



*CONSTANTLY SEEKING
LONG-TERM SUCCESS*



CONTENTS

Fastpartner's operations

- 2 Fastpartner in brief
- 4 The year at a glance
- 6 Message from the CEO
- 10 Trends
- 12 Strategy
- 16 Targets and outcomes
- 20 Sustainable business
- 32 Market overview
- 34 Our segments
- 36 The market in Sweden
- 38 Our properties
- 44 Property management
- 47 Our environmental work
- 50 Project development
- 54 Acquisitions and disposals
- 56 Financing
- 61 Risk management
- 63 Share information and shareholders

Annual accounts

- 67 Directors' Report
- 73 Five-year summary
- 74 Corporate Governance Report
- 78 Management
- 79 Board of Directors and auditors
- 80 Consolidated income statement and statement of comprehensive income
- 81 Consolidated balance sheet
- 82 Parent Company income statement
- 83 Parent Company balance sheet
- 84 Statement of changes in equity
- 85 Statement of cash flows
- 86 Accounting policies and notes
- 105 Signing of the Annual Report
- 106 Auditor's Report

Miscellaneous

- 109 Definitions
- 110 Financial measures
- 111 Property listing
- 117 Contact details

Cover: Ladugårdsgärdet 1:48 and Hilton 2



MESSAGE FROM THE CEO

p.6





OUR SUSTAINABILITY WORK

The statutory sustainability report in accordance with the Swedish Annual Accounts Act (ÅRL) can be found on pages 20–31 and 47–49. Descriptions of risks are detailed on pages 61–62.

TRENDS

p.10



WORKING AT FASTPARTNER

p.25

FASTPARTNER IN BRIEF

Fastpartner is a listed Swedish property company that owns, manages and develops commercial property in Sweden's largest population centres. Our property holdings are located in Stockholm, Gothenburg, Malmö, Uppsala and Mälardalen, Norrköping and Gävle.

OUR PROPERTIES ARE HOME TO some of Sweden's leading and biggest technology, service and industrial companies, including young entrepreneurs with startups, along with various kinds of social services such as care homes, schools, government and local administrations and healthcare providers. We work closely with our tenants to develop our properties, enabling us to create efficient premises and contribute to long-term, positive and sustainable development of urban environments.

CORE VALUES



CLEAR

- A clear approach to our relationships with tenants and suppliers.
- We know what our responsibilities are and what we are authorised to do, which means we are proactive in our contact with others.
- We take time over big decisions, but aim to make other decisions swiftly.



COMMITTED

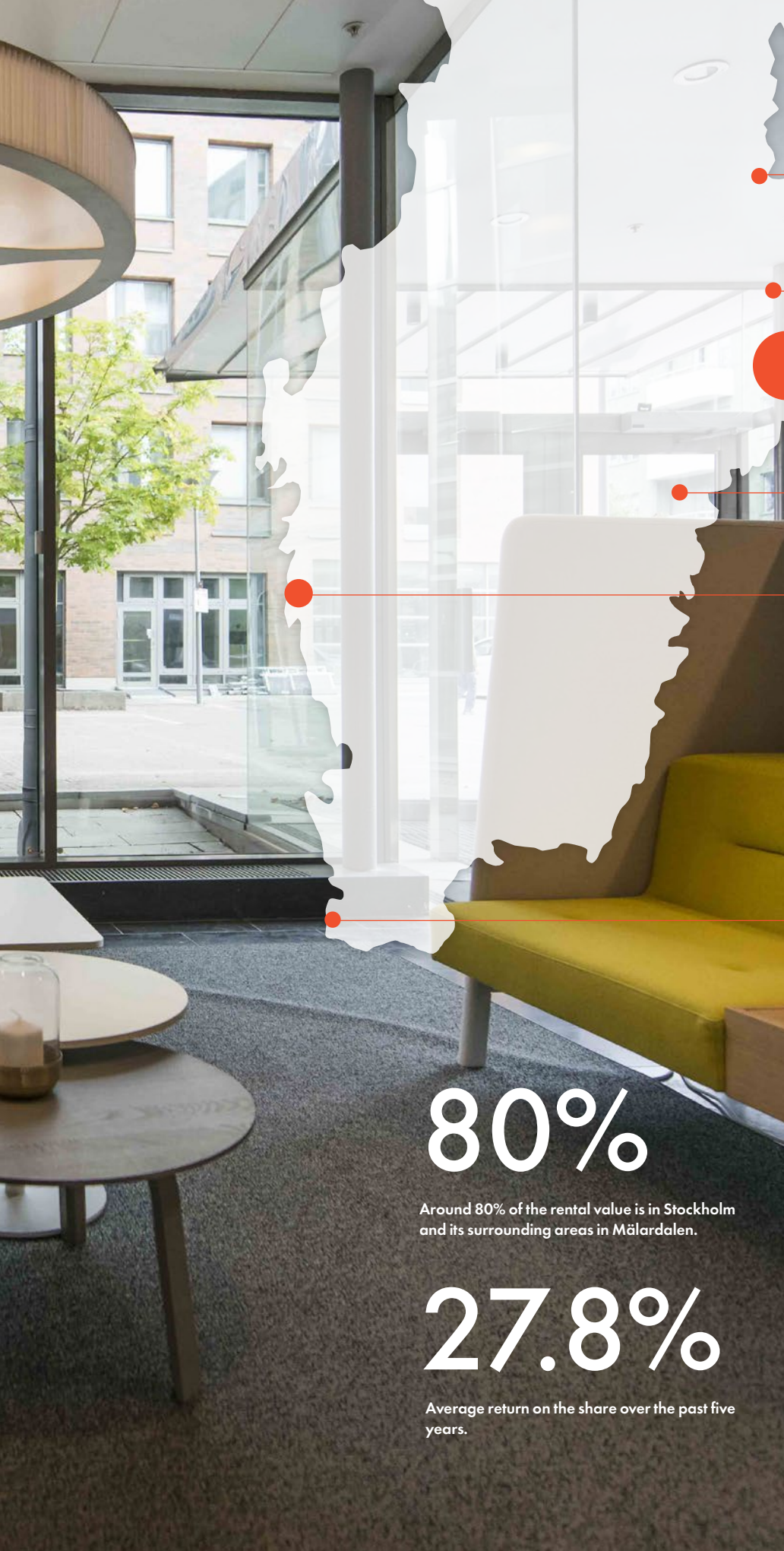
- We take the initiative and responsibility, and always endeavour to exceed expectations.
- We have a professional approach and we focus on solutions.
- We show respect and consideration towards one another, our tenants and our community.



CONNECTED

- We are accessible and accommodating.
- We build relationships with our tenants, employees and suppliers.
- We are positive and quick to respond.





GÄVLE

Property value, SEKm

1,583.0

UPPSALA

Property value¹⁾, SEKm

1,875.1

STOCKHOLM

Property value, SEKm

21,850.1

NORRKÖPING

Property value, SEKm

898.8

GOTHENBURG

Property value, SEKm

1,276.5

MALMÖ

Property value, SEKm

433.2

¹⁾Relates to Uppsala and Mälardalen.

80%

Around 80% of the rental value is in Stockholm and its surrounding areas in Mälardalen.

27.8%

Average return on the share over the past five years.

VISION

We create sustainable environments that promote development for people and companies.

BUSINESS CONCEPT

Our business concept is to own, manage and develop property in a sustainable manner, generating healthy value growth and positive cash flows in expansive locations. At the same time we will establish effective and long-term relationships with our tenants.

MISSION

Fastpartner will provide functional and effective premises for businesses and public-sector organisations, to enable them to conduct their operations in the optimum way.

2019

FINANCING

- Fastpartner's credit rating from Moody's was raised to Ba1 in December 2019.
- Fastpartner's equity amounted to SEK 12,631.7m at the end of 2019.
- Interest-bearing liabilities totalled SEK 13,395.1m, corresponding to a loan-to-value ratio of 47.5%. The interest coverage ratio was 4.0x.

DIVIDEND

The Board of Directors is proposing a dividend of SEK 1.90 per ordinary Class A share, which is the highest dividend that Fastpartner has ever issued.

FINANCIAL TARGETS

We aim to achieve the Group's targets by means of our business concept and our strategies. Our primary financial target is to achieve a rolling annual profit from property management of SEK 950m at the end of 2020.

Brahelund 2

Earnings

Earnings for the year amounted to SEK 3,147.0m (1,805.9). This equates to earnings per ordinary share of SEK 17.19 (9.77) for 2019. The increase in earnings is largely due to higher net operating income as a result of newly signed leases, completed projects, unrealised changes in value and properties acquired in 2018 and 2019.

Dividend

The Board of Directors has proposed a dividend of SEK 1.90 (1.60) per ordinary Class A share for 2019. This is the highest dividend that Fastpartner has ever issued.

Equity

Equity amounted to SEK 69.8 (50.4) per ordinary Class A share at year-end.

Equity/assets ratio

The equity/assets ratio at year-end was 42.1% (38.7).

Equity/assets ratio EPRA NAV

When adjusted according to EPRA NAV, the equity/assets ratio at year-end was 49.8% (45.9).

Interest coverage ratio

The interest coverage ratio was 4.0x (4.2). Fastpartner believes that interest rates will remain low going forward and the company will continue to work mainly with short fixed-interest periods.

Net operating income

The net operating income ratio for 2019 was 4.6% (4.7).

Return on total capital

The return on total capital for the year amounted to 15.4% (10.6).

Return on equity

The return on equity for 2019 was 38.6% (21.6).

LETTINGS To follow is a summary of some of the most significant newly-signed leases in 2019:

- Net lettings for the year totalled 13,289 m² (12,309) distributed across 35 (20) leases, which corresponds to a rental value of SEK 33.6m (15.5), adjusted for discounts. During the year we have had the pleasure of welcoming a large number of new tenants to our premises.
- In Veddesta, Stockholm, Entrack AB took up a space of 5,919 m² in a newly-built property.
- In Västberga we have a new tenant, WIP Stockholm, with a space of 3,016 m², while the Swedish Police Authority (Polismyndigheten) is leasing an area of 1,600 m² in the same building. Hyperion Materials and Sandvik have extended their leases in Västberga with 4,824 and 17,973 m² respectively.
- In Sollentuna, the long-stay company Snabbaboenden i Norden is leasing 4,697 m².
- In Lunda, Stockholm, NILOG AB is leasing an area of 5,795 m². Mini Rodini is leasing a warehouse in Märsta with a total space of 2,039 m². We have also renegotiated a substantial number of leases and in many cases agreed on new, more extensive lettings.
- In Gävle, Järbo Garn is leasing a space of 4,424 m².
- In Norrköping, Kunskapskolan i Sverige AB has upsized to new premises with an area of 5,320 m². Johnson Controls System AB is moving into an office space of 2,468 m² in the Amerika 3 property in Norrköping.
- Gefleborgs Flyttservice AB 4,821 m²; G:sons Åkeri AB 4,294 m²; Stoneridge Electronics AB 3,892 m²; Sandströms Center hyr AB 3,795 m²; Aleris Medilab AB 3,467 m², and ASSA ABLOY Openning Solutions Sweden AB 3,508 m².

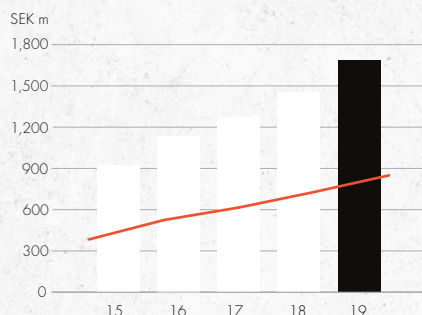
KEY PERFORMANCE INDICATORS

SEK m

850

Profit from property management totalled SEK 849.6m.

Rental income and profit from property management



	2019	2018	2017
Earnings, SEK/ordinary Class A share	17.19	9.77	7.81
Dividend, SEK/ordinary Class A share	1.90 ¹⁾	1.60	1.44
Equity, SEK/ordinary Class A share	69.8	50.4	42.1
Equity/assets ratio, %	42.1	38.7	36.3
Equity/assets ratio EPRA NAV, %	49.8	45.9	43.3
Interest coverage ratio, multiple	4.0	4.2	4.0
Net operating income ratio, %	4.6	4.7	4.9
Return on total capital, %	15.4	10.6	9.9
Return on equity, %	38.6	21.6	20.7

¹⁾Dividend proposed by the Board of Directors according to appropriation of profits for 2019



FINANCIAL

Rental income for 2019 grew by 16.3%, amounting to SEK 1,686.5m (1,450.6).

Net operating income increased by 19.5%, totalling SEK 1,173.0m (981.9).

The surplus ratio rose to 69.6% (67.7).

Profit from property management increased by 16.7% to SEK 849.6m (728.1).

Rolling annual profit from property management totals approximately SEK 950m (840).

After-tax profit amounted to SEK 3,147.0m (1,805.9).

Earnings per ordinary Class A share totalled SEK 17.19 (9.77).

The market value of the properties amounted to SEK 28,172.4m (22,330.0).

The Board of Directors is proposing a dividend of SEK 1.90 (1.60) per ordinary Class A share.

ACQUISITIONS 2019

2019 got off to a flying start when the Brahelund 2 property in Solna was taken over. The property, with a lettable area of 41,000 m² and expected rental income of SEK 123m, was originally built by Skanska to function as their headquarters. The building is of a high quality and is certified according to BREEAM In-Use, Very Good.

In March, the Sättra 108:23 property in the district of Gavlehov in Gävle was taken over, with an area of approximately 500 m². The property is of considerable strategic value for our expansion plans in Gavlehov.

In September, the company acquired Källtorp 127:2 in Gothenburg. The property is strategically located by a slip road onto one of Gothenburg's main highways. The tenant is

Systembolaget. We are working actively on plans to extend the property.

In December, Fastpartner took over Dragarbrunn 10:3. The purchase was motivated by the same assumptions as in 2017, chiefly an anticipated positive trend on the market for commercial property in Uppsala. The city's housing boom has partially impeded the development of commercial premises, which has led to a current shortage of office buildings. This demand has contributed to rising office rents.

The year ended on a positive note via the acquisition of the Herrjärva 3 property, with 19,800 m² and rental income of around SEK 76m. The property was built by NCC to be their headquarters, and they rent these premises with a ten-year lease. Fastpartner took over the property in March 2020.





THE CHALLENGE OF THE CENTURY

In all my 25 years as CEO of Fastpartner, I have never before experienced a situation as extraordinary as the one in which we currently find ourselves.



THROUGHOUT MY CAREER I have been proactive in efforts to bring the company through three major economic crises. I am referring to the currency and property crisis at the beginning of the 1990s, followed by the dot-com bubble in the early 2000s and then the major financial crisis of 2008. All these crises had their origins in the financial system, which meant we were able to address the problems via financial countermeasures. The world's largest central banks now have the know-how and the technology to manage this kind of financial turmoil.

Today we face an entirely new situation in which a virus pandemic has brought the global economy to a standstill, and the only commodities and services in demand are food and social services (health care, schools, social care). This means that the entire private sector's financial flows have ceased, and that we are rapidly entering a situation where there will be major liquidity problems for the

private sector. Responding to the situation that we are facing will require extraordinary measures from all central banks, measures that are far stronger than what we have seen so far from the ECB, Fed, BoE, BoJ and Sweden's own Riksbank. I am convinced that we will see substantial QE programmes being implemented, primarily from the Federal Reserve but also from the ECB.

However, this will need to be accompanied by sweeping fiscal measures aimed as rescuing companies and employees and counteracting other real economy effects. In order for forthcoming government measures to have the optimum impact, there needs to be some form of coordination between the major economic blocs of the US, Europe and potentially China.

In a situation like the one I have just described, it is clear we need to assess Fastpartner's capacity to operate in this new environment, which is best done by examining the company's current position.





CEO Sven-Olof Johansson at Nasdaq Stockholm, Ladugårdsgärdet 1:48, one of Fastpartner's flagship properties.



Fastpartner had its best year ever in 2019. We achieved a post-tax profit of SEK 3,147m. We also met our target of a rolling profit from property management of SEK 950m one year earlier than anticipated.

Fastpartner had its best year ever in 2019. We achieved a post-tax profit of SEK 3,147m. We also met our target of a rolling profit from property management of SEK 950m one year earlier than anticipated.

Efforts to increase our credit rating have continued, and we had our credit rating from Moody's raised to Ba1. This has meant that our balance sheet is stronger than ever before, and our net loan-to-value ratio has dropped to 45.2%. The secured portion of our total financing amounts to 28.9%, which means that the company has a substantial amount of unencumbered collateral in the form of mortgage deeds in our properties at its disposal. Over the years, Fastpartner has built up a significant level of confidence on both the capital market and in the banking system, which is why the company's

financing opportunities are very good.

In our day-to-day operations we have focused on improving the company from every aspect by concentrating primarily on high-quality office properties in central Stockholm and Frösunda/Arenastaden. Increased employee training initiatives have led to greater efficiency and a higher proportion of digitalisation in property management. A strong focus on sustainability work has resulted in environmental certification of roughly 30% of our property value. The target is to achieve 50% by 2022.

In light of this state of affairs, I am firmly convinced that we are one of the best-positioned listed property companies to manage the challenges that lie ahead, and even to harness the business opportunities that may emerge during the current year.

To gain an idea of the company's opportunities over the next few years and the next decade, it can be useful to rewind ten years to 2009 to see how Fastpartner has developed up to the present day. This is best illustrated in the table below.

	2019	2009	Growth, %/year
Property value, SEKm	28,173	4,429	20.3
Rental income, SEKm	1,687	411	15.2
Profit from property management, SEKm	850	215	14.7
Net asset value, SEK/Class A share	82.60	12.10	21.2
Dividend, SEK/Class A share	1.90 ¹⁾	0.66	11.2
Net loan-to-value ratio	45%	63%	

¹⁾Dividend proposed by the Board

This is an achievement of which all of us who work at Fastpartner should be enormously proud, and I want to take this opportunity to thank all our talented and committed employees for a fantastic effort.

Despite the hugely challenging situation in which the world now finds itself we still need to look to the future, and I am confident that the complete lockdown that the global economy is currently experiencing must and will be resolved during the spring if the global economy is to avoid suffering monumental damage.

We can already see how the ECB and the Fed are implementing substantial liquidity support packages aimed at both the capital and equities markets, which are likely to have a significant impact on these markets. In addition, considerable fiscal stimulus measures are in the pipeline. Unfortunately, we have yet to see any relevant practical measures from the Riksbank and Swedish politicians, but I am hoping that these are imminent. If there was ever a time to make use of Sweden's balance sheet, it is now.

All in all, and in light of Fastpartner's robust position, I am confident that through hard work and close cooperation with our tenants, Fastpartner will be able to come through the difficult situation in which we now find ourselves, and thereafter be able to look ahead to yet another successful decade.

Stockholm, 26 March 2020
Sven-Olof Johansson

1.5 MILLION SQM

Property portfolio's lettable area

1,686 SEK M

Rental income for 2019 (an increase of 16.3%)

950 SEK M

Annual rolling profit from property management

28.2 SEK BN

Value of the entire property portfolio

TRENDS IN OUR OPERATING ENVIRONMENT

In a world characterised by rapid technological developments, face-to-face meetings are gaining importance. When cities grow, long-term sustainable property ownership becomes increasingly relevant, while tenants' cycles become shorter. Flexibility and the ability to adapt are prized in a future that is approaching faster than ever before.





URBANISATION

Over the past few years, Stockholm has enjoyed a stable economy, a high degree of innovation and an increasingly favourable business climate. Population growth fuelled by the arrival of refugees, labour migration and a pace of urbanisation that outstrips that of most countries in Europe inevitably creates new demands, not only on the social system but on infrastructure and properties as well. Our urban areas are expanding, and new towns within cities are forming in the vicinity of key public transport hubs.

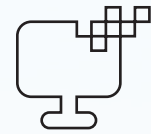
Business opportunities: Analysing Stockholm and other growing Swedish metropolitan areas enables us by simple means to extrapolate future population flows. A sufficiently high level of relocation creates areas where housing is not the main need – such areas also need social services to be expanded, offices, shops and industries. Fastpartner maintains a constant strategic presence in suburban areas, where growth can take off at a moment's notice. Besides allowing us to respond quickly to an exciting market, it is also a unique way of being able to offer services to groups in society that tend to get sidelined.



SUSTAINABILITY

The property sector is playing an important role in the green transition that is well underway in society. Tenants, employees and investors are displaying a growing interest in sustainability and climate issues. Much of the debate has for obvious reasons focused on climate change, fossil fuels and greenhouse gas emissions, but work on sustainability aspects such as quality of life, fresh air, social vulnerability and alternatives to the car are also being highlighted.

Business opportunities: We genuinely welcome the fact that requirements and knowledge relating to climate issues are increasing. As a property owner, it gives us the opportunity to establish a constructive dialogue with our tenants and partners, which enables us to further hone our offering. And there is no doubt that sustainability and profitability are no longer in conflict with each other, quite the opposite in fact. Renewable energy such as from solar panels is falling in price, enabling property owners to produce their own electricity. So the green transition is also now consistent with strategic business logic.



DIGITALISATION

Everything that can be digitalised, will be digitalised. This means that we are just at the beginning of a data explosion that may end up transforming large portions of society. For the property sector, digitalisation means new tools for building, managing, renovating, selling and renting properties will compete with prevailing industry practice. Greater algorithm-controlled precision will increase tenants' agility and need for flexibility. This could create challenges for many existing operators with rigid processes, but in the main, digitalisation will create opportunities to be better at what we do.

Business opportunities: The fusion of multiple new technologies will create tools and services over the next decade that we would never have dreamt possible before. This will help us make even more efficient use of resources through smart energy solutions, digital communication channels, sensor-based prediction analysis for preventive maintenance, and much more. Meanwhile the technological trend presents another opportunity: the face-to-face meeting cannot be completely replaced by digital tools. The human connection and physical meeting places will play an increasingly significant role in future.

CLEAR STRATEGIES GENERATE SUCCESS

Long-term ownership, sustainability and continual improvement are the hallmarks of Fastpartner's strategy work. But an agile and efficient organisation also enables us to be open to new business opportunities as they emerge on the market.



Fastpartner’s business model and strategy

Fastpartner owns, manages and develops commercial property in Sweden’s largest population centres. We have broad risk diversification in these metropolitan areas, with properties in different types of segments.

We endeavour to work swiftly and efficiently to harness business opportunities emerging in the growing metropolitan regions. Our business model is reviewed annually, while sustainability work is a natural element of our long-term operations.

Fastpartner’s vision

Fastpartner’s vision is to create sustainable environments that promote development for people and companies.

Fastpartner’s business concept

Fastpartner’s business concept is to own, manage and develop property in a sustainable manner, generating healthy value growth and positive cash flows in expansive locations. At the same time, Fastpartner will establish effective and long-term relationships with the Group’s tenants.

Fastpartner’s mission

Fastpartner will provide functional and effective premises for businesses and public-sector organisations, to enable them to conduct their operations in the optimum way.

OUR STAKEHOLDERS

No successful business can be conducted in isolation. Just like all other companies, we exist to serve our stakeholders. It is their well-being and development that creates long-term value for everyone involved.



CUSTOMERS

Our tenants are of paramount importance to us. They ensure that our properties thrive and develop, and our primary task is to respond to their needs in the best possible way, whether they are a self-employed tenant in the suburbs or a multinational company based at Stureplan in the centre of Stockholm. Everyone wants to feel at home in their property and that their landlord listens to them. This customer focus will always be central to Fastpartner’s business.



SOCIETY

Properties are a vital element of society. In the expansive metropolitan areas in which we operate, our portfolio plays a significant role in promoting local districts, profitable retail and effective social services. In addition we also have a responsibility to contribute to positive societal development beyond the reaches of our properties. Through various types of local collaborative projects and national sustainability initiatives, we are trying to build a shared future for everyone involved.



EMPLOYEES

Fastpartner aims to be a safe, welcoming and fun place to work. This is the only way we can continue to attract the top talent on the market and ensure our people perform to the best of their ability in every situation. Our employees and their families are our building blocks for the future, and their well-being is evidence that we are doing things right.



VITAL NETWORK BUILDING

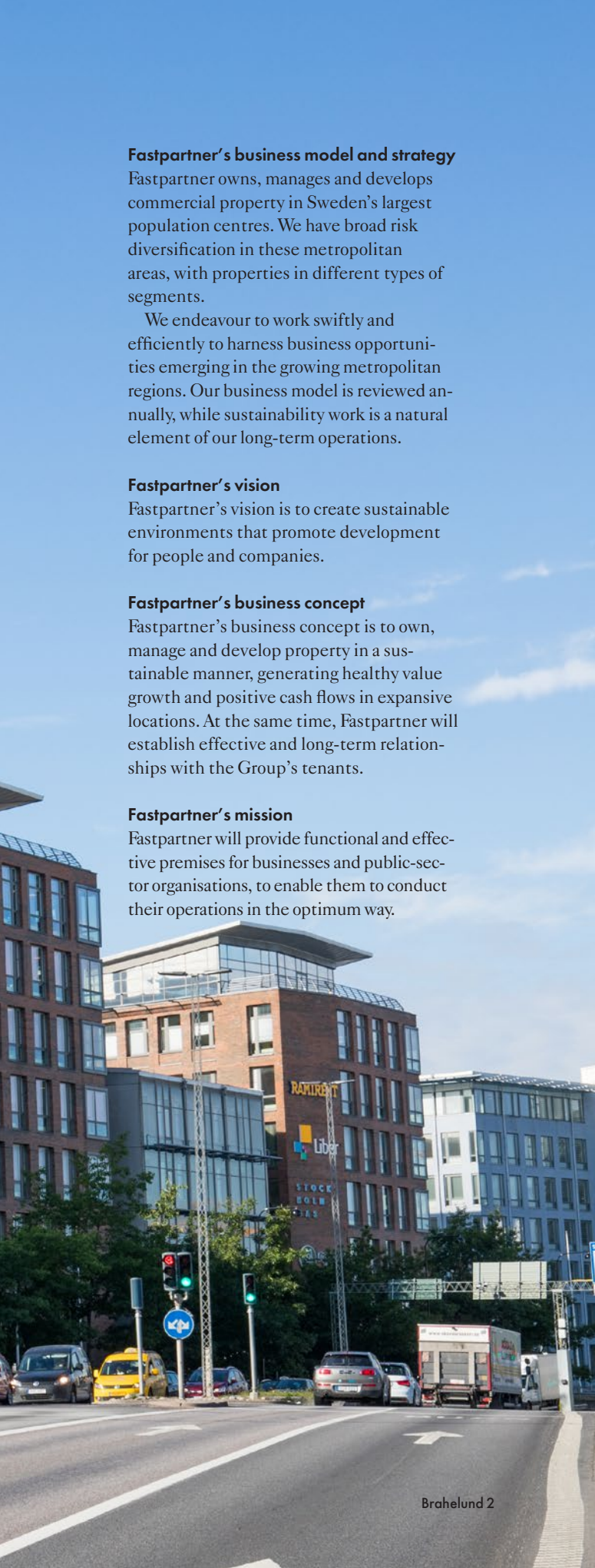
Establishing and maintaining our networks is an important component in improving our existing property portfolio in the long term. Fastpartner adopts an active role at various levels in discussions and decision making in order to strengthen the areas in which the company operates. There are excellent opportunities to utilise land and development rights to satisfy the region’s need for commercial property in the future, but rental apartments and tenant-owner apartments are also included in plans.

In 2019, we have continued to strengthen this network-building process. We have established good contacts in Tensta Centrum and Rinkeby Centrum, and constructive cooperation is now in place primarily with the municipality, local associations and the police. By putting the community front and centre, Fastpartner strives to create a natural and safe forum for residents, tenants and visitors. There is a particular focus on reinforcing the position of women and children and their safety in these areas.



SHAREHOLDERS

Our investors and shareholders believe in us as a company. Every day, with pride and respect, we work hard to fulfil their ambitious requirements for ethical business conduct, long-term sustainability and a reliable return. Fastpartner will be a secure and profitable investment.



Brahelund 2



STRATEGY DESCRIPTION

Our strategy to achieve the company's goals is based on three sub-strategies:

Active and long-term property management for higher revenue.

Balanced combination of equity and borrowings.

Investment in new and existing properties, and transformation of development rights into lettable space.

THE COMPANY'S BOARD OF DIRECTORS HAS JOINTLY AGREED ON THE FOLLOWING STRATEGY DESCRIPTIONS:

Investment strategy

A key aspect of Fastpartner's operations is to develop and invest in its existing property portfolio and to transform development rights into lettable space. Fastpartner's strategy of investing in property in strong locations and with opportunities to increase appeal over time creates conditions for value-adding project investments. The purpose of these investments is to generate a healthy return. Development projects requiring new local development plans can involve work on lengthy investigations prior to the start of construction.

Fastpartner's acquisition strategy is based on a long-term perspective, which means that when considering an acquisition the company chooses properties in locations that will become more attractive with time. This approach paves the way for rising rental income and lower valuation

yields, which together create a healthy appreciation in value for the company's property portfolio. This appreciation in value in turn promotes continued growth in the property portfolio. Fastpartner acquires property in the Stockholm region and in other metropolitan regions to enable the company to benefit from the positive correlation between the size of these cities and their economic development.

Fastpartner invests in all types of commercial premises, including offices, public-services properties, warehouses and logistics buildings, industrial and production properties and shops. When deciding on an acquisition, the company prioritises properties with robust existing cash flows and that complement the existing property portfolio geographically. In its organisation, Fastpartner has access to considerable expertise relating to property acquisitions, which

speeds up the acquisition process, allowing Fastpartner to take advantage of business opportunities at short notice. Fastpartner closely monitors the market in the areas where the company operates in order to identify micro-locations with good growth over time when making acquisitions.

Fastpartner's prioritising of healthy cash flows allows the company to grow and acquire new properties. This approach also makes the company far better able to withstand less favourable economic conditions, as there is capital available to cover ongoing costs. When making acquisitions the company also identifies any potential to increase the development rate in the investment object, allowing the company to extend the property's lettable area. Fastpartner also evaluates opportunities for alternative areas of use for the premises in the properties.



The key to achieving success in our property management strategy is through our employees and their performance and well-being. We are proactive about creating a workplace that encourages personal development and mobility.

Brahelund 2

Property management strategy

Fastpartner's property management strategy is built on working with a long-term approach alongside tenants to develop the company's properties and premises. Property managers and technicians help to build good relationships with our tenants as an important aspect of Fastpartner's management, creating added value for the company. As part of this work, Fastpartner is also able to create value for tenants by providing assistance when there are sudden changes to their operations. The majority of all new leases are agreed in a consultation process between Fastpartner and its existing tenants.

Fastpartner has a skilled and efficient property management organisation that works effectively and with high quality, resulting in low overheads and methodical operation

of the properties in our portfolio. The company's property management enables the company to raise rents in attractively situated parts of the portfolio during renegotiations. Fastpartner aims for the company's leases to be long term and entirely or partially linked to the consumer price index. Many of the company's leases satisfy these criteria, which means these leases are entirely or partially adjusted in line with inflation. In light of the Riksbank's inflation target, this means that most of Fastpartner's rental income, which is far greater than its operating costs, is automatically adjusted upwards by around 2% every year. This generates increased net operating income and healthy value growth.

The key to achieving success in our property management strategy is through our employees and their performance and well-being. We are proactive about creating a workplace that encourages personal development and mobility.

Fastpartner works continually to develop and improve its property management via its IT systems. These systems allow the company to reduce costs and raise quality in its property management. This work is constantly ongoing, and its significance increases with time.

Financing strategy

Owning and managing property is a capital-intensive business. Fastpartner strives to achieve a balanced combination of equity and borrowed capital. Borrowed capital comprises bank loans from the major Swedish banks, bond loans and commercial paper. Fastpartner works to maintain a clear focus on current cash flows. Stable cash flows provide a firm basis for both expansion and a satisfactory return on shareholders' capital.

TARGETS AND OUTCOMES

The Board of Directors and CEO review the company's strategies on a regular basis. Targets are based on initial analyses of the market and insights relating to Fastpartner's competitive situation, optimal financing solutions and persistently strong cash flows.

AREA	TARGET DESCRIPTION	TARGET FULFILMENT 2019	HISTORICAL TARGET FULFILMENT
PROFIT FROM PROPERTY MANAGEMENT	Fastpartner's goal at the end of 2020 is to achieve a rolling annual profit from property management of SEK 950m. As Fastpartner previously announced, the company will not compromise on its principles for a satisfactory return on equity. This means that return is prioritised over expansion.	The rolling profit from property management totalled approximately SEK 950m. The change, SEK 110m compared with the previous year, is mainly attributable to increased net operating income resulting from properties acquired in 2018 and 2019, but also newly-signed leases and completed projects.	
RETURN ON EQUITY	Over a five-year period, the return on equity will amount to a minimum of 15% per year.	The return on equity amounted to 38.6%. The return for the past five years has averaged 28.5% per year.	
SURPLUS RATIO	The surplus ratio in property management will amount to at least 70%.	The surplus ratio in property management amounted to 69.6%.	
INTEREST COVERAGE RATIO	The interest coverage ratio is to be at least 2.0x.	The interest coverage ratio was 4.0x. The interest coverage ratio increased during the year owing to higher net operating income.	
EQUITY/ASSETS RATIO	The equity/assets ratio will amount to at least 25%.	The equity/assets ratio was 42.1%.	

AREA	TARGET DESCRIPTION	TARGET FULFILMENT 2019	HISTORICAL TARGET FULFILMENT
DIVIDEND	<p>The dividend to holders of ordinary shares will total at least a third of earnings before tax and changes in value.</p> <p>1/3</p>	<p>The proposed dividend of SEK 1.90/ordinary Class A share amounts to 40.3% of earnings before tax and changes in value.</p>	<p>100 %</p> <p>2015 2016 2017 2018 2019</p>
ENVIRONMENT	<p>Energy consumption will be reduced every year in comparable portfolios (kWh/m²/year).</p>	<p>Fastpartner's total energy consumption in 2019 declined by 0.6 kWh/m²/year compared with the previous year. Consumption has fallen by 7.8 kWh/m²/year since 2015. The decline is modest due to successful lettings efforts.</p>	<p>200 kWh/m², year</p> <p>2015 2016 2017 2018 2019</p>
NET LOAN-TO-VALUE RATIO	<p>In February 2019, the Board of Directors resolved that the net loan-to-value ratio should be under 50%.</p> <p>50%</p>	<p>The loan-to-value ratio was 45.2%.</p>	<p>100 %</p> <p>2015 2016 2017 2018 2019</p>
NET DEBT/EBITDA	<p>Net debt/EBITDA will be below 10 x.</p> <p>10 x</p>	<p>Net debt/EBITDA was 11.0 x.</p>	<p>20 Times</p> <p>2015 2016 2017 2018 2019</p>
PROFIT FROM PROPERTY MANAGEMENT PER ORDINARY SHARE	<p>Profit from property management per ordinary Class A share will increase by 10% per year over a five-year period.</p> <p>10%</p>	<p>Profit from property management per ordinary Class A share rose by 16.9% in 2019. Over the past five years, profit from property management per ordinary share has risen by 15.9% per year.</p>	<p>50 %</p> <p>2015 2016 2017 2018 2019</p>

EMPLOYEES AND CUSTOMERS

Fastpartner will be an attractive employer and workplace, with committed and skilled employees. In 2019 we worked on the following objectives:

AREA	TARGET DESCRIPTION	TARGET FULFILMENT 2019
EMPLOYEES	Sickness absence: Reduce sickness absence compared with previous year	3.28% (3.47%)
	Percentage of women at the company: Fastpartner aims to increase the proportion of women working at the company compared to the previous year.	In 2019, 28% of employees were female (12.5)
	Employee survey: To outperform Sweden's rating (56) in the employee survey Great Place to Work.	<ul style="list-style-type: none"> • The employee survey for 2019 reveals those aspects that employees appreciate the most about working for Fastpartner, including the company's strong team spirit, positive atmosphere, stimulating work and freedom with responsibility. • 74% of our employees think Fastpartner is "often" or "almost always" an excellent place to work, which is higher than the rating for Sweden. • 81% of employees also enjoy working at Fastpartner. • Furthermore, 86% say they "often" or "almost always" feel their work is meaningful, and that they are proud to say they work for Fastpartner. • 89% can "often" or "almost always" recommend Fastpartner's products and services.
CUSTOMERS	Achieve an annual customer satisfaction rating of 70.	In the 2019 customer satisfaction index (CSI), Fastpartner was acknowledged for the biggest CSI improvement within the Property Barometer conducted annually by CFI Group. The CSI rating for the year was 72.



We are seeing persistently healthy demand for the commercial space that Fastpartner is able to offer. This mainly applies to the Stockholm market, where demand is significantly outstripping existing availability.

SUSTAINABLE BUSINESS

Fastpartner's operations do not only affect our operating environment through our tenants' businesses and the properties we own. It is also about our involvement in the areas in which our properties are located, and our conduct as an employer. Sustainability work is a central aspect of operations and we work continually to integrate sustainability goals with other business and operational targets.

SUSTAINABILITY AND GOVERNANCE

Here at Fastpartner we do not regard sustainability as a separate issue. Our sustainability targets are continually integrated with our other business targets. For this work we use our internal policy decisions, along with certification guidelines and local regulations.

Fastpartner's sustainability work is described in accordance with the legal requirement regarding sustainability reporting. The sustainability report has been based with GRI in mind (Global Reporting Initiative Standards).

FASTPARTNER SUPPORTS THE UN GLOBAL COMPACT

In addition to following legislation, we have also undertaken to comply with and promote international conventions and standards relating to the protection of human rights, work environment and labour law, the environment and anti-corruption.

2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

Fastpartner has analysed its sustainability work based on the UN Sustainable Development Goals (SDGs). Using the 17 overall goals, we have identified ten targets that we feel we can contribute the most towards promoting. We will constantly pursue efforts to achieve the SDGs and the transition to a sustainable society, and will therefore continue to integrate the SDGs into our operations.

3 GOD HÄLSA OCH VÄLBEFINNANDE



3:5 – Prevent and treat substance abuse Fastpartner works with key organisations in society such as the police and Stockholm Public Transport (SL) to prevent and curb the drugs trade in and around our properties. This close cooperation is highly significant in guaranteeing safe residential environments in vulnerable areas.

