of years	10 years	10.25 years	-
Rent levels	SEK 1,800 per sqm	SEK 1,800 per sqm	
Annual inflation, %	2%	2%	-
Rent trend, % per year	0	0	-
Cost of capital, %	5.8%	5.75%	-
Yield requirement residual value, %	3.75%	4.00%	-
Long-term vacancy rate, %	1%	2%	-
Operating and maintenance costs, year 1, SEK per sqm	325	300	-
Investments, year 1, SEK per sqm	0	0	-

Cost of capital

Cost of capital comprises a nominal interest requirement on total capital before tax. The interest requirement is based on experience-based assessments of the market's minimum return requirements on similar properties. Cost of capital is used to discount the residual value of the properties to the present value.

Residual value

The residual value comprises the market value of the property at the end of the calculation period, less any principal outstanding. The market value is essentially based on the earnings capacity and value trend of the property after the end of the calculation period and has been assessed based on the forecast net operating income for the first year after the end of the calculation period.

Sensitivity analysis, fair value MSEK	31 Dec 2020	31 Dec 2019	30 Jun 2019
Cost of capital +1%	-33	-10	-
Cost of capital -1%	58	12	-
Inflation +/-1%	17	5	-
Rental value, +/-1%	5	1	-
Operating and maintenance costs, +/-10%	4	1	-
Long-term vacancy rate, +/-1%	2	0	-

There are no limitations to TAFAB's right to sell any of the investment properties or its disposal of rental income and remuneration on divestment. However, certain projects require approval before divestment, in accordance with the bond agreement.

Refer to Note 19 for further information about assets pledged as collateral.

Note 12 Financial instruments

Measurement of financial assets and liabilities as per 31 Dec 2020
Rental receivables, accounts payable and similar balance sheet items have a maximum maturity of six months. Accordingly, these are measured at amortised cost less any impairment, which is why the fair value is deemed to be the same as the carrying amount.
Non-current interest-bearing liabilities are deemed to primarily have relatively short fixed-rate terms that do not significantly deviate from nominal values. The bond, which is measured at amortised cost but accrues fixed interest over three years, is deemed to have a fair value of MSEK 130 compared with a carrying amount of MSEK 110.
Otherwise, the recognised amortised cost essentially corresponds to the fair value.

Note 13 Group companies and Participations in associates

Group companies
The Parent Company's, T. Andréasson Fastighetsaktiebolag (publ), holdings in directly and indirectly owned subsidiaries included in these consolidated financial statements are presented in the table below.

Company		Primary activity	31 Dec 2020	31Dec 2019	30 Jun 2019	Participation 1 Jul 2018
T. Andréasson Fastighetsaktiebolag (publ)	556723-0130	Group's Parent Company	Parent Company	Parent Company	Parent Company	Parent Company
T. Andréasson Fastigheter Nydal AB	559217-9583	Holding company	100%	100%	-	-
Dalny Fastigheter AB	559000-6655	Property management	Indirectly wholly owned	Indirectly wholly owned	-	-
Holding 1 i Uppsala AB	556906-4776	Property management	Indirectly wholly owned	Indirectly wholly owned	-	-
T.Andréasson Nydal Knivsta Ekonomisk fören	769631-0080	Property management	Indirectly wholly owned	Indirectly wholly owned	-	-
					-	-
T.Andreasson Fastigheter Huddinge 2 Holding AB	559247-2533	Holding company	100%	100%	-	-
T.Andreasson Fastigheter Huddinge 2 AB	559247-7656	Property development	Indirectly wholly owned	Indirectly wholly owned	-	-
T.Andreasson Fastigheter Huddinge Holding AB	559223-7647	Holding company	100%	100%	-	-
T.Andreasson Fastigheter Huddinge AB	559215-4552	Property development	Indirectly wholly owned	Indirectly wholly owned	-	-
Andréasson & Svahn Fastighetsutveckling AB	559227-9946	Holding company	100%	100%	-	-
EXT Startinvest 8 AB	559220-3649	Property development	Indirectly wholly owned	Indirectly wholly owned	-	-
Andréasson & Svahn Fastighetsutveckling Holding	559226-1746	Holding company	100%	100%	-	-
Benavada Trading AB	559201-6380	Securities trading	Indirectly wholly owned	Indirectly wholly owned		
T. Andreasson Fastighetsaktiebolag Sågverket Hol	559216-7398	Holding company	-	100%		
T.Andreasson Torget Knivsta Ekonomisk förening	769619-6232	Property management	-	Indirectly wholly owned		

The wholly owned subsidiaries have profit distribution agreements entailing that 20% of project profits accrue to a partner. According to IFRS, this agreement is not recognised as a liability but as a non-controlling interest.

Associates
The Group's, T. Andréasson Fastighetsaktiebolag (publ), holdings in directly and indirectly owned associates included in these consolidated financial statements are presented in the table below.

	31 Dec 2020	31 Dec 2019	30 Jun 2019
Opening cost	567	75	175
Acquisitions		-	150
Shareholders' contributions	127	492	0
Sales	-517	-	-250
Closing cost	**177**	**567**	**75**

Company	Corp. Reg. No.	Registered office	Primary activity	Group's share	Recognised share of equity 31 Dec 2020	31 Dec 2019	30 Jun 2019
Lemnius Fastigheter Holding AB	556705-7434	Stockholm	Holding company	50%	177	50	50
T.Andréasson Fastighetsaktiebolag	559201-2438	Stockholm	Property development	50%	-	517	25
							-

Note 14 Earnings per share

Earnings per share before and after dilution	31 Dec 2020	31 Dec 2019	30 Jun 2019
Net profit for the year and comprehensive income for the year	64,333	47,756	12,059
Average no. of shares outstanding before dilutive effect	10,000,000	10,000,000	10,000,000
Earnings per share before and after dilution (SEK)	6.43	4.78	1.21

Net profit for the year is attributable in its entirety to Parent Company owners. There are no non-controlling interests in the Group and no dilutive effects.

The company carried out a bonus issue in 2020 and increased the number of shares to 10,000,000 shares. Last year's figures were restated based on this.