7 HÅLLBAR ENERGI FÖR ALLA



7:2 – Increase global percentage of renewable energy The electricity supplied to our properties comes from renewable sources. Fastpartner is endeavouring to further increase the proportion of electricity that we produce ourselves via the installation of solar panels. With falling prices and greater efficiency, we will be able to install more panels and thus contribute to an increasingly circular energy system. Geothermal energy is being installed in more properties.

8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT



8:5 – Full employment and decent work with equal pay Prior to annual salary reviews, Fastpartner analyses the company's salaries to ensure equal pay for equal work. Individual pay scales are applied, and all employees are also offered collective agreements from day one. Fastpartner's pay scale is based on annual salary reviews, in which a constructive dialogue is conducted with employees to provide inspiration and facilitate development. For new appointments, salaries are set according to the recruitment profile created for the role in question.

8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT



8:6 – Promote youth employment, education and training Fastpartner enjoys a long-standing partnership with the young people's organisation Fryshuset, which we support in order to give young people a stronger voice in society. We also offer a number of young people summer jobs every year to help them gain experience before entering the job market. In summer 2019, we took on ten young people and ten trainees, four of whom worked in Rinkeby Tensta carrying out painting and decorating work. One of them now works permanently for the company.

10 MINSKAD OJÄMLIKHET



10:2 – Promote universal social, economic and political inclusion

10:3 – Ensure equal opportunities and end discrimination At Fastpartner, no-one should be discriminated against on the grounds of ethnic background, religion, disability, age, sex, sexual orientation or transgender identity or expression. An equal workplace is the foundation of an inclusive organisation where employees have a sense of pride and team spirit. Fastpartner examines attitudes to these parameters in its employee survey and in the annual follow-up of the company's systematic health and safety work. The health and safety handbook contains details of procedures and action that should be taken in the event of suspicions of various breaches.

11 HÅLLBARA STÄDER OCH SAMHÄLLEN



11:6 – Reduce the environmental impact of cities Properties account for a large proportion of the emissions that contribute to climate change. Fastpartner offers its tenants green leases and environmentally-certified buildings as part of the company's efforts to reduce its carbon footprint from operations. These tools create a firm foundation for further work to reduce climate impact among property owners and tenants.

12 HÅLLBAR KONSUMTION OCH PRODUKTION



12:5 – Substantially reduce waste generation Fastpartner aims to always consider the use of transportation, choice of materials during construction and renovations, and resource management for operations in its premises. We also endeavour to increase opportunities to reuse and recycle throughout the company and its property portfolio.

13 BEKÄMPA KLIMATFÖRÄNDRINGARNA



13.1 – Strengthen resilience and adaptive capacity to climate related disasters Green leases, sustainable infrastructure, choice of materials and energy efficiency improvements help us reduce our carbon footprint. Flooding is counteracted through sustainable construction and detention basins.

16 FREDLIGA OCH INKLUDERANDE SAMHÄLLEN



16:5 – Substantially reduce corruption and bribery Fastpartner follows the Global Compact's guidelines and adopts a zero-tolerance approach to corruption and bribery. Our employees undergo regular training in this area.

Active environmental and climate work

Fastpartner prioritises active work with environmental and climate issues. Greenhouse gas emissions associated with properties can be divided into three categories: construction, operation and the businesses being conducted in the properties. By choosing smart technical solutions for property installations, it is in principle possible to eliminate greenhouse gas emissions associated with running properties. But in order to go all the way we need to factor in transportation, choice of materials in construction and renovations, and resource management for the businesses in our premises, with greater reuse and recycling as effective measures.

Properties and construction account for 36% of global energy consumption and 39% of the world's CO₂ emissions (including 11 percentage points from the manufacture of steel, cement and other materials). Of these greenhouse gas emissions, 17% are produced by residential properties and 11% by commercial properties.¹⁾

Emissions from the global property and construction sector rose by 2% between 2017 and 2018. This increase primarily happened because of an expanding global floor area, despite energy-saving measures. It is worth noting that energy consumption for cooling premises is rising sharply, while the amount of energy used to heat buildings is declining.

2020 is a milestone year for all the countries that endorsed the Paris Agreement, as nationally determined contributions (NDCs) are due to be communicated or reported. NDC reports are to be produced every five years and should include data on the extent

to which countries have achieved previously established targets for reducing greenhouse gas emissions, along with new targets for the forthcoming period.¹⁾

The most recent statistics from Sweden's National Board of Housing, Building and Planning (Boverket) show that for 2016, around 60% of greenhouse gas emissions came from running properties and 40% from construction activities, including emissions from production outside Sweden. If we look solely at national emissions the ratio is one to three, and together these emissions account for roughly 25% of total greenhouse gas emissions in Sweden.²⁾

It is clear that substantial greenhouse gas emissions are generated during the construction of new properties. According to the Royal Swedish Academy of Engineering Sciences (Ingenjörsvetenskapsakademien, IVA) and the Swedish Construction Federation (Sveriges Byggindustrier), in a 50-year life cycle analysis of a property with a concrete frame some 60% of greenhouse gas emissions are produced during the construction phase. Of emissions from the construction phase, 84% are attributable to the material used.³⁾

This means that if it is possible to make use of an existing frame instead of building a new one, you can cut greenhouse gas emissions by half.

Environmental and energy policy

With a long-term approach, Fastpartner will guide and lead operations while taking the environment into consideration, and aim to reduce its consumption of resources. In its property management, property development and acquisitions, Fastpartner will manage its environmental and energy work to support a more sustainable society.

1) 2019 Global Status Report for Buildings and Construction.

2) <https://www.boverket.se/sv/om-boverket/publicerat-av-boverket/oppna-data/miljoindikatorer/>

3) Issue B 2260, June 2016, Life cycle calculation of carbon footprint for a newly-built apartment block with a solid wood frame.



ETHICAL BUSINESS CONDUCT

Sustainability is largely about taking responsibility. Business ethics and transparency are at the core of Fastpartner's long-term perspective, both now and for the future.

A world where everyone is a winner

Fastpartner has been listed on the stock exchange since 1994 and has a robust balance sheet. We have a long-term strategy when it comes to our property portfolio, and we adopt an ethical and responsible approach in our business relationships. This is reassuring for our tenants, who are safe in the knowledge that Fastpartner is able to meet their requirements and offer appropriate solutions in both expansion phases and periods of low economic activity.

Fastpartner's policy is to treat all its tenants with respect. Our service aims to be personal and to inspire confidence. All in accordance with Fastpartner's established Code of Conduct and sustainability policy.

Corruption and bribery

At Fastpartner, all employees are to adopt a responsible and ethical approach in business relationships and must not tolerate any form of bribery or corruption. No cases of corruption were noted in 2019, which is consistent with expectations.

Many of the routine day-to-day tasks for a listed property company naturally involve work to combat corruption. For example, tasks associated with property acquisitions and disposals, where all payment flows must be linked to written agreements.

Thorough credit checks and other disclosures must be collated in connection with new tenants moving in. Existing tenants who are unable to pay their rent are also subject to investigation regarding creditworthiness.

Fastpartner owns property in suburban areas such as Rinkeby and Tensta. The work we do with police, municipalities and affected shop owners to achieve a drug-free commercial centre is also a way of combating corruption, since the drug trade can often be one aspect of a bigger operation. Open drug trafficking on streets and in squares is a social responsibility, but as a property owner it is something we try to help resolve for the long term.

Whistleblower function

Fastpartner has a function for whistleblowing both internally and externally, which enables people to report suspected cases of corruption or other crimes, or policy breaches. Employees and external parties can use this service via email or anonymously via ordinary mail.

The function is managed internally and externally as required. No reports were received via the function in 2019.





WORKING FOR FASTPARTNER

Fastpartner's committed and skilled employees are a vital factor for the company's success. A positive corporate culture is essential, and we focus a great deal on being an attractive workplace. Fastpartner has established three watchwords: clear, committed and connected.

Human resources

Fastpartner's rapid expansion 2012–2019 involved an influx of new employees. This meant that the many years' experience of existing employees combined with the views and ideas of new employees. This dynamic is a considerable asset and essential in helping the company to constantly move forward, in particular by implementing the tools that digitalisation has to offer the property sector. When experience merges with new ideas it makes the company stronger, as innovative approaches are assessed from an experienced standpoint.

Fastpartner has a lean organisation in which each employee is an important cog with solid insight into the company's day-to-day operations. The company's fundamental values, targets and activities aim to attract, retain and develop our employees. Fastpartner supports renewal and diversity in its business, and as a company and an employer we prize respect for the individual.

Fastpartner aims to offer its employees good working conditions, in which all employees have equal opportunities, rights and obligations. Being a good employer allows us to attract the top talent in the market. Committed employees who have a voice, are keen to learn and to take on challenges are key success factors. It is also important for each employee to feel proud of the company, their area of responsibility and their daily contribution, and for them to be able to view their role in a bigger context.

Employees' health, development and job satisfaction are therefore important aspects of Fastpartner's appeal. We want to promote good health among our employees and to create conditions for a healthy work-life balance.

Fastpartner operates on the basis of the equal worth of all people, and that conditions between individuals and groups must always be fair. No-one should be discriminated against on the basis of ethnic background, religion, disability, age, sex, sexual orientation or transgender identity or expression.

Ultimate responsibility for Fastpartner's personnel rests with the Board of Directors. Responsibility for establishing guidelines – and ensuring that they are complied with and developed – lies secondarily with the CEO. The management team and a steering group, which can be regarded as the management team's working committee, each meet regularly according to a schedule drawn up

every calendar year. These two groups are tasked with following up the Board and CEO's decisions and other significant plans or issues affecting the business.

Feel-good factor and team spirit

Job satisfaction cannot be taken for granted. It is something that every employee and manager needs to safeguard in their day-to-day work. The feel-good factor is hard to pinpoint, but perhaps Fastpartner's low staff turnover is one indication of how happy people are at the company. Fastpartner has a streamlined and efficient organisation and our employees work well together.

But we are constantly looking to create the perfect conditions to encourage our team spirit to flourish. From then on it is the employees themselves who are tasked with nurturing it. Team spirit is also an excellent way to encourage a company to work collaboratively and create an attractive workplace. Besides salaries, further training and other individual benefits, transparency and codetermination are also important elements in creating the perfect conditions for a good team spirit. New appointments are carefully planned so that new employees can help further boost the level of human capital.

Skills development

Technical developments are accelerating at a pace that makes it hard for many companies to keep up both financially and in terms of know-how. The need for training is increasing as digitalisation moves forward, and a continual exchange of knowledge between employees is raising our combined level of expertise. There is potential for substantial savings within many areas, while investments are costly.

It is up to the company to devise systems to ensure maximum use of employees' knowledge and experience. Internal further training in response to digitalisation is an important investment, but the need for other training remains an equally pressing issue.

Fastpartner shares information externally and internally via regular meetings and a comprehensive intranet.

Fastpartner made a number of internal appointments in 2019, and when recruiting we always examine opportunities to train our existing employees to enable them to take on new roles and positions.



MEET ZINEDINE BECHICHI

How did you first come into contact with Fastpartner?

"My dad knew an employee at Fastpartner through his job. I was contacted, came for an interview and was offered a summer job in Rinkeby/Tensta along with five other young people."

Why did you decide to work for Fastpartner?

"When the manager explained during the interview what Fastpartner does and the kind of summer job they were offering, it got me interested. Part of the summer job involved painting, which I love. I have previously worked at a restaurant, in elderly care and as a caretaker."

How many summers have you worked for Fastpartner?

"I contacted Fastpartner again the following summer to apply for a summer job, and I got to continue. I've been at Fastpartner for two summers, and I now have a fixed-term job that looks likely to be extended."

Where did you work and what did the job involve?

"We repainted a car park in Tensta and front doors in Rinkeby. We also had some light cleaning and renovation work."

What's Fastpartner like as a workplace?

"I think Fastpartner is a great place to work, I've had lots of help and I'm learning something new every day. I've learned about water pumps and heating systems, which I didn't know before. My curiosity means I get loads of experience – I enjoy roles where I get to investigate and come up with solutions for our customers. We also work a lot with service, which I have some experience of from previous jobs."

What's it like joining an organisation as a young person?

"It's fun to work with people who are older than me. As a young person I have a slightly different approach, but when I listen to more experienced

employees I take on their know-how. It's great that I've had the chance to get to know the people who work at Fastpartner, we get on well and have lunch together. I like working with lots of different kinds of people."

What have you learned and what has been the most enjoyable thing about your job?

"I've learned a huge amount, everything from changing light bulbs to managing the fault-reporting system. The thing I enjoy most is providing services to tenants and actually seeing the changes and improvements we make."

What experiences have been the most important for you?

"I'm really keen to get into property management. As a property caretaker and operations technician I've gained a lot of knowledge that not all property managers have. I think I'll get a lot of use out of that in the future."

HEALTH AND SAFETY

In 2019, Fastpartner continued to work proactively with SAM (Systematic Work Environment Management). Managers and safety representatives have together undergone further training in this area and all staff have been trained in health and safety previously. Fastpartner has a health and safety handbook detailing policies, procedures and guidelines for the entire process.

A health and safety team with safety representatives and representatives from company management leads and develops health and safety work, and HR provides information and convenes meetings. The company's management, employees and staff representatives actively participate in health and safety work relating to physical, social and psychosocial work environment.

The health and safety policy is included in the health and safety handbook, which is updated annually and approved by management. We can summarise the health and safety policy as follows:

“We will work to ensure a healthy workplace where all employees thrive and no

injuries occur. We have zero tolerance with regard to all types of injuries.”

Fastpartner is proactive about health and safety issues and aims to lead the way. SAM work is ongoing as part of a process that is bound together by the health and safety handbook and the health and safety policy included in the handbook. The process can be briefly described as follows:

1. We investigate our work environment.
2. We conduct a risk assessment of the results of this investigation.
3. We rectify any issues that have emerged in the risk assessment.
4. Finally, we check and follow up the outcome of these measures.

This work happens on an ongoing basis. The progress checkpoints are management's annual checks and follow-up of systematic work environment management. This is a natural element of our core operations: owning, managing and developing properties.

In 2019, Fastpartner entered into a long-term cooperation agreement with Great

Place to Work (GPTW), which with more than 30 years' experience carries out the world's most extensive workplace study. GPTW presents quality awards to the very best organisations in over 50 countries around the world. Fastpartner's result for 2019 demonstrated that there is a great deal of pride in the company, and that overall we are a “very good workplace”. 74% of our employees confirm this.

Surveys of the psychological aspects of our work environment are also carried out via meetings and daily dialogue. Preventive health check-ups and fitness allowances are offered to employees.

Regular training initiatives are carried out in areas such as security, health and safety, technology and rent law to improve employees' expertise. In 2020, we will be doing refresher courses in CPR using a defibrillator, as well as health and safety courses.

Sickness figures and accident risks have been followed up and no serious work-related incidents have been reported during this past year.



Rånäs 1



We focus on well-being and social togetherness to suit everyone at the company.

WORKING CONDITIONS, DIVERSITY AND GENDER EQUALITY

Equality is at the core of Fastpartner's business. No employee, job applicant, tenant or customer should be subjected to discriminatory treatment. Fastpartner will offer a workplace where employees treat one another with respect. This promotes health, job satisfaction and opportunities for professional development for all employees. Fastpartner does not tolerate any form of exclusion, bullying, harassment, initiation ceremony or other discriminatory treatment. This applies to Fastpartner's workplaces and in connection with meetings with employees, tenants, job or training applicants and/or third parties.

Fastpartner has collective agreements and complies with the labour law principles enshrined in the International Labour Organization's core conventions on labour rights. We also follow internationally endorsed guidelines in the UN Universal Declaration of Human Rights and the UN Convention on the Rights of the Child when developing and planning new projects.

Our work with diversity and gender equality aims to promote increased internal dynamics based on the company's circumstances. Equal application applies to salaries and other employment terms



Hemsta 15:7

and conditions. Fastpartner works actively with its employees on matters relating to equal rights. For many years now, Fastpartner has had an equal Board of Directors, and the administrative unit is predominantly made up of women.

Fastpartner strives to be an attractive employer to help the company recruit and develop the essential individuals who choose to join our workforce. This is a long-term undertaking, and identifying the key skills we need to achieve our goals is a key aspect.

In order to understand our target group, it is important for us to meet potential employees and listen to them, preferably when they are still in education. Fastpartner therefore has partnerships in place with educational institutions and organisations for young people. We take

on trainees as much as possible and follow activities within relevant courses. Fastpartner's HR work follows an annual cycle of activities, including annual follow-up of SAM, safety inspections, workplace meetings, performance reviews, regional meetings, inventory, salary reviews and other activities that aim to build up and raise the level of expertise in the organisation.

BENEFITS

Fastpartner offers a package of benefits that provides extra leave in addition to the collective agreement, and encourages fitness activities and exercise as well as preventive health care. We focus on well-being and social togetherness to suit everyone at the company.

EMPLOYEES

	2019	2018
No. of employees at 31 December	71	69
No. of women	18	17
No. of men	53	52
Average age	45	47
Average age, women	49	51
Average age, men	45	45

SICKNESS ABSENCE, %

	2019	2018
Total sickness absence	3.28	3.47
Of which short-term sickness absence	2.94	2.04
Of which long-term sickness absence	0.34	1.43
Of which sickness absence, women	0.82	1.24
Of which sickness absence, men	2.46	2.23

OUR SOCIAL RESPONSIBILITY

By supporting a number of great organisations, we are taking responsibility and working together to create a better society.

FASTPARTNER REGARDS working with voluntary organisations as a natural aspect of its operations. One of the organisations we work closely with is Fryshuset (see interview on page 31).

Other organisations we have continued to support in 2019 include children's cancer charity Barncancerfonden, the anti-bullying organisation Noll Tolerans mot Mobbning, Nattvandrarerna, Säkra Varje Unge, KRIS – Kriminellas revansch i samhället, Giving People, Aktiv Skola and ComputerAid Sweden.

The organisations we support work to improve safety, education and to provide a financial safety net – the basic necessities for everyone in society to have the opportunity to develop their full potential and achieve their dreams. Together we are building a strong and safe society.



*Together we are
building a strong and
safe society.*



DINA'S STORY

"I first came across Fryshuset when I was going through a period of depression. It was spring 2017 and my best friend Oliver had just died as a result of the extreme violence going on at the time. My whole world came crashing down when he disappeared. I couldn't really get my head around what had happened. To me, he was just the best guy in the world. One day, a couple of weeks after he died, Fryshuset Skärholmen invited people to an open discussion about the climate of

violence among young people in Sweden, and me and Oliver's mum went along. That's when I came into contact with various people who encouraged me to channel my frustration instead of keeping it inside.

It's a real comfort when I think how important Fryshuset has been for me. If I hadn't gone to that first meeting in spring 2017 I would never have got that support. I've grown a lot as a person and the sense of making a difference, of at least trying to help make a positive change, is really powerful.

INTERVIEW WITH JOHAN OLJEQVIST, CEO FRYSHUSET

Fastpartner works with and supports Fryshuset to enable young people to meet, learn new skills and increase their influence in society. Fastpartner also offers a number of young people summer jobs every year to help them gain experience before entering the job market.



What are Fryshuset's main goals?

Fryshuset's vision is to enable young people to change the world through their passions. We do this by offering them the right conditions and plenty of good role models. We are here for all young people, particularly those whom no-one else believes in and who barely have any self-belief. We don't need to try so hard to reach those who aren't in the risk zone, they find their way to us themselves.

In what way is Fryshuset an important organisation for young people?

Everything we do here at Fryshuset is based on genuine approach. We are careful not to underestimate young people, but to take them seriously and empower them to be seen, heard and take action. One example is how compulsory schools, dance schools and professional dance schools are collaborating by older dancers (and teachers) at the professional dance schools teaching at the dance school for younger dancers as well. It makes dance a serious activity, it's not a game. Many of the young people who come here are incredibly motivated, they want to learn new skills and to work. We give them the opportunity based on their own passion to lead younger people, while being paid a salary and gaining more experience.

We build communities in which young people and adults interact, lead and learn together. As our founder Anders Carlberg put it, the generation gap is a threat to democracy. When young people are given responsibility and opportunities to lead other young people, it has so many positive effects. The term *Ungdomsdrivet* (youth-powered) was coined and adopted by Fryshuset a few years ago.

The entire Fryshuset model involves building on the things you are passionate about. Young people need to understand what they are good at and find their inner drive, so they can then influence and shape their own future, and that of others. And to find these things out you have to be allowed to make mistakes – that's an extremely important part of the journey. Everything comes back to our basic need for context and meaning. If we succeed with that, the rest tends to fall into place. Sport is a great forum for developing and testing this out, and it's been at the core of Fryshuset since inception. Although these days we have developed our palette and now offer meaningful activities in several different areas.

Give a brief outline of your partnership with Fastpartner.

Fastpartner's founder Sven-Olof Johansson and Fryshuset's founder Anders Carlberg found common ground a number of years ago through their understanding of the importance of sport and entrepreneurship. Anders Carlberg wanted to highlight good examples of people who had been successful, but not via the standard route. Since then, a collaborative partnership has developed between the companies and we now enjoy an effective cooperation in which Fastpartner supports our activities with a long-term approach and with great confidence in Fryshuset. Fastpartner trusts that Fryshuset knows how best to use its contributions, but naturally the company wants to be kept well informed.

Lots of other companies are keen to come on board and support exciting projects, but they also want to manage them, and that rarely works. Fastpartner's confidence and long-term support is an important contribution to our successful partnership.

The partnership is renewed every three years, guaranteeing Fryshuset an annual sum of SEK 1.5 million. The agreement also includes commitments, or reciprocal benefits on the part of Fryshuset. These relate to some of Fastpartner's district centres where there are problems with social exclusion. Fastpartner is given access to over 30 years' experience and well-established networks 24/7.

In what way does Fastpartner's involvement contribute to Fryshuset's activities?

The bulk of Fastpartner's contribution funds Lovely Days, which keeps Fryshuset open and welcoming young people in the school holidays. Fastpartner's contribution is absolutely vital in enabling Fryshuset to remain open during all the school holidays – even on Christmas Eve. These days at Fryshuset during the school holidays are for many young people the start of a sense of belonging, and they develop and learn new things by getting involved in activities. This in turn helps boost self-esteem.

Lovely Days gives young people the chance to try out masses of activities, and those who are a bit older can also run projects and lead activities, which is a fantastic opportunity for personal development. We want to act as a springboard for young people, offering them meaningful leisure activities while encouraging them to believe in themselves. The alternative for many young people would otherwise at best be a fairly purposeless existence, and at worst destructive and dangerous environments on

the streets. Many of these young people have no opportunities to go away in the school holidays. With us they not only get a safe and stimulating place to be, but also exciting experiences to share with their friends once school starts again.

What are the biggest impact areas that Fastpartner can contribute to when it comes to supporting young people's employment and education?

Continuing to support Fryshuset as they have done for many years, and offering more young people jobs. Adults need to give young people a chance and not worry so much about making mistakes. Try and stay the course, and keep lending support. Fastpartner is very hands-on like Fryshuset, with less bureaucracy and more focus on action.

What results is Fryshuset seeing from Fastpartner's involvement in this area?

We have a number of good examples, besides the contribution to Lovely Days, where Fastpartner has been involved in several success stories. One example is the reward they contributed to one of our boys' groups, made up of a number of lads who have lost their way. They got to visit the VIP lounge at the Friends Arena after completing a project. For many of them it was the biggest experience they'd ever had.

Another great example of how Fastpartner's involvement contributes to young people's employment and education is the fact that the company can make an immediate impact and offer jobs, which opens up opportunities for young people to work with other people. The result is young people with better self-esteem, new contacts and networks to help them progress and enter the job market.

What will your partnership with Fastpartner look like over the next few years? Are there any projects or plans in the pipeline?

Our partnership has just been extended for another three years and we will be continuing with our successful work as before. We will be working on finding synergies within some of our district centres, for example in Rinkeby, where we both have a local presence. We will also continue to share and exchange information and knowledge in various ways. In 2019, everyone at Fastpartner was invited to Fryshuset on a site visit to increase knowledge among Fastpartner's employees of the partnership and about the activities they are supporting.

STABILITY IN UNCERTAIN ECONOMIC CONDITIONS

The global economy is being affected by a wide range of geopolitical factors. International trade declined in 2019 as a result of the trade conflict between the US and China, and at the time of writing it's unclear how the situation, and the economy in general, will develop as a result of COVID-19.



UNCERTAINTIES OVER THE RULES GOVERNING INTERNATIONAL TRADE are weighing on private-sector investment, and global industrial production in the longer term. This led to global growth slowing by around 3% in 2019. The Swedish National Institute of Economic Research (NIER) bases this forecast on the assumption of the trade conflict not escalating further; of tariffs not being raised by more than has already been announced, and of the UK leaving the EU in an orderly fashion in 2020.

GDP growth has slowed in most major developed economies. US GDP grew by only 0.5% in the second quarter of 2019. Inflation has been muted over the past six months, despite increased household spending, two interest rate cuts by the Federal Reserve, and optimism based on low unemployment and growing wage increases. Consumer spending remains the key driver of the US economy, but despite this GDP growth for 2019 fell to just under 2%.

Given the deterioration in the economic outlook, the ECB has cut its deposit interest rate and stated that interest rates will be kept low until inflation is close to the inflation target on a long-term basis. Despite this stimulus, annual eurozone GDP growth slowed to 1% in 2019, indicating a slight weakening of the economy.

Global concerns are also impacting Swedish economic performance, with GDP growing only marginally in 2019. NIER's comparison of forecasts from 12 institutions finds GDP growth of 1.0–1.5% in 2019 and a similar rate in 2020. This compares with growth of 2.3% in 2017 and 2018.

Sweden's central bank, the Riksbank, raised the key interest rate from –0.25% to 0% at the year's final meeting in December 2019. The interest rate hike had a small impact on other market rates, owing to the weaker economy and a declining inflation rate.

Continued Swedish growth

The Swedish property market remained strong in 2019, with Stockholm as the main engine of growth. Increased rental levels, healthy demand for office space and population growth that is boosting suburban areas are parameters cementing Fastpartner's role in the market.

The 2019 financial year saw a sustained favourable climate and significant interest in the Swedish property market. The weak Swedish krona, coupled with a lack of investment options, has attracted a significant number of foreign investors and a continued low required return.



Brahelund 2

Property consultant Catella estimates the volume for the full year 2019 to be around SEK 155 billion, a considerable increase from SEK 133 billion in 2018. The volume of office and logistics properties grew compared with the previous year, while the volume of residential property transactions decreased slightly.

In addition, NIER's Economic Tendency Survey gave a score for the construction sector of 101.8 for September 2019, compared with 94.6 overall for the Swedish economy. This points to a good level of confidence in the construction industry.

Continued urbanisation in Sweden means that it is mainly metropolitan regions with high economic growth, involving the creation of jobs, that have the largest population growth. Larger regions also usually have more developed economies with companies in a broad spectrum of sectors and a wider range of cultural activities, retail and education.

As a property company Fastpartner is exposed to changes in the premises rental market. Fastpartner's main exposure to the rental market is in Stockholm, which is the market that we believe is best positioned in Sweden for long-term growth.

Positive development in Stockholm, both in terms of population and the business sector, is resulting in the expansion of infrastructure such as new metro stations at Nacka, Solna, Barkarby and

Södermalm, and in the development or conversion of previous industrial and business districts.

There are still some opportunities for increased density in centrally located properties, but effective public transport is essential for the development of new districts. Investment in infrastructure consequently generates opportunities for project development in areas previously regarded as peripheral.

The combination of dynamic inner-city locations and effective infrastructure boosts competitiveness for both tenants and investors. The development of new areas offers attractive alternatives to established commercial submarkets.

Lots of interesting developments are also taking place on the outskirts of the Stockholm area. The rapid expansion of Sigtuna Municipality is largely due to the businesses around Arlanda airport generating lots of new jobs. This positive trend is likely to continue for some time to come, as further expansion of Arlanda Airport is expected (although there is currently some political disagreement on this matter).

OUR SEGMENTS

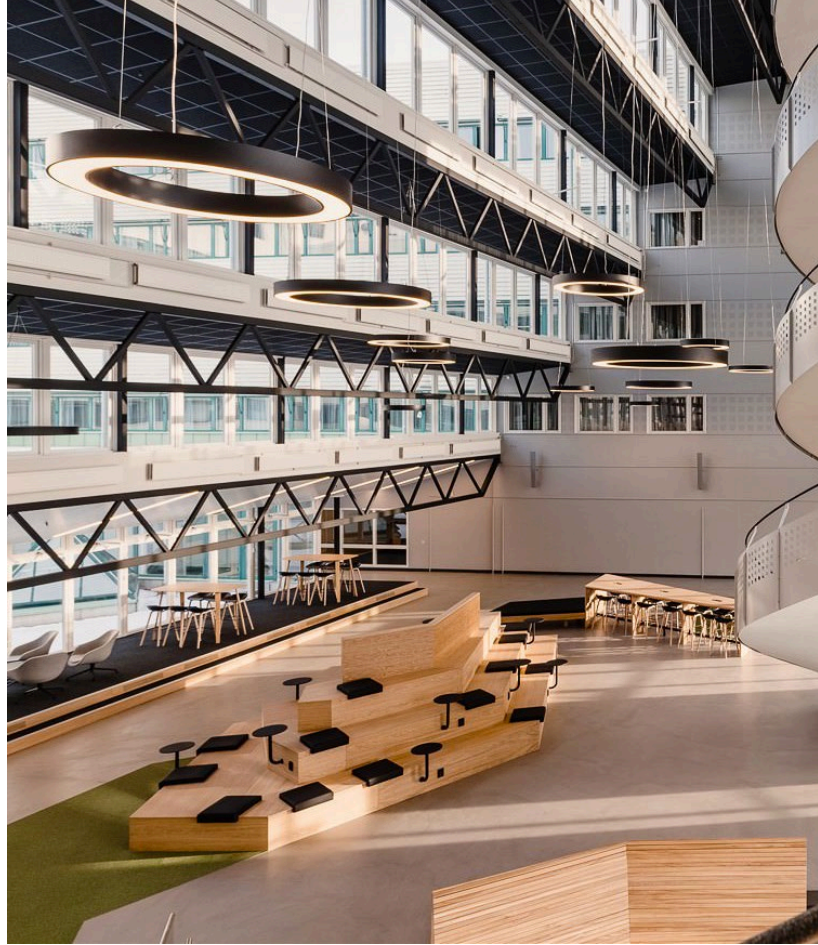
Fastpartner's wide-ranging portfolio contains most property categories. Rather than being a sign of indecisiveness, this considerable variation indicates the identification of opportunities and a reduction of risk. In addition, diversified ownership generates interesting connections and synergies.

Offices

The office market remained very strong in our large cities in 2019. However, rents in central locations appear to have stabilised at a high level. Prime locations in Stockholm have seen office rent of around SEK 10,000/m²/year. This may be because the office rental market has a significant correlation with GDP growth, which is now slowing. Companies that rent in inner-city locations have partially been able to offset rental increases by making more efficient use of space. Around 12 m² per workplace is now a common measure for open, activity-based offices, compared with the previous 20–25 m² per workplace in an office divided into rooms.

Yields for office properties in the most central locations are currently just below 3%, and just outside the city centre they are just over 3.5–4%. Further outside the centre yields rise to around 5%, but rents in these locations have been hovering around SEK 1,000/m²/year for a very long time. We believe the greatest potential is in locations close to the central City district, where rental increases from central locations have not yet really been felt.

Environmental and social sustainability, health and wellbeing are important parameters in the open office of the 2020s. The line between work and leisure is blurring, and growing numbers of companies are opting for flexible, often referred to as 'active,' office solutions to make more efficient use of space and promote the ability to adapt in both the long and short term. This trend also involves encouraging organisations to switch to digital working practices. There is currently a significant trend in business premises for health and wellness, with the focus on the wellbeing of colleagues in the workplace. It's about exercise and healthy eating, and reducing stress.



As the line between leisure and work becomes increasingly blurred, there is an emphasis on the office, as premises need to offer a creative, stimulating environment 24/7, along with an extensive range of services. This means that office interiors need to be aesthetically attractive, more like a living room than a factory. Outside the property the environment needs to be safe and clean, with a good range of food and services on offer. These factors, along with infrastructure and neighbouring tenants, are all part of the concept of 'location', which can also be influenced to a large extent. This is something that Fastpartner is focusing on and we continually upgrade our properties in line with future developments in office space and working life.

Warehousing and logistics

Warehouse facilities are currently seeing strong demand from investors, fuelled by the robust growth in e-commerce. We have a number of well-located logistics properties in our portfolio. However, we are not net purchasers of warehouse facilities as we usually find the prices for these assets to be too high. However, we are keen on constructing new-builds, and we have extensive development rights in both Västberga and Bromma for distribution warehouses. We hope to start construction in Västberga in 2020.

Retail and restaurants

The internet has revolutionised retail. E-commerce platforms and price comparison sites have posed a serious challenge to the existence of bricks-and-mortar shops. However, much of the retail sector continues to be regarded as an experience or service rather than being driven by customer needs. In this regard, as property owners we can likely adopt a greater role in supporting



Hammarby-Smedby 1:458

the development of retailers through insight and a range of tools. Our district centres have a strong element of retail focused on services, along with additional purchases involving needs that have to be met immediately. We believe demand for this type of premises will remain for the foreseeable future.

Public-services properties

Fastpartner has almost 130,000 m² of holdings consisting of schools and care facilities, including various residential facilities, i.e. operations that are directly or indirectly funded by tax revenues. Sweden's demographics are shifting towards an ageing population, which will lead to increased care and healthcare needs. There is already a significant requirement for more schools. We believe this category of properties will increase in the portfolio, in part owing to us switching offices in less attractive locations to public-services properties.

In terms of risk diversification, these types of operations are a good fit as a counterweight to our significant exposure to the cyclical office market. The return on public-services properties has a much lower correlation with GDP performance.

Industry and production

Approximately 60% of the Stockholm region's economy consists of service companies, whose businesses are often based in warehouses and industrial properties. With the right location, these types of property can have significant development potential, as they generally have a low site occupancy ratio. We also see strong performance in the future, as demand for services is increasing in large cities, while many industrial properties are being converted for other use as residential areas expand.



Environmental and social sustainability, health and wellbeing are important parameters in office space of the 2020s.

Housing and hotels

The considerable urbanisation has created significant demand for housing in large urban areas. Both permanent and temporary housing solutions are in demand, which is something Fastpartner is focusing on. Our residential properties are primarily located in our district centres. They are an important complement to our other commercial premises and provide us with the ability to have full control to ensure centres develop in the right way. Our portfolio also includes a few hotel properties.

District centres

With good access to public transport, district centres constitute natural hubs as Greater Stockholm grows and attracts more people and businesses. Fastpartner's property portfolio currently includes seven town and district centres: Tensta, Rinkeby, Hässelby Gård, Älvsjö, Bredäng, Märsta and Vallentuna. Four of our centres already have their own metro stations, and Älvsjö, Märsta and Vallentuna have rail-based connections to central Stockholm. The unique accessibility and convenience of the metro is particularly important where above-ground communications are overloaded with car and road transport. The metro is a value-adding factor for land and properties across the entire network. It's about great locations on Stockholm's efficient metro system.

Co-working hubs

Over the year we focused on a design concept for our co-working hub product, which goes by the name of Fastoffice. This comes against a backdrop of increased demand from small companies for flexible office space outside the home. The purpose of this initiative is to clarify our offering of this product to the market, and to streamline our internal management of both operation and marketing. The Fastoffice product service offering is smaller than that offered, for instance, by Regus, but the price is also lower. Fastoffice is also a good testbed for new office-based concepts, such as digital contract signing, mobile-based access control and co-working solutions.

THE SWEDISH MARKET

The Stockholm region is attractive for property investments. However, in the long term Sweden's other metropolitan areas offer countless opportunities.

GOTHENBURG

Gothenburg is currently undergoing a transformation, with the former central port areas being reconstructed with new offices and housing. Gothenburg is a hub for large parts of Sweden's export industry, and Västra Götaland County is a leading region in terms of economic development. The county's GRP for 2018 was 2.5% (2.1) and average disposable income per inhabitant was SEK 221,000 a year.

UPPSALA

Uppsala is a region that saw significant growth in the 2010s, with a major addition of new housing in the city. This development has been tempered in the wake of the housing crisis, and GRP for 2018 was 1.6% (2.7), while average disposable income per inhabitant was SEK 217,000 a year.

NORRKÖPING

Norrköping underwent a transformation in the 2010s, going from a traditional industrial city to a more knowledge-based business sector. As a result, office rents in the city have started rising, from below SEK 1,500/m²/year to over SEK 2,000/m²/year. Development in the county has also been good, with GRP of 2.4% (3.7) and average disposable income per inhabitant of SEK 212,000 a year.

MALMÖ

Malmö, together with Helsingborg, comprises one of the most important logistics hubs in Sweden. The combination of a young population and an attractive location close to the continent and Copenhagen means it has a dynamic business sector. In 2018 Skåne county had GRP of 1.8% (4.3) and average disposable income per inhabitant of SEK 216,000 a year.

Source: Data regarding GRP has been obtained from <https://www.scb.se/hitta-statistik/statistik-efter-amne/nationalrakenskaper/nationalrakenskaper/regionalrakenskaper/pong/statistiknyhet/regionalrakenskaper-2017/>



GOTHENBURG

MALMÖ



GÄVLE

Like Norrköping, Gävle has gone from being an industrial city to a university city with a knowledge-intensive business sector. The city has all the necessary infrastructure to support a growing business environment, including the E4 and E16 highways, a main rail line and a deepwater port. Arlanda can be reached in 60 minutes, further supporting the city’s infrastructure. The county’s GRP in 2018 was 1.6% (-0.6) and average disposable income per inhabitant is SEK 205,000 per year.

STOCKHOLM

Stockholm remains a market characterised by high pressure on all business premises across all segments. GRP for Stockholm county in 2018 was 3.1% (1.4) and average disposable income per inhabitant is the highest in Sweden at SEK 252,000 a year.

Stockholm is Fastpartner’s largest single market. According to JLL, the volume of property transactions in Stockholm in 2018 amounted to SEK 51 billion, or 32% of the total for Sweden. In 2019, average office rents across all Stockholm submarkets increased compared with 2018.

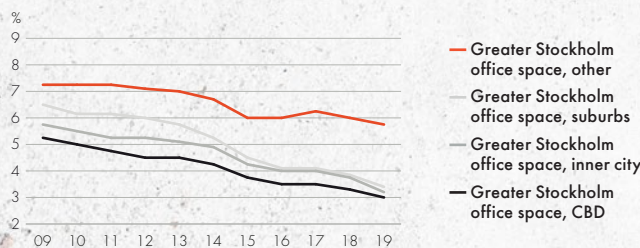
The 2010s saw generally significant rental increases in the central City district, and now we are seeing rents in Stockholm inner-city locations stabilising at high levels. However, we believe there is further scope for rental increases in the suburbs.

Over the past 10 years yield requirements for commercial properties have fallen steadily and for offices in the Stockholm CBD (Central Business District) they are now under 3% according to Catella. This is largely due to the Stockholm market remaining stable, with declining vacancy rates and rising rental levels. Despite the excellent performance of the office rental market in recent years, it is estimated that there is some potential for continued rising rents, particularly for high-quality properties in the CBD.

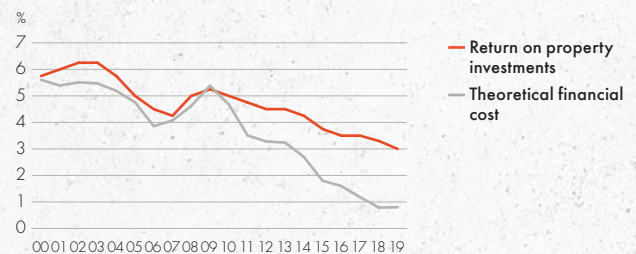
Fastpartner assesses that a key factor in increased property prices in Stockholm is the limited supply of centrally located land left to develop. This can be compared with other Swedish cities. Gothenburg, for instance, has the entire port areas and spaces around the central station that are now being developed, while in Malmö there is an extensive number of older industrial properties interspersed among the streetscape.

In Stockholm some uncertainty can be discerned in investments, with declining transaction activity on both the residential market and the commercial property market. A continued reduction in new-builds can be expected following weakening demand, despite continued healthy population growth. Density is increasing in Stockholm as industrial and business districts are converted into thriving districts in the form of offices, housing and shops.

Yield per region



Yield and interest expenses



Source: Catella 2019

OUR PROPERTIES

Fastpartner's property portfolio encompasses all types of commercial premises in Sweden's largest population centres. Economic performance is strong in these areas and activities range from fashion design to homes for the elderly, from production of cutting-edge technology to furniture retail.

THE VALUE OF THE GROUP'S PROPERTIES at 31 December 2019 amounted to SEK 28,172.4 million, with a total lettable area of 1,510,711 m². The area is divided between the Stockholm area with 854,006 m², the Gävle area with 209,154 m², the Gothenburg area with 145,528 m², the Norrköping area 106,721 m², the Uppsala and Mälardalen area with 102,079 m², Malmö with 48,334 m² and 'other' with 44,889 m². Stockholm is and remains Fastpartner's highest priority investment area, and in terms of rental value accounts of 72.7% of the portfolio.

In Stockholm Fastpartner owns 159,428 m² in the City district and Solna, 209,214 m² in the suburbs, 85,606 m² in Västberga and south, 131,174 m² in Lunda, and 50,766 m² in Airport City Stockholm (Arlandastad). The combined area in our seven district centres is 159,459 m², and 58,359 m² in project properties.

The total lettable area of the property portfolio comprises 545,901 m² of office space, 450,416 m² of warehousing and logistics, 192,936 m² for industry and production, 151,131 m² for retail, 127,726 m² for public-sector activities, 29,799 m² of housing and hotels, and 12,801 m² classified as 'other'. Office space is the single largest segment, accounting for 48% of our property portfolio in terms of rental value.

A list of all the Group's properties is available in the 'List of properties' section. See the 'Valuation opinion' section for valuation reports by external valuation companies on all properties.

28,172 SEK M

The market value of the properties at 31/12/2019







Ekenäs 1

Stockholm City district and City of Solna

Östermalmstorg 1 is the location of one of the company's flagship properties: Krejaren 2, comprising an area of around 8,600 m², in which the Åhléns department store is the largest tenant.

Luntmakargatan 22-34 in central Stockholm is the site of the properties Oxen Mindre 30, 34 and 35, located next to one another with a combined lettable area of 7,000 m², in the heart of the City district but in a quiet area. The properties have been both modernised and digitalised. Sought-after spaces in a large indoor car park can be offered. The largest tenant is the Vasa International School, which rents around 1,700 m². The Mexican Embassy is another of our tenants on Luntmakargatan.

The property Uppfinnaren 1 on Vålhallavägen occupies an entire block on Östermalm. The Swedish Patent and Registration Office is the main tenant, renting two thirds of the area. The property also has two annexes that Fastpartner has completely refurbished.

Properties with extra potential include the Nasdaq property (Ladugårdsgärdet 1:48) at Frihamnen/Loudden in Stockholm, part of Norra Djurgårdsstaden, which is one of Europe's largest urban development areas. This district will become increasingly integrated with Stockholm's City district. Within five to ten years almost 7,000 homes are expected to be built in the area, and Fastpartner will play an active role in this exciting development. With its 38,000 m² of space, this property is now cementing its position as the most influential in the area. Nasdaq is the dominant tenant in the property, but the building's unusual character and potential are also appreciated by the fashion industry. A small fashion centre has been created, with tenants Gant and H&M, which have established a photo studio and office for design and other activities in an area comprising 4,600 m².

On 1 February 2019 we took ownership of the property Brahelund 2, also known as Solna Port. The property has a lettable

area of 41,000 m² and 625 indoor parking spaces. The property has BREEAM In-Use (Very Good) certification, and has been partially financed through the issue of green bonds. Tenants at the property include Oracle, Teleperformance, Axians and Liber.

Stockholm suburbs

Fastpartner has a strong presence in the high-growth northern Stockholm suburbs.

Fastpartner owns seven properties in Kista and its surroundings, with a combined lettable area of around 57,000 m². Many of the properties are in north Kista, an area marketed by Fastpartner under the Kista Bright name. During the year Fastpartner and the City of Stockholm entered into a land allocation agreement, in which the parties' aim is to develop the Kista Bright area into an urban district with a mix of office space, hotels, service companies, education, care and housing. Over the coming years the area will be developed with additional buildings, and the total lettable area for Fastpartner can be expected to increase to approximately 30,000 m².

In Knivsta, Upplands Väsby and Sollentuna Fastpartner has 15 properties with a combined lettable area of 80,000 m². The properties are in good locations along the commuter train line and the E4 motorway between Stockholm and Uppsala.

Fastpartner's properties in Täby have a combined area of just over 41,000 m². Bergstorps Handel is a growing retail area in Täby Municipality, with an ICA Stop with a store and delicatessen comprising around 3,000 m², the SATS gym chain, and furniture retailers MIO and Stalands, with a total combined area of 8,700 m², viewed as key tenants.

Fastpartner's property Aga 2, also known as Dalénum, has a total lettable capacity of 23,000 m².

In 2020 ASSA ABLOY Opening Solutions Sweden AB is expanding significantly at the Syllen 4 property on Liljeholmen,

next to Hornstull. The new tenancy agreement is for 10 years and the total area amounts to just over 6,000 m², with cutting-edge interior design.

Hilton 2 and Hilton 5 are properties in Solna. The properties are located by the approach road to Stockholm City and next to the E4, with good bus and rail transport links.

Airport City Stockholm (Arlandastad)

Airport City Stockholm is located close to Märsta Centrum. Fastpartner owns around 10 properties in Airport City Stockholm with a total area of approximately 44,500 m². The area is characterised by its proximity to Stockholm Arlanda Airport, and several of our tenants in the area work in hotel, office, freight and logistics operations linked to the airport.

Västberga and South

Västberga is a district in the southern suburbs of Stockholm Municipality, where Fastpartner owns seven properties with a combined lettable area of 70,000 m², of which Sandvik leases 35,000 m². Fastpartner has developed premises together with Sandvik for purposes including a research centre, development and specialist production. This has been a boost for both Västberga and our other premises in the area. It is also testament to Fastpartner's ability to successfully deliver on high-quality specialist orders. We are now producing a new local development plan together with the City of Stockholm to meet future demand in Västberga. The local development plan involves an increase of 33,000 m² and is expected to become legally binding in the first half of 2020.

Lunda business area

This area has a strong position on the market and is a good location as the Stockholm region is growing and a number of large roads and exits meet here. The Rånäs 1 property, with a lettable area of around 36,000 m², is highly attractive for demanding tenants. Fastpartner has good services in the area in the form of restaurants, hotels and other facilities.

District centres

Our district centres in Älvsjö, Bredäng, Hässelby, Vallentuna, Märsta, Rinkeby and Tensta have total lettable space of 153,000 m², of which approximately 54,000 m² relates to offices and around 50,000 m² for retail. Housing accounts for space totalling around 7,000 m².

Märsta Centrum

Märsta Centrum's total lettable area is 41,600 m² at present. Märsta Centrum currently has 100 rental apartments, all of which are owned by Fastpartner. A further 200 rental apartments are being constructed under Fastpartner's management, with the first tenants expected to move in during 2020. The construction work encompasses three different buildings with 48, 76 and 76 apartments respectively, with a combined living area of 9,700 m². Together with Fastpartner's existing holdings, the total area for housing in Märsta Centrum will be approximately 16,400 m².

Märsta Centrum has become a major asset for the municipality, its residents and Fastpartner. The aim to create a thriving district centre in one of Sweden's fastest-growing municipalities has been achieved, and the lessons learnt can now be applied elsewhere.



Vallentuna Centrum

We are now developing Vallentuna Centrum, based on the experience and knowledge we have gained in creating thriving district centres through the development of retail and housing. As early as 2017 Fastpartner signed a plan agreement with Vallentuna Municipality for the development of housing, office space and retail in the property Vallentuna-Åby 1:99 close to Vallentuna train station. Full commercialisation of this property, combined with what the centre has to offer, would provide a combined boost for both units.

With six properties totalling around 41,000 m², Fastpartner is now the largest private landlord in the municipality, which brings with it significant responsibility for continuing to develop the centre in the right way. It's important that the area grows and that the ongoing dialogue established with the municipality can continue to create the best possible development for both parties. The municipality's tenancy agreement for 12,900 m², including the entire council building in Vallentuna, also places obligations on us as a landlord.

Rinkeby

Rinkeby's new police station will open in 2020, which will mean a lot for security in both Rinkeby and the entire Järfvåltet area.

Tensta

Tensta Centrum celebrated its 50th anniversary in 2019, and Fastpartner organised a four-day event with our tenants, involving activities for all ages. We provided live music and cake, as well as organising runs, competitions and various children's activities.

Gothenburg

Our property portfolio in Västra Götaland totals 148,000 m², comprising office, retail, warehouse and logistics properties, and managed by personnel from our local Gothenburg offices.

During the year Fastpartner produced a new-build builders' merchants store for XL Bygg, comprising 3,700 m² at the Potttegården 3 property, which is part of Fastpartner's property holdings. The store is due to open in April 2020.

Malmö

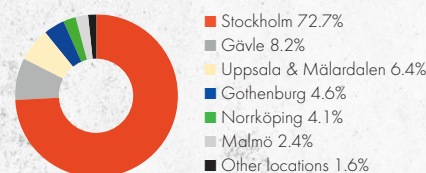
In Malmö, Alvesta and Växjö Fastpartner owns and manages around 80,000 m² of high-quality office and industrial properties in attractive commercial locations. At 20,000 m², the Sporren 4 block in the Kirseberg district of Malmö is the single largest property in our Skåne portfolio. The property includes retail units, a healthcare centre, offices and educational facilities.

Märsta Centrum





Distribution of rental value – by region



type of property. Many of our logistics properties are located just outside the Stockholm region. One example is Bussen 3 in Strängnäs, where the tenant is Bileko Car Parts AB (formerly Me-konomen) across an area of 33,400 m². The contract is for 15 years.

Gävle and Söderhamn

Fastpartner owns 15 properties in the county town of Gävle, with a total area of 154,000 m², along with two properties in Söderhamn with a combined space of just over 55,000 m². A further three small properties outside Gävleborg county are managed by personnel at Fastpartner's Gävle office.

Hemsta Företagspark (Hemsta 11:11/15:7), which totals around 45,000 m², was left vacant in 2014 when Ericsson moved out. Rentals have so far recorded a positive effect each year and at 31 December 2019 more than half the area was leased. This has been achieved by creating a welcoming business park with offices, a gym, service companies, an activity arena and a co-working hub. In addition, development rights are in place for approximately 25,000 m² at the property. During 2019 the outdoor environment was improved, charging points have been installed and a cycle pool has been set up to further enhance the property's appeal.

The properties Näringen 10:4, 15:6 and 22:2 are covered by an established plan for the new railway to the port. The Swedish Transport Administration is currently examining alternative routes for the railway to reduce costs. Fastpartner's premises are not affected by the project.

The Söderhamn holdings amount to around 55,500 m² divided between two properties: Verkstäderna 2 and Björnänge 5:1. Verkstäderna 2 is located in central Söderhamn and comprises public-sector activities, non-profit activities and healthcare. Björnänge Företagshotell hosts around 30 companies employing over 100 people in the property across areas including manufacturing, warehousing, retail, e-commerce, construction and consulting. Effective rental and management efforts have produced good results, and rental is increasing slowly but surely year on year.

Fastpartner has an attractive property portfolio in Gävle och Söderhamn, offering good variation. There is significant potential here for the development of the business sector, sports activities and public services. Constructive cooperation is key.

Norrköping

Norrköping has one of Sweden's best logistics locations, with immediate proximity to European motorways, flights, ports and rail connections via the southern main line. Fastpartner's property holdings in Norrköping encompass 15 properties with a lettable area of approximately 112,000 m². Kunskapsskolan rents premises in the centre of the city for an upper secondary school.

Uppsala and Mälardalen

Fastpartner owns a large number of properties in Uppsala and Mälardalen. It was therefore logical to acquire three properties totalling around 28,500 m² in Uppsala in 2017. Two of them are centrally located, while the third, occupying 25,500 m², is located by the approach road to Uppsala centre, not far from IKEA in Fyrislund.

The acquisition of the Dragarbrunn 10:3 property in Uppsala, which we took ownership of on 2 December 2019, increased Fastpartner's lettable area in Uppsala by over 50%. Rental income has shown similar development, increasing by SEK 27 million a year as a result of the acquisition. The property is located in the centre of Uppsala and comprises an entire block between the Fyris river and the shopping area on Svartbäcksgatan.

The property is leased as office and retail space, as well as for healthcare, education and housing. Together with existing and new tenants, we are now looking forward to continuing to develop the property, whose location and high quality attracts significant interest.

The property portfolio also includes several large logistics and warehouse properties, and there is considerable demand for this

PROPERTY MANAGEMENT FOR THE FUTURE

Property management involves more than maintaining a high level of quality and ensuring secure, effective and attractive premises. It's just as much about managing tenants' trust. This is how our property management works.



91.0%

Financial occupancy rate

FASTPARTNER PUTS TENANTS and the environment front and centre of its long-term strategy. We have our own property management personnel based in local property management offices in close proximity to the clusters of properties that we own. Our committed property managers and technicians have detailed knowledge of the local market and properties, ensuring that they strengthen and guarantee the quality and efficiency of our management.

We also apply our watchwords of connected, clear and committed in our management of properties. Our physical proximity to tenants makes it easier to engage with them and allows us to be proactive. In our contact with tenants we are keen to exceed expectations and deliver solutions and take action as quickly as possible. We adopt a smart yet straightforward approach to ensure that key issues are allocated the time they require. We try to avoid unnecessary bureaucracy and focus on professional solutions that provide a win-win for all parties.

The bulk of new tenancy agreements are signed with or through our existing tenants. This underscores the importance of taking good care of our tenants. In the 2019 Swedish Property Barometer, Fastpartner made the largest improvement on customer satisfaction of all property companies included in the survey. We are delighted and extremely proud of this. Our result for the year was 72 (63), placing us midway in the survey.

Contract structure

We have a generally high financial occupancy rate of 91.0% and long rental agreements at an average of 4.7 years, meaning that exposure to changes on the rental market is relatively low within the foreseeable future. Adjusted for our project properties, the occupancy rate rises to 91.6%.

Office space currently accounts for almost 50% of our rental value, followed by warehousing and logistics, retail and public-sector activities. In recent years the percentage of office space has grown considerably, while the percentage of industrial properties has decreased from around 35% to approximately 7%.

Central government and municipal operations lease 127,726 m² and account for approximately SEK 170 million in rental income.

At year-end our contract portfolio consisted of 3,133 contracts divided between 1,821 unique tenants. Of these contracts, 2,006 related to premises lease agreements, 413 to car park leasing contracts, 326 to parking space agreements, 215 to housing rental agreements, and 173 to other leases for antennas, land leases, advertising space and similar.

Lettings

Net lettings for the year totalled 13,289 m² (12,309) distributed across 35 (20) leases, which corresponds to a rental value of SEK 33.6m (15.5), adjusted for discounts.

During the year we have had the pleasure of welcoming a large number of new tenants to our premises. Entrack AB took up a space of 5,919 m² in a newly built property in Veddesta, Stockholm. Järbo Garn is renting an area of 4,424 m² in Näringen, Gävle. In Västberga we have a new tenant, WIP Stockholm, with a space of 3,016 m², while the Swedish Police Authority (Polismyndigheten) is leasing an area of 1,600 m² in the same building. Johnson Controls System AB moved into an office space of 2,468 m² in the Amerika 3

property in Norrköping. The long-stay company Snabbaboenden i Norden AB is leasing 4,697 m² in Sollentuna. Mini Rodini is leasing a warehouse in Märsta with a total space of 2,039 m².

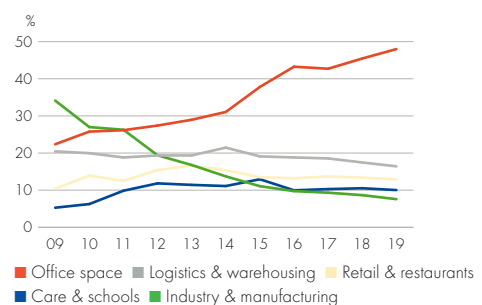
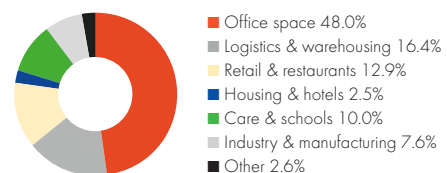
We have also renegotiated a substantial number of leases and in many cases agreed on new, more extensive lettings. In Norrköping, Kunskaapsskolan i Sverige AB has upsized to new premises with an area of 5,320 m². Hyperion Materials and Sandvik have extended their leases in Västberga with 4,824 and 17,973 m² respectively. NILOG AB is leasing an area of 5,795 m² in Lunda, Stockholm. Gefleborgs Flyttservice AB 4,821 m²; G:sons Åkeri AB 4,294 m²; Stoneridge Electronics AB 3,892 m²; Sandströms Center AB 3,795 m²; Aleris Medilab AB 3,467 m², and ASSA ABLOY Opening Solutions Sweden AB over 6,000 m².

Unfortunately we have also seen a number of vacancies during the year, of which Microsoft was the largest. The technology company moved from a space of 8,466 m² in Kista. Vacancies were also made by Norrköpings Tryckeri AB from 2,230 m², MacNeal AB in Gothenburg from 1,608 m² and Envirotainer AB from 1,248 m².

In addition to vacancies, we also lost a few rentals owing to bankruptcies, mainly in Gävle: Inresol AB at 6,866 m² and Ex & Co AB at 3,602 m². In Märsta, Sandström Näntreprenad AB filed for bankruptcy and vacated an area of 1,417 m². AARE Grafisk Produktion AB i Västberga is vacating an area of 1,409 m² and Kallskänks Gourmé i Växjö AB is leaving a space of 1,144 m².

The largest vacancies in the portfolio are in Kista and Upplands Väsby in north Stockholm, and in central Norrköping, Hemsta, Gävle and Söderhamn. Stockholm is seeing high rental activity and new contracts for relatively small spaces are being signed almost on a daily basis. We are endeavouring to increase rentals in these areas. In Norrköping we are having ongoing discussions regarding large rentals, which would reduce average vacancies. In Gävle and Söderhamn it is primarily Ericsson's former spaces that are vacant. Gävle is an area with a strong business sector and healthy growth, providing us with good hopes of signing rental agreements for parts of these spaces over the coming year.

Distribution of rental value – by type of premises



”

Fastpartner's experience is that most investments in environmental improvements are also financially beneficial.

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MÅNDAG 10 SEPTEMBER 2024

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ENVIRONMENTAL WORK WITH AN OVERALL APPROACH

A holistic approach to a property's life cycle is paramount for us in order to achieve sustainability goals. This outlook sits well with both Fastpartner's long-term strategy and tenant expectations. There are lots of opportunities to make good decisions over the course of a property's life. Fastpartner reviews the choice of materials, construction methods, optimisation of resources, energy sources, and possibility of environmentally efficient transport throughout a property's life cycle, along with installation systems, control and monitoring of the property's systems and planning for changes in the future.

Certifications

Fastpartner's experience is that most investments in environmental improvements are also financially beneficial.

Fastpartner is a member of the Sweden Green Building Council (SGBC). SGBC is a trade association that develops and monitors environmental certification of properties.

There are a number of different property certification systems and they all differ. Below is a brief summary. New-build properties can be certified to the US-based LEED standard, the European BREEAM standard (for which there is also the Sweden-specific BREEAM-SE variant), or the Swedish 'Miljöbyggnad' standard. What all of these standards have in common is that they take account of a wide range of aspects of the building, everything from the interior to the exterior environment. There is a fourth certification standard known as GreenBuilding, which focuses solely on energy usage in the building and requires it to be 25% lower than building regulations for new-builds, or for existing properties 25% lower than a comparable average. Existing properties can be certified retrospectively as BREEAM In-Use

and, soon, also as 'Miljöbyggnad iDrift'.

The number of environmentally classified properties in the portfolio is growing every year, and both our and our tenants' eco-footprints are gradually decreasing. At year-end 2019 Fastpartner owned environmentally-certified properties with a combined value of SEK 8,213 million. Of these properties, one is classified BREEAM In-Use, four are classified Miljöbyggnad and twelve properties have GreenBuilding classification.

In addition to these classified properties, Fastpartner has four properties with solar arrays on the roof. Over the next few years our aim is to increase the number of environmentally classified properties in our portfolio.

Energy systems in properties

Fastpartner measures carbon emissions based on energy usage. In 2019, a total of 6,461 tonnes of carbon dioxide equivalents (CO₂e) were recorded, corresponding to 4.49 kg CO₂e per m². That's a reduction of 21.63%/m² on the previous year. Fastpartner has gradually cut its environmental footprint through long-term, committed environmental and sustainability work. The company's total energy consumption per m² has decreased by 0.5% on the previous year. The decrease could have been greater had our rental activities not been so successful.

Fastpartner now purchases electricity generated entirely from renewable energy sources with zero CO₂e emissions. Our next step will be to increase the percentage of electricity that we generate ourselves. We currently have four properties with solar arrays, which provide a small contribution on top of the electricity we purchase.

The biggest source of greenhouse gas emissions from the operation of our properties is district heating generation. For the property Rånäs 1, with an area of around 36,000 m², we have replaced district heating and cooling systems entirely with geothermal energy. The heat pumps are powered by environmentally labelled zero-emissions electricity. Fastpartner is purchasing more and more environmentally sustainable district heating.

Refurbishment and extension projects

Fastpartner is continually making improvements to its properties by switching to more

environmentally sustainable and energy-efficient heating and cooling methods, smarter control and monitoring of our heating and plumbing systems, energy-efficient windows, additional insulation and the fitting of energy-saving lighting. When managing and refurbishing our properties and for new-builds, we are careful in our choice of materials and aim to achieve overall environmental sustainability for the long term. We are members of BVB (Bygg-VaruBedömningen), a trade association that focuses on ensuring environmentally sustainable building materials are used in new-build and refurbishment projects.

Green leases

Green leases are an effective way, together with our tenants, to help reduce our overall environmental and carbon footprint. A number of tenants have tenancy agreements with extra tough requirements on good environment and sustainability. This involves us cutting the consumption of energy and resources, recycling more and reducing the volume of waste. This is reflected in how both we and our tenants

view sustainability as an integral part of successful business.

Digital action for the environment

Fastpartner is engaging actively to introduce new digital solutions in our business. This enables us to save resources and boost efficiency.

Connected buildings

We are taking measures to digitalise the operation of our properties. Key to this is the installation of connected management systems to enable properties to be monitored and managed remotely. Another example involves digitalising noticeboards in properties' stairwells so that information can be efficiently updated for tenants. Such measures provide numerous benefits, such as a significant reduction in the need for transport, as well as closer communication and providing tenants with a higher level of service.

We have a number of different providers of management systems across our portfolio, and many of them are similar. Our property portfolio contains 88 properties with smart

management systems, two-thirds of which are web based.

Security is a key aspect of digitalisation, and we ensure sensitive systems are placed behind firewalls.

E-signatures for rental agreements

During the year we implemented e-signatures for tenancy agreements. This helps save resources in terms of transport and paper consumption, and is also more efficient for both us and our clients. The new e-signature option is much appreciated by our tenants, particularly for smaller agreements regarding storage and parking facilities.

Electronic invoices and notifications

Of our approximately 3,100 contracts, we send 324 electronically by EDI and 284 as PDFs, totalling 608 items. This means around 20% of contracts are sent electronically, saving money, time and environmental resources for both us and our tenants.

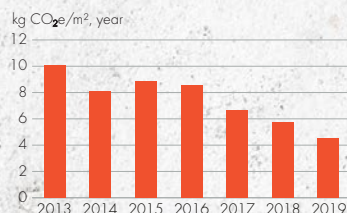
We have accepted electronic invoices from our supplier for some time now. In 2019 around 70% of all supplier invoices were submitted to us in digital format.

Heating, electricity, cooling and water usage

	2019	2018
District heating, Mwh	101,130	97,366
Electricity, Mwh	1,630	3,032
Oil, Mwh	138	1,196
Geothermal energy and heat pump, Mwh	3,870	1,665
Gas, Mwh	166	301
Total energy for heating, Mwh	106,934	103,560
Electricity in properties, Mwh	38,505	33,131
Cooling, Mwh	10,318	9,388
Water, m ³	420,519	413,910
Lettable area, 000 sqm ¹⁾	1,438	1,341

¹⁾ Area adjusted for properties acquired and sold during the year

Carbon dioxide emissions per m² (kg CO₂e/m², year)



Environmental and energy goals

- Fastpartner aims to become a lower carbon and more environmentally sustainable company together with our tenants.
- Energy consumption and carbon dioxide emissions should be reduced each year on a like-for-like property portfolio basis. Carbon dioxide emissions should be halved by year-end 2025 compared with 2018 (more than 7% a year) (kWh/m², year and kg CO₂e/m², year).
- Environmental impact from transport should decrease. Promote walking, cycling and taking public transport such as bus, train and other rail-based transport. Fastpartner's vehicle policy should be applied.
- Consumption of resources should decrease,

recycling should increase and sorting of recycling should be improved.

- Selection of materials should be made based on the precautionary principle and from a sustainability perspective. Support for choice of materials takes place through BVB.
- Enhancement of Environment and Energy Management Systems should take place within the company and we should set requirements for our suppliers.
- New-builds are certified to Miljöbyggnad Silver or BREEAM, Very Good or Excellent standard, with geothermal energy as the primary source of heating and cooling, or other "environmentally sustainable form of heating".

2020 target

- Implement GreenBuilding and/or BREEAM In-Use (Very Good) for refurbishment and energy saving projects.
- Review all properties with regard to environment and energy usage, and prioritise five properties for the introduction of environmental and energy improvements. Of these five, three should be able to cut energy usage by at least 10%.
- Continue the work in the Energy and Environment Group and development of the Environment and Energy Management System.
- Reduce total energy usage overall by at least 1% on a like-for-like portfolio basis (kWh/m², year).
- Continue using environmentally labelled electricity with a carbon footprint of 0g CO₂e/kWh.
- Procure environmentally labelled district heating, with the minimum possible emissions (kg CO₂e/kWh.)

- Have at least 10 properties with solar panels by the end of 2020.
- Increase the number of electric and plug-in hybrid vehicles in the company by at least 10%. New company cars should be either electric or plug-in hybrids.
- Reduce the total carbon footprint by at least 7% a year (kg CO₂e/m², year).
- All new-builds should achieve certification to Miljöbyggnad Silver/BREEAM Very Good or Excellent standard, with geothermal energy as the primary source for heating and cooling, or other "environmentally sustainable form of heating".
- Improve sorting of recycling and waste management at our properties together with our tenants. Clear targets regarding sorting of materials for recycling.



Fastpartner has environmentally certified properties worth a total of SEK 8,213 million, or 29% of the property value (in terms of area, 14% of the portfolio is environmentally classified).



BREEAM SE



THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Fastpartner AB, company no. 556230-7867

Assignments and division of responsibilities

The Board of Directors is responsible for the statutory sustainability report for 2019 on pages 20–31, 47–49 and 61–62, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

The focus and scope of the review

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We consider that this review gives us enough basis for our statement.

Statement

A statutory sustainability report has been prepared.

Stockholm, 26 March 2020
Deloitte AB

Johan Telander
Authorised Public Accountant

PROJECT DEVELOPMENT

Through engagement and openness we continually generate new opportunities to enhance areas, whether this involves housing, office space or industry. Fastpartner constantly has a wide range of potential and ongoing projects.



THE STRONG URBANISATION TREND IN SWEDEN involves significant population growth in metropolitan regions. Combined with a shortage of housing, this is leading to the need for new housing production, and consequently the conversion of mainly older commercial and industrial areas for housing. The process is particularly prevalent in the Stockholm region, where there is strong population growth and demand along with an extensive shortage of housing. Conversion from commercial operations to housing is also part of an overall development involving a denser and more dynamic urban environment.

In some subareas Fastpartner is actively involved in developing areas that are seeing the construction of entire districts, or where existing buildings are retained and supplemented with new properties. Fastpartner is also cooperating with other property owners in this work, with the aim of creating an overall balance in terms of housing, office space and the range of services required to ensure an area is thriving and effective. This includes, for instance, plans for both preschools and other municipal services and shops and office space.

Fastpartner principally aims to utilise unexploited housing development rights to construct tenant-occupied apartments for long-term ownership and management. Tenant-occupied housing is a form of housing that Fastpartner values and that is needed in society, as it is a flexible form of housing that does not require any investment or assumption of risk for the occupant. However, Fastpartner wants to adapt the form of tenure to what is in demand and what is possible for each individual project, which sometimes means building tenant-owner apartments.

Our property investment should be balanced and based on a long-term approach. This means that we can't ignore environmental deficiencies in investment properties. New acquisitions always require the evaluations and surveys that precede any purchase. Technical, financial and environmental aspects are analysed in detail. Only then do we start rectifying deficiencies and improving and developing the properties. These small yet constant improvements continue on an ongoing basis.

As previously mentioned, approximately half of CO₂ emissions generated over the course of a property's life cycle are attributed to the materials used in the construction phase. With the right planning, the construction process' share of this can be considerably reduced. For example, opting for a timber frame instead of concrete can significantly reduce greenhouse gas emissions. Fastpartner uses BVB in all its projects.

Its electronic materials register is always applied in our new-build projects. This can be linked to 3D BIM project design, enabling us to manage environmental aspects throughout the life of the property. In purely practical terms, this allows us to make efficient use of resources in our management by planning maintenance and replacement work to ensure energy usage is minimised over the life cycle of components. This also provides for detailed tracking of chemical emissions from construction materials and replacement where necessary.

FASTPARTNER'S MAIN ONGOING PROJECTS AT 31 DECEMBER 2019

Property	Type of project	Project area (m ²)	Estimated investment (SEKm)	Estimated remaining investment (SEKm)	Estimated completion, year
Näringen 5:1	Adaptation of premises, Järbo Garn, Flyttservice	9,600	10	1	Q1 20
Pottegården 3	New-build, Builders' Merchants	3,700	40	5	Q2 20
Veddesta 5:3	New-build, Workshop/Service	5,900	29	1	Q2 20
Ringpärmen 4	Adaptation of premises, long-stay hotel	4,700	48	25	Q3 20
Syllen 4	Adaptation of premises for Assa, carbon reduction measures, etc.	6,200	68	42	Q4 20
Rånäs 1	Adaption of premises, office space, solar panels	3,800	14	8	Q4 20
Timpenningen 5	Adaption of premises, office space, cultural activities, etc.	3,000	17	16	Q4 20
Märsta J 1:8	New-build and refurbishment, office space, warehousing, etc.	1,200	20	19	Q2 21
Märsta 24:4	New-build showroom, sales area, etc.	2,500	43	41	Q2 21
Märsta 1:257-1:259 and 1:261	Housing, Märsta Centrum	12,000	420	139	Q4 21

LARGE POTENTIAL PROJECTS AND DEVELOPMENT RIGHTS

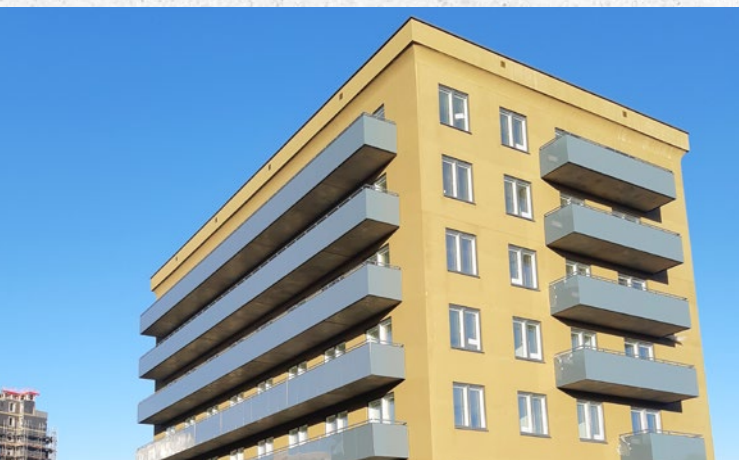
Region	Area	Property	Form of tenure	Prop. category	Status	Possible start of construction ¹	Additional area (m ² , BTA) ²			Addit.no. ²
							Residential	Commercial	Total	
Stockholm	Sundbyberg	Pärnet 2	Ownership	Residential	Pre local development plan	2023	10,000	-	10,000	154
Stockholm	Spångå	Vitgröet 8	Ownership	Residential	Pre local development plan	2023	3,000	-	3,000	46
Stockholm	Årsta	Allgunnen 7	Ownership/Leasehold	Housing, Preschool	Local development plan in progress	2022	9,500	900	10,400	119
Stockholm	Västberga	Lönelistan 1.2 Timp. 5	Leasehold	Commercial	Local development plan in progress	2020	-	33,500	33,500	-
Stockholm	Bredäng	Bredäng Centrum	Leasehold	Residential/commercial	Local development plan in progress	2023	12,200	7,800	20,000	153
Stockholm	Liljeholmen	Syllen 4	Leasehold	Residential/commercial	Pre local development plan	2023	4,200	5,400	9,600	140
Stockholm	Lidingö	Västerbotten 19	Ownership	Residential	Pre local development plan	2023	9,000	-	9,000	113
Stockholm	Lidingö	Diviatorn 1	Ownership	Residential	Pre local development plan	2025	3,100	-	3,100	78
Stockholm	Bromma	Riksby 1:13	Ownership/Leasehold	Residential/commercial	Local development plan in progress	2023	42,000	30,000	72,000	420
Stockholm	Märsta	Märsta Centrum	Ownership	Commercial	Construction start	2021	-	16,800	16,800	-
Stockholm	Vallentuna	Vallentuna Centrum	Ownership	Residential	Local development plan in progress	2022	25,000	2,000	27,000	294
Stockholm	Vallentuna	Vallentuna-Rickeby 1:472	Ownership	Housing, retail	Prior to construction start	2020	2,750	650	3,400	27
Stockholm	Täby	Stansen 1	Ownership	Preschool	Prior to construction start	2020	-	2,000	2,000	-
Gothenburg	Hägsbo	Hägsbo 2:3	Ownership	Residential	Pre local development plan	2023	5,000	-	5,000	83
Gävle	Gävle	Šätra 64:5	Ownership	Residential/commercial	Pre local development plan	2021	10,000	15,000	25,000	143
Total							135,750	114,050	249,800	1,770

¹ Possible construction start refers to when the project is estimated to be able to start, provided that planning work progresses as expected and, where applicable, that lettings have reached a requisite level.

² These figures are based on estimates and judgements by Fastpartner and are therefore preliminary. The figures may be revised over the course of the project.

SELECTION OF PROJECTS

Fastpartner works continually to enhance its property portfolio. This section describes a selection of Fastpartner’s completed and ongoing projects at the local development phase. The project portfolio contains a mix of projects for both housing and commercial space. The projects often combine both types of properties.



BRIEF DESCRIPTION OF TWO ONGOING PROJECTS

MÄRSTA 1:257-1:259 AND 1:261- CONSTRUCTION OF NEW-BUILD HOUSING

STATUS: Due for completion in 2021
NUMBER OF HOUSING UNITS: 200
COMMERCIAL: -

Fastpartner is building 200 apartments at Märsta Centrum, divided between three buildings, with their own indoor car park. The buildings will be among the tallest in Sigtuna with up to 16 storeys and will be a landmark in the town. Previous stages of the development of Märsta Centrum have seen the construction of a library and cultural school, as well as a retail centre with tenants including ICA, H&M and Intersport. The new-builds have increased the attraction of the area by creating a wide range of restaurants and services, which are busy around the clock.



POTTEGÅRDEN 3: NEW-BUILD BUILDERS' MERCHANT'S STORE

STATUS: Due for completion in 2020
NUMBER OF HOUSING UNITS: -
COMMERCIAL: 3,700 m²

In Mölndal Fastpartner is constructing a new store of around 3,700 m² for XL Bygg. Fastpartner is using development rights that it has had for some time for a property previously leased by Astra. The project has involved us demolishing an old office building and replacing it with a much larger and more modern warehouse and office building.