Note 15 Equity

Share capital
On 31 December 2020, the registered share capital encompassed 10,000,000 ordinary shares (1,000,000; 1,000,000). Holdings of ordinary shares are entitled to receive dividends that are determined afterwards and the shareholdings provide voting rights at general meetings with one vote per share. All shares carry the same rights. All shares are fully paid and no shares are reserved for transfer. No shares are held by the company itself or its subsidiaries. The quotient value of the share amounts to SEK 1 per share (100; 100).

	2020	2019	2018/19
Number of shares outstanding at beginning of year	10,000,000	10,000,000	10,000,000
New share issue	0	0	0
Share split	0	0	0
Number of shares outstanding at end of year	10,000,000	10,000,000	10,000,000

The Extraordinary General Meeting on 20 April 2020 resolved on a bonus issue of 9,990,000 shares. In connection with this, the company's share capital increased SEK 9,000,000.

Note 16 Borrowings

	31 Dec 2020	31 Dec 2019	30 Jun 2019	1 Jul 2018
Non-current				
Bonds	111,137	0	0	0
Liabilities to other lenders	18,448	38,747	1,350	850
Lease liabilities	5,872	0	0	0
Carrying amount	**135,457**	**38,747**	**1,350**	**850**
Current				
Lease liabilities	815	-	-	-
Liabilities to other lenders	0	27,000	0	0
Carrying amount	**815**	**27,000**	**0**	**0**
Total borrowings	**136,272**	**65,747**	**1,350**	**850**

Refer to Note 19 for further information about assets pledged as collateral for the loans reported.

Note 17 Financial risks

TAFAB endeavours to have low financial risk in its operations. However, the Group's earnings and cash flow are impacted by changes in both the national and international economies, legislation and the company's own actions. Risk management activities aim to analyse the risks faced by the company and, as far as possible, prevent and limit any negative effects.

Through its operations, the Group is exposed to various types of financial risks: credit risk, market risk (interest rate risk and other price risk) and liquidity risk. The Group's overall risk management focuses on the unpredictability of the financial markets and endeavours to minimise potential unfavourable effects on the Group's financial earnings.

The Group's financial transactions and risks are managed according to a finance policy adopted by the Board. The Group's overall objective for financial risks is to manage them under a framework of low risk, have cost-efficient borrowing and ensure the Group's solvency over time. The responsibility for compliance with the finance policy has been delegated by the Board to the CEO of the Parent Company.

Credit risk

Credit risk is the risk that the Group's counterparties are unable to fulfil their obligations and thereby cause a financial loss for the Group. The Group's cash and cash equivalents are deposited with Swedish banks with high credit ratings, which is why no expected losses on these funds are reported.

Reserve for expected credit losses
The Group applies different methods for expected credit losses depending on the financial instrument. The Group defines default as when it is highly probable that the debtor will not be able to pay the receivable. The Group writes off receivables when it is no longer deemed possible to receive any funds from potential attempts at debt collection.

The financial assets for which the Group has made reserves for expected credit losses ("loss allowance") are presented below. In addition to the assets below, the Group also monitors reserve requirements for other financial instruments, for example, cash and cash equivalents. If these amounts are not deemed to be immaterial, a loss allowance is also made for these financial instruments.

Rental and accounts receivable

Expected credit losses on rental and accounts receivable are calculated in accordance with the simplified method. The Group uses lifetime to asses whether the credit risk in rental and accounts receivable has increased significantly since initial recognition. Receivables that are more than 90 days overdue for payment are deemed to be credit-impaired,. and loss allowances are made based on individual assessments. For other receivables, expected credit losses are based on the past credit loss rate combined with forward-looking factors.
The Group has not had any losses related to rental receivables in the past and thus has not made any provision for doubtful rental receivables.
Confirmed credit losses for the year amounted to TSEK 0 (0; 0).

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument vary due to changes in market prices. IFRS divides market risk into three types: currency risk, interest rate risk and other price risk. The market risks that impact the Group are mainly interest rate risks. The Group has no items in foreign currencies.

Interest rate risk
Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument vary due to changes in market interest rates. A significant factor that impacts interest rate risk is the fixed-interest period. The Group is mainly exposed to interest rate risk attributable to the Group's bonds. The bond has fixed interest of 11% and a maturity of 36 months from the issue date. Since the Group's financing essentially comprises loans at fixed interest, a short-term change in interest rate levels would not have any effect on the Group's earnings or financial position.

Liquidity risk

Liquidity risk is the risk that the Group will experience difficulties in fulfilling its obligations related to financial liabilities. This risk is managed by maintaining sufficiently high liquidity in the form of bank balances.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are presented in the table below. Financial instruments with variable interest were calculated using the interest on the balance sheet date. Liabilities were included in the period when the earliest repayment can be demanded.

	31 Dec 2020					
Maturity analysis	<6 months	6-12 months	1-3 years	3-5 years	>5 years	**Total**
Accounts payable	1,223					**1,223**
Interest-bearing liabilities	7,357	7,357	159,516			**174,230**
Lease liabilities	408	408	5,872			**6,688**
Other current liabilities	2,569					**2,569**
Accrued expenses	6,031					**6,031**
Total	**17,588**	**7,765**	**165,388**	**0**	**0**	**190,741**

	31 Dec 2019					
Maturity analysis	<6 months	6-12 months	1-3 years	3-5 years	>5 years	**Total**
Accounts payable	1,740					**1,740**
Interest-bearing liabilities	3,300	26,400	45,354	0	1,150	**76,204**
Other current liabilities	2,403					**2,403**
Accrued expenses	806					**806**
Total	**8,249**	**26,400**	**45,354**	**0**	**1,150**	**81,153**

	30 Jun 2019					
Maturity analysis	<6 months	6-12 months	1-3 years	3-5 years	>5 years	**Total**
Accounts payable	221					**221**
Interest-bearing liabilities		578	60	60	910	**1,607**
Other current liabilities	7					**7**
Accrued expenses	209					**209**
Total	**437**	**578**	**60**	**60**	**910**	**2,044**

The tables for the maturity analyses include future interest payments, which is why the total amounts according to this exceed amounts in the balance sheet.

Financing risk

Financing risk means that difficulties that could arise with securing financing at reasonable conditions at a given point in time. The Group's senior executives have long had a large contact network and enjoy a high level of trust among banks and creditors, meaning that the possibilities of securing funding are deemed to be high, as also confirmed by the bond issued in 2020.

Note 18 Cash flow statement

Adjustments for non-cash items	**1 Jan 2020 31 Dec 2020**	**1 Jul 2019 31 Dec 2019**	**1 Jul 2018 30 Jun 2019**
Non-cash items on acquisitions	0	0	0
Depreciation	800	70	0
Unrealised change in value of investment properties	-125,813	-25,982	0
Gains/losses on sale of investment properties	0	-23,726	0
Change in value – earnouts	0	-13,410	-12,940
Other	0	-210	0
Carrying amount	**-125,013**	**-63,258**	**-12,940**

Supplementary disclosures to the cash flow statement			
Interest received	1,306	265	199
Interest paid	-14,945	-2,724	-35

Specification of acquisition of investment properties, asset acquisitions			
Investment properties	-	68,341	-
Operating receivables	-	338	-
Cash and cash equivalents	-	52	-
Loans acquired	-	-58,649	-
Operating liabilities	-	-2,736	-
Net assets acquired	**-**	**7,346**	**-**
Purchase consideration paid	**-**	**7,346**	**-**
Less: Cash and cash equivalents in acquired operations	-	-52	-
Impact on cash and cash equivalents, net (positive = decrease)	**-**	**7,294**	**-**

Effect of divestments of subsidiaries on assets and liabilities in the Group		
Investment properties	-16,863	-36,110
Operating receivables	0	-50
Cash and cash equivalents	-49	-
Interest-bearing loans	4,969	34,638
Operating liabilities	-	1,472
Divested net assets	**-11,943**	**-50**
Purchase consideration received	**11,943**	**24,038**
Less: Cash and cash equivalents in divested operations	**-49**	**0**
Less: Vendor loan note	-11,943	-9,851
Impact on cash and cash equivalents	**-49**	**14,187**

Change in liabilities attributable to financing activities	31 Dec 2019	*Changes affecting cash flow* Cash flow for the period	*Changes not affecting cash flow* Acquisitions	Other	31 Dec 2020
Current interest-bearing liabilities	27,000	-27,000			0
Lease liabilities	0	-801		7,487	6,686
Non-current interest-bearing liabilities	38,747	90,839			129,586
	65,747	**63,038**	**0**	**7,487**	**136,272**

Change in liabilities attributable to financing activities	1 Jul 2019	Cash flow for the period	Acquisitions	Other	31 Dec 2019
Current interest-bearing liabilities	0	27,000	0	0	27,000
Non-current interest-bearing liabilities	1,350	18,543	18,854		38,747
	1,350	**45,543**	**18,854**	**0**	**65,747**

Change in liabilities attributable to financing activities	1 Jul 2018	Cash flow for the period	Acquisitions	Other	1 Jul 2019
Current interest-bearing liabilities	0	0	0	0	0
Non-current interest-bearing liabilities	850	500	0	0	1,350
	850	**500**	**0**	**0**	**1,350**

Note 19 Pledged assets and contingent liabilities

Pledged assets	31 Dec 2020	31 Dec 2019	30 Jun 2019
Property mortgages	136,868	19,000	0
Mortgaged tenant-owner apartments	0	13,773	0
Pledged receivables	29,475	-	-
Pledged bank accounts	16,048	0	0
Total	**182,391**	**32,773**	**0**

Contingent liabilities	31 Dec 2020	31 Dec 2019	30 Jun 2019
Contingent liabilities	0	-	-
Total	**0**	**0**	**0**

The company acquired a number of projects in 2019 and 2020. The remaining unpaid purchase consideration for these acquisitions will be paid in the amount of TSEK 76,227 when certain criteria stipulated in the agreement have been fulfilled.

Note 20 Related party transactions

The Group's sphere of related parties encompasses the Parent Company, all Board members and members of company management and persons and companies closely related to these parties. All transactions with related parties take place on market terms.

For information about remuneration of senior executives, refer to Note 7 Employees and personnel costs.
In addition to the information provided in Note 7, certain consultancy services were also purchased and a portion of loans was raised from related parties or companies in which related parties have a significant influence. These transactions are presented in the table below:

	Sale of services	Purchase of services	Other	Receivable on balance sheet date	Liability on balance sheet date
Parent Company					
2020	-	-	-	5000	
2019	-	-	-	-	-
2018/19	-	-	-	-	-
Board members and CEO and companies of these individuals					
2020	-	1,234	-	-	12,730
2019	-	-	-	-	-
2018/19	-	-	-	-	-
Other senior executives and companies of these individuals					
2020	-	1,603	-	-	-
2019	-	-	-	-	-
2018/19	-	-	-	-	-

All purchases of services and receivables from the Parent Company pertain to TAFAB. Liabilities to Board members' related companies amounted to TSEK 1,850 in the Parent Company.

Note 21 Events after the balance sheet date

An Extraordinary General Meeting of the Parent Company was held on 18 April 2021 at which Kimberly Hero became Chairman of the Board. In connection with this, Monica Andréasson became a Board member and Christian Hahne was discharged.

Note 22 Transition to IFRS

From 1 January 2020, TAFAB prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee as endorsed by the European Union (EU). The date of the Group's transition to IFRS is 1 July 2018. Up until the 2019 financial year, the Group prepared its consolidated financial statements in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). The transition to IFRS is reported in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards.

The effects of the change in accounting policies is recognised directly against opening equity. The previously published financial information for the 1 July 2018 – 30 June 2019 and 31 December 2019 financial years, prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3), have been restated to IFRS. Financial information for financial years before 30 June 2018 has not been restated. The principle rule is that all applicable IFRSs and IASs that have entered force and been endorsed by the EU must be applied retroactively. TAFAB did not apply any of the voluntary exemption rules in this respect when it transitioned to IFRS.