By doing so, Fastpartner is increasing the development rate, and is creating a more attractive environment around the property. The tenant is moving in on 1 February 2020 and the tenancy agreement is for 15 years.

PROJECT AT LOCAL DEVELOPMENT PLAN PHASE

VÄSTBERGA: NEW COMMERCIAL PREMISES

STATUS: Construction start 2020

NUMBER OF HOUSING UNITS: -

COMMERCIAL: 33,500 m²

As a result of the region's expansion, Västberga has developed into the most central business area in Stockholm, with a strategic location right next to the E4/E20, 'Essingeleden' and 'Södra Länken' highways, and proximity to Stockholm's central City district. Its unique location has resulted in the area's strong development, with several organisations becoming newly established in recent years.

Västberga still partly has the feel of a logistics area, with several of the largest logistics companies as tenants, but there is also room for smaller companies focused on industry and production operations. In recent years the character of the area has changed, with businesses increasingly involved in high-tech research and production, and Fastpartner, along with companies like Sandvik, has been one of parties leading this change.

RIKSBY, BROMMA: NEW COMMERCIAL PREMISES AND HOUSING

STATUS: Construction start 2023

RESIDENTIAL: 42,000 m²

COMMERCIAL: 30,000 m²

Next to Bromma airport is the Riksby area, where Fastpartner owns a property that will be developed as a new district is created with both housing and commercial space. Fastpartner is one of the lead parties in this development. The company already has a number of enquiries for the commercial space planned to be created in the area.

VALLENTUNA CENTRUM: NEW HOUSING

STATUS: Construction start 2022

RESIDENTIAL: 25,000 m²

COMMERCIAL: 2,000 m²

Fastpartner is in discussions with Vallentuna Municipality about developing Vallentuna Centrum, which has good communications, is close to the Roslagsbanan rail line and buses, and has a well-developed road and cycle path network. The commercial centre is growing rapidly and now offers a wide range of restaurants, services and leisure opportunities.

Demand for premises for these purposes is growing as new people move into the area.

ALLGÜNEN, ÅRSTASTRÅKET: NEW HOUSING

STATUS: Construction start 2022

RESIDENTIAL: 9,500 m²

COMMERCIAL: 900 m²

The Allgünen block is located by Bolidenplan, south of central Stockholm. Fastpartner has received land allocation comprising approximately 119 housing units, and a preschool with four classes. The area has good public transport, is close to a tramline and metro station, and will be an attractive and lively built-up district.

COMPLETED PROJECTS

Sätra 11:4 – School

Status: Completed in 2018

Number of housing units: -

Commercial: 6,300 m²

Fastpartner has constructed a new school building comprising approximately 6,300 m² in Gävlehov. The school has 670 students and is run by Prolympia, which has signed a 20-year tenancy agreement. Gävlehov is an entirely new district in Gävle, with two large arenas where many of the city's top-flight teams are based. It's also the location for a recently constructed indoor multi-arena primarily for athletics, floorball and similar sports. Gävlehov might be described as Gävle's equivalent to Arenastaden in Stockholm.

The building is a modern education facility with the private-sector schools operator Prolympia as tenant. They conduct their school operations (preschool to year 9) with a focus on sport from year 6. The school complements the arena area and it is a major user of the local sports facilities.

The new property consists of flexible education facilities with cleverly designed break areas, classrooms with ancillary breakout rooms, a good acoustic environment, a playground offering a range of activities and a multi-arena that can be used by local children and young people in the evening. Proximity to clubs and arenas in the area helps promote physical activity among children.

The property has a playground area of around 16,500 m² and the ability to extend the area of the premises by approximately 1,700 m² under the applicable local development plan. The school currently has around 670 students and about 70 staff. The building is certified to Miljöbyggnad Silver standard.



ACQUISITIONS AND DISPOSALS

2019 was an exciting year for Fastpartner. It saw the completion of a number of key deals that will be important for the business over the coming years.

OVER THE PAST YEAR our property portfolio has continued to grow in both size and reputation. Acquisitions and disposals are undertaken regularly to refine and develop the portfolio, and to create high long-term total return. To grow the portfolio with low risk we believe it's important to have a relatively good yield on acquisitions. Based on this requirement, we can use our strong property management to continue developing our properties.

We started 2019 by completing the acquisition of Brahelund 2 in Solna. The property was originally built by Skanska as their headquarters, but has been converted into an office building with lots of tenants and an impressive range of services on offer. The property has a lettable area of 41,000 m² and 625 indoor parking spaces. The building is of high quality and is certified according to BREEAM In-Use, Very Good. Tenants at the property include Oracle, Teleperformance, Axians and Liber.

In March, the Sättra 108:23 property in the district of Gävlehov was taken over, with an area of approximately 500 m². The property is of considerable strategic value for our forthcoming development projects in the area.

In September, we acquired Källtorp 127:2 in Gothenburg. The property is strategically located by a slip road onto one of Gothenburg's main highways. The entire property is being leased by

Systembolaget. We are endeavouring to amend the local development plan to extend the property.

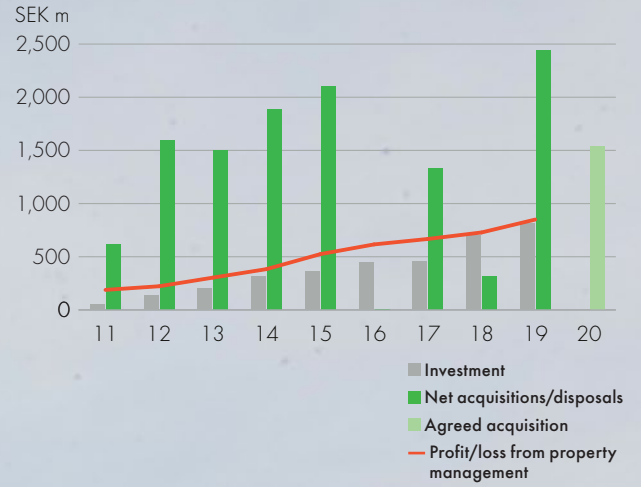
The rationale for acquiring Dragarbrunn 10:3 in Uppsala was based on the same assumptions as our first acquisition in Uppsala in 2017. Fastpartner expects positive development of the Uppsala commercial property market. The city's housing boom has partially impeded the development of commercial premises, which has led to a current shortage of office buildings. Demand has contributed to rising office rents, which we believe our latest acquisition in central Uppsala could benefit from.

The year ended with the acquisition of the Herrjärva 3 property in Solna, with a lettable area of 19,800 m² and rental income of around SEK 76 million. The new-build property was constructed by NCC as their headquarters. NCC leases the bulk of the premises on a 10-year tenancy agreement. The building is of a high quality and is certified according to BREEAM (Excellent). The property is located in the Ulriksdal area, which is seeing significant development.



ACQUISITIONS 2019

Property	Municipality	Lettable area, sqm	Purchase completion date
Brahelund 2	Solna	41,000	1 Feb
Såtra 108:23	Gävle	498	1 Mar
Källtorp 127:2	Gothenburg	1,234	30 Sep
Dragarbrunn 10:3	Uppsala	14,711	2 Dec
Herrjärva 3	Solna	19,788	5 Mar 2020



FINANCING

Fastpartner's equity amounted to SEK 12,631.7m at the end of 2019. Interest-bearing liabilities totalled SEK 13,395.1 m, corresponding to a loan-to-value ratio of 47.5 percent. The interest coverage ratio was 4.0x. Fastpartner received a Ba1 rating from Moody's Investors Service.

Owning and managing property is a capital-intensive business. Access to capital is a fundamental requirement for developing a successful property management business. Fastpartner's assets totalled SEK 30.0bn (23.5) as of 31 December 2019. The business is financed with a combination of equity, interest-bearing liabilities and other liabilities. The two most important sources of capital are equity and interest-bearing liabilities. They accounted for 42.1% (38.7) and 44.7% (51.7) of Fastpartners financing, respectively, at year-end.

Interest-rate risk and interest coverage ratio

Interest expenses represent one of the largest expenses in the business and affect growth in profit from property management. Interest expense is primarily affected by changes in the market rate, but also by changed conditions in the credit market, which in turn affect the margin lenders require in compensation for lending money. Fastpartner has not set a fixed maturity within which the average fixed-rate period must fall. The multi-year credit agreements entail interest terms where the bank's margins are set in the agreements and where Fastpartner has the option to choose the fixed-rate period. Fastpartner's financial structure is designed with a clear focus on operating cash flow and the interest coverage ratio. The interest coverage ratio is the financial measure that describes a company's risk level and resilience to changes in net interest. Fastpartner has the objective of an interest coverage ratio of at least 2.0 x. In 2019, the interest coverage ratio was 4.0x (4.2). A change in variable market interest rates of one percentage point would affect

interest expenses by about SEK 115m annually with the current capital structure.

Because of developments in the credit market during the year, Fastpartner chose to continue to use short fixed rate periods for the majority of the company's financing. This approach to financing was successful once again in 2019 and resulted in lower interest expenses for Fastpartner than would have been the case with fixed interest rates. The average interest rate on property loans was 1.9% (2.0) as of 31 December 2019.

Fastpartner believes that the predictability of the profit from property management allows a relatively high proportion of borrowed capital. This strategy allows Fastpartner to use its equity efficiently, which creates higher returns than would otherwise be possible, without the risk level becoming too high.

Shareholders' equity

Fastpartner's shareholders' equity totalled SEK 12,631.7m (9,114.3) as of 31 December 2019, corresponding to 42.1% (38.7) of the company's total financing. If equity is adjusted according to EPRA NAV,

the equity/assets ratio amounts to 49.8% (45.9). Since Fastpartner normally sells properties in the form of a company, which is a tax-exempt transaction, it is likely that Fastpartner will not pay the deferred tax liability, for which reason the company considers it to be appropriate to adjust the equity/assets ratio for this. Fastpartner strives to achieve a balance between a high return on equity and an acceptable level of risk. The company's goal is for the equity/assets ratio to exceed 25% in the long term. Fastpartner has determined that an equity/assets ratio greater than 25% is appropriate in light of the company's long leases, fixed-term maturity and its financial position in general.

Fastpartner's target for return on equity over a business cycle is 15%. The return on equity for 2019 was 38.6% (21.6). The average return on equity was 26.6% for the past three years and 28.5% for the past five years.

Interest-bearing liabilities

Properties are long term assets and demand long term funding where the allocation between equity and interest

LOAN STRUCTURE AS OF 31 DEC. 2019 (SEKM)

	Loan agreement	Amount utilised	Amount unutilised	Loan agreement term
	2,753.1	2,753.1 ¹⁾	-	2020
	2,278.5	2,225.3 ²⁾	-	2021
	3,325.6	3,325.6 ³⁾	-	2022
	2,650.6	2,650.6 ⁴⁾	-	2023
	500.0	500.0 ⁵⁾	-	2024
	637.4	637.3	-	2028
	216.0	216.0	-	2029
	1,087.1	1,087.1	-	2034
Total	13,448.3	13,395.1		

¹⁾ Of which SEK 600.0 relates to bond loans and SEK 1,460.0 relates to commercial paper.

²⁾ Of which SEK 600.0 relates to bond loans.

³⁾ Of which SEK 1,300.0 relates to bond loans.

⁴⁾ Of which SEK 800.0 relates to bond loans.

⁵⁾ Of which SEK 500.0 relates to bond loans.

bearing debt is set to obtain necessary funding. Interest-bearing liabilities, which are Fastpartner's main source of financing, accounted for 44.7% (51.7) of the company's financing at year-end. Interest-bearing liabilities consist partly of bank loans of SEK 8,135.1m (7,107.4) raised using the Group's properties as collateral, partly of five listed unsecured bond loans totalling SEK 3,800.0m (3,150.0), and one unsecured commercial paper programme of SEK 1,460.0m (1,900.0). At year-end interest-bearing liabilities therefore totalled SEK 13,395.1m (12,157.4), corresponding to 47.5% (54.4) of the market value of the properties. Interest-bearing net liabilities totalled SEK 12,729.2m (11 064,3), corresponding to 45.2% (49.5) of the market value of the properties.

Of the interest-bearing liabilities, SEK 2,833.0m (4 120.2) were classified at year-end as current because they fall due or will be paid off in part in 2020. Fastpartner has already made good progress in its refinancing discussions with the involved banks regarding margins and maturities for the short part of the loan portfolio and the company intends to convert these loans into long-term financing with a short fixed-rate period in 2020. Fastpartners fixed-term maturity as of 31 December 2019 was 3.6 (3.3) years. Adjusted for the portion of the loan portfolio that matures in 2020, fixed-term maturity is 4.4 (4.8) years. All of Fastpartner's loans are denominated in SEK.

During the year Fastpartner signed new long-term credit agreements for SEK 1,755.9m and renegotiated and extended existing long-term credit agreements for SEK 2,456.7m.

CHANGE IN INTEREST-BEARING LIABILITIES, SEK M

Interest-bearing liabilities, beginning of year	12,157.4
New loans	3,227.3
Refinancing existing loans	±2,176.9
Amortisation and redemption of loans	-1,989.6
Interest-bearing liabilities, year-end	13,395.1

Bond loans

Fastpartner has issued five unsecured bond loans on the Swedish market for SEK 3,800.0m (3,150.0), corresponding to 13.5% (14.1) of the market value of the property at year-end. In 2019, two new bond loans were issued and two existing bond loans were

Breakdown of financing



redeemed at maturity. Below is a summary of the five outstanding listed bond loans.

Amount (SEK m)	Interest (%)	Maturity of the bond loan
600	Silbor 3m + 4.50 ¹⁾	20 Sept.
600	Silbor 3m + 2.45 ¹⁾	21 Sept.
1,300	Silbor 3m + 2.85 ¹⁾	22 May
800	Silbor 3m + 2.45 ¹⁾	23 May
500	Silbor 3m + 3.10 ¹⁾	24 March
3,800		

1) The figure refers to percentage points.

Green issuance

During the third quarter, Fastpartner issued an unsecured bond loan amounting to SEK 300m within the bond loan's framework amount of a total of SEK 1,500 million. The proceeds from the issue will be used in accordance with Fastpartner's green framework for financing and refinancing of green properties, as well as investments in renewable energy sources and energy efficiency. Green properties include new properties certified at a minimum to the Miljöbyggnad Silver standard, as well as renovations that result in at least a 25% reduction of energy consumption.

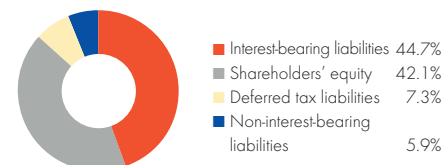
Commercial paper programme

In 2017 Fastpartner established a commercial paper programme that is traded through Handelsbanken and Swedbank. The programme has a framework amount of SEK 2,000m and the maturity for the commercial paper is no more than one year. As of 31 Dec. 2019, outstanding commercial paper totalled SEK 1,460.0m (1,900.0), corresponding to 5.2% (8.5) of the market value of the properties. Fixed Partner has a commitment to keep unused credit facilities available at all times to cover all outstanding commercial paper.

Finance function and finance policy

The purpose of the finance function is to support the company's core business by

Capital structure



minimising the cost of capital in the long term. Its task is to manage existing debt, to arrange new borrowing for investments and acquisitions and to limit financial risks. Fastpartner's finance policy, which is adopted by the Board of Directors, states how the various risks in the financing operations should be limited and specifies what risks Fastpartner may assume. The objective of Fastpartner's finance function is to:

- Ensure the supply of capital in the short and long-term,
- Adjust the financial strategy and financial risk management based on the development of operations to ensure that a long-term stable capital structure is attained and maintained,
- Attain optimal net financial items within the set risk management framework.

Financial matters of strategic importance are dealt with by Fastpartner's Board of Directors.

Collateral for interest-bearing liabilities

Long-term credit agreements with banks are mainly secured with collateral in the company's properties. As collateral for the secured interest-bearing liabilities, mortgage deeds of a total of SEK 11,566.1m (10,947.4) MSEK were pledged. In addition to these mortgage deeds for the company's properties, Fastpartner regularly issues pledges in the form of share certificates in the property-owning group companies. The credit agreements with the banks also include set limits for defined key performance indicators, known as "covenants". Fastpartner's own financial targets are well in line with the requirements set by the banks. In addition, there are general commitments that Fastpartner must provide its lenders with financial information, such as annual reports and interim reports, and in certain cases the right to renegotiate in the event

of delisting, or if Fastpartner's principal owner should no longer control more than 51% of shares in the company. In addition, Fastpartner engages in ongoing dialogue with the banks.

Fixed-rate period

The reference rate for Fastpartner's loan agreements is mainly 3-month Stibor. The short fixed-rate period in the loan agreements allows the company to change its capital structure without incurring costs for interest differential compensation. In order to limit interest rate risk, defined as the risk of an impact of changes in the market interest rate on profit and cash flow, to a certain extent, and to increase the predictability of profit from property management, Fastpartner has chosen to enter into interest rate swaps totalling SEK 1,875.0 (2,125.0) million. Along with fixed-interest loans of SEK 45.9m (423.9), Fastpartner has hedged 14% (21) of its loan portfolio with interest rate swaps.

Fastpartner's fixed-rate period was 1.2 years (1,5) as of 31 December 2019. Adjusted for the variable interest rate portion of the loan portfolio, the fixed-rate period was 7.0 years (6.2).

Valuation of derivatives

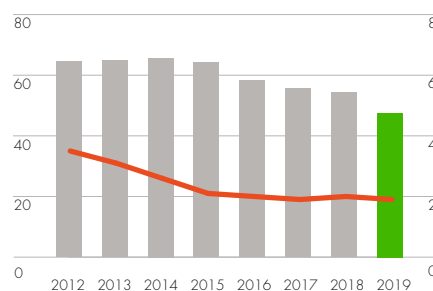
According to the accounting rules (IFRS 9), interest rate derivatives are measured at market value and the change in value is recognised in profit or loss. During the year, unrealised changes in the value of interest rate swaps that Fastpartner entered into had an impact on profit of SEK -32.5m (-12.6).

The value of the swap is affected by the general interest rate level and the remaining duration of the swap. Should the general interest rate situation change in relation to the interest rate situation at the time the swap was entered into, the value of the swap changes. For example, the market value of a nominal interest rate swap is measured by calculating the present value of the difference between the swap's fixed interest rate and the prevailing market interest rate with a corresponding duration. The calculation period corresponds to the remaining duration of the swap. If the prevailing market interest rate exceeds the fixed rate of the swap, a surplus is obtained, and the opposite also applies. The prevailing swap rate with a corresponding maturity is used as the calculation rate for the discount period. Thus, the market value of an interest rate swap changes over the term of the swap, but the value is always zero at the due date. The quarterly market valuations of swap agreements affect Fastpartner's reported earnings and shareholders' equity, but do not affect the company's cash flow.

Other liabilities

Fastpartner's other liabilities at year-end totalled SEK 3,959.7m (2,257.3), corresponding to 13.2% (9.6) of the company's total financing. Other liabilities mainly comprise deferred tax liabilities and lease liabilities relating to ground rents, as well as deferred income and accrued expenses. Deferred tax liability largely refers to the tax effect of the difference between the market value and the tax residual value of

Loan-to-value ratio and average interest rate, %



the company's properties.

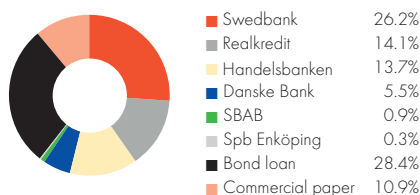
Deferred income arises because Fastpartner receives rent payments on a quarterly basis in advance. This liability is resolved by Fastpartner providing premises during the period for which the rent was paid. Accrued expenses primarily comprise accrued interest expenses and accrued expenses for media for the immediately preceding quarter.

In summary, with this payment structure Fastpartner does not need to finance working capital with interest-bearing liabilities or equity.

Financial position

The equity/assets ratio at year-end was 42.1% (38.7). Cash and cash equivalents at year-end totalled SEK 264.3m (676.1). Available liquidity, including unutilised overdraft facilities, of SEK 235.0m (160.0), amounted to SEK 499.3m (836.1).

Breakdown of lenders

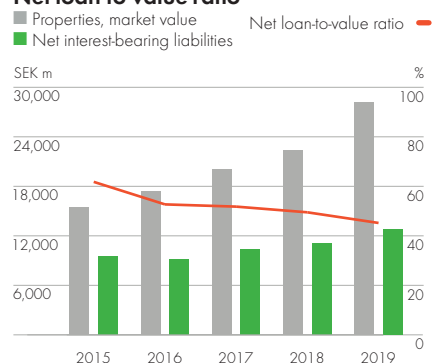


FASTPARTNER'S INTEREST RATE SWAPS AS OF 31 DECEMBER 2019

Amount (SEKm)	Interest ¹⁾ (%)	Swap duration
300	1.86	March 23
125	1.94	May 24
500	1.44	Nov. 24
250	1.23	Dec. 24
300	0.93	March 25
200	1.23	Feb. 26
200	1.98	Dec. 44
1,875		

¹⁾Excluding the loan margin

Net loan-to-value ratio



Financial items

Financial items for the year totalled SEK -342.3m (-90.6). Financial items mainly consist of interest expenses for the Group's loans and interest income relating to promissory note receivables. The Group's interest expenses totalled SEK -270.2m (-225.1). Financial items also included the market value of the Group's interest rate derivatives of SEK -32.5m (-12.6).

In accordance with the accounting rules of IFRS 9, interest rate derivatives must be measured at market value, which

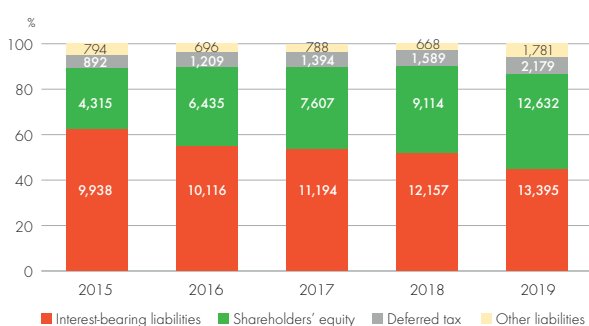
means that a theoretical surplus or deficit will arise if the agreed interest rate deviates from the current market interest rate, where the change in value in Fastpartner's case must be recognised in profit or loss.

Cash flow

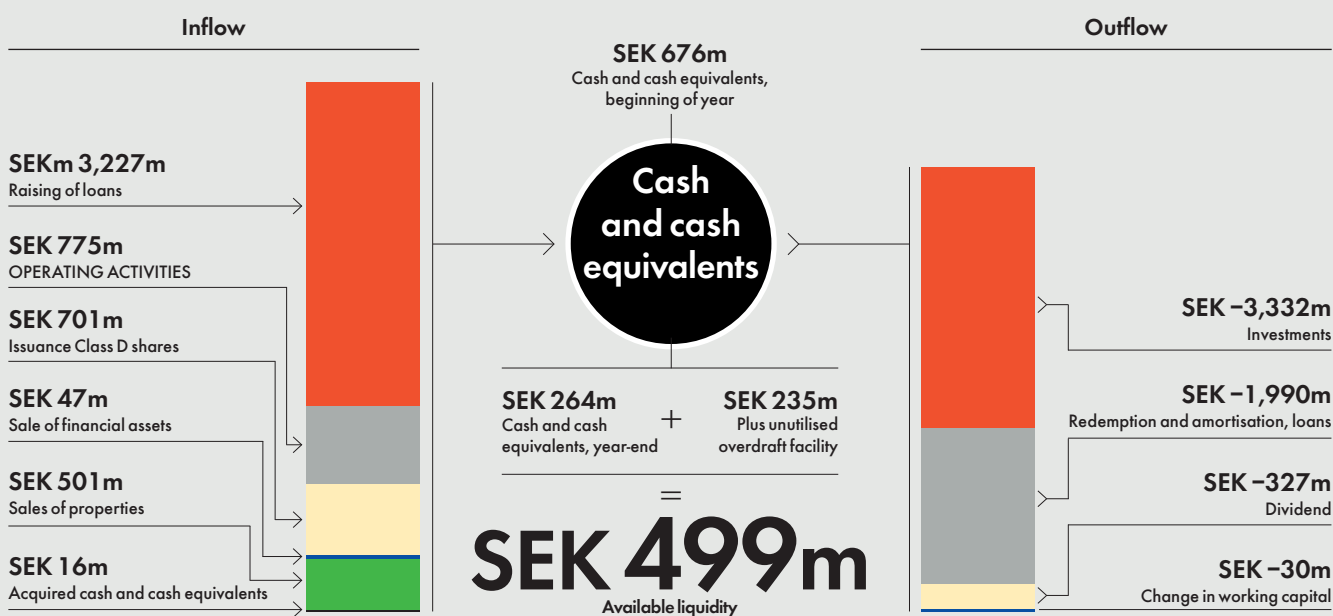
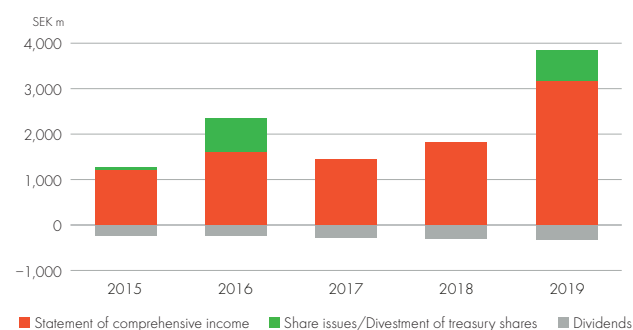
Cash flow for the year from current management before changes in working capital totalled SEK 774.7m (592.1). Cash flow after changes in working capital totalled SEK 744.8m (441.8). The change in cash and cash equivalents for the year totalled SEK -428.1m (441.1). The change is

mainly attributable to an increase in net operating income as a result of newly signed leases, as well as newly acquired properties and realised property sales. Other factors responsible for the change include investments in existing properties, acquisition of new properties, newly acquired and redemption of existing ones. During the year, cash flow from investing activities totalled SEK -2,784.6m (-666.2), including SEK -3,255.1m (-1,135.6) for real estate investments. Cash flow from financing activities totalled SEK 1,611.7m (665.5) and includes

CAPITAL STRUCTURE DEVELOPMENT, SEK M



STATEMENT OF CHANGES IN EQUITY



raising and redemption of loans, as well as issuance of Class D shares. During the year, shareholders were paid a dividend of SEK 327.4m (298.4).

Credit rating

In March, 2018, Fastpartner applied for and received an official rating of Ba2 with a “positive outlook” from Moody’s Investors Service. Moody’s upgraded Fastpartner’s credit rating in December 2019 to Ba1. The rating is based on Fastpartner’s financial position as of 30 November 2019.

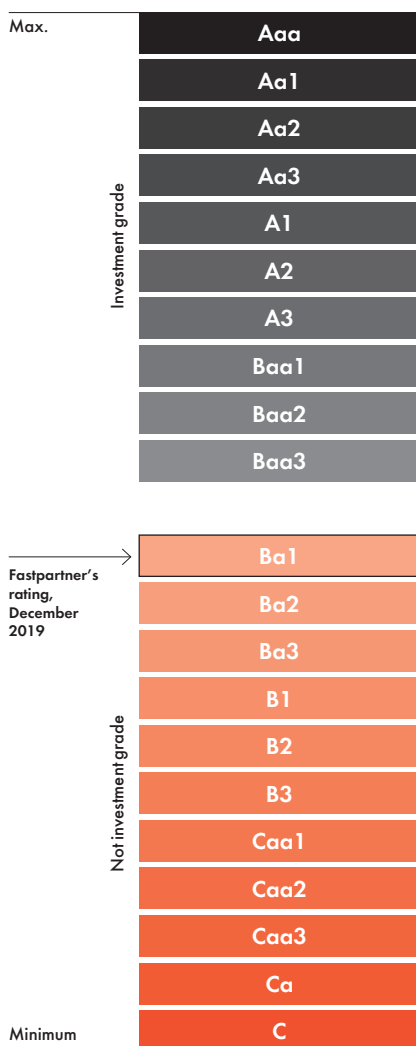
Moody’s uses a special methodology to establish a profile for Fastpartner according to its rating scale. A complete description of the rating scale and methodology for “REITs and Other Commercial Property Firms” can be found at www.moody.com.

Fastpartner actively works to strengthen the company’s key performance indicators with the aim of achieving a rating of Baa3 by 2020, which would mean an Investment Grade rating. An official rating in the Investment Grade category would benefit Fastpartner because it would mean even better access to the capital market, which would reduce the company’s refinancing risk and would allow lower financing costs and longer capital durations.

Ba1

Fastpartner raised its credit rating to Ba1 in December 2019.

Rating scale – Moody’s investor services



SUSTAINABLE RISK MANAGEMENT

All businesses face uncertainty regarding future events. Fastpartner is continuously exposed to various risks that may have an impact on the company's future operations, earnings and financial position. The company works continuously to assess and prevent risks in its business.

Exposure: ● High ● Medium ● Low

RISK	DESCRIPTION	CONSEQUENCE	RISK MANAGEMENT	
RENT RISK	Rent risk is assessed in relation to trends in current market rents.	Falling rents result in lower income, which in the long term may cause liquidity problems.	Fastpartner's property management strategy of working with long leases reduces this risk. Continuous work is underway to renegotiate existing leases in order to minimise this risk in the short term. The majority of Fastpartner's leases are fully or partially tied to the consumer price index (CPI) which means that they are fully or partially inflation-adjusted.	● ● ●
CREDIT RISK	Fastpartner's primary counterparty risk is associated with tenants who are unable to meet their contractual payment obligations as specified in the lease.	There is always a risk that tenants are unable to fulfil their contractual obligations in relation to Fastpartner.	In connection with acquisitions and lettings, counterparty risk is valued and agreements are supplemented if necessary with collateral in the form of deposits, bank guarantees, parent company guarantees and similar. Fastpartner works closely with its tenants and continuously monitors developments related to their financial position. Fastpartner believes that the financial position of its tenants is good, with a few exceptions.	● ● ●
PROPERTY ACQUISITION-RELATED RISKS	Property acquisitions are part of Fastpartner's ongoing business and are inherently always associated with some uncertainty. Loss of rent, environmental conditions and technical deficiencies are some of the risks associated with property acquisitions.	Poor environmental conditions and technical deficiencies in the acquired properties can be very costly for the company.	Fastpartner is careful to ensure that the organisation has the right expertise for property acquisitions. External expertise is always brought in when considered necessary. Fastpartner believes that the company has the right expertise to carry out property acquisitions and integrate them into the business.	● ● ●
EXPOSURE TO CHANGES IN VALUE OF PROPERTIES	Fastpartner is exposed to changes in the market value of the property portfolio. Market values may fall because of reasons such as weakening of the economy, rising interest rates, tenants moving out, or worsening of the technological standard.	Falling property values have a direct impact on earnings and result in a decrease in equity. Interest expenses may rise because margins in relation to the company's banks may increase since outstanding loans increase in relation to the property value.	In order to maintain or increase the market value of the properties, Fastpartner works continuously to rent out vacant premises and to optimally manage current maintenance of the properties. Fastpartner uses the external real estate services firms Cushman & Wakefield and Newsec to assess the market value of the properties. Fastpartner has determined that these valuation agencies offer the best long-term conditions for fair and reliable assessments of the market values of the properties.	● ● ●
EXPOSURE TO CHANGES IN RUNNING COSTS	Running costs such as electricity, heat and water are a major expense item for Fastpartner. Rising electricity and heating prices result in increased expenses for Fastpartner.	Higher running costs result in lower profit from property management and worse key performance indicators.	A large part of the running costs are charged directly to the tenants or passed on by Fastpartner at cost. Fastpartner's exposure to changes in running costs is therefore relatively limited.	● ● ●

Exposure: ● High ● Medium ● Low

RISK	DESCRIPTION	CONSEQUENCE	RISK MANAGEMENT	
REFINANCING RISK	Fastpartner's financing primarily consists of equity and interest-bearing liabilities. The interest-bearing liabilities are loans from Swedish commercial banks and bond loans. Fastpartner constantly monitors and works on refinancing risk, which is defined as the risk that existing debt cannot be refinanced on reasonable terms. In certain cases, Fastpartner's loans are subject to special requirements such as maintaining an interest coverage ratio.	If the balance sheet worsens, refinancing risk increases, which may cause the banks to set more stringent terms. In addition, interest expenses may rise while loan amounts may be reduced.	Fastpartner strives to achieve low average interest expenses for the loan portfolio. To do so, the company primarily uses short fixed-rate periods. Fastpartner works hard to maintain a good cash flow, which allows better financing opportunities with better terms and conditions. Fastpartner believes that the company's facilities have market-based terms and conditions.	● ● ●
INTEREST RATE RISK	Interest expenses comprise Fastpartner's largest running cost. This risk is defined as the risk that changes in interest rates will affect Fastpartner's financing costs. Interest risk is attributable to developments in current interest rate levels.	Interest-bearing liabilities at 31 December 2019 amounted to SEK 13,395.1 m. A change in variable market interest rates of one percentage point would affect interest expenses by about SEK 115 m annually with the current capital structure.	Fastpartner's excellent cash flow enables the company to work with short fixed-rate periods since temporary interest rate hikes do not involve any liquidity risk. Fastpartner monitors the interest rate hedging market closely and when long-term interest rates are low, Fastpartner considers entering into favourable interest rate swaps. Fastpartner has also been assigned an official rating by Moody's that should increase resilience to rising interest rates.	● ● ●
ORGANISATION END EMPLOYEES	Fastpartner has a relatively small organisation, which entails dependence on individual employees.	Inadequate procedures and a lack of internal control may result in corporate management losing control over corporate governance, which would be harmful to the company.	Fastpartner works with a long-term approach to create good internal control with documented procedures and policies for its daily work. Fastpartner has employment contracts with its employees and the company believes that the terms and conditions of these contracts are in line with the market.	● ● ●
OPERATING RISK	Within the framework of ongoing operations, Fastpartner may incur losses due to inadequate procedures, lack of control measures, or irregularities.	Inadequate procedures and a lack of internal control may result in corporate management losing control over corporate governance, which would be harmful to the company.	With good system support, internal control and skills development the company is well-equipped to reduce the operational risks.	● ● ●
ENVIRONMENTAL RISK	Under current environmental legislation, the operator is responsible for any contamination or other environmental damage. Fastpartner does not engage in any activities that require a permit under the Swedish Environmental Code.	There may be tenants who engage in activities that require a separate permit under the Environmental Code; in other words, the tenant is the business operator according to the Environmental Code. If the business operator cannot carry out or pay for decontamination of a property, the party that acquired the property, and that at the point of such acquisition was aware or should have discovered such contamination, is responsible for remediation. Such circumstances could lead to claims against Fastpartner to restore the property to such condition as required by the Environmental Code.	Fastpartner cooperates with the business operator in matters concerning the environmental impact of the business. Fastpartner regularly conducts environmental analyses of properties as part of the acquisition process. Currently, none of the Group companies within the Fastpartner Group are subject to any environmental requirements.	● ● ●
EXPOSURE TO CHANGES TO LEGISLATION	Changed legislation or case law. For example, rental, acquisition and environmental legislation may have a negative impact on the company.	In 2009, amended tax legislation had a negative impact on Fastpartner after the Government decision of 17 June 2009 regarding changes in the right to a deduction in the income category business activities for capital losses on shares in trading companies. As a result, in 2009 Fastpartner had to reverse a deferred tax asset of SEK 104.3m (not affecting cash flow). This example demonstrates the consequences of a change in legislation that could have a negative impact on Fastpartner.	Fastpartner does not use advanced tax planning to minimise its tax liability. Fastpartner is careful to comply with existing legislation and directives. Several investigations are under way regarding changes to tax regulations. Potential changes concern restrictions to interest deductions and taxation of transactions in connection with packages. There are no concrete proposals as yet. Fastpartner is continually monitoring developments.	● ● ●
CORRUPTION AND BRIBERY	An employee or business partner acts unethically in order to achieve undue personal gain.	Risk of legal consequences and damage to reputation.	Fastpartner has strengthened the guidelines in the Code of Conduct adopted by the Board of Directors, while adopting internal controls and procedures to avoid criminal and corrupt actions.	● ● ●
HUMAN RIGHTS	Risk of violation of human rights in operations conducted by Fastpartner or its suppliers.	Risk of legal consequences and damage to reputation.	Fastpartner has a policy against discriminatory treatment and for equal treatment. Fastpartner has also adopted a Code of Conduct. Training was provided in 2017 regarding working terms and conditions, discriminatory treatment and equal treatment for all staff.	● ● ●

THE SHARE AND SHAREHOLDERS

Fastpartner has three share classes which are all listed on Nasdaq Stockholm, Largecap. The company's market capitalisation was SEK 19.4bn as of 31 December 2019.

Market capitalisation and share price performance – ordinary share, Class A

Market capitalisation of Fastpartner's ordinary share on 31 December 2019 was SEK 17,936m, to be compared with SEK 10,916m at the end of 2018. In 2019 the share price rose 64.3%, to be compared with an increase of the SIX general index of 30.3% and Carnegie's property index of 68.6%. The highest quoted bid price during the year was SEK 102.0 and the lowest was SEK 58.99. Average turnover during the year totalled SEK 4,090,510 per day, with an average of 53,022 shares.

Fastpartner has had market makers for the share for several years. The market makers are ABG Sundall and Carnegie. The purpose of the agreements is to promote the liquidity of the share. Briefly,

under the agreements the market makers quote both a buy and a sell price for the Fastpartner share and undertake to buy and sell shares for their own behalf at these prices.

Market capitalisation and share price performance – ordinary share, Class D

During the year, Fastpartner issued 8,500,000 ordinary Class D shares. The market capitalisation of Fastpartner's Class D shares was SEK 763m on 31 December 2019. The share price has risen 6.9% since the issue in December. The highest quoted bid price during the year was SEK 93 and the lowest was SEK 84. Average turnover during the year was SEK 4,432,696 per day, with an average of 49,450 shares.

Market capitalisation and share price development – preference shares

Market capitalisation of Fastpartner's preference share on 31 December 2019 was SEK 700m, to be compared with SEK 675m at the end of 2018. The share price rose 3.8% in 2019. The highest quoted bid price during the year was SEK 135 and the lowest was SEK 117. Average turnover during the year was SEK 461,514 per day, with an average of 3,789 shares.