The table below presents the effects of the application above to the consolidated income statement for 1 July 2018 – 30 June 2019 and 1 July 2019 – 31 December 2019 and the balance sheet as per 30 June 2018, 30 June 2019 and 31 December 2019. The transition from previous accounting policies also means a different structure and classification of the financial statements than before. The transition to IFRS did not have any effect on the Group's cash flow.

Consolidated balance sheet on 1 Jul 2018

Amounts in TSEK	Note	According to previous policies	IFRS adjustments	According to IFRS
Assets				
Non-current assets Tangible assets Investment properties		0	-	0
Machinery and equipment		0	-	0
Financial assets				
Participations in associates		175	-	175
Other non-current receivables		4,900	-	4,900
Other securities held as non-current assets		0	-	0
Total non-current assets		**5,075**	**-**	**5,075**
Current assets				
Rental and accounts receivable		0	-	0
Receivables from associates		0	-	0
Other receivables		2,507	-	2,507
Prepaid expenses and accrued income		934	-	934
Cash and cash equivalents		126	-	126
Total current assets		**3,567**	**-**	**3,567**
TOTAL ASSETS		**8,642**	**-**	**8,642**
EQUITY AND LIABILITIES				
Equity				
Share capital		1,000	-	1,000
Retained earnings, including net profit for the year		6,667	-	6,667
Total equity		**7,667**	**-**	**7,667**
Non-current liabilities				
Interest-bearing liabilities		850	-	850
Deferred tax liabilities		0	-	0
Total non-current liabilities		**850**	**-**	**850**
Current liabilities				
Accounts payable		34	-	34
Liability to Parent Company		0	-	0
Interest-bearing liabilities		0	-	0
Other current liabilities		26	-	26
Accrued expenses and deferred income		116	-	116
Total current liabilities		**176**	**-**	**176**
TOTAL EQUITY AND LIABILITIES		**8,693**	**-**	**8,693**

The transition to IFRS did not have any effect on the Group's financial position as per 30 June 2018.

Consolidated balance sheet on 30 Jun 2019

Amounts in TSEK	Note	According to previous policies	IFRS adjustments	According to IFRS
Assets				
Non-current assets				
Financial assets				
Participations in associates		75	-	75
Other non-current receivables		1,900	-	1,900
Total non-current assets		**1,975**	**-**	**1,975**
Current assets				
Receivables from associates		113	-	113
Other receivables		18,280	-	18,280
Prepaid expenses and accrued income		1,095	-	1,095
Cash and cash equivalents		49	-	49
Total current assets		**19,537**	**0**	**19,537**
TOTAL ASSETS		**21,512**	**0**	**21,512**
EQUITY AND LIABILITIES				
Equity				
Share capital		1,000	-	1,000
Retained earnings, including net profit for the year		18,725	-	18,725
Total equity		**19,725**	**0**	**19,725**
Non-current liabilities				
Interest-bearing liabilities		1,350	-	1,350
Total non-current liabilities		**1,350**	**-**	**1,350**
Current liabilities				
Accounts payable		221	-	221
Other current liabilities		7	-	7
Accrued expenses and deferred income		209	-	209
Total current liabilities		**437**	**0**	**437**
TOTAL EQUITY AND LIABILITIES		**21,512**	**0**	**21,512**

The transition to IFRS did not have any effect on the Group's financial position as per 30 June 2019.

Consolidated balance sheet on 31 Dec 2019

Amounts in TSEK	Note	According to previous policies	IFRS adjustments	According to IFRS
Assets				
Non-current assets				
Tangible assets				
Investment properties	A	56,997	-	56,997
Machinery and equipment		198	-	198
Financial assets				
Participations in associates		567	-	567
Other non-current receivables		16,540		16,540
Total non-current assets		**74,302**	**0**	**74,302**
Current assets				
Rental and accounts receivable		167	-	167
Receivables from associates		150	-	150
Participations in tenant-owner apartments		13,773	-	13,773
Other receivables		43,239	-	43,239
Prepaid expenses and accrued income		1,297	-	1,297
Cash and cash equivalents		1,657	-	1,657
Total current assets		**60,283**	**0**	**60,283**
TOTAL ASSETS		**134,585**	**0**	**134,585**
EQUITY AND LIABILITIES				
Equity				
Share capital		1,000	-	1,000
Retained earnings, including net profit for the year	A, C	46,891	-	46,891
Total equity attributable to Parent Company shareholders		**47,891**	**0**	**47,891**
Non-controlling interests	B	-	9,642	9,642
Total equity		**47,891**	**9,642**	**57,533**
Non-current liabilities				
Interest-bearing liabilities		38,747	-	38,747
Deferred tax liabilities	C	5,081	1,271	6,352
Total non-current liabilities		**43,828**	**1,271**	**45,099**
Current liabilities				
Accounts payable		1,740	-	1,740
Interest-bearing liabilities		27,000	-	27,000
Tax liabilities		4	-	4
Other current liabilities	B	13,315	-10,913	2,402
Accrued expenses and deferred income		807	-	807
Total current liabilities		**42,866**	**-10,913**	**31,953**
TOTAL EQUITY AND LIABILITIES		**134,585**	**0**	**134,585**

A) In connection with the transition to IFRS, the assessment of a previous property acquisition was changed from a bargain purchase business combination to an asset acquisition. The value of the investment property in the balance sheet has not changed since the acquisition took place during the year and no change in value is deemed to exist.

B) The profit-sharing agreement that was previously recognised as a liability was assessed as being a non-controlling interest in connection with the transition to IFRS, which is why it has been reclassified.

C) A deferred tax liability measured at 20.6% of the temporary difference is recognised for the temporary differences arising in connection with the transition.