Total market capitalisation

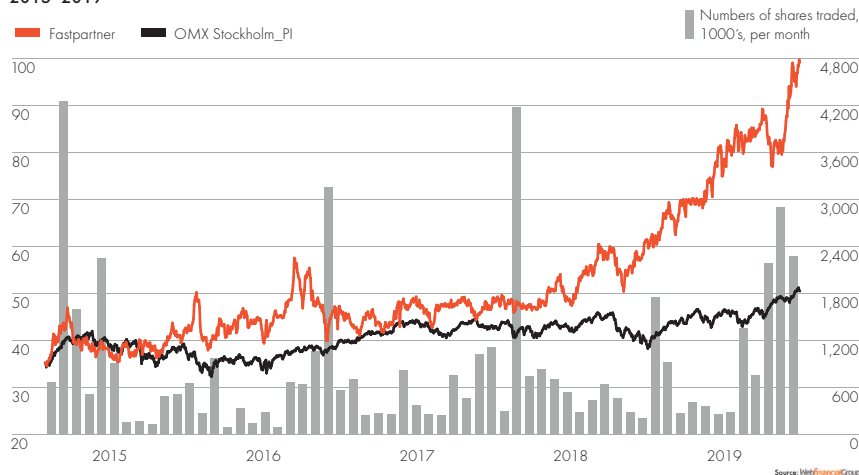
Fixed partners total market capitalisation as of 31 December 2019 was SEK 19,400m (11,591).

Dividend and return – ordinary Class A shares

Fastpartner's goal is that the dividend to holders of ordinary shares will total at least a third of earning before tax and unrealised changes in value. Consolidation needs, liquidity and the company's position in general must be taken into account. The dividend per ordinary share has increased from SEK .1667 for 2002 to the proposed dividend of SEK 1.90 for 2019. The total proposed dividend for 2019 amounts to SEK 343.7m, which corresponds to 40.3% of profit before tax and changes in value.

The proposed dividend of SEK 1.90 (1.60) corresponds to a direct return of 1.9% (2.7) based on the price at the end of the year. During the year, the total return on the share, including a dividend of SEK 1.60 (1.44), was 67.0% (26.5).

SHARE PRICE PERFORMANCE AND TRADING, 2015–2019



Dividend and return – ordinary share, Class D

Fastpartner’s Class D shares entitle the holder to five times the total dividend on ordinary Class A shares, though no more than SEK 5.0 per share and year. The proposed dividend of SEK 5.0 corresponds to a direct return of 5.6% based on the price at the end of the year. During the year, the total return on the share, including a dividend of SEK 0, was 6.5%.

Dividend and return – preference shares

Fastpartner’s preference shares entitle the holder to preferential right over the ordinary share to an annual dividend of SEK 6.68 with a quarterly dividend of SEK 1.67. If the dividend on the preference share is not paid on time, or is if a lower amount is paid, the difference shall be added to the outstanding amount including an interest rate of 8% until the full dividend has been paid. No dividend may be paid to ordinary shareholders before preference shareholders have received a full dividend, including outstanding amounts.

The proposed dividend of SEK 6.68 corresponds to a direct return of 5.4% (5.6) based on the price at the end of the year. During the year, the total return on the share, including a dividend of SEK 6.68, was 9.4% (10.9).

Equity and net asset value

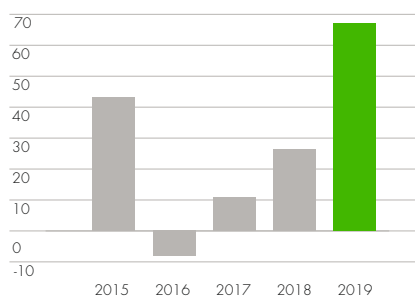
Assets and liabilities are essentially measured at fair value, for which reason net asset value can be calculated using shareholders’ equity in the balance sheet. Equity per ordinary share was SEK 69.8 (50.4) at year-end, after an increase of SEK 19.4 (8.3) during the year. Equity adjusted for EPRA NAV per ordinary share was SEK 82.6 (59.7) at year-end.

Shareholders

The number of shareholders of ordinary Class A shares was 3,416 as of 31 December 2019. The equivalent figure at the beginning of the year was 2,806. The number of preference shareholders as of 31 December 2019 was 1,551. The equivalent figure at the beginning of the

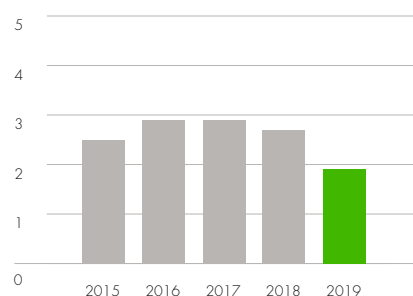
Total return on ordinary share, %

Share price performance and actual dividend in relation to the share price at the beginning of the year



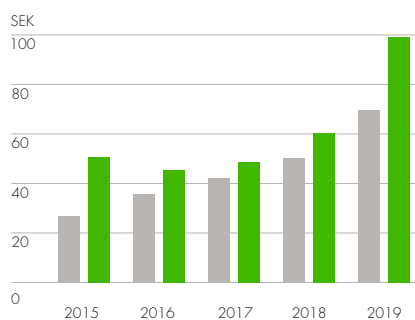
Direct return on ordinary share, %

Dividend in % of share price at the end of the corresponding financial year



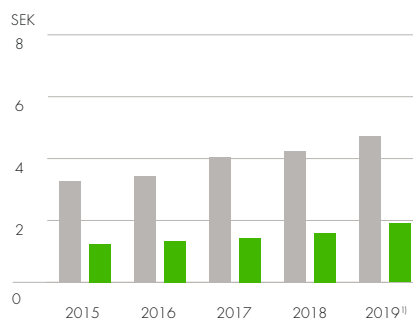
Equity and share price

■ Equity/ordinary share ■ Share price



Profit/loss before tax and change in value and dividend, per ordinary share

■ Profit/loss before tax and change in value ■ Dividend



¹⁾Dividend proposed by the Board

year was 1,422. The largest shareholder is the company’s CEO Sven-Olof Johansson, who owns 72.3% of ordinary Class A shares through Compactor Fastigheter AB. The next two largest shareholders are Länsförsäkringar Fondförvaltning AB and the Kamprad Family Foundation, which own 9.1% and 3.3%, respectively, of ordinary Class A shares.

Share capital, number of shares

As of 31 December 2019, Fastpartner's share capital amounted to SEK 651,420,443, distributed among 181,233,636 ordinary Class A shares, 8,500,000 ordinary Class D shares and 5,692,497 preference shares. At year-end, there were a total of 195,426,133 shares in the company, with a quotient value of SEK 3.33 per share. Each ordinary Class A

share, besides repurchased treasury shares, carries one vote and each ordinary Class D share and preference share carries one tenth of a vote. At the beginning of the year, Fastpartner held 333,636 ordinary Class A shares as treasury shares. No additional shares were repurchased in 2019. The holding at year-end was therefore 333,636 ordinary Class A shares, corresponding with 0.2% of the total number of ordinary Class A shares issued. No value has been recognised for this holding in accordance with applied accounting policies.

THE FIVE LARGEST OWNERS AS OF 31 DEC. 2019

	Number of shares	Share, %
Compactor Fastigheter AB ¹⁾	130,717,915	72.3
Länsförsäkringar Fondförvaltning AB	16,501,452	9.1
Kamprad Family Foundation	5,887,500	3.3
Swedbank Robur Fonder AB	5,177,160	2.9
Nordea Investment Funds	3,757,362	2.1
Other	18,858,611	10.3
Total number of shares outstanding	180,900,000	100.0
Fastpartner AB	333,636	
Total issued	181,233,636	

¹⁾ Of which 180,000 (180,000) share are on loan to Carnegie in conjunction with signing of liquidity guarantee.

Total market capitalisation, outstanding shares	19,399,712
Market capitalisation, treasury shares	33,080
Total market capitalisation	19,432,792

FASTPARTNERS ORDINARY SHARE, CLASS A, FOR 5 YEARS

	2019	2018	2017	2016	2015
Share price at year-end, SEK	99.2	60.3	48.8	45.3	50.6
Share price at year-end, SEK m	17,936	10,916	8,834	8,201	8,147
Profit from property management per ordinary share	4.70	4.02	3.69	3.71	3.26
Profit per ordinary share, SEK	17.19	9.77	7.81	9.39	7.14
Equity per ordinary share, SEK	69.8	50.4	42.1	35.6	26.8
Dividend per ordinary share, SEK	1.90 ¹⁾	1.60	1.44	1.33	1.25
Yield, %	1.9	2.7	2.9	2.9	2.5
Total return, %	67.0	26.5	10.7	-8.1	43

¹⁾ Dividend proposed by the Board

DISTRIBUTION IN SIZE CLASSES, ORDINARY CLASS A SHARES, AS OF 31 DEC. 2019

Distribution into size classes	No. of shareholders	Share, %	No. of shares	Share, %	Market capitalisation (SEK thousand)
1-1,000	2,549	74.6	418,872	0.2	41,531
1,001-2,000	285	8.3	415,037	0.2	41,151
2,001-5,000	264	7.8	854,731	0.5	84,747
5,001-10,000	134	3.9	937,162	0.5	92,920
10,001-20,000	68	2.0	872,774	0.5	86,536
20,001-50,000	54	1.6	1,730,341	1.0	171,563
50,001-100,000	21	0.6	1,589,087	0.9	157,558
100,001-	40	1.2	174,081,996	96.2	17,260,230
Total	3,415	100	180,900,000	100	17,936,235
Fastpartner AB	1		333,636		
Total	3,416		181,233,636		

DISTRIBUTION IN SIZE CLASSES, ORDINARY CLASS D SHARES, AS OF 31 DEC. 2019

Distribution into size classes	No. of shareholders	Share, %	No. of shares	Share, %	Market capitalisation (SEK thousand)
1-1,000	1,533	86.4	320,061	3.7	28,741
1,001-2,000	81	4.6	119,370	1.4	10,719
2,001-5,000	45	2.5	148,752	1.7	13,358
5,001-10,000	53	3.0	408,328	4.8	36,668
10,001-20,000	21	1.2	285,299	3.4	25,620
20,001-50,000	15	0.8	482,007	5.7	43,284
50,001-100,000	8	0.5	693,892	8.2	62,312
100,001-	19	1.0	6,042,291	71.1	542,598
Total	1,775	100	8,500,000	100	763,300
Fastpartner AB	0				

DISTRIBUTION IN SIZE CLASSES, PREFERENCE SHARE, AS OF 31 DEC. 2019

Distribution into size classes	No. of shareholders	Share, %	No. of shares	Share, %	Market capitalisation (SEK thousand)
1-1,000	1,107	71.4	336,393	5.9	41,376
1,001-2,000	156	10.1	232,426	4.1	28,588
2,001-5,000	172	11.1	564,530	9.9	69,437
5,001-10,000	62	4.0	446,435	7.8	54,912
10,001-20,000	31	2.0	441,873	7.8	54,350
20,001-50,000	9	0.6	284,689	5.0	35,017
50,001-100,000	7	0.4	521,626	9.2	64,160
100,001-	7	0.4	2,864,525	50.3	352,337
Total	1,551	100	5,692,497	100	700,177
Fastpartner AB	0				

TABLE OF CONTENTS

PAGES 67–117

Annual Report

Directors' Report	67	NOTE 16	Prepaid expenses and accrued income	98	
Five-year summary	73	NOTE 17	Cash and cash equivalents	98	
Corporate Governance Report	74	NOTE 18	Liabilities to credit institutions	98	
Management	78	NOTE 19	Financial risk management	99	
Board of Directors and auditors	79	NOTE 20	Other non-current liabilities	100	
Consolidated statement of comprehensive income	80	NOTE 21	Accrued expenses and deferred income	100	
Consolidated balance sheets	81	NOTE 22	Fair value of financial instruments	100	
Parent Company profit and loss accounts	82	NOTE 23	Disclosures on related party transactions	102	
Parent Company balance sheets	83	NOTE 24	Pledged assets	102	
Statement of changes in equity	84	NOTE 25	Contingent liabilities	102	
Statement of cash flows	85	NOTE 26	Personnel, Board of Directors and auditors	102	
NOTE 01	Accounting policies and notes	86	NOTE 27	Specification, statement of cash flows	103
NOTE 02	Segment reporting	89	NOTE 28	Liabilities attributable to financing activities	103
NOTE 03	Rental income	90	NOTE 29	Events after balance sheet date	104
NOTE 04	Ground rents and leases	90	NOTE 30	Significant assessments and assumptions	104
NOTE 05	Central administration	90	NOTE 31	Proposal for the Distribution of Profits	104
NOTE 06	Financial income	90		Signing of the Annual Report	105
NOTE 07	Financial expenses	90		Auditor's Report	106
NOTE 08	Changes in value	90			
NOTE 09	Tax	91			
NOTE 10	Investment properties and properties under construction	91			
NOTE 11	Machinery and equipment	92			
NOTE 12	Shares and participations in subsidiaries	93			
NOTE 13	Shares and participations	95			
NOTE 14	Interests in associated companies	96			
NOTE 15	Other non-current receivables	98			

Miscellaneous

Definitions	109
Financial measures	110
Property listing	111
Contact details	117

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Fastpartner AB (publ), company registration number 556230-7867, hereby present the 2019 Annual Report for the Group and Parent Company.

The business 2019

During the year Fastpartner continued to work with managing and developing the property portfolio. The Group continued to expand, in part through acquisition of a property in Stockholm, a property in Uppsala, and a property in Gävle, as well as a property in Gothenburg, and partly through investments in the Group's own holdings. In November 2019, Fastpartner also acquired the property Herrjärva 3 in Solna for a purchase price of SEK 1,540m. Annual rental income for the property is about SEK 78m. Fastpartner took over the property on 5 March 2020.

On the rental market, renegotiations have been carried out and new contracts signed at stable levels, often at higher rents.

Property portfolio

The property portfolio mainly comprises properties suitable for offices, logistics and warehouses, retail trade, industry and manufacturing, as well as schools and healthcare facilities. The properties are mainly located in the Stockholm region. This region is and continues to be Fastpartner's most prioritised investment area. About 80 per cent of the rental value comes from the Stockholm region and its immediate surroundings in Mälardalen and about 20 per cent from the rest of the country, with Gävle as the largest management entity.

At the beginning of the year Fastpartner owns 199 properties, with a carrying amount of SEK 22,330.0m. Lettable area amounted to 1,443,499 m². At year-end Fastpartner owned 207 properties, with a carrying amount of SEK 28,172.4m and lettable area amounted to 1,510,711 m².

In 2019 Fastpartner acquired four properties located in Solna, Uppsala, Gävle and Gothenburg. The total lettable area for these four properties was about 57,000 m². In addition to these acquisitions, Fastpartner also acquired the property Herrjärva 3 in Solna. This property did not close until 5 March 2020. In 2019, property reallocation also occurred with respect to an existing property in Märsta Centrum, after which the number of properties increased by four properties.

Property valuation

In 2019, two external property valuation companies, Cushman & Wakefield and Newsec, carried out half-yearly valuations of Fastpartner's entire property portfolio. The valuation companies based their valuations on information about the properties that Fastpartner provided. This information included outgoing rent, lease term, any additional charges or discounts, vacancy levels, operation and maintenance costs, as well as major planned or

recently completed investments and repairs. In addition, the valuation companies also used their own information regarding the location and market conditions for each property.

The purpose of the valuation is to assess the market value of the properties at the time the valuation was carried out. Market value refers to the most likely price of a sale with normal marketing time in the open market. A cash flow analysis is performed for each property as part of the valuation process. The cash flow analysis consists of an assessment of the present value of the property's future net operating income during a calculation period, as well as the present value of the object's residual value after the end of the calculation period. The calculation takes into account future changes in net operating income, as well as the object's need for maintenance and investments. The reports provided by the valuation institutions are reviewed and compared with Fastpartner's internal valuation.

Unrealised changes in value for the year totalled SEK 2,587.6m (1,198.6). Changes in the value of the properties can mainly be explained by newly signed leases at higher rent levels, as well as by completed tenant adaptation projects and lower yield requirements. In Fastpartner's documentation for the valuations, the average yield requirement for the entire portfolio is about 4.6 per cent (5.4).

Rental income

The Group's rental income during the financial year totalled SEK 1,686.5m (1,450.6). The increase is mainly attributable to newly signed contracts and also because rental income for the current year include rents from properties acquired in 2018 and 2019. The contract portfolio for commercial contracts amounts to SEK 7,644.5m (6,976.6), and consists of 1,9132 (1,880) contracts. This corresponds with a contractual annual rental income of SEK 1,637.3m (1,444.0). The average length of leases is 4.7 years (4.8).

Contractual annual rental income for residential properties totals SEK 16.4m (13.5), while contractual annual rental income for parking spaces and garage totals SEK 78.1 m (51.9).

Earnings

The Fastpartner Group's profit before tax for 2019 was SEK 3,830.9m (2,110.8). Profit includes unrealised changes in value in properties of SEK 2,587.6 (1,198.6). Net operating income was SEK 1,173.0m (981.9) and profit from the property management business was SEK 849.6m (728.1). The improvement in net operating income and in profit from property management can mainly be explained by increased rental income because of newly signed leases, but also because of profit from properties acquired in 2018 and 2019.

Tax

Tax on profit for the year amounted to SEK -683.9m (-304.9). Tax consists of current tax of SEK -94.0m (-110.4) and deferred

tax of SEK -589.9m (194.5). As a result of a Riksdag decision in 2019 regarding changed tax rates, Fastpartner lowered the tax rate from 22.0 per cent to 21.4 per cent when calculating current tax. Deferred tax is calculated at the tax rate that is expected to be applicable at the time of payment.

The new regulations relating to restrictions on interest deductions apply as of 1 January 2019. Fastpartner is of the opinion that the new rules will not have any material impact on tax paid.

Management of capital

Managed capital refers to equity and borrowed capital. At year-end, equity and borrowed capital in the Group amounted to SEK 26,069.6m (21,301.6), of which equity amounted to SEK 12,631.7m (9,114.3) and borrowed capital 13,437.9m (12,187.3). The Group's goal for management of capital is to secure the Group's future and ability to act, as well as to ensure that shareholders continue to receive a good return on invested capital. The distribution between equity and borrowed capital should provide a good balance between risk and return. The capital structure is adapted as needed based on changing economic conditions and other external factors. In order to maintain and adjust the capital structure, the Group may distribute funds, increase equity through the issuance of new shares or capital injections, or it may choose to reduce or increase debt.

The balance sheet shows the Group's liabilities and equity. The "Statement of changes in equity" shows the various components of equity, along with a specification of the various components included in reserves.

Fastpartner's objective is to achieve an equity/assets ratio of at least 25 per cent, as well as an interest coverage ratio of at least 2.0x. At year-end, the equity/assets ratio was 42.1 (38.7) per cent and the interest coverage ratio was 4.0x (4.2).

The target for return on equity is at least 15 per cent per year over a five-year period. The outcome for 2019 was 38.6 per cent (21.6). Regarding dividend to shareholders, Fastpartner's goal is that the dividend to holders of ordinary shares will total at least a third of earning before tax and changes in value. Consolidation needs, liquidity and the company's position in general must be taken into account. The proposed dividend for 2019 of SEK 1.90 (1.60)/Class A ordinary share is 40.3 per cent (37.7) of this amount. The proposed dividend for 2019 for Class D ordinary shares is SEK 5.0 (-). The proposed dividend for 2019 for preference shares is SEK 6.68 (6.68)/preference share. See below for the Board's explanation for the proposed dividend. The proposed dividend of SEK 1.90 (1.60) per Class A ordinary share corresponds to a yield requirement of 1.9 per cent (2.7) calculated on the price at the end of the year. During the year, the total return on Class A ordinary shares, including a dividend of SEK 1.60, was 67.0 per cent (26.5). The proposed dividend of SEK 5.0 per Class D ordinary share corresponds to a yield requirement of 5.6 per cent (-) calculated on the price at the end of the year. During the year, the total return on Class D ordinary shares was 6.5 per cent. The proposed dividend

of SEK 6.68 per preference share corresponds to a yield requirement of 5.4 per cent (5.6) based on the price at the end of the year. During the year, the total return on preference shares, including a dividend of SEK 6.68, was 9.4% (10.9).

Financing

Fastpartner has not set a fixed maturity within which the average fixed-term maturity or fixed-rate period must fall. Fastpartner holds several credit agreements with major Swedish banks, with a total loan limit of SEK 8,188.3m (7,107.4). These credit agreements entail interest terms where the banks' margins are set in the agreements and where Fastpartner has the option to choose the fixed-rate period. At year-end, the Group's property loans at credit institutions amounted to a total of SEK 8,135.1m (7,107.4). At year-end, the current portion of these liabilities, including partial repayments, amounted to SEK 773.0m (1,270.2). Fastpartner has already made good progress in its refinancing discussions with the involved banks and the company intends to convert these loans into long-term financing with a short fixed-rate period in 2020.

In addition to loans to credit institutions, Fastpartner has also issued five bond loans. As of 31 Dec. 2019, issued bond loans amounted to SEK 3,800m (3,150). At year-end, the current portion of these bond loans amounted to SEK 600m (950).

Fastpartner's established commercial paper programme has a framework amount of SEK 2,000m and the maturity for the commercial paper is no more than one year. As of 31 Dec. 2019, SEK 1,460m (1,900) was outstanding.

Fastpartner has disclosure obligations in relation to all lenders. These disclosure obligations primarily apply to compliance with the terms stipulated in the respective agreements, known as "covenants". These "covenants" mainly comprise measures for the equity/assets ratio and interest coverage ratio. Fastpartner's own financial targets are well in line with the requirements set by the banks.

There are also general obligations requiring Fastpartner to provide lenders with financial information such as annual reports and interim reports. During the year Fastpartner complied with all relevant disclosure obligations.

Financial income amounted to SEK 8.8m (3.7), while financial expenses amounted to SEK -287.4m (-238.7). Of the financial expenses, SEK -266.1m (-217.4) relates to expenses for loans from credit institutions and issued bond loans, as well as well as commercial paper. The Group's available liquidity, including unutilised overdraft facilities, was SEK 499.3m (836.1) at year-end. The average interest rate for the Group's interest-bearing liabilities was 1.9 per cent (2.0) at year-end.

Other financing activities

The Group's financial investments are included in Fastpartner's other financing activities. The largest investment in terms of value relates to Slättö Fastpartner Holding AB, which as of 31 Dec. 2019 amounted to SEK 308.7m (-).

Cash flow

Cash flow from operating activities for the year before changes in working capital totalled SEK 774.7m (592.1). Cash flow after changes in working capital totalled SEK 744.8m (441.8). Acquisitions of and investments in properties had an impact of SEK -3,255.1m (-1,135.6) on cash flow.

In financing activities, borrowing and redemption of loans, as well as amortisation had an impact of SEK 1,237.7m (963.9) on cash flow, while the issuance of Class D shares had an impact of SEK 701.4m (-) and dividend paid had an impact of SEK -327.4m (-298.4). The change in cash and cash equivalents for the year amounted to SEK -428.1m (441.1). Cash flow for the year can mainly be explained by an increase in net operating income as a result of newly signed leases, as well as newly acquired properties and realised property sales. Other factors responsible for the change include investments in existing properties, acquisition of new properties, newly acquired loans and redemption of existing loans. During the year Fastpartner also issued Class D shares.

Investments and sales

Fastpartner acquired four (eight) properties in 2019 for SEK 2,443.0m (434.7). This corresponds to lettable areas of about 57,000 m² (40,000). The acquisitions have been made through company acquisitions which have been classified as asset acquisitions for accounting purposes.

Investments in existing properties and projects during the year totalled SEK 811.9m (702.2). The projects include several adaptations for tenants in the properties in the various management areas, as well as ongoing new construction of housing in Märsta city centre. In 2019 no (three) properties were sold.

Employees

At the end of the financial year, the Group has a total of 71 (69) employees, including 18 (17) women and 53 (52) men. The average number of employees during the year was 70 (64), including 17 (15) women and 53 (49) men. The 2019 Annual General Meeting resolved on the following guidelines for remuneration of senior executives:

Fastpartner shall offer a total compensation package on par with market levels so that the company can recruit and keep qualified senior executives. Remuneration to the Executive Management Team may consist of one or more of the following: fixed salary, variable remuneration, pension and other remuneration.

Together, these components make up the individual's total compensation package. In order to encourage key executives to align their long-term interests with those of the company's shareholders, in addition to salary, pension and other remuneration, incentives may also be offered in the form of share-based instruments. The fixed salary must take into account the responsibilities and experience of the individual, and be reviewed each year. Variable remuneration shall be based on a simple and transparent structure and shall not exceed the fixed

salary. Pension terms shall be on par with the market in relation to executives in similar positions in the market and shall be based on defined contribution pension solutions. Termination salary and severance pay must not exceed 24 monthly salary payments in total for the Chief Executive officer and 12 monthly payments for other senior executives.

For the most recently adopted guidelines on remuneration to senior executives and proposal for new guidelines, see note 26. The company's management includes 9 (8) people. During the year, these individuals were paid a fixed salary including car benefits of SEK 10,839k (8,373), of which the CEO was paid SEK 960k (960). Pension premiums of SEK 2,563k (2,368) were paid for individuals in the company's management, of which SEK 0k (0) related to the CEO. Remuneration of SEK 770k (770) was paid to the Board, of which the Chairman received SEK 280k (280) and other members, with the exception of the CEO who does not receive any Board fees, were paid SEK 140k (140) each. The deputy received SEK 70k (70). No pension premiums were paid for the members of the Board or the deputy.

Sustainability, the environment and energy

Fastpartner works deliberately with and is committed to environmental and sustainability issues, making all decisions based on a long-term perspective. Fastpartner's dedicated employees play a major role in the environmental gains achieved in their daily activities. Fastpartner has shown great social responsibility, especially at our centre facilities. By investing in measures that create better conditions for those who live and work in and around our centre facilities, Fastpartner actively contributes to a sustainable society.

Fastpartner strives to invest in modern technological solutions to increase adaptation through environmental improvement measures in the properties. The company continues to develop its environmental and energy management system, setting new targets annually. The environmental and energy policy provides overarching guidelines for our work.

Fastpartner's certification of the company's properties is under development and we currently use the Miljöbyggnad and GreenBuilding standards. The new projects currently under construction will be certified according to the Miljöbyggnad Silver standard or higher. We are implementing measures to qualify for GreenBuilding certification on many of our older buildings. Fastpartner has lowered energy consumption in the company's properties year after year.

Parent Company

The Parent Company conducts parts of the property management business on commission. For the financial year, the Parent Company recognised rental income of SEK 524.9m (469.6) and a profit after financial items of SEK 1,863.7m (782.3). The change compared with the previous year is mainly attributable to higher net operating income, higher earnings from the sale of shares and participations and earnings from participations in subsidiaries.

The Parent Company's cash and cash equivalents as of 31 December 2019 totalled SEK 257.3m (612.9). Cash flow from investing activities amounted to SEK 19.7m (19.7). During the financial year the Parent Company received Group contributions net from subsidiaries of SEK 151.8m (–258.4).

Shares

The total number of issued Class A ordinary shares in Fastpartner AB is 181,233,636 (181,233,636), of which Fastpartner holds 333,636 (333,636) treasury shares at the end of the financial year. Of these, 0 (0) shares were acquired during the financial year.

No treasury shares were sold or repurchased during the year. No value has been recognised for this holding in accordance with applied accounting policies.

Fastpartner's holding of treasury shares at the end of the financial year comprises 0.2 (0.2) per cent of the total number of Class A ordinary shares issued. The average acquisition price for all repurchased shares is SEK 3.17 (3.17) per share. The owner of the shareholding representing at least one tenth of votes for all shares in the company is Compactor Fastigheter AB, which is owned by SvenOlof Johansson, Chief Executive Officer of Fastpartner AB. Compactor Fastigheter AB owns 70.9 (71.8) per cent of the company.

During the year, Fastpartner issued 8,500,000 Class D ordinary shares at the price of SEK 84/D share. The issue was carried out with the support of the authorisation the Board received at the Extraordinary General Meeting held on 25 November 2019.

The total number of outstanding preference shares is 5,692,497 at year-end. Preference shares entitle the holder to an annual dividend of SEK 6.68/preference share and each preference share carries one tenth of a vote.

Events after the end of the financial year

On 19 February 2020 Fastpartner raised SEK 224m before issuance expenses through a private placement of two million Class A ordinary shares. The issue was carried out with the support of the authorisation the Board received at Fastpartner's Annual General Meeting held on 25 April 2019.

As of 20 February 2020, Fastpartner has issued unsecured bonds of SEK 400m. The issue price corresponds to a credit spread of about 1.25 per cent and has a final maturity date in March 2024.

Ownership of the Herrjärva 3 property in Solna transferred to Fastpartner on 5 March 2020. The lettable area amounts to 19,800 m² and the annual rental income amounts to SEK 78m. At the time of closing, Fastpartner took out new loans of SEK 850m, which fall due in March 2023.

During the first quarter of 2020 the coronavirus outbreak created growing uncertainty in the economy. Fastpartner is carefully monitoring the situation, but since the consequences are great, the assessment is that the economic effect on the market and on Fastpartner, both in the short and long term, cannot reasonably



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estimated at this time. In recent years, Fastpartner has built up a strong balance sheet in order to be able to stand on a stable foundation in turbulent times.

Sustainability Report

In accordance with the provisions of the Swedish Annual Accounts Act (chapter 6, paragraph 11), Fastpartner has chosen to prepare the statutory sustainability report separately from the annual report, which can be found on pages 20-31 and 47-49. Descriptions of risks are detailed on pages 61–62.

Expectations of future development, risks and uncertainties

At year-end, about 14 per cent of Fastpartner's total loan portfolio have a long fixed-rate period (i.e., fixed-rate period longer than one year). The Riksbank implemented a 25-point rate hike according to plan, to reach an interest rate of zero. The international economy has clearly slowed down as a result of various trade conflicts and protectionism involving all major trade blocs. The financial market has also been impacted by a severe liquidity crisis in the US Repo market, which forced the Fed (the US central bank) to provide the market with USD 200bn over two days and to resume a new QE program (although under a different name) of USD 60bn per month. A similar measure was taken by the People's Bank of China (PBC), which provided the Chinese med capital market with an injection of liquidity of about USD 173bn to mitigate the effects of the coronavirus outbreak. This is a clear sign that central banks around the world are well-prepared to intervene in the event of credit market disruptions. This guarantees a market with continued low interest rates and the liquidity required for a well-functioning capital market.

Nevertheless, Fastpartner continues to monitor the interest market and intends to extend its fixed-rate period if the right circumstances should arise in the market, especially if the price of ten-year swaps begins to approach attractive levels.

The company's risks are primarily credit risk linked associated with the inability of the company's tenants to fulfil their obligations according to their leases with Fastpartner, exposure risk against changes in value of properties, refinancing risk and interest rate risk.

The table on the next page shows an overview of these risks and how Fastpartner works to manage them.

Risk	Description	Consequence	Risk management
RENT RISK	Rent risk is assessed in relation to trends in current market rents.	Falling rents result in lower income, which in the long term may cause liquidity problems.	Fastpartner's property management strategy of working with long leases reduces this risk. Continuous work is underway to renegotiate existing leases in order to minimise this risk in the short term. The majority of Fastpartner's leases are fully or partially tied to the consumer price index (CPI) which means that they are fully or partially inflation-adjusted.
CREDIT RISK	Fastpartner's primary counterparty risk is associated with tenants who are unable to meet their contractual payment obligations as specified in the lease.	There is always a risk that tenants are unable to fulfil their contractual obligations in relation to Fastpartner.	In connection with acquisitions and lettings, counterparty risk is valued and agreements are supplemented if necessary with collateral in the form of deposits, bank guarantees, parent company guarantees and similar. Fastpartner works closely with its tenants and continuously monitors developments related to their financial position. Fastpartner believes that the financial position of its tenants is good, with a few exceptions.
PROPERTY ACQUISITION-RELATED RISKS	Property acquisitions are part of Fastpartner's ongoing business and are inherently always associated with some uncertainty. Loss of rent, environmental conditions and technical deficiencies are some of the risks associated with property acquisitions.	Poor environmental conditions and technical deficiencies in the acquired properties can be very costly for the company.	Fastpartner is careful to ensure that the organisation has the right expertise for property acquisitions. External expertise is always brought in when considered necessary. Fastpartner believes that the company has the right expertise to carry out property acquisitions and integrate them into the business.
EXPOSURE TO CHANGES IN VALUE OF PROPERTIES	Fastpartner is exposed to changes in the market value of the property portfolio. Market values may fall because of reasons such as weakening of the economy, rising interest rates, tenants moving out, or worsening of the technological standard.	Falling property values have a direct impact on earnings and result in a decrease in equity. Interest expenses may rise because margins in relation to the company's banks may increase since outstanding loans increase in relation to the property value.	In order to maintain or increase the market value of the properties, Fastpartner works continuously to rent out vacant premises and to optimally manage current maintenance of the properties. Fastpartner uses the external real estate services firms Cushman & Wakefield and Newsec to assess the market value of the properties. Fastpartner has determined that these valuation agencies offer the best long-term conditions for fair and reliable assessments of the market values of the properties.
EXPOSURE TO CHANGES IN RUNNING COSTS	Running costs such as electricity, heat and water are a major expense item for Fastpartner. Rising electricity and heating prices result in increased expenses for Fastpartner.	Higher running costs result in lower profit from property management and worse key ratios.	A large part of the running costs are charged directly to the tenants or passed on by Fastpartner at cost. Fastpartner's exposure to changes in running costs is therefore relatively limited.
REFINANCING RISK	Fastpartner's financing primarily consists of equity and interest-bearing liabilities. The interest-bearing liabilities are loans from Swedish commercial banks and through bond loans, as well as commercial paper. Fastpartner constantly monitors and works on refinancing risk, which is defined as the risk that existing debt cannot be refinanced on reasonable terms. In certain cases, Fastpartner's loans are subject to special requirements such as maintaining an interest coverage ratio.	If the balance sheet worsens, refinancing risk increases, which may cause the banks to set more stringent terms. In addition, interest expenses may rise while loan amounts may be reduced.	Fastpartner strives to achieve low average interest expenses for the loan portfolio. To do so, the company primarily uses short fixed-rate periods. Fastpartner works hard to maintain a good cash flow, which allows better financing opportunities with better terms and conditions. Fastpartner believes that the company's facilities have market-based terms and conditions.
INTEREST RATE RISK	Interest expenses comprise Fastpartner's largest running cost. This risk is defined as the risk that changes in interest rates will affect Fastpartner's financing costs. Interest risk is attributable to developments in current interest rate levels.	Interest-bearing liabilities at 31 December 2019 amounted to SEK 13,395.1 m. A change in variable market interest rates of one percentage point would affect interest expenses by about SEK 115m annually with the current capital structure.	Fastpartner's good cash flow enables the company to work with short fixed-rate periods since temporary interest rate hikes do not involve any liquidity risk. Fastpartner monitors the interest rate hedging market closely and when long-term interest rates are low, Fastpartner considers entering into favourable interest rate swaps. Fastpartner has also been assigned an official rating by Moody's that should increase resilience to rising interest rates.

FIVE-YEAR SUMMARY

SEKm unless stated otherwise	2019	2018	2017	2016	2015
PROFIT AND LOSS ACCOUNTS					
Rental income	1,686.5	1,450.6	1,349.0	1,270.8	1,135.0
Property expenses	-513.5	-468.7	-445.0	-417.6	-364.0
Net operating income	1,173.0	981.9	904.0	853.2	771.0
Profit from property management business	849.6	728.1	666.9	615.8	524.5
Profit before unrealised changes in value and tax	1,275.8	924.8	732.5	621.8	527.2
Unrealised changes in value					
Properties	2,587.6	1,198.6	934.8	1,477.6	951.7
Financial instruments	-32.5	-12.6	60.5	-99.7	73.3
Tax					
Current tax	-94.0	-110.4	-91.5	-75.0	-61.7
Deferred tax	-589.9	-194.5	-185.3	-326.1	-283.8
Profit/loss after tax	3,147.0	1,805.9	1,451.0	1,598.6	1,206.7
BALANCE SHEET					
Investment properties	27,876.8	22,263.7	20,046.8	17,216.0	15,383.5
Properties under construction	295.6	66.3	69.2	178.2	82.0
Other non-current assets	1,443.5	69.6	190.6	169.9	220.2
Current assets	106.6	453.3	461.1	86.7	88.3
Cash and cash equivalents	264.3	676.1	215.6	805.5	165.0
Property loans (incl. short-term component)	13,395.1	12,157.4	11,193.5	10,116.0	9,937.9
Other non-current liabilities	1,060.8	29.9	23.7	164.9	160.0
Current liabilities	720.0	638.4	764.8	531.2	634.4
Deferred tax liabilities	2,178.9	1,589.0	1,394.4	1,209.2	891.9
Shareholders' equity	12,631.7	9,114.3	7,606.9	6,435.0	4,314.8
Total assets	29,96.5	23,529.0	20,983.3	18,456.3	15,939.0
STATEMENT OF CASH FLOWS					
Cash flow before change in working capital	774.7	592.1	575.1	516.9	456.2
Cash flow after change in working capital	744.8	441.8	626.6	301.7	417.2
Cash flow from investing activities	-2,784.6	-666.2	-2,064.8	-363.5	-2,397.9
Cash flow from financing activities	1,611.7	665.5	798.3	699.7	1,863.3
Cash flow for the year	-428.1	441.1	-639.9	637.9	-117.4
Average number of Class A ordinary shares	180,900,000	180,900,000	180,900,000	166,141,731	163,801,161
Number of outstanding Class A ordinary shares	180,900,000	180,900,000	180,900,000	180,900,000	160,800,000
KEY RATIOS					
Equity/assets ratio, %	42.1	38.7	36.3	34.9	27.1
Equity/assets ratio adjusted for EPRA NAV %	49.8	45.9	43.3	41.9	32.8
Interest coverage ratio, multiple	4.0	4.2	4.0	3.4	3.1
Return on equity, %	38.6	21.6	20.7	29.7	31.8
DATA PER SHARE					
Profit from property management/Class A ordinary share	4.70	4.02	3.69	3.69	3.71
Earnings, SEK/Class A ordinary share	17.19	9.77	7.81	9.39	7.14
Operating cash flow SEK/ordinary share, Class A	4.28	3.27	3.18	2.86	2.85
Equity, SEK/Class A ordinary share	69.8	50.4	42.1	35.6	26.8
Share price at year-end	99.2	60.3	48.8	45.3	50.6
PROPERTY-RELATED KEY FIGURES					
Occupancy rate, %	91.0	89.7	88.6	88.1	88.8
Net operating income %	4.6	4.7	4.9	5.4	6.3
Surplus ratio %	69.6	67.7	67.0	67.1	67.9

Proposal for the Distribution of Profits

The following amount is at the disposal of the AGM:

SEK	
Share premium account	1,903,698,949
Retained earnings	842,520,150
Profit for the year	1,974,760,485
Total	4,720,979,584

The Board of Directors and the Chief Executive Officer propose that the amount be allocated as follows:

SEK	
A dividend of SEK 1.90 per share to the holders of Class A ordinary shares	347,510,000
A dividend of SEK 5.0 per share to the holders of Class D ordinary shares	42,500,000
A dividend of SEK 6.68 to existing holders of preference shares	38,025,880
Other funds to be carried forward	4,292,943,704
Total	4,720,979,584

The above dividend amount is based on the number of outstanding Class A ordinary shares as of 29 February 2020, which is 182,900,000 shares, the number of outstanding Class D ordinary shares as of 31 December 2019, which is 8,500,000 shares and the number of outstanding preference shares as of 31 December 2019, which is 5,692,497 shares.