Consolidated income statement as per 1 Jul 2018 - 30 Jun 2019

Amounts in TSEK	**Note**	**According to previous policies**	**IFRS adjustments**	**According to IFRS**
			-	
Rental income		0	-	0
Property costs		0	-	0
Securities trading		0	-	0
Cost of securities sold		0	-	0
Administrative expenses		-1,016	0	-1,016
Gain/loss from sale of property		0	0	0
Profit from participations in associates		12,940	0	12,940
Other operating expenses		0	0	0
Financial income		199	-	199
Financial expenses		-64	0	-64
Profit/loss before changes in value		**12,059**	**0**	**12,059**
Change in value, investment properties		0	0	0
Profit before tax		**12,059**	**0**	**12,059**
Tax on net profit for the year		0	-	0
Net profit for the year		**12,059**	**0**	**12,059**

The transition to IFRS did not have any effect on the Group's earnings for the 1 July 2018 to 30 June 2019 period.

Consolidated statement of comprehensive income as per 1 Jul 2018 - 30 Jun 2019

Amounts in TSEK	**Note**	**According to previous policies**	**IFRS adjustments**	**According to IFRS**
Net profit for the year		12,059	0	12,059
Other comprehensive income:				
Items that will not be reclassified to profit or loss		-	-	-
Other comprehensive income for the year		**0**	**0**	**0**
Total comprehensive income for the year		**12,059**	**0**	**12,059**
Net profit for the year attributable to:				
Parent Company shareholders		**12,059**	**0**	**12,059**
Non-controlling interests		**0**	**0**	**0**
Net profit for the year		**12,059**	**0**	**12,059**

The transition to IFRS did not have any effect on the Group's comprehensive income for the 1 July 2018 to 30 June 2019 period.

Consolidated income statement as per 1 Jul 2019 - 31 Dec 2019

Amounts in TSEK	**Note**	**According to previous policies**	**IFRS adjustments**	**According to IFRS**
Rental income		841	0	841
Property costs	A	-2,131	0	-2,131
Securities trading		95,074	0	95,074
Cost of securities sold		-95,187	0	-95,187
Gross profit		**-1,403**	**0**	**-1,403**
Administrative expenses		-4,240	0	-4,240
Gain/loss from sale of property	B	18,981	4,745	23,726
Profit from participations in associates		13,410	0	13,410
Other operating income		19,889	-19,815	74
Other operating expenses		-982	0	-982
Financial income		265	0	265
Financial expenses		-2,724	0	-2,724
Profit/loss before changes in value		**43,196**	**-15,070**	**28,126**
Change in value, investment properties	A, B	0	25,982	25,982
Profit before tax		**43,196**	**10,912**	**54,108**
Tax on net profit for the year	C	-5,082	-1,270	-6,352
Net profit for the year		**38,114**	**9,642**	**47,756**

A) In connection with the transition to IFRS, the assessment of a previous property acquisition was changed from a bargain purchase business combination to an asset acquisition. The earnings effect of the acquisitions recognised according to the K3 rules comprised a change in value of investment properties according to IFRS.
B) The profit-sharing agreement that was previously recognised as a liability was assessed as being a non-controlling interest in connection with the transition to IFRS, which is why the gain/loss from the sale of properties increases by a corresponding amount and the change in value of investment properties increases correspondingly.
C) A deferred tax liability measured at 20.6% of the temporary difference is recognised for the temporary differences arising in connection with the transition.

Consolidated statement of comprehensive income as per 1 Jul 2019 - 31 Dec 2019

Amounts in TSEK	**Note**	**According to previous policies**	**IFRS adjustments**	**According to IFRS**
Net profit for the year		38,114	9,642	47,756
Other comprehensive income:				
Items that will not be reclassified to profit or loss		-	-	-
Other comprehensive income for the year		**0**	**0**	**0**
Total comprehensive income for the year		**38,114**	**9,642**	**47,756**
Net profit for the year attributable to:				
Parent Company shareholders		**38,114**	**0**	**38,114**
Non-controlling interests		**0**	**9,642**	**9,642**
Net profit for the year		**38,114**	**9,642**	**47,756**

The transition to IFRS did not have any effect on the Group's comprehensive income for the 1 July 2019 to 31 December 2019 period.

PARENT COMPANY INCOME STATEMENT

Amounts in TSEK	Note	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Net sales		10,338	2,220	0
Other operating income		0	74	0
Administrative expenses	7	-14,230	-4,285	-1,017
Operating loss		**-3,892**	**-1,991**	**-1,017**
Profit from participations in associates		703	13,410	12,940
Profit from participations in Group companies		16,500	-	-
Financial income		2,783	265	200
Financial expenses		-18,971	-2,276	-64
Profit/loss after financial items		**-2,877**	**9,408**	**12,059**
Appropriations		0	0	0
Profit before tax		**-2,877**	**9,408**	**12,059**
Tax	10	0	0	0
Net profit for the year		**-2,877**	**9,408**	**12,059**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in TSEK	Note	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Net profit for the year		-2,877	9,408	12,059
Other comprehensive income		0	0	0
Comprehensive income for the year		**-2,877**	**9,408**	**12,059**

PARENT COMPANY BALANCE SHEET

Amounts in TSEK	Note	31 Dec 2020	31 Dec 2019	30 Jun 2019
Assets				
Tangible assets				
Equipment, tools, fixtures and fittings	6	929	178	0
Financial assets				
Participations in Group companies	3	1,496	1,489	0
Participations in associates	4	177	567	75
Receivables from associates		0	0	113
Other non-current receivables	5	380	8,100	1,900
Total non-current assets		**2,982**	**10,334**	**2,088**
Current assets				
Accounts receivable		0	83	0
Receivables from Parent Company		5,000	-	-
Receivables from Group companies		59,166	22,895	0
Receivables from associates		23	150	0
Other receivables	8	49,319	32,536	18,281
Prepaid expenses and accrued income	8	2,095	1,275	1,095
Cash and cash equivalents	6	18,607	1,502	48
Total current assets		**134,210**	**58,441**	**19,424**
TOTAL ASSETS		**137,192**	**68,775**	**21,512**
EQUITY AND LIABILITIES				
Equity *Restricted equity* Share capital	11	10,000	1,000	1,000
Unrestricted equity				
Retained earnings		9,183	8,775	6,666
Net profit for the year		-2,877	9,408	12,059
Total equity		**16,306**	**19,183**	**19,725**
Non-current liabilities				
Liabilities to credit institutions	8	111,137	10,632	500
Liabilities to Group companies	13	0	8,550	0
Other non-current liabilities	8	0	820	850
Non-current liabilities		**111,137**	**20,002**	**1,350**
Current liabilities				
Accounts payable	8	935	1,624	221
Liabilities to Group companies	13	215	-	-
Other current liabilities	8	2,569	27,503	7
Accrued expenses and deferred income	8	6,030	463	209
Total current liabilities		**9,749**	**29,590**	**437**
TOTAL EQUITY AND LIABILITIES		**137,192**	**68,775**	**21,512**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in TSEK

	Restricted equity	Unrestricted equity						
	Share capital	Share premium reserve		Retained earnings		Net profit for the year		**Total equity**
Opening equity, 1 Jul 2018	**1,000**			**3,065**		**3,551**		**7,616**
Reversal of last year's profit	-			3,551	-	3,551		-
Net profit for the year	-					12,059		12,059
Other comprehensive income for the year	-					-		-
Comprehensive income for the year	**1,000**	**-**		**6,616**		**12,059**		**12,059**
Transactions with owners								
Merger difference				50				50
Total	**-**			**50**		**-**		**50**
Closing equity, 30 Jun 2019	**1,000**	**-**		**6,666**		**12,059**		**19,725**
Opening equity, 1 Jul 2019	**1,000**	**-**		**6,666**		**12,059**		**19,725**
Reversal of last year's profit	-			12,059	-	12,059		
Net profit for the year	-					9,408		9,408
Other comprehensive income for the year	-					-		-
Comprehensive income for the year	**1,000**	**-**		**18,725**		**9,408**		**9,408**
Transactions with owners								
Merger difference	-		-	9,950		-	-	9,950
Total	**-**	**-**	**-**	**9,950**		**-**	**-**	**9,950**
Closing equity, 31 Dec 2019	**1,000**	**-**		**8,775**		**9,408**		**19,183**
Opening equity, 1 Jan 2020	**1,000**	**-**		**8,775**		**9,408**		**19,183**
Reversal of last year's profit	-			9,408	-	9,408		-
Net profit for the year	-				-	2,877	-	2,877
Other comprehensive income for the year	-					-		-
Comprehensive income for the year	**-**				**-**	**2,877**	**-**	**2,877**
Transactions with owners								
Bonus issue	9,000		-	9,000				-
Total	**9,000**	**-**	**-**	**9,000**		**-**		**-**
Closing equity, 31 Dec 2020	**10,000**	**-**		**9,183**	**-**	**2,877**		**16,306**

PARENT COMPANY CASH FLOW STATEMENT

Amounts in TSEK	Note	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Operating activities				
Profit before tax		-2,877	9,408	12,059
Adjustments for non-cash items				
Depreciation and disposals		36	5	0
Gain/loss on sale of shares in associates		0	-13,410	-12,940
Income tax paid		0	0	0
Cash flow from operating activities before changes in working capital		**-2,841**	**-3,997**	**-881**
Cash flow from changes in working capital				
Change in operating receivables		-56,764	-24,041	-3,107
Change in operating liabilities		7,159	2,153	261
Cash flow from operating activities		**-52,446**	**-25,885**	**-3,727**
Investing activities				
Cash funds acquired on merger		0	50	50
Investments in equipment		-787	-183	0
Net investments in financial assets		6,203	-8,181	3,100
Cash flow from investing activities		**5,416**	**-8,314**	**3,150**
Financing activities				
Borrowings		111,137	35,652	500
Repayment of loans		-47,002	-	-
Cash flow from financing activities		**64,135**	**35,652**	**500**
Cash flow for the year		**17,105**	**1,453**	**-77**
Cash and cash equivalents at beginning of the year		1,502	49	126
Cash and cash equivalents at end of year		**18,607**	**1,502**	**49**

Supplementary disclosures to the cash flow statement			
Interest received	1,306	178	174
Interest paid	-14,945	-2,276	-66

PARENT COMPANY NOTES

Note 1 Significant accounting policies

The Parent Company has prepared its Annual Report in accordance with the Annual Accounts Act (1995:1554) and Swedish Financial Reporting Board recommendation RFR2 Financial Reporting for Legal Entities. The Parent Company applies the same accounting policies as the Group with the exceptions and additions stated in RFR 2. This means that IFRS is applied with the deviations described below.

Participations in subsidiaries
Participations in subsidiaries are recognised in the Parent Company in accordance with the cost method. This means that transaction costs are included in the carrying amount of the holding. The carrying amount is tested quarterly against the equity of the companies. If the carrying amount falls below the companies' recoverable amount, impairment takes place and is charged to profit or loss. The recoverable amount is the higher of fair value less selling expenses and value in use. If previous impairment is no longer justifiable, it is reversed.

Assumptions are made about future circumstances in order to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared with the carrying amount of these assets and forms the basis of any impairment or reversals. The assumptions that affect the recoverable amount are the future earnings trend, the discount rate and useful life. If future external factors and circumstances change, the assumptions could be affected such that the carrying amounts of the Parent Company's assets would change.

Group contributions and shareholders' contributions

The Parent Company presents Group contributions received and paid as appropriations. Shareholders' contributions paid by the Parent Company are recognised directly against equity by the recipient and are recognised as shares and participations by the Parent Company. Shareholders' contributions received are recognised as an increase in unrestricted equity.

Income
The company's income primarily pertains to service income for invoicing intra-Group services to subsidiaries. Income for this is recognised as the services are performed and payment takes place on market terms with normal commercial due dates.
The earnouts recognised on the sale of former associates are recognised in income on divestment. Payment takes place after the project in the divested companies has been completed.
Dividends are recognised when the right to receive payment is deemed certain. Income from the sale of subsidiaries is recognised when control over the subsidiary has been passed to the buyer.

Leases
The Parent Company has decided to make use of the relief in RFR2 regarding leases in legal entities and thus recognises lease payments as a cost straight-line over the lease term.