In addition, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the next Annual General Meeting, with or without deviation from the preferential rights for the shareholders, to decide to issue Class A and/or Class D ordinary shares. However, the total of all new share issues decided by the Board under this authorisation may not entail the issuance of more shares than the equivalent of 10 per cent of share capital on the day of the Annual General Meeting, regardless of the Class of shares. In the event that the Annual General Meeting grants such authorisation, the Board of Directors further proposes that the Annual General Meeting resolves that the Class D ordinary shares that may be issued with the support of this authorisation shall carry the right to dividend from the date they were entered in the share register maintained by Euroclear Sweden AB, which means an initial dividend of SEK 1.25 per Class D ordinary share and quarter with the next following record date according to the terms and conditions, though not to exceed SEK 5.0. The following record dates are proposed for the quarterly dividends: 30 April 2020, 31 July 2020, 30 October 2020 and 29 January 2021.

If the authorisation for the Board to issue new shares is exercised in full, a dividend for the additional Class D ordinary shares of a maximum of SEK 98.7m will be paid. Of the amount available as of 31 December 2019, at least SEK 4,194,230,637 will remain after a maximum dividend of SEK 526,748,947.

Statement of the Board of Directors on the proposed dividend Grounds

The Group's equity amounts to SEK 12 631,7m. Equity in the Parent Company amounts to SEK 5,464.0m, of which SEK 4,721.0m is available for distribution. Measuring financial instruments and long-term securities holdings at fair value has had an impact of SEK -75.1m on the company's equity.

The proposed dividend amounts to SEK 428.0m and accounts for 50.4 per cent of the year's profit from property management for the Group and 50.2 per cent of the year's profit in the Group before tax and changes in value in the properties and financial instruments.

The Board of Directors has adopted a dividend policy for Class A ordinary shares stipulating that the dividend shall amount to at least one third of profit before tax and changes in value for the year.

Liquidity and the equity/assets ratio

The Group and the Parent Company have good liquidity and the Group's equity/assets ratio, which according to a set target should amount to at least 25 per cent, will decrease after the proposed dividend to ordinary shareholders and to existing issued preference shares from 42.1 per cent to approximately 41.3 percent, taking into account known events after the balance sheet date.

The Board of Directors holds the opinion that, taking into account liquidity needs, the proposed budget, investment plans and the ability to obtain long-term credit, nothing suggests that the equity of the Parent Company or the Group should not be sufficient in relation to the nature, scope and risks of the business after the proposed dividend to ordinary holders of Class A shares.

Upon maximum exercise of the authorisation regarding proposals for new share issues of Class D ordinary shares, the equity of the Parent Company and the Group will increase by about SEK 1,800m, based on the closing price on 31 December 2019. Thus exercising the authorisation would have a positive impact on the equity/assets ratio of the Group and the Parent Company. This applies even after any dividend to holders of Class D ordinary shares. The Board of Directors holds the opinion that, taking into account liquidity needs, the proposed budget, investment plans and the ability to obtain long-term credit, nothing suggests that the equity of the Parent Company or the Group should not be sufficient in relation to the nature, scope and risks of the business after the proposed possible maximum dividend of SEK 99m to new ordinary holders of Class D ordinary shares.

Stockholm, 26 March 2020
Board of Directors

CORPORATE GOVERNANCE REPORT

Fastpartner is a public limited-liability company listed on Nasdaq Stockholm.

Corporate governance within Fastpartner

Corporate governance covers various decision-making systems through which the owners directly or indirectly govern the company. Good transparency regarding information related to the owners and the capital market should contribute to effective decision-making systems. Ultimately, corporate governance aims to meet shareholder demands for returns and the needs of all stakeholders for information about the company and its performance.

Corporate governance has been developed through legislation, recommendations, the “Code” and through self-regulation.

Responsibility for the governance, management and control of Fastpartner's activities is shared between the Board of Directors and the Chief Executive Officer (“CEO”). Fastpartner works continuously to achieve more efficient and appropriate governance of the company.

In addition to the rules laid down by law or other regulation, Fastpartner applies the Swedish Code of Corporate Governance (the Code). The Board of Directors is responsible for ensuring that the Code is applied by both the Executive Management Team and the company in general, and for continuously monitoring the application of the Code. Companies that are covered by the Swedish Corporate Governance Code that do not comply with the Code in any respect must report this deviation. In 2019 Fastpartner applied the Swedish Corporate Governance Code without any deviation from the provisions of the Code, with the exception of the point below.

Deputy for director elected by the shareholders' meeting

According to the Swedish Code, deputies for directors elected by the shareholders' meeting are not to be appointed. In Fastpartner, the secretary of the Board of Directors has also been elected to serve as a deputy.

Deputy director Anders Keller was appointed chairman of the Nominating Committee. Since Anders Keller is not a Board Member, his chairmanship is in conflict with the wording of point 2.4 of the Code. All major shareholders who nominated members in the Nominating Committee also stated as grounds for Anders Keller serving as chairman that he is highly suitable as chairman and that the Board would not have too much influence over the Nominating Committee, since Anders Keller is only a deputy and has rarely participated at Board meetings as a replacement for a director.

Shareholders

Fastpartner's shares are listed on Nasdaq Stockholm. The share capital amounts to SEK 658.1m divided into 183,233,636 Class A ordinary shares, 8,500,000 Class D ordinary shares and 5,692,497

preference shares. Of these, Fastpartner's own holdings amount to 333,636 Class A ordinary shares, corresponding to 0.2 percent of the number of Class A ordinary shares registered at the end of the financial year/as of 29 Feb. 2020.

At Fastpartner, Class A ordinary shares carry one vote at the Annual General Meeting. Class D ordinary shares and preference shares carry one tenth of a vote. The following direct or indirect shareholdings in the company as of 31 December represent one tenth or more of the votes for all shares in the company:

Holdings	Percentage of votes, %
Compactor Fastigheter AB	70.9

Fastpartner's ownership structure is described on page 65.

ARTICLES OF ASSOCIATION

The name of the company is Fastpartner AB and the company is a public (publ) company. The registered office of the Board of Directors is in Stockholm. The object of the company's business is to own and manage real property and equities, as well as to conduct other business associated therewith. Fastpartner's Articles of Association are amended in accordance with the provisions of the Swedish Companies Act. The full text of the Articles of Association, which contain details about matters such as share capital, number of Board members and auditors, as well as notice to attend and agenda for the Annual General Meeting, is posted on the company's website, www.fastpartner.se.

Shareholders' meeting

The shareholders' meeting is the company's highest decision-making body. At the shareholders' meeting the shareholders exercise their voting rights, including by appointing Board of Directors and auditors, as well as by taking decisions on guidelines for remuneration to the company's Board of Directors, management and auditors. The shareholders' meeting also makes decisions, where applicable, on the Articles of Association, dividends and changes in share capital. At the shareholders' meeting to be held within six months after the end of the financial year, decisions are also made on the adoption of the profit and loss account and balance sheet, appropriation of earnings and discharge from liability for members of the Board of Directors and the CEO.

2019 Annual General Meeting

The Annual General Meeting of Shareholders in Fastpartner AB was held in Stockholm on 25 April 2019. The AGM resolved to adopt, the profit and loss accounts and the balance sheets included in the annual report, as well as consolidated profit and loss accounts and consolidated balance sheets. The AGM also resolved, in accordance with the proposal of the Board of Directors

and the CEO, to pay a dividend of SEK 1.60 per ordinary share and of SEK 20.04 per preference share. The AGM resolved to discharge the Board members and the CEO from liability for the 2018 financial year.

Otherwise, the AGM adopted the following resolutions:

Re-election of the following Board Members for the period extending until the next AGM: Peter Carlsson (Chairman), Sven-Olof Johansson, Charlotte Bergman and Katarina Staaf, as well as new election of Cecilia Vestin. Anders Keller was re-elected as deputy.

Authorisation for the Board of Directors for the period extending up until the next AGM to decide about the new issue of preference shares and/or ordinary shares for the acquisition of properties/companies.

Authorisation of the Board for the period extending up until the next AGM to decide about the acquisition and transfer of treasury shares.

Resolution to adopt guidelines on remuneration to senior executives in accordance with the Board of Directors' proposals.

Resolution that dividends for the financial year 2019 be divided into two occasions, with half paid on each occasion, with half a year in between.

A full set of minutes from the AGM is available at the company's website, www.fastpartner.se.

2020 Annual General Meeting

The 2020 Annual General Meeting will be held at 4:00 p.m. in Stockholm on 23 April 2020 at Helio Konferens, Thouse, Engelbrektsgatan 1. A notice regarding the AGM will be released in accordance with the Articles of Association and the rules that apply according to the Swedish Companies Act and the Swedish Corporate Governance Code.

Nominating Committee

The Nominating Committee is the AGM's body for preparing decisions relating to appointments. The Nominating Committee's task is to draw up and submit proposals for the appointment of the AGM chairman, Chairman of the Board and other Board Members, auditor, fees and related issues. The members of the Nominating Committee must take the interests of all shareholders into account. The Code has established rules regarding independence for the Nominating Committee. Under these rules, at least one member of the Nominating Committee must be independent in relation to the largest shareholder in the company in terms of votes, or group of shareholders who cooperate on the management of the company. The Code also contains provisions that regulate independence in the event that Board Members are included in the Nominating Committee. Fastpartner has a Nominating Committee consisting of three representatives. The Nominating Committee has ongoing contact and meets prior to the Annual General Meeting.

The Nominating Committee consists of the following members:

- Anders Keller, Chairman of the Nominating Committee, as representative of Compactor Fastigheter AB.
- Johannes Wingborg¹⁾ as representative of Länsförsäkringar Fondförvaltning AB.
- Mats Hellström¹⁾ as representative of Nordea Investment Funds.

Anders Keller is a deputy on the Board of Directors.

In its work, the Nominating Committee has applied Rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Pursuant to 4.1 in the Code, the Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. Board Members elected by the shareholders' meeting are to reflect diversity and breadth of qualifications, experience and background. In addition, the company is to strive to achieve gender balance. As of 31 Dec. 2019, Fastpartner's Board of Directors consisted of 50 per cent women.

Board of Directors

According to Fastpartner's Articles of Association, the Board of Directors is to consist of at least four and no more than ten directors, with no more than four deputies. The Board is elected annually for the period extending up until the end of the next AGM. The Board is to carry out its work in accordance with applicable legislation, the Articles of Association and the Board's rules of procedure of the Board. The rules of procedure are addressed at the statutory Board meeting and are adopted annually. The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. The Board is to ensure that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a satisfactory manner. During the year the Board has consisted of four directors and one deputy. A presentation of the Board can be found on page 79.

Responsibilities of the Board of Directors

The Board appoints the CEO of the company and determines the CEO's salary and other remuneration. According to the Swedish Companies Act and the Board's rules of procedure, the Board is also responsible for preparing overarching long-term strategies and goals, as well as budgets and business plans, reviewing and approving the annual accounts, and taking decisions on matters concerning investments and significant changes in Fastpartner's organisation and operations.

Board of Directors' rules of procedure

The Board's rules of procedure are adopted annually. The rules of procedure describe the duties of the Board of Directors, as well as the division of responsibilities between the Board and the Chief Executive Officer. The rules of procedure also state what matters are to be handled at each Board meeting and instructions regarding financial reporting to the Board.

¹⁾ Independent in relation to the largest shareholder in terms of votes.

Chairman of the Board

The responsibilities of the Chairman of the Board include ensuring that Board Members, through efforts of the Chief Executive Officer, continually receive the information needed to be able to monitor the position, performance, liquidity, financial planning and development of the company.

The work of the Board of Directors in 2019

In 2019, the Board held a total of 18 meetings, including eight scheduled meetings, one statutory meeting and nine meetings held by correspondence. The auditor participated at two of the scheduled Board meetings. According to a decision by the Board, the auditor must attend at least one Board meeting per year. The work of the Board of Directors and the day-to-day operations of the company are conducted in accordance with the company's established rules of procedure for the Board of Directors, the instructions regarding the division of work between the Board and the Chief Executive Officer, and the instructions for financial reporting to the Board. The work of the Board is led by the Chairman of the Board, who also maintains ongoing contact with the CEO of the company. Board meetings address reporting by the Executive Management Team regarding the financial position of the Group, acquisitions and divestitures when appropriate, significant projects, the company's financing and the current business situation. Reports are presented each quarter regarding the Group's performance in relation to budgets and forecasts. The budget and business plan for the coming year are addressed at the December meeting. The Board also regularly discusses and evaluates the Group's policy issues and strategies. The entire Board addresses and decides on audit and remuneration issues, for which reason no separate committees have been appointed to address these matters. At the end of the year, an assessment was made of the Board, which showed that the Board was operating in a highly satisfactory manner. The assessment result was discussed at the Board meeting in February 2020.

COMPOSITION OF THE BOARD AND REMUNERATION

Number of meetings and attendance 2019

Name	Elected, year	Independent	Fee, (SEK 000s)	Number of scheduled Board meetings ¹⁾
Peter Carlsson, Chairman	2008	Yes	310	8 of 8
Sven-Olof Johansson	2017	No	–	8 of 8
Lars Wahlqvist ²⁾	1987	Yes	–	2 of 8
Charlotte Bergman	2015	Yes	155	8 of 8
Katarina Staaf ³⁾	2015	Yes	–	3 of 8
Cecilia Vestin ⁴⁾	2019	Yes	155	6 of 8
Secretary of the Board of Directors				
Anders Keller, deputy	1995	No	77.5	8 of 8

¹⁾ In 2019 the Board held nine meetings by correspondence, attended by all directors, during which decisions were taken regarding property acquisitions and funding.

²⁾ Left the Board on 25 April 2019.

³⁾ Resigned from the Board on 2 September 2019.

⁴⁾ Newly elected to the Board at the AGM on 25 April 2019.

The revised Code refers to independence rules for Board Members in the Nasdaq Stockholm rules for issuers. According to these rules, no more than one of the directors elected to the Board by the AGM may be a member of the company's Executive Management Team or the Executive Management Team of a subsidiary. In addition, according to the same stock exchange rules, a majority of the members of the Board of Directors must be independent in relation to the company and the Executive Management Team. At least two of them must also be independent in relation to the company's major shareholders. According to the regulations for issuers, the independence of a Board Member may be questioned whether the Board Member directly or indirectly has extensive business relationships or other extensive financial dealings with the company. For example, the Board Member may be an employee, supplier, customer, or client of the company. The same applies if the Board Member is employed in a closely related business.

Prior to the 2019 AGM the Nominating Committee determined that all proposed Board Members with the exception of Sven-Olof Johansson were independent of the company, the Executive Management Team and major shareholders.

Chief Executive Officer

The Board has established instructions for the work and role of the CEO. The CEO is responsible for the day-to-day management of the company and is to ensure that the company conducts business in accordance with the principles that apply in the instructions to the CEO prepared by the Board, as well as other established policies and guidelines. The CEO is to provide the information and documentation necessary for decision-making prior to Board meetings and at these meetings, present and submit motivated proposals for decisions. The CEO is also responsible for ensuring that Board decisions are enacted. Fastpartner's CEO Sven-Olof Johansson is also the largest shareholder in the company, through Compactor Fastigheter AB.

EXECUTIVE MANAGEMENT TEAM

The Executive Management Team consists of the CEO, Deputy CEO/Head of Marketing, Chief Financial Officer, Head of Properties, Head of Business Development and regional managers within property management. The Executive Management Team is presented on page 78. The Executive Management Team holds regular meetings at which the company's earnings and performance are monitored. Strategy issues, plans, major projects, budget follow-up and forecasting are also important areas addressed by the Executive Management Team. The principles for remuneration to senior executives were adopted by the AGM and state that the company must offer a total compensation package that is on par with market levels and makes it possible to recruit and retain senior executives. Pension terms shall be on par with the market in relation to executives in similar positions in the market and be based on defined contribution pension solutions. Termination salary and severance pay must not exceed 24 monthly salary payments in total for the CEO and 12 monthly payments for other senior executives. Remunera-

tion to the CEO is decided by the Board of Directors. For more information about remuneration to senior executives, see Note 26 Personnel, Board of Directors and auditors.

THE COMPANY'S AUDITORS

The auditors shall review Fastpartner's annual accounts, consolidated accounts and accounting, as well as the management of the Board and the CEO. After the end of each financial year, the auditors are required to submit an audit report to the AGM. The auditors are appointed by the AGM for a four-year mandate period. The 2019 AGM elected the audit company Deloitte AB to serve as auditor for the period up until the end of the 2021 Annual General Meeting. Authorised public accountant Johan Telander was appointed to serve as Auditor-in-Charge for a period of one year counted from the 2019 AGM. The Board meets the auditor at least twice a year.

FINANCIAL REPORTING

The quality of the financial reporting is governed by policies and instructions for the division of responsibilities and governance established by the Board, such as instructions for the CEO regarding matters such as financial reporting. Prior to each meeting the Board receives the most recent financial reports and the financial position of the Group is addressed at each Board meeting. The Board also addresses the interim reports and annual report. At least twice a year, the company's auditor reports on his audit of the company's accounting and management.

THE BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL TO THE PART THAT RELATES TO FINANCIAL REPORTING

According to the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors is responsible for internal control. This report on internal control regarding the 2019 financial reporting has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code and is part of the Corporate Governance Report. Fastpartner's Board of Directors has not found any reason to establish an internal audit function. Follow-up and control of internal control is mainly provided by the CFO, controller and head of properties.

The Board regularly evaluates the information submitted by the Executive Management Team and the auditors. In addition, the company's auditors personally report their observations from the review and their assessment of the company's internal control directly to the Board of Directors at least once each year. The Board maintains a close dialogue with the company's CEO and CFO, as confirmed by the 18 meetings the Board held in 2019 during which the minutes were recorded.

ORGANISATION OF INTERNAL CONTROL IN RESPECT OF FINANCIAL REPORTING

Control environment

The Board's rules of procedure and instructions for the CEO are intended to ensure that the internal control environment within the company is effective. In addition, the Board of Directors

and the Executive Management Team have formulated internal guidelines and policies. These guidelines and policies include the information policy, investment policy and IT policy. The Board of Directors has also adopted instructions for reporting financial information, according to which the Executive Management Team regularly reports to the Board. In addition, the company has adopted procedures for matters such as signing leases and revenue accounting, purchasing, company cars and authorisation orders with set limits.

Risk assessment

The risk assessment entails an analysis conducted to identify areas where there is a risk of material errors in the financial reporting. The results of this analysis and the assessments made by the Executive Management Team show that these areas mainly relate to the valuation of properties and projects, property acquisitions, provisions, financial investments and taxes. Properties and related ongoing projects comprise the single largest item in the balance sheet. Consequently, property valuation procedures are extremely important. Provisions in the balance sheet usually include a certain measure of assessments from the Executive Management Team, which also means that these assessments and procedures related to them are of great importance. Financial instruments should be recognised at fair value or amortised cost, which are based on valuation techniques that involve a certain degree of assessment.

The company's tax situation is analysed on an ongoing basis to check that laws and regulations are being followed and that the financial reports present a fair picture of the company's tax situation. The company's risks are presented in detail on pages 61–62.

Control activities

The company's control activities are aimed at managing the identified risk areas and preventing material errors from occurring. Control activities consist partly of the Executive Management Team's analysis of the company's profit and loss accounts and the balance sheet, cash flow and key performance indicators, and partly of ongoing reconciliation, authorisation and follow-up procedures.

Information and communication

There are internal policies and guidelines for all employees. In addition, the ongoing responsibility of informing the departments rests with each manager within the organisation. Procedures for handling both internal and external information are described in the company's information policy.

Follow-up

The Board continually evaluates and analyses the information obtained from the Executive Management Team. The auditors' report on the review of internal control for financial reporting is also followed up. This work involves following up and coordinating measures taken by the Executive Management Team to correct areas needing improvement as reported by the auditor.

MANAGEMENT



SVEN-OLOF JOHANSSON

Chief Executive Officer since 1997. Stockholm, born 1945.

Year of employment: 1997.

Other assignments: Chairman of the Board of Compactor Fastigheter AB, member of the boards of companies within the Fastpartner Group and member of the boards of SBB i Norden AB, Autoropa AB and STC Interfinans AB.

Number of Class A shares in Fastpartner directly owned and through company and related party: 130,717,915 (last year: 130,217,915).

As of the date of submission of the annual accounts, the current shareholding is 130,817,915 Class A shares.

Number of preference shares in Fastpartner: 74,100 (last year 74,100).



CRISTOPHER JOHANSSON

Vice President and Director of Marketing.

Stockholm, born 1977.

Year of employment: 2012.

Other assignments: Chief Executive Officer and Board Member of Compactor Fastigheter AB.

Number of Class A shares in Fastpartner: 6,750 (last year: 6,750).



DANIEL GERLACH

Chief Financial Officer.

Stockholm, born 1976.

Year of employment: 2009.

Number of Class A shares in Fastpartner: 14,000 (last year: 12,709).

As of the date of submission of the annual accounts, the current shareholding is 16,500 Class A shares.

Number of Class D shares in Fastpartner: 1,600 (last year 0)



SVANTE HEDSTRÖM

Head of Properties.

Stockholm, born 1961.

Year of employment: 2008.

Number of Class A shares in Fastpartner: 53,800 (last year: 52,000).

As of the date of submission of the annual accounts, the current shareholding is 55,200 Class A shares.

Number of Class D shares in Fastpartner: 3,000 (last year 0)



ANDREAS VON HEDENBERG

Director of Business Development.

Stockholm, born 1979.

Year of employment: 2018.

Other assignments: Chairman of the Board of Wästbygg Gruppen AB.

Number of Class A shares in Fastpartner: 0 (last year: 0).

As of the date of submission of the annual accounts, current shareholding is 5,000 Class A shares.



HÅKAN BOLINDER

Regional Manager.

Stockholm, born 1963.

Year of employment: 2004.

Number of Class A shares in Fastpartner: 0 (last year: 0).

As of the date of submission of the annual accounts, the current shareholding is 316 Class A shares.



JENNY TALLSKOG

Regional Manager.

Stockholm, born 1978.

Year of employment: 2019.

Number of Class A shares in Fastpartner: 0 (last year: 0).

As of the date of submission of the annual accounts, the current shareholding is 300 Class A shares.



PATRIK ARNQVIST

Regional Manager.

Stockholm, born 1979.

Year of employment: 2012.

Number of Class A shares in Fastpartner: 7,000 (last year: 4,500).

As of the date of submission of the annual accounts, the current shareholding is 9,500 Class A shares.



FREDRIK THORGREN

Regional Manager.

Gävle, born 1974.

Year of employment: 2015.

Number of Class A shares in Fastpartner: 4,500 (last year: 4,500).

BOARD OF DIRECTORS AND AUDITORS



PETER CARLSSON

Chairman of the Board, elected by the Board in 2008. Stockholm, born 1954.

Other assignments: –

Number of Class A shares in Fastpartner: 33,750 (last year: 33,750).



SVEN-OLOF JOHANSSON

Member of Fastpartner's Board of Directors since 2017. Chief Executive Officer since 1997. Stockholm, born 1945.

Other assignments: Compact Fastigheter AB, companies within the Fastpartner Group and Member of the boards of SBB i Norden AB, Autoropa AB and STC Interfinans AB.

Number of Class A shares in Fastpartner owned directly and through company and related party: 3,130,717,915 (last year: 130,217,915).

As of the date of submission of the annual accounts, the current shareholding is 130,817,915 Class A shares.

Number of preference shares in Fastpartner: 74,100 (last year: 74,100).



CHARLOTTE BERGMAN

Member of Fastpartner's Board of Directors since 2015. Lidingö, Born 1963.

Other assignments: Chief Executive Officer and Board Member of ELU Konsult AB. Member of the boards of Byggmästare Anders J Ahlström Holding AB, Sandbäckens Invest Group Holding AB and Svevia AB.

Number of Class A shares in Fastpartner: 1,200 (last year: 0).



CECILIA VESTIN

Member of Fastpartner's Board of Directors since 2019. Älvsjö, born 1977.

Other assignments: Board Member of Exengo Installationskonsult AB and Business Manager Specialfastigheter AB.

Number of Class A shares in Fastpartner: 0 (last year: 0).



ANDERS KELLER

Deputy/member of Fastpartner's Board of Directors since 1995. Stockholm, born 1940.

Other assignments: –

Number of Class A shares in Fastpartner, owned directly and indirectly: 75,093 (last year: 75,093).

Auditor

DELOITTE AB JOHAN TELANDER

Auditor-in-Charge Born 1978.

Audit assignments for the following major companies: Marginalen Fastigheter AB, Climeon AB (publ), Rejlers AB (publ), Trygghem Bostad AB (publ) and Stockholmsmässan AB.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Note	2019	2018
Rental income	3	1,686.5	1,450.6
Other income		–	–
Property expenses			
Operating expenses		–279.0	–247.0
Repairs and maintenance		–65.4	–59.8
Property tax		–100.6	–73.2
Ground rents/leases	4	–7.9	–34.0
Property administration and marketing		–60.6	–54.7
Net operating income		1,173.0	981.9
Central administration	5	–34.9	–32.4
Unrealised changes in value of properties	8	2,587.6	1,198.6
Realised changes in value of properties	8	423.4	0.7
Profit from interests in associated companies	14	24.1	52.6
Profit before financial items	26	4,173.2	2,201.4
Financial items			
Financial income	6	8.8	3.7
Financial expenses	7	–318.6	–238.7
Changes in value, financial instruments	8	–32.5	144.4
Profit before tax		3,830.9	2,110.8
Current tax	9	–94.0	–110.4
Deferred tax	9	–589.9	–194.5
PROFIT FOR THE YEAR		3,147.0	1,805.9
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		3,147.0	1,805.9
Profit for the year attributable to:			
Parent Company shareholders		3,147.0	1,805.9
Non-controlling interests		–	–
		3,147.0	1,805.9
Earnings, SEK/Class A ordinary share		17.19	9.77
Number of issued Class A ordinary shares		181,233,636	181,233,636
Number of outstanding Class A ordinary shares		180,900,000	180,900,000
Average number of Class A ordinary shares		180,900,000	180,900,000

There is no dilution at this time as there are no potential Class A ordinary shares in Fastpartner.

CONSOLIDATED BALANCE SHEETS

SEKm	Note	31/12/2019	31/12/2018
ASSETS			
Non-current assets			
Investment properties	10	27,876.8	22,263.7
Properties under construction	10	295.6	66.3
Right-of-use asset, leasehold		1,018.0	-
Machinery and equipment	11	1.7	1.2
Total property, plant and equipment		29,192.1	22,331.2
Shares and participations	13, 22	0.0	0.0
Interests in associated companies	14	372.5	60.0
Other non-current receivables	15	51.3	8.4
Total non-current financial assets		423.8	68.4
Total non-current assets		29,615.9	22,399.6
Current assets			
Trade receivables		6.1	3.9
Other receivables		7.8	363.0
Prepaid expenses and accrued income	16	92.4	86.4
Cash and cash equivalents	17	264.3	676.1
Total current assets		370.6	1,129.4
TOTAL ASSETS		29,986.5	23,529.0
EQUITY AND LIABILITIES			
Equity and liabilities attributable to Parent Company shareholders			
Share capital		651.4	623.1
Other contributed capital		1,903.7	1,234.1
Retained earnings incl. comprehensive income for the year		10,076.6	7,257.1
Total shareholders' equity		12,631.7	9,114.3
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions and similar liabilities	18	10,562.1	8,037.2
Lease liability		1,018.0	-
Other non-current liabilities	20	42.8	29.9
Deferred tax liabilities	9	2,178.9	1,589.0
Total non-current liabilities		13,801.8	9,656.1
Current liabilities			
Liabilities to credit institutions and similar liabilities	18	2,833.0	4,120.2
Trade payables		125.1	132.4
Other liabilities		321.3	248.8
Accrued expenses and deferred income	21	273.6	257.2
Total current liabilities		3,553.0	4,758.6
Total liabilities		17,354.8	14,414.7
TOTAL EQUITY AND LIABILITIES		29,986.5	23,529.0

PARENT COMPANY PROFIT AND LOSS ACCOUNTS

SEKm	Note	2019	2018
Rental income	3	524.9	469.6
Property expenses			
Operating expenses		-65.3	-60.9
Repairs and maintenance		-21.6	-21.7
Property tax		-29.5	-23.7
Ground rents/leases		-15.6	-10.3
Property administration and marketing		-35.1	-35.4
Net operating income		357.8	317.6
Central administration	5	-25.5	-25.7
Profit from interests in associated companies	14	24.1	75.1
Profit before financial items	26	356.4	367.0
Financial items			
Financial income	6	189.6	267.2
Financial expenses	7	-391.4	-417.6
Sale of shares and participations		780.0	23.8
Profit from participations in subsidiaries (share in partnership/limited partnership, incl. anticipated dividend)		965.1	399.7
Changes in value, financial assets and instruments	8	-36.0	142.2
Profit before appropriations and tax		1,863.7	782.3
Appropriations			
Group contributions		151.8	-258.4
Profit before tax		2,015.5	523.9
Current tax	9	-48.3	-5.1
Deferred tax	9	7.6	10.3
PROFIT FOR THE YEAR		1,974.8	529.1

No statement of comprehensive income has been prepared because the Parent Company has no transactions that should be included in other comprehensive income.

PARENT COMPANY BALANCE SHEETS

SEKm	Note	31/12/2019	31/12/2018
ASSETS			
Non-current assets			
Machinery and equipment	11	0.8	0.7
Total property, plant and equipment		0.8	0.7
Shares in Group companies	12	5,607.7	4,860.5
Receivables from Group companies		11,805.2	8,803.4
Shares and participations	13, 22	0.0	0.0
Interests in associated companies	14	372.6	60.1
Other non-current receivables	15	74.2	23.9
Total non-current financial assets		17,859.7	13,747.9
Total non-current assets		17,860.5	13,748.6
Current assets			
Trade receivables		0.6	1.1
Other receivables		4.8	4.7
Prepaid expenses and accrued income	16	77.0	47.7
Cash and cash equivalents	17	257.3	612.9
Total current assets		339.7	666.4
TOTAL ASSETS		18,200.2	14,415.0
EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital		651.4	623.1
Revaluation reserve		78.5	78.5
Statutory reserve		13.2	13.2
<i>Unrestricted equity</i>			
Share premium account		1,903.7	1,234.1
Retained earnings		842.4	640.8
Profit for the year		1,974.8	529.1
Total shareholders' equity		5,464.0	3,118.8
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions and similar liabilities	18	9,055.7	7,040.8
Liabilities to Group companies		493.6	987.3
Other non-current liabilities	20	23.5	17.7
Total non-current liabilities		9,572.8	8,045.8
Current liabilities			
Liabilities to credit institutions	18	2,687.5	2,904.6
Trade payables		58.2	68.9
Other liabilities		287.0	158.9
Accrued expenses and deferred income	21	130.7	118.0
Total current liabilities		3,163.4	3,250.4
Total liabilities		12,736.2	11,296.2
TOTAL EQUITY AND LIABILITIES		18,200.2	14,415.0

STATEMENT OF CHANGES IN EQUITY

Group, SEKm	Number of outstanding Class A ordinary shares	Number of outstanding Class D ordinary shares	Total number of preference shares outstanding	Share capital	Other contributed capital	Retained earnings	Total shareholders' equity
Shareholders' equity 31/12/2017	180,900,000	-	5,692,497	623.1	1,234.1	5,749.7	7,606.9
Dividend SEK 1.44/ordinary Class A share and SEK 6.68/preference share ¹⁾						-298.5	-298.5
Comprehensive income for the year						1,805.9	1,805.9
Shareholders' equity 31/12/2018	180,900,000	-	5,692,497	623.1	1,234.1	7,257.1	9,114.3
Issue of Class D ordinary shares		8,500,000		28.3	669.6		697.9
Dividend SEK 1.60/ordinary Class A share and SEK 6.68/preference share ¹⁾						-327.5	-327.5
Comprehensive income for the year						3,147.0	3,147.0
Shareholders' equity 31/12/2019	180,900,000	8,500,000	5,692,497	651.4	1,903.7	10,076.6	12,631.7
Attributable to Parent Company shareholders	180,900,000	8,500,000	5,692,497	651.4	1,903.7	10,076.6	12,631.7

Parent Company SEKm	Number of outstanding Class A ordinary shares	Number of outstanding Class D ordinary shares	Total number of preference shares outstanding	Share capital	Statutory and revaluation reserve	Unrestricted equity	Total shareholders' equity
Shareholders' equity 31/12/2017	180,900,000	-	5,692,497	623.1	91.7	2,173.4	2,888.2
Dividend SEK 1.44/ordinary share and SEK 6.68/preference share ¹⁾						-298.5	-298.5
Comprehensive income for the year						529.1	529.1
Shareholders' equity 31/12/2018	180,900,000	-	5,692,497	623.1	91.7	2,404.0	3,118.8
Issue of Class D ordinary shares		8,500,000		28.3		669.6	697.9
Dividend SEK 1.60/ordinary share and SEK 6.68/preference share ¹⁾						-327.5	-327.5
Comprehensive income for the year						1,974.8	1,974.8
Shareholders' equity 31/12/2019	180,900,000	8,500,000	5,692,497	651.4	91.7	4,720.9	5,464.0

¹⁾ Of which dividend preference shares comprise SEK -38.0. Of this amount, SEK -308.5m was paid and the remainder is expensed as of 31 Dec. 2019.

STATEMENT OF CASH FLOWS

SEKm	Note	Group		Parent Company	
		2019	2018	2019	2018
Operating activities					
Profit before tax		3,830.9	2,110.8	2,015.5	523.9
Adjustment items					
Depreciation/amortisation	11	0.2	0.2	0.1	0.1
Unrealised changes in value	8	-2,555.1	-1,186.0	36.0	14.8
Other items	27	-439.9	-205.2	-804.1	-255.9
Taxes paid		-61.4	-127.7	28.6	0.8
Cash flow from operating activities before changes in working capital		774.7	592.1	1,276.1	283.7
Changes in working capital					
Increase (-)/decrease (+) current receivables		-8.5	7.8	-28.9	2.3
Increase (-)/decrease (+) current liabilities		-21.4	-158.1	-20.9	-157.6
Cash flow from operating activities		744.8	441.8	1,226.3	128.4
INVESTING ACTIVITIES					
Investments in properties		-3,255.1	-1,135.6	-	-
Divestment of properties		501.0	138.9	-	-
Non-current financial assets, proceeds obtained		47.1	353.5	501.0	458.3
Non-current financial assets, proceeds paid		-77.6	-23.0	-2,440.1	-438.6
Cash flow from investing activities		-2,784.6	-666.2	-1,939.1	19.7
FINANCING ACTIVITIES					
Raising of loans	28	3,227.3	1,755.9	3,330.4	1,423.2
Repayment and amortisation, loans		-1,989.6	-792.0	-3,347.2	-733.7
Issue of Class D ordinary shares		701.4	-	701.4	-
Dividends paid		-327.4	-298.4	-327.4	-298.4
Cash flow from financing activities		1,611.7	665.5	357.2	391.1
CASH FLOW FOR THE YEAR		-428.1	441.1	-355.6	539.2
Cash in hand at beginning of the year	17	676.1	215.6	612.9	73.7
Acquired cash and cash equivalents		16.3	19.4	-	-
Cash in hand at year-end	17	264.3	676.1	257.3	612.9

ACCOUNTING POLICIES AND NOTES

NOTE 01 Accounting policies

GENERAL INFORMATION

Fastpartner AB (publ) [556230–7867] is a Swedish public limited-liability company with its registered office in Stockholm. The company's share has been listed on the OMX NASDAQ Nordic Mid Cap in Stockholm since 1994. The Group's main business is to own, manage and develop properties in expanding communities. The Board of Directors and the Chief Executive Officer approved this annual report and consolidated accounts for publication on As of 26 March 2020. It will be submitted to the Annual General Meeting for adoption on 23 April 2020.

GROUP ACCOUNTING POLICIES CONFORMITY WITH LAWS AND STANDARDS

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The Group also applies Recommendation RFR 1 (Supplementary Accounting Rules for Corporate Groups) of the Swedish Financial Reporting Board, which specifies the additions to IFRS disclosures that are required under provisions contained in the Swedish Annual Accounts Act.

The Parent Company applies the same accounting policies as the Group except in the cases stated below under the section "Parent Company's accounting policies". The accounting policies are in line with the Swedish Annual Accounts Act, RFR 2 Accounting for Legal Entities and statements from the Swedish Financial Reporting Board.

BASIS OF PREPARATION FOR THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The functional currency of the Parent Company is SEK, which is also the reporting currency of the Parent Company and the Group. All amounts are stated in millions of SEK with one decimal point, unless otherwise stated. Assets and liabilities are recognised at historical cost, apart from investment properties and certain financial assets and liabilities that are reported at fair value and liabilities recognised at amortised cost. Financial assets and liabilities that are recognised at fair value consist of other long-term securities and other liabilities. The accounting policies described below for the Group have been applied consistently to all periods, unless otherwise stated below. The Group's accounting policies have been applied consistently to the reporting and consolidation of the Parent Company and subsidiaries, associated companies and joint venture companies.

APPLICATION OF NEW ACCOUNTING POLICIES

New and amended standards and interpretations that entered into force as of 1 January 2019 have had no material impact on the Group's 2019 financial statements.

IFRS 16 Leases

IFRS 16 replaced IAS 17 with application from 1 January 2019. IFRS 16 mainly entails changes for the lessee. Essentially all leases must be recognised in the balance sheet. Fastpartner does not apply the standard retroactively. The right-of-use (lease asset) and lease liability are valued at the present value of future lease payments. The right-of-use also includes direct costs attributable to the signing of the lease. Depreciation of the right to use and interest expenses are recognised in profit or loss. Given Fastpartner's status as a landlord and lessor, the change is not expected to affect the company's statements. As a lessee, Fastpartner has reviewed the Group's leases, whereby leaseholds were identified as the most significant. Other than leaseholds, only a few smaller leases were identified, such as vehicles and office equipment. The lease liability as of 31 December 2019 for leaseholds was about SEK 1,018m. A corresponding right-of-use asset is included in the balance sheet. As a result of the transition to IFRS 16, the cost of ground rent is recognised in its entirety as a financial expense, which is a difference compared with the policy in previous years, where it was recognised as an operating expense that was charged against net operating income. Profit from property management, however, remains unchanged. The ground rent is restored as an operating expense in the calculation of the interest coverage ratio, as with previous accounts. The accounting has a negligible impact on key ratios such as the equity/assets ratio. The cost of ground rents for 2019 was SEK 31.2m.

CONSOLIDATION POLICIES Consolidated Financial Statements

Subsidiaries are those companies in which the Group directly or indirectly holds more than 50 per cent of the votes or in other ways exercises a controlling influence. Controlling

influence is achieved when the Parent Company has control over a company, is exposed or entitled to a variable return from the holding in the company and has the ability to exercise control over the company to influence the return. The composition of the Group can be seen in Note 12. The existence and effect of potential voting rights that can currently be used or converted is taken into account in assessing whether the Group exercises a controlling influence. Subsidiaries are included in the consolidated financial statements as of the time when the controlling influence is transferred to the Group and are excluded from the consolidated financial statements as of the time when the controlling influence ceases. The acquisition of a subsidiary is recognised in accordance with the purchase method. The purchase consideration for the business combination is measured at fair value at the acquisition date, which is calculated as the total of the fair values at the acquisition date for the assets acquired, assumed or acquired liabilities, as well as equity shares issued in exchange for control of the acquired business. Acquisition-related costs are recognised in profit or loss as incurred. For business combinations in which the sum of the purchase consideration, any non-controlling interests and fair value at the acquisition date of prior share holdings exceeds the fair value at the acquisition date of identifiable acquired net assets, the difference is recognised as goodwill in the statement of financial position. If the difference is negative, it is recognised as profit on a bargain purchase directly in profit or loss following retesting of the difference. In cases when an entity acquires a group of assets or net assets that does not constitute a business, it shall allocate the cost of the group between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition.

Associated companies

Associated companies are companies over which the Group has a significant, but not controlling influence in terms of operational and financial control. Significant influence is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies. Associated companies are accounted for using the equity method. Interests in associated companies are recognised in the balance sheet at cost after adjusting for changes in the Group's share of the associated company's net assets, less any decrease in the fair value of individual interests. Profit from associated companies is recognised in profit or loss under the heading "Share of associated companies' profit". Depreciation of surplus values in associated companies is also included in this income and expense item. Dividends received from associated companies reduce the carrying amount of the investment.

Joint arrangements

A joint arrangement is a contractual financial arrangement where the Group, together with another party, conducts an economic activity and where the parties have a joint controlling influence over the operational and financial control. Holdings in joint arrangements can be either joint operations or joint ventures. Fastpartner's holdings in joint arrangements are joint ventures. Holdings in joint ventures are accounted for using the equity method. See above under Associated companies for a description of the equity method. The equity method is applied from the time when the joint controlling influence arises and until the time that joint control is lost.

Transactions eliminated on consolidation

All intra-Group receivables and liabilities, revenue and expenses, unrealised profits or losses that arise in transactions through intra-group transactions between Group companies are eliminated in their entirety in the consolidated financial statements. Unrealised gains arising on transactions with associates and joint ventures are eliminated in proportion to the Group's interests in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of any impairment.

SEGMENT REPORTING

In accordance with IFRS 8, segments are presented from the point of view of management, divided Region 1, Region 2, Region 3 and Region 4. These four identified regions are the management areas used to monitor the business with reporting to the Executive Management Team. The accounting policies used in internal reporting are the same as for the Group in general. The four regions are followed up at the net operating income level. In addition, there are unallocated items and Group adjustments. Rental income, which is external in its entirety, and property expenses, as well as unrealised changes in value, are directly attributable to the properties in each segment. Gross profit consists of earnings from each segment, excluding allocation of central administrative expenses, share of associated companies' profit, items in net financial items and tax. Assets and liabilities are recognised on the balance sheet date and property assets are directly attributed to each segment.

INCOME**Rental income**

The Group generates revenue mainly from leasing of residential and commercial premises under operating leases. Lease revenue is recognised on a straight-line basis over the term of the lease for the residence/commercial space. Rent paid in advance is reported as deferred rental income. Compensation in connection with premature termination of lease agreements is recognised as income.

Income from property sales

Income from property sales is normally recognised on the contract date unless the counterparty does not receive control of the property at a later date. When assessing the revenue recognition date, consideration is given to what is agreed between the parties regarding risks and rewards, as well as commitment to day-to-day management. In addition, circumstances are taken into account that may affect the closing of the deal that are beyond the control of the seller and/or the buyer.

LEASES

A financial lease exists when the financial risks and benefits associated with ownership are essentially transferred from the lessor to the lessee. Leases that are not finance leases are classified as operating leases. All Fastpartner leases of significance are classified as operating leases.

Group as lessee

Leasing payments under operating leases are expensed on a straight-line basis over the term of the lease, based on use. Fastpartner has classified entered leaseholds and leases as operating leases, where Fastpartner is the lessee.

Group as lessor

Leases relating to investment properties are classified as operating leases, where the Group stands as lessor. Policies for recognition of lease payments received are presented under the Revenue section.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses consist of interest income on bank balances and receivables, dividend income, interest expenses on loans, unrealised and realised gains, and losses on financial assets. Interest income is accrued over the term using the effective interest method. Dividends on shares are recognised when the right to receive payment has been established. Income from the sale of securities is recognised when the risks and rewards associated with ownership of the instrument are essentially transferred to the buyer and the Group no longer has control over the instrument. Borrowing costs are recognised in the period to which they relate except to the extent that they are included in the cost of significant new construction, additions and renovations. Interest expense corresponds to actual cost or is calculated based on an interest rate corresponding to the Group's average interest expense for the period. The cost of withdrawal of mortgage deeds is considered a financial cost and is accrued over three years.

FINANCIAL INSTRUMENTS

Financial instruments recognised in the balance sheet include cash and cash equivalents, rental receivables, other receivables and loan receivables, as well as liabilities including interest-rate derivative instruments, accounts payable, other liabilities and loan liabilities.

Financial instruments are initially recognised at fair value equivalent to cost plus transaction costs, with the exception of the category of financial instruments recognised at fair value through profit or loss, where transaction costs are excluded. Subsequent recognition occurs thereafter depending on classification according to the following. Financial transactions such as receipt or payment of interest and credits are recognised on the bank's settlement day, while other receipts and payments are recognised on the bank's accounting date.

A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised, expire, or if the company loses control over them. A financial liability is removed from the balance sheet when the obligation arising from the agreement has been met or is extinguished in another way.

Shares and participations

Shares and participations relate to other long-term securities holdings outside the property management business and are recognised at fair value with changes in value recognised in profit and loss. Fastpartner has classified the holdings that are regarded as capital investments as financial instruments. The holding of treasury shares has not been recognised as a financial asset, which is in accordance with IAS 32.

Other non-current receivables and other receivables

Other non-current receivables and other receivables are receivables that arise when the company provides funds with no intention of trading in the resulting claim. The receivable constitutes a long-term receivable if the expected duration of the holding is more than one year and other receivables if the duration is shorter. These receivables are measured at amortised cost using the effective interest method.

Receivables

Non-derivative financial assets that have fixed or determinable payments and are not listed on an active market are reported as receivables. Financial assets are classified under amortised cost, fair value through profit or loss, or fair value through other comprehensive income based on the character of the asset's cash flow and on the business model that covers the asset. All of Fastpartner's financial assets that are not derivatives meet the criteria for contractual cash flows and are held in a business model whose purpose is to collect these contractual cash flows. Receivables are measured at amortised cost. The Group has rental receivables, other receivables where the latter mainly relate to VAT and tax receivables. After individual valuation, receivables were taken up at the amount at which they are expected to be received, which means that they are recognized at acquisition cost with allowance for uncertain receivables.

The simplified model for credit reserves is used for the Group's receivables, with the exception of cash and cash equivalents. Credit reserves are routinely assessed based on historic data as well as current and prospective factors. Due to the short maturity of the receivables, the amounts in the reserves are insignificant. The Group defines "in default" as receivables that are overdue by more than 90 days; in such cases, an individual assessment and provision are made. For cash and cash equivalents, the reserve is estimated based on the likelihood of default by the banks and prospective factors. Because of their short maturity and high credit rating, the amount of the provisions is insignificant.

Reserves for uncertain receivables are made when there are objective risk assessments that the Group will not receive the receivable.

Cash and cash equivalents

Cash and cash equivalents consist of cash assets and bank balances. Balances under cash assets and bank balances are categorised as 'Loans and receivables', which means that the item is recognised at amortised cost. Because bank balances are payable on demand, the amortised cost corresponds to the nominal amount.

Trade payables

Trade payables are categorised as 'Other financial liabilities', which means that the item is measured at amortised cost. The expected maturity of a trade payable is short, and the liability is therefore recognised at the nominal amount with no discount, according to the method for amortised cost.

Loan liabilities

Loan liabilities are classified as 'Other financial liabilities' and are measured at amortised cost. Any significant transaction costs are allocated over the loan period using the effective interest method. Non-current liabilities have an expected maturity of more than one year, while current liabilities have a maturity of less than one year.

INVESTMENT PROPERTIES

Investment properties are held for the purpose of earning rental income or for capital gains or a combination of the two. Investment properties are initially recognised at cost, which includes, expenses directly attributable to the acquisition. Subsequently, investment properties are recognised in the balance sheet at fair value. Properties under construction refer to newly produced properties that Fastpartner is building from the foundation up and therefore do not include tenant adjustments and other ongoing projects in existing properties. Twice a year, external valuation institutions conduct valuations of Fastpartner's entire property portfolio. In 2019, Cusham & Wakefield Sweden AB and Newsec Advice AB carried out these valuations. The valuation companies based their valuations on information about the properties that Fastpartner provided. This information included outgoing rent, lease term, any additional charges or discounts, vacancy levels, operation and maintenance costs, and major planned or recently completed investments, maintenance and repairs. In addition, the valuation companies also used their own information regarding the location and market conditions for each property. The purpose of the valuation is to assess the market value of the properties at the time the valuation was carried out. Market value refers to the most likely price of a sale with normal marketing time in the open market. A cash flow analysis was performed for each property as part of the valuation process. The cash flow analysis consists of an assessment of the present value of the property's future net operating income during a calculation period, as well as the present value of the object's residual value after the end of the calculation period. Building rights are recognised at market value when the local planning process has progressed so far that substantial market value arises. Building rights are valued primarily by comparative market analysis, which means that the assessment of the market value is based on comparisons of prices for similar building rights. The building rights were only measured for a few of Fastpartner's properties.

The reports provided by the valuation institutions are reviewed and compared with Fastpartner's internal valuation. See also the description under Note 10 Investment properties Both unrealised and realised changes in value attributable to the fair value of the investment properties are recognised in profit or loss.

Additional expenditures

Additional expenditures are added to the asset's carrying amount or reported as a separate asset as appropriate only if it is probable that the future economic

benefits associated with the asset will accrue to the Group and that the asset's cost can be measured in a reliable manner. All other additional expenditures are reported as expenses in the period in which they arise. The critical factor in assessments of when an additional expenditure should be added to the carrying amount is whether or not it replaces identified components, or parts thereof, and in such cases the expenditure is capitalized. The expenditure is also added to the carrying amount in cases where new components are created. Costs for repairs are expensed as they occur.

MACHINERY AND EQUIPMENT

Machinery and equipment are recognised as assets in the balance sheet if it is likely that future economic benefits will flow to the company and the cost of the asset can be reliably calculated. Machinery and equipment is recognised at cost less accumulated depreciation and any impairment. Depreciation of machinery and equipment is calculated based on historical cost with adjustment for calculated residual value and any impairment. Depreciation is carried out on a straight-line basis over the useful life. Machinery and equipment have an estimated useful life of five years.

IMPAIRMENT LOSSES

The carrying amount of fixed assets is continuously tested. If there is an indication of a need for impairment, a comparison is made between the carrying amount of the asset and its estimated recoverable amount. The recoverable amount is the higher of an asset's net realisable value and value in use. The net realisable value comprises the price expected to be achieved when selling an asset between knowledgeable parties who are independent of each other and who have an interest in carrying out the transaction. Deductions must be made for selling costs and settlement costs. Value in use is measured as expected future discounted cash flows. Impairment occurs when the carrying amount exceeds the recoverable amount. Impairment losses are reversed if changes have occurred in the assumptions that led to the original impairment. Reversal occurs at the maximum value that would have been recognised after amortisation if no impairment occurred. Reversed impairment charges are recognised in profit or loss.

EMPLOYEE BENEFITS

Remuneration to employees in the form of salaries, holiday pay, paid sick leave, etc. as well as pensions is recognised as it is earned. Pensions and other compensation paid after termination of employment are classified as defined contribution or defined benefit pension plans.

Defined contribution plans

For defined contribution plans, the Group pays fixed fees to a separate independent legal entity and has no obligation to pay additional fees. Costs are charged to consolidated earnings as benefits accrue, which normally does not coincide with the premium payment date.

Defined benefit plans

The Group's pensions comprise the ITP plan through insurance with Alecta, which, according to a statement from the Swedish Financial Reporting Board, UFR 10, is classified as a defined benefit plan that covers several employers. This means that the company must account for its proportionate share of the defined benefit obligations as well as the management assets and costs associated with the plan. According to Alecta, they cannot provide this information, for which reason the plan is recognised as a defined contribution pursuant to paragraph 30 of IAS 19.

PROVISIONS

Provisions are liabilities that are uncertain in the amount and/or timing at which they will be settled. Fastpartner recognises a provision in the balance sheet when there is an obligation as a result of an event that has occurred and it is likely that an outflow of resources is required to settle the obligation and a reliable estimate of the amount can be made. Present value calculations are carried out in the event of any significant timing effects for future payment flows.

TAX

Income taxes consist of current tax and deferred tax. Current tax is tax to be paid or received in respect of the current year, as well as adjustments of previous years' current tax. Deferred tax is calculated on the difference between the carrying amounts and tax values of the company's assets and liabilities. Deferred tax liabilities are recognised in principle for all taxable temporary differences, except to the extent that the deferred tax is attributed to initial recognition of goodwill or an asset or liability arising from a transaction that is not an asset acquisition and does not affect the carrying amount at the time of the acquisition, or taxable result. Deferred tax liabilities are recognised only to the extent that it is likely that the amounts can be used to offset future taxable profits. The carrying amount of deferred tax assets is tested for impairment at the end of each financial year and an impairment loss is recognised to the extent that it is no longer probable that sufficient taxable profits will be available against which the deferred tax asset can be fully or partially offset. Deferred tax is calculated according to the tax rates that are expected to apply for the period when

the asset is recovered or the debt is settled. Deferred tax is recognised as an income or expense in the profit and loss accounts, except in those cases where it refers to transactions or events that have been recognised directly in equity, whereby the related tax effect is also recognised in the statement of comprehensive income. Deferred tax assets and tax liabilities are offset against one another when they refer to income tax payable to the same authority and when the Group intends to settle the tax by paying the net amount.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared in accordance with the indirect method, which means that the net result is adjusted for items that do not affect cash flow.

CONTINGENT LIABILITIES

A contingent liability is recognised when there is a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or several uncertain future events, or when there is a commitment originating from events that occurred, but that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the commitment or the size of the commitment cannot be reliably calculated.

PARENT COMPANY'S ACCOUNTING POLICIES

The annual accounts of the Parent Company have been prepared in accordance with the Annual Accounts Act, Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board and statements issued by the Swedish Financial Reporting Board. RFR 2 requires that the parent company, in the annual report for the legal entity, use all EU adopted IFRSs and interpretations as far as possible within the framework of the Swedish Company Accounts Act, the Job Security Law and with due regard for the relationship between accounting and taxes. The recommendation states which exceptions and additions must be made to the IFRSs.

Amended accounting policies for the Parent Company

The amendments to RFR 2 Accounting for Legal Entities that came into effect and apply to the 2019 financial year have not had any material impact on the Parent Company's financial statements for 2019.

Amendments to RFR 2 that have not yet come into effect

Management's assessment is that other changes to RFR 2 that have not yet come into effect, and that apply as of 1 January 2020, will not have any material impact on the Parent Company's financial statements when they are applied for the first time.

DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY ACCOUNTING POLICIES

Differences between the accounting policies of the Group and the Parent Company can be seen below.

Subsidiaries, associated companies and joint ventures

Interests in subsidiaries, associated companies and joint ventures are reported in the Parent Company according to the equity method adjusted for write-ups and/or write-downs. Dividends are recognised in full as revenue.

Transaction costs in connection with the acquisition of subsidiaries are reported as part of cost.

Management on commission

Property-owning subsidiaries provide management services on commission for the Parent Company. Current income and expenses, and operations-related balance sheet items are recognised directly in the Parent Company. The subsidiaries essentially only recognise depreciation on buildings.

Deferred tax

The amounts allocated to untaxed reserves comprise taxable temporary differences. Because of the relationship between accounting and taxation, the deferred tax liability attributable to the untaxed reserves is not recognised separately. Swedish practice requires changes in untaxed reserves to be recognized through profit or loss in individual companies under the heading 'Appropriations'. The accumulated value of provisions is reported in the balance sheet under the heading 'Untaxed reserves', of which 22 percent is considered a deferred tax liability and 78 percent restricted equity.

Group contributions and shareholder contributions

Shareholder contributions are recognised directly in unrestricted equity of the recipient and as an increase in the item 'Participations in Group companies' for the donor. Group contributions paid and received with the purpose of minimising the Group's tax payments are recognised as appropriations in profit or loss.

NOTE 02 Segment reporting

In accordance with IFRS 8, segments are presented from the point of view of management, divided into the following segments: Region 1, Region 2, Region 3 and Region 4. These four identified regions are the management areas used to monitor the business with reporting to the Executive Management Team. The accounting policies used in internal reporting are the same as for the Group in general. The four regions are followed up at the net operating income level. In addition, there are unallocated items and Group adjustments. Rental income, which is external in its entirety, and property expenses, as well as unrealised changes in value, are directly attributable to the properties in each segment. Gross profit consists of earnings from each segment, excluding allocation of central administrative expenses, share of associated companies' profit, items in net financial items and tax. Assets and liabilities are recognised on the balance sheet date and property assets are directly attributed to each segment.

No tenant accounts for more than ten per cent of rental income and no operations or

assets exist outside Sweden.

Region 1 includes the company's properties in the areas Lunda/Spånga/Stockholm centralt/Alvesta/Malmö/Växjö and Ystad, as well as the company's three urban centres, Hässelby, Tensta and Rinkeby.

Region 2 includes the company's properties in Västberga/Bromma/Täby/Lidingö/Södertälje/Norrköping/Åvidaberg/Strängnäs/Eskilstuna and Enköping, as well as the company's two urban centres in Älvsjö and Bredäng.

Region 3 includes the company's properties in Akalla/Märsta/Knivsta/Valentuna/Sollentuna/Upplands Väsby/Uppsala/Göteborg/Alingsås and Ulricehamn.

Region 4 includes the company's properties in Gävle/Söderhamn/Sundsvall/Ludvika and Hedemora.

SEKm	Region 1		Region 2		Region 3		Region 4		Total property management		Eliminations and Group-wide items		Total Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Rental income	722.1	554.1	399.3	379.7	443.6	401.2	121.5	115.6	1,686.5	1,450.6			1,686.5	1,450.6
Property expenses	-201.9	-176.1	-120.6	-115.7	-150.5	-137.6	-40.5	-39.3	-513.5	-468.7			-513.5	-468.7
Net operating income	520.2	378.0	278.7	264.0	293.1	263.6	81.0	76.3	1,173.0	981.9			1,173.0	981.9
Ground rents	-21.1		-5.0		-5.1				-31.2				-31.2	-
Changes in value														
Unrealised changes in value, properties	1,683.4	596.1	460.4	304.8	420.0	191.9	23.7	105.8	2,587.6	1,198.6			2,587.6	1,198.6
Realised changes in value, properties	424.5	0.3				-1.0	-1.1	1.4	423.4	0.7			423.4	0.7
Changes in value, financial assets									-32.5	-12.6		157.0	-32.5	144.4
Gross profit	2,607.0	974.4	734.2	568.8	708.0	454.5	103.6	183.5	4,120.3	2,168.6		157.0	4,120.2	2,325.6
Undistributed items														
Central administration												-34.9	-32.4	-34.9
Share of associated companies' profit									21.5	13.6	2.6	39.0	24.1	52.6
Financial income									8.8	3.7			8.8	3.7
Financial expenses									-287.4	-238.7			-287.4	-238.7
Profit before tax													3,830.9	2,110.8
Tax												-683.9	-304.9	-683.9
Comprehensive income for the year									3,863.1	1,947.2		-716.2	-141.3	3,147.0
Investment properties	13,634.5	9,803.6	6,036.8	5,387.0	6,908.2	5,607.4	1,592.9	1,532.0	28,172.4	22,330.0			28,172.4	22,330.0
Undistributed items														
Right-of-use asset, leasehold													1,018.0	-
Non-current financial assets													423.8	68.4
Equipment													1.7	1.2
Current assets													106.3	453.3
Cash and cash equivalents													264.3	676.1
Total assets	13,634.5	9,803.6	6,036.8	5,387.0	6,908.2	5,607.4	1,592.9	1,532.0	28,172.4	22,330.0			29,986.5	23,529.0
Undistributed items														
Shareholders' equity													12,631.7	9,114.3
Non-current liabilities													11,622.9	8,067.1
Deferred tax liabilities													2,178.9	1,589.0
Current liabilities													3,553.0	4,758.6
Total equity and liabilities													29,986.5	23,529.0
Acquisitions and investments for the year	2,147.6	257.4	189.4	390.2	880.8	337.1	37.2	152.2	3,254.9	1,136.9			3,254.9	1,136.9
Sales for the year		-6.0				-112.0	-0.1	-3.5	-0.1	-121.5			-0.1	-121.5

NOTE 03 Rental income

	Group		Parent Company	
	2019	2018	2019	2018
Rental value	1,927.0	1,662.1	583.6	520.7
Rent discounts and losses	-70.0	-41.2	-13.6	-10.6
Vacancies	-170.5	-170.3	-45.1	-40.5
Total	1,686.5	1,450.6	524.9	469.6

The average remaining length of leases is 4.7 years (4.8). The Group's credit losses relating to rental receivables for the year amounted to SEK -4.0m (-2.6).

The table below shows Fastpartner's lease maturity structure:

Maturity	Number	Lease value (annual rent)	Share, %
2021	446	233.9	14.3
2022	394	276.1	16.9
2023	318	331.7	20.3
2024	75	230.8	14.1
2025 >	98	384.0	23.5
Total commercial properties	1,913	1,637.3	100.0
Residential	204	16.4	
Parking spaces and garage	1,342	31.1	
Total	3,459	1,684.8	

The table below presents future rental income relating to current leases for commercial properties (order book). Total lease volume is SEK 7 644.5m (6,976.6). The order book for residential premises totals SEK 16.4m (13.5) in annual rent and the order book for parking spaces amounts to SEK 79.2m (51.9).

Contractual future rental income for commercial premises	2019	2018
Contractual rental income year 1	1,637.3	1,444.0
Contractual rental income years 2 to 5	4,240.5	3,714.1
Contractual rental income later than year 5	1,766.7	1,818.6
Total	7,644.5	6,976.6

A breakdown of the lease portfolio by region can be seen below.

Commercial lease value by region	Lease value	Maturity	Area (m ²)
Region 1	3,008.2	4.3	426,460
Region 2	1,945.3	5.1	415,487
Region 3	1,918.8	4.6	442,183
Region 4	772.1	6.4	211,042
Total	7,644.5	4.7	1,495,172

Distribution of income	Group	
	2019	2018
Rental income	1,577.2	1,356.4
Service income	109.3	94.2
Total	1,686.5	1,450.6

NOTE 04 Ground rents and leases

Ground rent is the fee the owner of a building on municipally owned land pays to the municipality. Ground rent and leasehold totalled SEK 39.1m (34.0) for 2019. Leaseholds are mainly in the Stockholm region. Fastpartner has 55 leaseholds through subsidiaries. The due dates of the leaseholds are set out below.

Contractual future ground rents	Group	
	2019	2018
Contractual ground rents year 1	-30.0	-23.5
Contractual ground rents years 2 to 5	-106.3	-81.7
Contractual ground rents years 6 and onwards	-83.4	-70.1
Total	-219.7	-175.2

NOTE 05 Central administration

	Group		Parent Company	
	2019	2018	2019	2018
Central administration	-34.9	-32.3	-25.5	-25.6
Amortisation office equipment	0.0	-0.1	0.0	-0.1
Total	-34.9	-32.4	-25.5	-25.7

NOTE 06 Financial income

	Group		Parent Company	
	2019	2018	2019	2018
Interest income	8.7	3.7	189.5	267.2
Profit from financial investments	0.1	0.0	0.1	0.0
Total	8.8	3.7	189.6	267.2

For intra-Group receivables, interest income on promissory note receivables relating to the Group's liabilities to credit institutions is recognised in the Parent Company. Intra-Group interest income is eliminated in the consolidated profit and loss accounts.

NOTE 07 Financial expenses

	Group		Parent Company	
	2019	2018	2019	2018
Interest expenses related to loans from credit institutions and similar liabilities	-266.0	-217.4	-240.6	-204.1
Interest expenses, Group companies	-	-	-129.8	-193.6
Interest expense related to bank overdraft	-1.9	-1.0	-1.9	-1.0
Interest expenses other liabilities	-2.3	-6.7	-2.1	-5.3
Total interest expenses	-270.2	-225.1	-374.4	-404.0
Other financial items	-10.7	-9.7	-10.5	-9.7
Mortgage deed expenses	-6.5	-3.9	-6.5	-3.9
Ground rents	-31.2	-	-	-
Total other financial liabilities	-48.4	-13.6	-17.0	-13.6
Financial expenses according to the profit and loss accounts	-318.6	-238.7	-391.4	-417.6

NOTE 08 Changes in value

Realised changes in value in investment properties amount to a total of SEK 423.4m (0.7) and are largely attributable to an additional purchase price of SEK 800m relating to a sale carried out during the 2017 financial year for the Gunhild 5 and Gustav 1 properties in Stockholm. The properties were transferred at an underlying property value of SEK 50m with an additional purchase price of SEK 800m in a once the local plan was legally approved. The local plan became effective on 8 July 2019. All changes in value can be seen in the table below.

Properties	Group	
	2019	2018
Realised	423.4	0.7
Unrealised	2,587.6	1,198.6
Total changes in value, properties	3,011.0	1,199.3

Total changes in value for the year amount to SEK 3,011.0m (1,199.3). Of the year's unrealised changes in value of SEK 2,587.6m (1,198.6), SEK 1,683.4m (596.1) relate to the portfolio in Region 1, SEK 460.4m (304.8) in Region 2, SEK 420.0m (191.9) in Region 3 and SEK 23.7m (105.8) relate to the portfolio in Region 4. Of the realised changes in value, SEK 424.5m (0.3) relates to the portfolio in Region 1, SEK 0.0m (-1.0) to Region 3 and SEK -1.1m (1.4) to the portfolio in Region 4.

During the year, Fastpartner carried out valuations of the entire property portfolio every six months with the assistance of the valuation institutions Cushman & Wakefield Sweden AB and Newsec Advice AB.

For further information regarding valuation of investment properties, see Note 10 Investment Properties.

Note 8 continued

	Group		Parent Company	
	2019	2018	2019	2018
Financial instruments				
Realised changes in value, long-term holdings	–	157.0	–	157.0
Market valuation interest-rate derivatives	–32.5	–12.6	–36.0	–14.8
Total changes in value, financial instruments	–32.5	144.4	–36.0	142.2

For more information regarding valuation of financial instruments, see Not 22 Fair value financial instruments.

NOTE 09 Tax

	Group		Parent Company	
	2019	2018	2019	2018
Income tax				
Profit before tax	3,830.9	2,110.8	2,015.5	523.9
Nominal tax rate in Sweden, 21.4% (22.0)	–819.8	–464.4	–431.3	–115.3
Adjustment of profit component of partnership/limited partnership	–	–	0.4	2.7
Revaluation attributable to change in tax rate	–	99.9	–	–
Dissolution of taxes in connection with tax-free sale	130.7	52.3	–	–
Adjustment for other non-deductible/taxable items	–0.2	–0.4	389.9 ¹	117.8 ¹
Share of associated companies' profit	5.1	9.3	–	–
Correction of previous year's taxation/calculation	0.3	–1.6	0.3	–
Recognised tax expense	–683.9	–304.9	–40.7	5.2
<i>of which,</i>				
Current tax	–94.0	–110.4	–48.3	–5.1
Deferred tax	–589.9	–194.5	7.6	10.3
Recognised tax	–683.9	–304.9	–40.7	5.2

Current tax in the Parent Company for 2019 relates to SEK –48.6m in tax on profit for the year and a correction of SEK 0.3m in tax from the previous year.

Current tax in the Parent Company for 2018 relates to SEK –5.1m in tax on profit for the year and to a correction of SEK 0.0m in tax from the previous year.

The corporate tax rate for financial year 2019 was reduced to 21.4% (22.0) and will be lowered to 20.6% for financial year 2021. Deferred tax is calculated at the tax rate that is expected to be applicable at the time of payment.

¹Other non-taxable income includes the tax effect on anticipated dividends from subsidiaries.

	Group		Parent Company	
	2019	2018	2019	2018
Deferred tax liability/tax asset				
Temporary differences				
Properties	–10,758.0	–7,855.3	–	–
Deferred tax liability 20.6% (20.6)	–2,216.1	–1,618.2	–	–
Negatively adjusted cost expense for participations in partnership/limited partnership	–	–5.9	–	0.9
Deferred tax liabilities 22.0%	–	–1.3	–	–0.2
Market valuation interest-rate derivatives	126.8	94.3	111.1	75.1
Deferred tax asset 20.6% (20.6)	26.1	19.4	22.9	15.5
Unutilised tax loss carryforwards	56.3	56.3	–	–
Deferred tax asset 20.6% (20.6)	11.6	11.6	–	–
Miscellaneous	–2.3	–2.3	–2.3	2.3
Deferred tax liabilities 22.0%	–0.5	–0.5	–0.5	–0.5
Deferred tax liabilities	–2,178.9	–1,589.0	22.4	14.8

Tax for the year amounts to SEK –683.9m (–304.9). The tax mainly comprises deferred tax attributable to unrealised changes in the value of investment properties, as well as opportunities to utilise tax deductions for the investment properties. Consequently, the tax does not affect cash flow. When divesting properties in corporate format, deferred tax is rarely converted to current tax since profits from the sale of shares in the subsidiary are tax-free. The new regulations relating to restrictions on interest deductions apply as of 1 January 2019. Fastpartner is of the opinion that the new rules will not have any material impact on tax paid.

The Group has blocked deficits of approximately SEK 56.3m. The Group cannot begin to utilise them until taxation in 2021 at the earliest. A deferred tax asset of SEK 11.6m relating to these deficits was posted as of 31 Dec. 2019.

NOTE 10 Investment properties and properties under construction

	Group		Parent Company	
	2019	2018	2019	2018
Investment properties				
Fair value, beginning of year	22,263.7	20,046.8	–	–
Reclassification	–	69.2	–	–
Divestment of properties	–0.1	–121.5	–	–
Acquisition of properties	2,443.0	434.7	–	–
Investments	582.6	635.9	–	–
Change in value	2,587.6	1,198.6	–	–
Fair value at year-end	27,876.8	22,263.7	–	–

	Group		Parent Company	
	2019	2018	2019	2018
Properties under construction				
Value, beginning of year	66.3	69.2	–	–
Reclassification	–	–69.2	–	–
Investment	229.3	66.3	–	–
Change in value	–	–	–	–
Fair value at year-end	295.6	66.3	–	–

The Group's properties are recognised at fair value and all properties were valued in accordance with Level 3, IFRS 13.

Two times during the year, valuations of Fastpartner's entire property portfolio were carried out by the valuation institutions Cushman & Wakefield Sweden AB and Newsec Advice AB.

The valuation companies based their valuations on information about the properties that Fastpartner provided. This information included outgoing rent, lease term, any additional charges or discounts, vacancy levels, operation and maintenance costs, and major planned or recently completed investments and repairs. In addition, the valuation companies also used their own information regarding the location and market conditions for each property. The valuation institutions' statements are reviewed and compared with Fastpartner's internal valuation and the valuation considered to be most in line with Fastpartner's own valuation is used when assessing the total market value of the Group's properties.

The purpose of the valuation is to assess the market value of the properties at the time the valuation was carried out. Market value refers to the most likely price of a sale with normal marketing time in the open market. A cash flow analysis is performed for each property as part of the valuation process. The cash flow analysis consists of an assessment of the present value of the property's future net operating income during a calculation period, as well as the present value of the object's residual value after the end of the calculation period. The calculation period is normally ten years. To assess the residual value at the end of the calculation period, net operating income for the year after the end of the calculation period is calculated.

The assessment of payments for operation and maintenance was made partly based on the information provided by Fastpartner, and partly based on experience regarding comparable objects. Payments for operation and maintenance are expected to increase in line with assumed inflation.

The discount rate used is a nominal required yield on total capital before tax. The required rate of return is based on previous experience from assessments of the market's required yields for similar properties. Assessment of the interest rate requirement is carried out for each property.

All investment properties in the portfolio generate rental income.

Note 10 continued

Valuation of investment properties at fair value as of 31 December 2019

The table below shows the significant assumptions used in the valuation. Since Fastpartner has many multipurpose properties (properties that consist of offices/warehouses/production), a the portfolio has been broken down by geographical area in the risk overview below. The inflation assumption for the entire calculation period is two per cent per year. The average return requirement for the entire property portfolio is approximately 4.6 per cent (5.4). The average required rate of return is about 4.1 per cent (4.9) for Region 1, about 5.5 per cent (6.1) for Region 2, about 5.0 per cent (5.9) for Region 3 and about 6.0 per cent (6.4) for Region 4.

	Fair value	Rental value	Lettable area, 000 m ²	Discount rate, %	Required yield, %	Yield requirement, %
Stockholm	21,850.1	1,368.1	854.0	5.5 - 9.0	3.5 - 7.0	4.4
Uppsala & Mälardalen	1,875.1	120.2	102.1	6.3 - 8.9	5.1 - 6.9	5.0
Gävle	1,583.0	158.9	209.2	7.5 - 15.5	6.5 - 12.0	5.9
Gothenburg	1,276.5	86.9	145.5	7.5 - 9.0	6.2 - 7.0	5.7
Norrköping	898.8	78.1	106.7	7.7 - 9.5	5.7 - 7.6	5.0
Malmö	433.2	44.5	48.3	7.5 - 9.2	5.6 - 7.2	6.1
Miscellaneous	255.7	29.2	44.9	8.5 - 11.0	6.5 - 9.0	6.3
Total	28,172.4	1,885.9	1,510.7	5.5 - 15.5	3.5 - 12.0	4.6

Sensitivity analysis

A property valuation is an estimate of the value that an investor is willing to pay for a property at a given time. The valuation is made on the basis of generally accepted models and certain assumptions on different parameters.

The market value of the properties can only reliably established in a transaction between two independent parties. An uncertainty interval is stated in the property values and is between +/- 5 to 10 per cent in a normal market A changed property value of +/- five per cent affects Fastpartner's property value by +/- SEK 1,400m.

The table shows how different parameters affect the property value. The different parameters are each affected by different assumptions and do not normally interact in the same direction.

Sensitivity analysis, property values

	Change +/-	Effect on profit, property valuation, SEKm
Yield requirement	0.5 percentage points	+3,250/-2,650
Rental income	SEK 50/m ²	+/-1,350
Operating expenses	SEK 25/m ²	+/-690
Vacancy rate	1.0 percentage points	+/-325

For more information about changes in value in investment properties during the year, see Note 8 Changes in value

Commitments

Fastpartner has no significant obligations to perform repairs and maintenance other than as a result of good property management. However, there is an obligation to complete initiated investments in the investment properties of approximately SEK 428m (625).