Financial instruments
Due to the relationship between accounting and taxation, the IFRS 9 rules on financial instruments are not applied in the Parent Company as a legal entity, instead the Parent Company applies the cost method in accordance with the Annual Accounts Act. Accordingly, in the Parent Company, financial assets are measured at cost, and current financial assets are measured in accordance with the lower value principle less impairment for expected credit losses.

Impairment of financial assets
Financial assets, including intra-Group receivables are impaired for expected credit losses. For the method used for impairment of expected credit losses, refer to the Group's Note 1. Expected credit losses for intra-Group receivables are estimated by assessing the credit rating of the counterparty.

Taxes

The Parent Company recognises deferred tax assets attributable to untaxed reserves at gross amounts in the balance sheet. Appropriations are recognised at gross amounts in profit or loss.

Note 2 Significant estimates and assessments

The Parent Company's most important asset item is the value of the earnout that will be received from the Parent Company's divestment of participations in the associate Fastighetsförädlarna i Mälardalen AB. This item is recognised in the Annual Report on the row "Other receivables." Measurement is based on recognised profit for the project calculated according to the share transfer agreement.

Not 3 Participations in Group companies

	31 Dec 2020	31 Dec 2019	30 Jun 2019
Opening cost	1,489	0	-
Acquisitions	0	400	-
Shareholders' contributions	12,088	1,239	-
Sales	-11,923	-150	-
Closing cost	**1,654**	**1,489**	**0**
Opening impairment			
Impairment	-159	0	0
Carrying amount	**1,495**	**1,489**	**0**

Company	Corp. Reg. No.	Registered office	Primary activity	Group's share	31 Dec 2020	31 Dec 2019	30 Jun 2019
T. Andréasson Fastigheter Nydal AB	559217-9583	Stockholm	Holding company	100%	1,150	1,150	-
Dalny Fastigheter AB	559000-6655	Stockholm	Property management	100%	Indirectly owned	Indirectly owned	-
Holding 1 i Uppsala AB	556906-4776	Stockholm	Property management	100%	Indirectly owned	Indirectly owned	-
T.Andréasson Nydal Knivsta Ekonomisk förening	769631-0080	Stockholm	Property management	100%	Indirectly owned	Indirectly owned	-
T.Andreasson Fastigheter Huddinge 2 Holding AB	559247-2533	Stockholm	Holding company	100%	50	-	-
T.Andreasson Fastigheter Huddinge 2 AB	559247-7656	Stockholm	Property development	100%	Indirectly owned	-	-
T.Andreasson Fastigheter Huddinge Holding AB	559223-7647	Stockholm	Holding company	100%	50	50	
T.Andreasson Fastigheter Huddinge AB	559215-4552	Stockholm	Property development	100%	Indirectly owned	Indirectly owned	Indirectly owned
Andréasson & Svahn Fastighetsutveckling AB	559227-9946	Stockholm	Holding company	100%	145	159	-
EXT Startinvest 8 AB	559220-3649	Stockholm	Property development	100%	Indirectly owned	Indirectly owned	Indirectly owned
Andréasson & Svahn Fastighetsutveckling Holding AB	559226-1746	Stockholm	Holding company	100%	100	80	
T. Andreasson Fastighetsaktiebolag Sågverket Holding AB	559216-7398	Stockholm	Holding company	100%	-	50	-
T.Andreasson Torget Knivsta Ekonomisk förening	769619-6232	Stockholm	Property management	100%	-	Indirectly owned	Indirectly owned
					1,495	**1,489**	**0**

Note 4 Participations in associated companies

	31 Dec 2020	31 Dec 2019	30 Jun 2019
Opening cost	567	75	175
Acquisitions	-	-	150
Shareholders' contributions	127	492	0
Sales	-517	-	-250
Closing cost	**177**	**567**	**75**

Company	Corp. Reg. No.	Registered office	Primary activity	Group's share	31 Dec 2020	31 Dec 2019	30 Jun 2019
Lemnius Fastigheter Holding AB	556705-7434	Stockholm	Holding company	50%	177	50	50
T.Andréasson Fastighetsaktiebolag Knivsta 1 AB	559201-2438	Stockholm	Property development	50%	-	517	25
					177	**567**	**75**

Note 5 Other non-current receivables

	31 Dec 2020	31 Dec 2019	30 Jun 2019
Opening cost	8,100	1,900	4,900
Reclassifications	-1,900	-	-
Additional receivables	380	-	-
Loans granted for the year	0	6,200	0
Repayments for the year	-6,200	-	-3,000
Closing accumulated cost	**380**	**8,100**	**1,900**
Closing carrying amount	**380**	**8,100**	**1,900**

Note 6 Tangible assets

	31 Dec 2020	31 Dec 2019	30 Jun 2019
Opening cost	182	0	0
Acquisitions	787	182	0
Disposals	0	0	0
Closing cost	**969**	**182**	**0**
Opening accumulated depreciation	-4	0	0
Depreciation for the period	-36	-4	0
Disposals	0	0	0
Closing cost	**-40**	**-4**	**0**
Carrying amount	**929**	**178**	**0**

Note 7 Administrative expenses

	31 Dec 2020	31 Dec 2019	30 Jun 2019
Personnel costs	955	494	146
Depreciation	36	5 -	
Advisory services	9,809	2,442	869
Other expenses	3,430	1,344	0
Carrying amount	**14,230**	**4,285**	**1,015**

Note 8 Financial instruments

For financial risks, refer to the Group's Note 17.

Calculation of fair value
Interest-bearing receivables and liabilities
For disclosure purposes, the estimated fair value of interest-bearing receivables and liabilities is calculated. This takes place by discounting future cash flows by the principal and interest discounted at the current market interest rate.

Current receivables and liabilities

For current receivables and liabilities, such as cash and cash equivalents, accounts receivable and accounts payable, which are expected to be paid within 12 months, the carrying amount is considered to be an approximation of the fair value.

Measurement of fair value

The asset that the Parent Company measures at fair value is the receivable attributable to the earnout for the divestment of participations in FFAB. An internal valuation of these participations is carried out, but the basis of the valuation is existing property valuations in associates that form the basis of the calculation of the earnout.

Reserve for expected credit losses

The Parent Company applies different methods for expected credit losses depending on the financial instrument. The Group defines default as when it is highly probable that the debtor will not be able to pay the Group's receivable. Receivables largely comprise receivables from Group companies in which expected credit losses have been identified. The company monitors any reserve requirements for all financial instruments, including bank balances. If these amounts are not deemed to be immaterial, a loss allowance is made for these financial instruments.

Note 9 Employees and personnel costs

For salaries and remuneration of employees and senior executives as well as information on the number of employees, refer to the Group's Note 7.

Note 10 Tax

	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Current tax	0	0	0
Change in deferred tax on temporary differences	0	0	0
Recognised tax	**0**	**0**	**0**

Reconciliation of effective tax rate	1 Jan 2020 - 31 Dec 2020	1 Jul 2019 - 31 Dec 2019	1 Jul 2018 - 30 Jun 2019
Profit before tax	**-2,877**	**9,408**	**12,059**
Tax at applicable tax rate for Parent Company (21.4%; 22%)	633	-2,070	-2,653
Tax effect of:			
Non-taxable income	0	2,975	2,761
Non-deductible interest expenses	-2,555	-	-
Non-capitalised loss carry-forwards	1,922	-	0
Non-deductible expenses	0	0	0
Other	0	-905	-108
Recognised tax	**0**	**0**	**0**

Non-capitalised loss carry-forwards amounted to TSEK 17,897 (11,545; 848)

Note 11 Equity

The share capital comprised 10,000,000 shares with a quotient value of SEK 1 on 31 December 2020. Refer also to disclosures in the Group's Note 15 Equity.

Note 12 Pledged assets

	31 Dec 2020	31 Dec 2019	30 Jun 2019
Floating charges	None	None	None
Pledged shares in subsidiaries	1,496	1,489	None
Pledged receivables	29,474	None	None
Pledged bank accounts	16,048	None	None
Total	**47,018**	**1,489**	**0**

Last year, the Parent Company pledged assets in the form of pledged shares in the sub-subsidiary Dalny Fastigheter AB (Corp. Reg. No. 559000-6655) for an amount of MSEK 1.6, and for tenant-owner apartments in the sub-subsidiary EXT Startinvest 8 AB (Corp. Reg. No. 559217-9583) for an amount of MSEK 14.

Note 13 Contingent liabilities

The Parent Company has signed guarantees for a total of TSEK 76,227 (95,082) for other Group companies.

Note 14 Related party transactions

A list of the Group's subsidiaries, which are also the companies that are related parties to the Parent Company, is provided in Note 13.

Transactions from the Parent Company to subsidiary Group companies comprise only management fees, meaning that Group-wide expenses (for example, rent and administration) are distributed by the Parent Company to the relevant subsidiary. These expenses are distributed according to market terms. There are no other related-party transactions than management fees.

	Sale of goods/services	Purchase of goods/ services	Other	Receivable on balance sheet date	Liability on balance sheet date
Group companies					
1 Jan 2020 – 31 Dec 2020	10,338	0	0	64,166	215
1 Jul 2019 - 31 Dec 2019	2,200	0	0	22,895	8,549
1 Jul 2018 - 30 Jun 2019	0	0	0	0	0

Purchases of consultancy services from related persons and legal entities over which the related party exercises a significant influence are described in the Group's Note 20.

Note 15 Auditors' fees

KPMG AB	31 Dec 2020	31 Dec 2019	30 Jun 2019
Audit assignment	150	-	-
Other auditing activities	0	-	-
Tax advisory services	0	-	-
Other services	0	-	-
Total	**150**	**0**	**0**

Certe Revision AB	31 Dec 2020	31 Dec 2019	30 Jun 2019
Audit assignment	0	132	69
Other auditing activities	0	0	0
Tax advisory services	0	0	0
Other services	221	0	0
Total	**221**	**132**	**69**

Note 16 Events after the balance sheet date

An Extraordinary General Meeting was held on 18 April at which Kimberly Hero became Chairman of the Board. In connection with this, Monica Andréasson became a Board member and Christian Hahne was discharged.

Note 17 Proposed appropriation of profits

The following profits are available for distribution by the Annual General Meeting:	
Retained earnings	9,183,179
Net profit for the year	-2,877,361
	6,305,818
The Board of Directors proposes the following appropriation of profits:	
To be carried forward	6,305,818
	6,305,818

Note 18 Transition to RFR 2

These financial statements for the Parent Company are the first that have been prepared by applying RFR 2. Previously prepared annual reports for the Parent Company have been recognised in accordance with BFNAR 2012:1 Annual Report and Consolidated Accounts.

The accounting policies found in Note 1 were applied when the Annual Report was prepared on 31 December 2020, and applied to the comparable information presented as per 31 December 2019, 30 June 2019 and to the preparation of the opening statement of financial position for the period on 1 July 2018. The estimates made as per 1 July 2018 are the same as the estimates made under previously applied accounting policies.

Effect on income statement and balance sheet
The transition from the K3 regulations that were previously applied did not have any effect on the Parent Company's income statement or statement of comprehensive income, and did not have an effect on the Parent Company's balance sheets. The transition to RFR 2 did not have any effect on the Parent Company's cash flow. For comparative years, expected credit losses were not included for intra-Group receivables that have been settled. Financial instruments attributable to earnouts were not remeasured.

Stockholm, 29 April 2021

Kimberly Hero Board Chairman	Thomas Andréasson CEO
Monica Andréasson Board member	

Our audit report was submitted on 29 April 2021

KPMG AB

Jesper Swärd
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of T. Andréasson Fastighetsaktiebolag (publ), corp. id 556723-0130

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of T. Andréasson Fastighetsaktiebolag (publ) for the year 2020.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Matter

The audit of the annual accounts for the financial year 2019-07-01—2019-12-31 was performed by another auditor who submitted an auditor´s report dated 20 April 2020, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

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

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of T. Andréasson Fastighetsaktiebolag (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

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

Stockholm 29 April 2021

KPMG AB

Jesper Swärd

Authorized Public Accountant