NOTE 11 Machinery and equipment

	Group		Parent Company	
	2019	2018	2019	2018
Accumulated cost				
Beginning of year	5.9	12.5	1.5	1.6
Acquisitions	0.7	-	-	-
Investments	0.1	-	0.1	-
Sales and disposals	0.0	-6.6	0.0	-0.1
Total	6.7	5.9	1.6	1.5
Closing accumulated depreciation				
Beginning of year	-4.7	-11.2	-0.8	-0.8
Acquisitions	-0.1	-	-	-
Sales and disposals	0.0	6.6	0.0	0.1
Scheduled depreciation for the year	-0.2	-0.1	0.0	-0.1
Total	-5.0	-4.7	-0.8	-0.8
Residual value according to plan at year-end	1.7	1.2	0.8	0.7

NOTE 12 Shares and participations in subsidiaries

Company	Corporate reg. no.	Registered office	Proportion of capital and votes	Carrying amount, SEK 000s
in Parent Company				
Batteriet Fastighetsförvaltning AB	556178-8968	Stockholm	100%	29,083
Batteriet Hus AB	556055-9519	Stockholm	100%	5,721
Colonia Fastighet AB	556241-5140	Stockholm	100%	50
Darrgräset HB	969649-6810	Stockholm	100%	3,000
Deamatrix Förvaltning AB	556518-6896	Stockholm	100%	170,737
Fastighets AB Bomullspinneriet	556680-2186	Stockholm	100%	70,753
Fastighets AB Drillsnäppan	556660-5761	Stockholm	100%	179,471
Fastighets AB Repslagaregatan	556824-7281	Stockholm	100%	6,319
Fastighetsbolaget Oljan 2 i Täby AB	556793-1174	Stockholm	100%	33,780
Fastighetsbolaget Timpenningen 2 KB	916610-5974	Stockholm	100%	1,085
Fastighetspartner Avaström Holding AB	556651-9723	Stockholm	100%	114,653
Fastighetspartner Bromma AB	556682-0956	Stockholm	100%	37,576
Fastighetspartner Globen AB	556625-5708	Stockholm	100%	28,814
Fastighetspartner Hallstahammar AB	556214-5580	Stockholm	100%	16,500
Fastighetspartner Knivsta-AR AB	556671-8507	Stockholm	100%	11,421
Fastighetspartner Lunda AB	556669-0656	Stockholm	100%	4,705
Fastighetspartner Norrköping AB	556231-5902	Stockholm	100%	8,422
Fastighetspartner Skollastigheter AB	556661-5521	Stockholm	100%	25,768
Fastighetspartner Söderhamn Holding KB	969666-8889	Stockholm	100%	1
Fastighetspartner Täby AB	556204-1177	Stockholm	100%	2,650
FastPartner Aga 2 AB	556944-3145	Stockholm	100%	18,537
FastPartner Alingsås-Ullricehamn AB	556909-5994	Stockholm	100%	26,139
FastPartner Amerika 3 KB	969695-2499	Stockholm	100%	88,102
FastPartner Andersberg 14:40 AB	559088-2576	Stockholm	100%	50
FastPartner Bagaren 7 AB	556529-6356	Stockholm	100%	2,030
FastPartner Biskopsgården 46:4 AB	556981-8460	Stockholm	100%	50
FastPartner Bolmensvägen AB	559049-7375	Stockholm	100%	50
FastPartner Bredden AB	556876-2917	Stockholm	100%	11,838
FastPartner Bredäng AB	556731-1070	Stockholm	100%	23,473
FastPartner Brista AB	556822-2466	Stockholm	100%	16,022
FastPartner Bromsten Holding II AB	559079-8905	Stockholm	100%	50
FastPartner Brynäs 124:3 AB	556740-0774	Stockholm	100%	10,924
FastPartner Centrum 13 AB	556664-5700	Stockholm	100%	29,465
Fastpartner Dragarbrunn AB	559222-7218	Stockholm	100%	1,296
FastPartner Ekenäs 1 AB	559029-9300	Stockholm	100%	40,154
FastPartner Ekenäs 2 AB	559029-9292	Stockholm	100%	26,040
FastPartner Ekenäs 3 AB	559029-9284	Stockholm	100%	15,416
FastPartner Ekenäs 4 AB	559029-9276	Stockholm	100%	22,244
FastPartner Ekplantan 2 AB	556664-2723	Stockholm	100%	11,379
FastPartner Expansion AB	556259-3060	Stockholm	100%	24,735
FastPartner Fagerstagan 21 AB	556953-0065	Stockholm	100%	18,198
FastPartner Fastigheter Märsta AB	556746-6130	Stockholm	100%	5,344
Fastpartner Flyggodset AB	559161-0810	Stockholm	100%	27,860
FastPartner Frihamnen AB	556556-9596	Stockholm	100%	401,716
FastPartner Frösunda Port KB	969690-1629	Stockholm	100%	119,867
FastPartner Hammarby-Smedby AB	556746-8474	Stockholm	100%	644
FastPartner Hammarby-Smedby 1:454 AB	556645-8757	Stockholm	100%	146,455
FastPartner Hammarby-Smedby 1:461 AB	556645-9169	Stockholm	100%	15,210
FastPartner Hanninge AB	556723-3746	Stockholm	100%	16,263
FastPartner Hemsta 9:4 AB	556740-0972	Stockholm	100%	11,969
Fastpartner Humlet AB	556535-9022	Stockholm	100%	37,461
FastPartner Hässelby AB	556730-8613	Stockholm	100%	27,838
FastPartner Högsbo 27:6 AB	556711-3260	Stockholm	100%	43,228
FastPartner Importen 3 AB	556985-3509	Stockholm	100%	10,548
FastPartner Karis 3 AB	559029-9268	Stockholm	100%	7,833
FastPartner Karis 4 AB	559029-9136	Stockholm	100%	13,450
Fastpartner Kostern 11 AB	556990-7537	Stockholm	100%	61,925
Fastpartner Kungsängen 6:10 KB	916671-8511	Stockholm	100%	14,762
Fastpartner Kungsängen 40:1 AB	559101-5036	Stockholm	100%	25,880
Fastpartner Källtorp 127:2 AB	556927-9044	Stockholm	100%	12,601
FastPartner Kärra 72:33 KB	969695-3398	Stockholm	100%	36,550

Note 12 continued

Company	Corporate reg. no.	Registered office	Proportion of capital and votes	Carrying amount, SEK 000s
FastPartner Kärna 78:3 AB	556937-4522	Stockholm	100%	34,410
FastPartner Kärna 90:1 KB	969695-4222	Stockholm	100%	47,035
FastPartner Luntmakargatan 22-34 AB	556877-0076	Stockholm	100%	9,896
FastPartner Malmö 1 KB	969634-5355	Stockholm	100%	84,372
FastPartner Mälaren 14 AB	556937-4464	Stockholm	100%	930
FastPartner Mälardalen AB	556712-1461	Stockholm	100%	33,351
FastPartner Mälardalen AB	556417-7201	Stockholm	100%	65,800
FastPartner Märsta Kontor AB	556822-2474	Stockholm	100%	34,385
FastPartner Märsta 24:4 AB	556661-9671	Stockholm	100%	39,569
FastPartner Pooc AB	559015-9116	Stockholm	100%	50
FastPartner Reläet 8 AB	559163-0701	Stockholm	100%	230
FastPartner Ringpärmen 4 HB	916608-4138	Stockholm	100%	30,438
FastPartner Rinkeby AB	556730-0296	Stockholm	100%	12,822
FastPartner Ritmallen 1 AB	556664-5726	Stockholm	100%	24,815
FastPartner Sjöstugan 1 AB	559012-1298	Stockholm	100%	20,544
FastPartner Slakthuset 18 AB	556985-3517	Stockholm	100%	15,769
FastPartner Slakthuset 19 AB	556985-3525	Stockholm	100%	6,183
FastPartner Slakthuset 20 AB	556985-3491	Stockholm	100%	3,555
FastPartner Slakthuset 21 AB	556985-3483	Stockholm	100%	9,855
FastPartner Slakthuset 22 AB	556985-3582	Stockholm	100%	17,145
FastPartner Solna One AB	556691-9360	Stockholm	100%	192,678
FastPartner Solna Port AB	559021-1230	Stockholm	100%	545,348
FastPartner Sporren 4 AB	556714-2400	Stockholm	100%	14,978
FastPartner Syllen 4 AB	556660-5571	Stockholm	100%	100,579
FastPartner Sylten 4:7 KB	969761-5475	Stockholm	100%	8,703
FastPartner Sätessdalen 2 AB	556627-7793	Stockholm	100%	2,415
FastPartner Sätra 108:23 A B	556766-4718	Stockholm	100%	2,921
FastPartner Sätra Skolfastigheter AB	559100-5276	Stockholm	100%	7,837
FastPartner Tech Center AB	556591-2010	Stockholm	100%	24,195
FastPartner Tensta AB	556731-0734	Stockholm	100%	6,977
FastPartner Uppfinnaren 1 AB	556973-5797	Stockholm	100%	174,950
FastPartner Valbo-Backa ö:13 AB	556883-5481	Stockholm	100%	15,147
FastPartner Verkstäderna 2 KB	969629-4561	Stockholm	100%	21,088
FastPartner Västerbotten 19 AB	556661-8087	Stockholm	100%	74,626
FastPartner Västra Hindbyvägen 12 AB	556937-4456	Stockholm	100%	14,826
FastPartner Årsta 76:2 AB	556065-8956	Stockholm	100%	228,575
FastPartner Älvsjö AB	556731-0619	Stockholm	100%	5,674
FastProp Holding AB	556706-5072	Stockholm	100%	40,005
Fast Real AB	556840-4395	Stockholm	100%	45
Forsdala Företagscenter HB	916524-4691	Stockholm	100%	29,568
Fredriksten Fastighet AB	556096-0840	Stockholm	100%	33,902
Förvaltningsbolaget Entuna HB	916600-0381	Stockholm	100%	22,375
Gävle Näringen 22:2 AB	556718-2448	Stockholm	100%	67,643
HB Fastighetspartner 11	916629-8092	Stockholm	100%	0
HB Näringshuset	916637-2897	Stockholm	100%	36,356
HB Robertsfors Fastighetsförvaltning	916618-9465	Stockholm	100%	11,080
HB Skebo Fastighetsförvaltning	916618-9473	Stockholm	100%	1
HB Solhem Fastighetsförvaltning	916618-9424	Stockholm	100%	1
KB Arbetsbasen Västberga	916618-0837	Stockholm	100%	9,255
KB Avesta 1 Stockholm	916582-2009	Stockholm	100%	48,577
KB Fisken 13 Södertälje	916614-4452	Stockholm	100%	10,785
KB Lerkrogen Fastighetsförvaltning	916618-0860	Stockholm	100%	427,852
KB Pärnet 2	916613-9023	Stockholm	100%	2,607
Kebarco AB	556006-9584	Stockholm	100%	401
Landeriet Fastighet AB	556203-2218	Stockholm	100%	133,521
Landeriet Förvaltning AB	556057-9665	Stockholm	100%	128,690
Märsta Centrum AB	556106-8817	Stockholm	100%	199,146
Partnerfastigheter NF AB	556139-1722	Stockholm	100%	7,078
Standard Fastighet i Märsta AB	556067-2221	Stockholm	100%	8,773
Storheden Invest AB	556047-1087	Stockholm	100%	29,517
Sätra Hälsofastigheter AB	556704-8748	Stockholm	100%	8,843
Vallentuna Centrum AB	556684-3420	Stockholm	100%	203,226
Vexillum Duo AB	556680-9355	Stockholm	100%	41,726
Total				5,607,749

Note 12 continued

	2019	2018
Shares and participations in subsidiaries, beginning of year	4,860.5	4,744.0
Acquisitions during the year	561.1 ¹⁾	177.1 ¹⁾
Divestments during the year	-0.1	-68.6
Shareholder contribution paid	186.2	8.0
Shares and participations in subsidiaries at year-end	5,607,7	4,860.5

¹⁾ All acquisitions in the Group have been classified as asset acquisitions.

Company	Corporate reg. no.	Registered office	Proportion of capital and votes
Added to Group			
Batteriet Centrumhus AB	556436-5988	Stockholm	100%
BRF Märstakullen	769636-2339	Stockholm	100%
Cabinjo Holding AB	556239-5243	Stockholm	100%
Fastighets AB Krejfast	556804-7764	Stockholm	100%
Fastighetsbolaget Färgelanda Prästgård KB	969634-0653	Stockholm	100%
Fastighetsbolaget Gråbo Centrum KB	969633-4540	Stockholm	100%
Fastighetspartner Amplus AB	556209-8128	Stockholm	100%
Fastighetspartner Avaström KB	969645-2730	Gävle	100%
FastPartner Bromsten Holding I AB	559079-8962	Stockholm	100%
Fastighetspartner Gävle Hemsta KB	969668-0256	Stockholm	100%
Fastighetspartner Gävle Holding KB	969666-4177	Stockholm	100%
Fastighetspartner Söderhamn KB	969670-3009	Stockholm	100%
FastPartner Gustav 1 AB	559079-8889	Stockholm	100%
FastPartner Gustav 1B AB	559079-8871	Stockholm	100%
FastPartner Gustav 1C AB	559079-8897	Stockholm	100%
FastPartner Gustav 1D AB	559079-8921	Stockholm	100%
FastPartner Gustav 1E AB	559079-8939	Stockholm	100%
FastPartner Gustav 1F AB	559079-8848	Stockholm	100%
FastProp Gävle AB	556712-2485	Stockholm	100%
Gaudeamus AB	556087-6681	Stockholm	100%
KB Amplus	916557-5953	Gothenburg	100%
KB Gävle Söder Fastighetsförvaltning	916618-9440	Stockholm	100%
KB Pottegården 3	916557-4972	Gothenburg	100%
Landeriet 14 AB	556083-2155	Stockholm	100%
Märsta 1:198 AB	556848-9636	Stockholm	100%
Nordpartner AB	556535-1938	Stockholm	100%
Profundo AB	556199-8146	Stockholm	100%
Vallentuna 1:472 AB	556778-9309	Stockholm	100%
Vallentuna 1:474 AB	556698-8175	Stockholm	100%
Vallentuna 1:7 AB	556698-8100	Stockholm	100%
Vallentuna Prästgård 1:130 AB	556698-8159	Stockholm	100%
VaTellus AB	556549-0538	Stockholm	100%
VaTellus Holding AB	556698-5379	Stockholm	100%
Vinsta Stenskärv AB	556725-8685	Stockholm	100%

NOTE 13 Shares and participations

	Corporate reg. no.	Proportion of capital and votes	Registered office	Group		Parent Company	
				2019	2018	2019	2018
Alberto Biani S.p.A	2453810240	24.0%	Italy	0.0	0.0	0.0	0.0
E-tel Ltd		3.0	England	0.0	0.0	0.0	0.0
Total shares and participations				0.0	0.0	0.0	0.0

Holdings of shares and participations are recognised at fair value in accordance with IFRS 9.

NOTE 14 Interests in associated companies

	Corporate reg. no.	Proportion of capital and votes	Registered office	Group		Parent Company	
				2019	2018	2019	2018
Litium AB (publ)	556562-1835	19.3%	Stockholm	14.4	14.4	14.4	14.4
Capital share							
Beginning of year				14.4	12.4	14.4	12.4
Acquisition of participations				-	2.0	-	2.0
Share of profit for the year				-	-	-	-
At year-end				14.4	14.4	14.4	14.4
Xenella Holding AB	556871-5477	50.0%	Malmö	0.0	44.5	0.0	44.5
Capital share							
Beginning of year				44.5	9.4	44.5	9.4
Dividend received				-47.2	-4.0	-47.2	-4.0
Share of profit for the year				2.7	39.1	2.7	39.1
At year-end				0.0	44.5	0.0	44.5
Bostadsbyggarna FastPartner – Besqab HB¹⁾	969755-7222	50.0%	Stockholm	1.1	1.0	1.1	1.0
Capital share							
Beginning of year				1.0	5.5	1.0	5.5
Repayment of owner contribution				-	-15.0	-	-15.0
Share of profit for the year				0.1	10.5	0.1	10.5
At year-end				1.1	1.0	1.1	1.0
Centralparken Holding AB¹⁾	556908-8833	50.0%	Stockholm	0.2	0.2	0.3	0.3
Capital share							
Beginning of year				0.2	22.6	0.3	0.3
Dividend received				-	-25.5	-	-25.5
Share of profit for the year				-	3.1	-	25.5
At year-end				0.2	0.2	0.3	0.3
Slättö Fastpartner Spånga AB	559077-0896	40.0%	Stockholm	-	0.0	-	0.0
Capital share							
Beginning of year				0.0	0.0	0.0	0.0
Sale/Acquisition of participations				0.0	0.0	0.0	0.0
Share of profit for the year				-	-	-	-
At year-end				-	0.0	-	0.0
Slättö Fastpartner Holding AB¹⁾	559199-8298	40.00%	Stockholm	308.7	-	308.7	-
Capital share							
Beginning of year				-	-	-	-
Acquisition of participations				311.5	-	311.5	-
Shareholder contribution paid				0.8	-	0.8	-
Share of profit for the year				-3.6	-	-3.6	-
At year-end				308.7	-	308.7	-
Slättö Fastpartner II AB¹⁾	559211-9720	50.00%	Stockholm	25.0	-	25.0	-
Capital share							
Beginning of year				-	-	-	-
Acquisition of participations				0.0	-	0.0	-
Share of profit for the year				25.0	-	25.0	-
At year-end				25.0	-	25.0	-
Slättö VII AB	556994-4464		Stockholm	23.2	-	23.2	-
Capital share							
Beginning of year				-	-	-	-
Acquisition of participations				23.2	-	23.2	-
Share of profit for the year				-	-	-	-
At year-end				23.2	-	23.2	-

Note 14 continued

	Corporate reg. no.	Proportion of capital and votes	Registered office	Group		Parent Company	
				2019	2018	2019	2018
Total interests in associated companies				372.5	60.0	372.6	60.1
Capital share							
Beginning of year				60.0	49.9	60.1	27.6
Acquisition/sale of participations				334.7	2.0	334.7	2.0
Shareholder contribution paid				0.8	–	0.8	–
Impairment of participations				–	–	–	–
Dividend received				–47.2	–29.5	–47.2	–29.5
Repayment of shareholder contribution				–	–15.0	–	–15.0
Share of profit for the year				24.2	52.6	24.2	75.1
At year-end				372.5	60.0	372.6	60.1

¹⁾ These holdings are recognised using the equity method in accordance with IAS 28. The holdings are joint ventures by nature.

Supplementary information on the most important holdings is presented below. Information on other holdings is not provided as they are considered non-material.

The Group's share of net assets in material associated companies

	2019		2018		2019		2018	
	Litium AB (publ)	Litium AB (publ)	Slättö Fastpartner Holding AB	Slättö Fastpartner Holding AB	Slättö Fastpartner II AB	Slättö Fastpartner II AB	Slättö Fastpartner II AB	Slättö Fastpartner II AB
Non-current assets	38.6	32.6	628.7	–	160.0	–	–	–
Current assets	12.3	31.1	135.6	–	0.1	–	–	–
Non-current liabilities	0.5	1.5	393.2	–	110.0	–	–	–
Current liabilities	17.1	12.7	10.0	–	1.3	–	–	–
Net assets (100%)	33.3	49.5	360.9	–	48.7	–	–	–
Ownership stake	19.3%	19.3%	40.0%	–	50.0%	–	–	–
The Group's share of net assets	6.4	9.6	144.4	–	24.4	–	–	–

Contingent liabilities regarding the Group's holdings in associated companies amount to SEK 1.5m (2.5).

Share of equity in material associated companies

	2019		2018		2019		2018	
	Litium AB (publ)	Litium AB (publ)	Slättö Fastpartner Holding AB	Slättö Fastpartner Holding AB	Slättö Fastpartner II AB	Slättö Fastpartner II AB	Slättö Fastpartner II AB	Slättö Fastpartner II AB
Income	40.9	31.8	2.6	–	–	–	–	–
Operating profit/loss	–16.4	–5.4	0.9	–	48.7	–	–	–
Other financial income and expenses	–0.1	–0.2	–4.4	–	–0.1	–	–	–
Tax	–	–	–0.9%	–	–	–	–	–
Comprehensive income for the year (100%)	–16.6	–5.5	–4.6	–	48.7	–	–	–
Dividends received from associated companies	–	–	–	–	–	–	–	–

In 2019, the share of profit recognised for Xenella Holding AB was SEK 2.7m (39.1), SEK 0.1m (10.5) for Bostadsbyggarna FastPartner – Besqab HB, SEK 0.0m (3.1) for Centralparken Holding AB, SEK –3.6m (–) for Slättö Fastpartner Holding AB and SEK 25.0m (–) for Slättö Fastpartner II AB. No share of profit was recognised for Litium AB (publ) since it was not assessed as material for the Group.

NOTE 15 Other non-current receivables

	Group		Parent Company	
	2019	2018	2019	2018
Promissory note receivables	51.3	8.4	51.3	8.4
Deferred tax assets	–	–	22.9	15.5
Total	51.3	8.4	74.2	23.9

Maturity structure specification, promissory note receivables.

Mature	Average interest rate, %	Amount, SEKm
2021	2.0	50.0
2025	0.5	1.3
Total		51.3

NOTE 16 Prepaid expenses and accrued income

	Group		Parent Company	
	2019	2018	2019	2018
Other prepaid expenses	85.2	86.2	69.8	47.6
Accrued interest income	7.2	0.1	7.2	0.1
Total	92.4	86.4	77.0	47.7

NOTE 17 Cash and cash equivalents

	Group		Parent Company	
	2019	2018	2019	2018
Cash and bank balances	264.3	676.1	257.3	612.9
Cash and cash equivalents	264.3	676.1	257.3	612.9

NOTE 18 Liabilities to credit institutions

	Group		Parent Company	
	2019	2018	2019	2018
Property loans	8,016.4	7,107.4	6,483.2	4,895.4
Construction loan	118.7	–	–	–
Commercial paper	1,460.0	1,900.0	1,460.0	1,900.0
Bond loans	3,800.0	3,150.0	3,800.0	3,150.0
Total	13,395.1	12,157.4	11,743.2	9,945.4
Of which short-term component, property loans	–2,833.0	–4,120.2	–2,687.5	–2,904.6
Total non-current loans to credit institutions	10,562.1	8,037.2	9,055.7	7,040.8
Specification, overdraft facility				
Available credit limit	235.0	160.0	235.0	160.0
Unused portion	–235.0	–160.0	–235.0	–160.0
Unused credit amount	–	–	–	–

The Group's loan structure as of 31 December 2019 is presented below:

SEKm	Loan agreements	Amount utilised	Loan agreement term
	2,753.1 ¹⁾	2,753.1	2020
	2,278.5 ²⁾	2,225.3	2021
	3,325.6 ³⁾	3,325.6	2022
	2,650.6 ⁴⁾	2,650.6	2023
	500.0 ⁵⁾	500.0	2024
	637.4	637.4	2028
	216.0	216.0	2029
	1,087.1	1,087.1	2034
Total	13,448.3	13,395.1	

¹⁾ Of which SEK 600.0 relates to bond loans and SEK 1,460.0 relates to commercial paper

²⁾ Of which 600.0 relates to bond loans

³⁾ Of which SEK 1,300.0 relates to bond loans

⁴⁾ Of which SEK 800.0 relates to bond loans

⁵⁾ Of which SEK 500.0 relates to bond loans

Fastpartner's loans at credit institutions and similar liabilities at year-end amounted to SEK 13,395.1m (12,157.4).

In 2017, Fastpartner established a commercial paper programme with a framework amount of SEK 2,000m, with maturity of no more than one year. As of 31 December outstanding commercial paper amounted to SEK 1,460m (1,900). Fastpartner has a commitment to keep unused credit facilities available at all times to cover all outstanding commercial paper.

In May 2019, Fastpartner issued an unsecured 4-year bond loan in the Swedish market. The volume of the bond loan amounts to SEK 1,500m, of which SEK 800m has been utilized, and final maturity is in 2023. The bond loan carries a variable interest rate of Stibor 3M + 2.45 percentage points.

In March 2019, Fastpartner issued an unsecured 5-year bond loan in the Swedish market. The volume of the bond loan amounts to SEK 1,500m, of which SEK 500m has been utilized, and final maturity is in 2024. The bond loan carries a variable interest rate of Stibor 3M + 3.10 percentage points.

In November 2018, Fastpartner issued an unsecured green 3.5-year bond loan in the Swedish market. The volume of the bond loan amounts to SEK 1,500m, of which SEK 1,300m has been utilized, and final maturity is in 2022. The bond loan carries a variable interest rate of Stibor 3M + 2.45 percentage points.

In March 2018, Fastpartner issued an unsecured 3.5-year bond loan in the Swedish market. The volume of the bond loan amounts to SEK 1,000m, of which SEK 600m has been utilized, and final maturity is in 2021. The bond loan carries a variable interest rate of Stibor 3M + 2.45 percentage points.

In September 2016, Fastpartner issued an unsecured 4-year bond loan in the Swedish market. The volume of the bond loan amounts to SEK 1,000m, of which SEK 600m has been utilized, and final maturity is in 2020. The bond loan carries a variable interest rate of Stibor 3M + 4.50 percentage points.

The Group's total available loan limit amounts to SEK 13,448.3m (12,157.4).

This amount includes loans totalling SEK 2,833.0m (4,120.2), which are due or are to be repaid within 12 months and are therefore classified as current liabilities to credit institutions as of 31 December 2019. Fastpartner has made good progress in discussions on refinancing these credits. For more information on financial risk management, see Note 19 Financial risk management.

NOTE 19 Financial risk management

Fastpartner is exposed through its operations to financial risks such as interest rate, credit and counterparty risk, as well as liquidity and refinancing risks. The Board of Directors and CEO of Fastpartner are responsible for managing financial risk and the CEO together with the business department ensure compliance with guidelines. Fastpartner uses derivative instruments to hedge financial risks.

Interest rate risk

Interest rate risk refers to the risk that changes in the market interest rate will affect the Group's net interest income. How quickly a change in interest rates will have an impact on net interest income depends on the fixed-rate period for the financial assets and financial liabilities.

Fastpartner has not set a fixed maturity within which the average fixed-rate period must fall. The multi-year credit agreements entail interest terms where the bank's margins are set in the agreements and where Fastpartner has the option to choose the fixed-rate period.

Fastpartner aims to use maturities in the loan portfolio that provide as low an average interest rate as possible. Fastpartner's total interest rate swap portfolio amounts to SEK 1,875m. Fastpartner's interest rate hedging and fixed interest financing comprise approximately 14 per cent of Fastpartner's total loan portfolio. With interest rate swap agreements totalling SEK 1,875m, Fastpartner pays a fixed annual interest rate of approximately 1.5 per cent excluding margin. Fastpartner's fixed-rate period as of 31 Dec. 2019 was 1.2 years. Adjusted for the variable interest rate portion of the loan portfolio, the fixed-rate period was 7.0 years. Fastpartner's other financing is currently running at a short interest rate, the majority with a three-month fixed term, since this is deemed to be more profitable than fixing interest rates over a longer period. During the year, Fastpartner largely chose to use Stibor 3M as the main interest basis.

Interest-bearing liabilities at 31 December 2019 were SEK 13,395.1m. A change in variable market interest rates of one percentage point would affect interest expenses by about SEK 115m annually with the current capital structure.

The fixed rate structure as of 31 December 2019 is presented below for the Group's liabilities with credit institutions.

Fixed rate structure as of 31 Dec. 2019

Maturity	Utilised loan agreements (SEKm)	Share, %	Average interest rate%	Approved loan agreements (SEKm)
2020	2,753.1 ¹⁾	20.6	1.7	2,753.1
2021	2,225.3 ²⁾	16.6	1.7	2,278.5
2022	3,325.6 ³⁾	24.8	2.2	3,325.6
2023	2,650.6 ⁴⁾	19.8	1.7	2,650.6
2024	500.0 ⁵⁾	3.7	3.2	500.0
2028	637.4	4.8	2.2	637.4
2029	216.0	1.6	1.3	216.0
2034	1,087.1	8.1	2.2	1,087.1
Total	13,395.1	100.0	1.9	13,448.3

¹⁾ Of which SEK 600.0 relates to bond loans and SEK 1,460.0 relates to commercial paper.

²⁾ Of which SEK 600.0 relates to bond loans

³⁾ Of which SEK 1,300.0 relates to bond loans

⁴⁾ Of which 800.0 relates to bond loans

⁵⁾ Of which 500.0 relates to bond loans

The average interest rate for the Group's liabilities with credit institutions and similar liabilities of SEK 13,395.1m (12,157.4) was 1.9 (2.0) percent as of 31 December 2019.

At the end of 2019 the Group's cash and cash equivalents totalled SEK 264.3m (676.1).

A one percentage point change in the interest rate based on exposure on the balance sheet date would have an impact of SEK 115m on Fastpartner's profit and loss accounts for 2020.

Credit and counterparty risk

Fastpartner's credit and counterparty risks consist of exposure to commercial counterparties and financial counterparties. Credit risk and counterparty risk refer to the risk of loss as a result of the failure of a counterparty to fulfil its obligations. Fastpartner's commercial credit and counterparty risk mainly consist of rent receivables, which are distributed over a large number of counterparties. Credit and counterparty risk related to financial counterparties is limited to financial institutions with high credit ratings. As of 31 December 2019, there were no significant concentrations of credit and counterparty risk. Maximum credit and counterparty risk corresponds with the carrying amount of the financial assets. Credit and counterparty risks are considered to be insignificant. Rental losses for the year in the Group amounted to SEK -4.0m (-2.6).

	Group	
	2019	2018
Overdue rental receivables without provisions		
Overdue up to 30 days	2.7	5.2
Overdue 31-60 days	4.8	0.4
Overdue more than 61 days	-	-
Total	7.5	5.6

Liquidity and refinancing risk

Liquidity and financing risk refer to the risk of the cost being higher and financing opportunities limited when loans are renewed and payment obligations cannot be met as a result of insufficient liquidity or difficulties in securing financing.

Fastpartner strives to ensure a balance between short-term and long-term borrowing. Fastpartner holds, via several credit agreements with major Swedish banks, an outstanding commercial paper programme and via bond loans with a total available loan limit of SEK 13,448.3m (12,157.4). The agreements are a good way to ensure access to liquidity in a market situation where access to credit has become very limited. The agreements expire between the years 2020, 2021, 2022, 2023, 2024, 2028, 2029 and 2034.

Of the Group's total loans of SEK 13,395.1m (12,157.4), loans of SEK 2,833.0m (4,120.2) will fall due or be repaid in 2020. Fastpartner has made good progress in discussions on refinancing these loans. Fastpartner's fixed term maturity as of 31 Dec. 2019 is 3.6 years. Adjusted for the portion of the loan portfolio that matures in 2020, fixed-term maturity is 4.4 years.

Maturity analysis

	Within 1 year	1-3 years	3-5 years	After 5 years	Total
Financial liabilities	3,429.3	8,663.3	585.5	2,193.9	14,872.0
Commitments, other	428.0				428.0
Total contractual commitments, commercial promises	3,857.3	8,663.3	585.5	2,193.9	15,300.0

The table above presents the maturity structure for Fastpartner's financial liabilities and contractual commitments, including interest payments, at nominal amounts.

Financial assets consist of shares and participations that are classified as assets that can be sold where the maturity date is unknown, of promissory note receivables where the maturity structure is presented in Note 15, and cash and cash equivalents, current receivables and accounts receivable that mature within 1 year.

Operating leases only cover office equipment and company cars and are not considered to be material in nature.

Of the financial liabilities of SEK 3,429.3m which fall due within 1 year, SEK 2,833.0m are liabilities to credit institutions and similar liabilities. Fastpartner engages in ongoing discussions with the company's main banks regarding margins and maturities for the short component of the loan portfolio and assesses the prospect of refinancing these loans at market terms as good.

Management of capital

Managed capital refers to equity and borrowed capital. At year-end, equity and borrowed capital in the Group amounted to SEK 26,069.6m (21,301.6), of which equity amounted to SEK 12,631.7m (9,114.3) and borrowed capital 13,437.9m (12,187.3).

The Group's goal for management of capital is to secure the Group's future and ability to act, as well as to ensure that shareholders continue to receive a good return on invested capital. The distribution between equity and borrowed capital should provide a good balance between risk and return. The capital structure is adapted as needed based on changing economic conditions and other external factors. In order to maintain and adjust the capital structure, the Group may distribute funds, increase equity through the issuance of new shares or capital injections, or it may choose to reduce or increase debt.

The balance sheet shows the Group's liabilities and equity. The "Statement of changes in equity" shows the various components of equity, along with a specification of the various components included in reserves.

Fastpartner's objective is to achieve an equity/assets ratio of at least 25 per cent, as well as an interest coverage ratio of at least 2.0x. At year-end, the equity/assets ratio was 42.1 (38.7) per cent and the interest coverage ratio was 4.0x (4.2).

The target for return on equity is at least 15 per cent. The outcome for 2019 was 38.6 per cent (21.6). Regarding dividend to shareholders, Fastpartner's goal is that the dividend to holders of ordinary shares will total at least a third of earning before tax and changes in value. Consolidation needs, liquidity and the company's position in general must be taken into account. The proposed dividend for 2019 of SEK 1.90 (1.60)/Class A ordinary share is 40.3 per cent (37.7) of this amount. The proposed dividend for 2019 regarding Class D ordinary share is SEK 5.0 (-)/Class D ordinary share. The proposed dividend for 2019 for preference shares is SEK 6.68 (6.68)/preference share. See below for the Board's expla-

Note 19 continued

nation for the proposed dividend. The proposed dividend of SEK 1.90 (1.60) per Class A ordinary share corresponds to a yield requirement of 1.9 per cent (2.7) calculated on the price at the end of the year. During the year, the total return on Class A ordinary shares, including a dividend of SEK 1.60, was 67.0 per cent (26.5). The proposed dividend of SEK 5.0 per Class D ordinary share corresponds to a yield requirement of 5.6 per cent (-) calculated on the price at the end of the year. During the year, the total return on Class D ordinary shares, including a dividend of SEK 0.0, was 6.5 per cent (-). The proposed dividend of SEK 6.68 per preference share corresponds to a yield requirement of 5.4 per cent (5.6) based on the price at the end of the year. During the year, the total return on preference shares, including a dividend of SEK 6.68, was 9.4% (10.9).

Class D ordinary shares

Fastpartner has issued 8,500,000 Class D ordinary shares. There is no contractual payment obligation in the terms for these shares, as both dividends and repurchases can only be carried out after a resolution by the Annual General Meeting or other general meeting of shareholders.

Preference shares

Fastpartner has issued 5,692,497 preference shares through two issuances. There is no contractual payment obligation in the terms for these preference shares, as both dividends and repurchases can only be carried out after a resolution by the Annual General Meeting or other general meeting of shareholders. The fact that dividends amounting to less than SEK 6.68 per year accumulate in the 'Available Amount' does not in itself imply any obligation as a meeting resolution is required to settle it.

NOTE 20 Other non-current liabilities

	Group		Parent Company	
	2019	2018	2019	2018
Deposits	42.8	29.9	23.0	16.9
Other liabilities	-	0.0	0.5	0.7
Total	42.8	29.9	23.5	17.7

NOTE 21 Accrued expenses and deferred income

	Group		Parent Company	
	2019	2018	2019	2018
Deferred rental income	189.0	179.9	70.1	65.6
Accrued interest expenses	34.5	32.0	34.5	30.8
Other accrued expenses	50.1	45.3	26.1	21.6
Total	273.6	257.2	130.7	118.0

NOTE 22 Fair value of financial instruments

The table below shows the assets that are measured at fair value. Fair value is based on quoted prices in an active marketplace. Consequently, these assets are recognised in accordance with Level 1.

Financial assets measured at fair value in profit or loss as of 31 Dec. 2019.

	Group			
	31/12/2019	Level 1	Level 2	Level 3
Shareholdings measured at fair value, beginning of year				
Acquisition/Sale during the year				
Realised change in value				
Shareholdings measured at fair value, at year-end	-	-	-	-
	Parent Company			
	31/12/2019	Level 1	Level 2	Level 3
Shareholdings measured at fair value, beginning of year				
Acquisition/Sale during the year				
Realised change in value				
Shareholdings measured at fair value, at year-end	-	-	-	-

Financial assets measured at fair value in profit or loss as of 31 Dec. 2018.

	Group			
	31/12/2018	Level 1	Level 2	Level 3
Shareholdings measured at fair value, beginning of year	98.0	98.0		
Acquisition/Sale during the year	-255.0	-255.0		
Unrealised change in value	157.0	157.0		
Shareholdings measured at fair value, at year-end	-	-	-	-
	Parent Company			
	31/12/2018	Level 1	Level 2	Level 3
Shareholdings measured at fair value, beginning of year	98.0	98.0		
Acquisition/Sale during the year	-255.0	-255.0		
Unrealised change in value	157.0	157.0		
Shareholdings measured at fair value, at year-end	-	-	-	-

The table below shows the liabilities that are measured at fair value. Fair value is based on external information that an external party mainly based on observable market data. Consequently, these liabilities are recognised in accordance with Level 2.

Financial liabilities measured at fair value in profit or loss as of 31 Dec. 2019

	Group			
	31/12/2019	Level 1	Level 2	Level 3
Interest-rate derivatives measured at fair value, beginning of year	-94.3		-94.3	
Change for the year	-32.5		-32.5	
Interest-rate derivatives measured at fair value, year-end	-126.8		-126.8	
	Parent Company			
	31/12/2019	Level 1	Level 2	Level 3
Interest-rate derivatives measured at fair value, beginning of year	-75.1		-75.1	
Change for the year	-36.0		-36.0	
Interest-rate derivatives measured at fair value, year-end	-111.1		-111.1	

Financial liabilities measured at fair value as of 31 Dec. 2018

	Group			
	31/12/2018	Level 1	Level 2	Level 3
Interest-rate derivatives measured at fair value, beginning of year	-81.7		-81.7	
Change for the year	-12.6		-12.6	
Interest-rate derivatives measured at fair value, year-end	-94.3	-	-94.3	-
	Parent Company			
	31/12/2018	Level 1	Level 2	Level 3
Interest-rate derivatives measured at fair value, beginning of year	-60.3		-60.3	
Change for the year	-14.8		-14.8	
Interest-rate derivatives measured at fair value, year-end	-75.1	-	-75.1	-

Fair value according to the three levels above:

Level 1: Quoted prices in an active marketplace.

Level 2: Valuation model mainly based on observable market data for the asset or the liability.

Level 3: Valuation model mainly based on own assumptions.

Note 22 continued

Classification of financial assets and liabilities, as well as fair value

31/12/2019

	Fair value through comprehensive income	Fair value through profit or loss	Financial assets and liabilities measured at amortised cost	Total carrying amount	Total fair value
Other long-term securities holdings			–	–	–
Other non-current receivables			51.3	51.3	51.3
Trade receivables			6.1	6.1	6.1
Other current receivables			19.4	19.4	19.4
Cash and cash equivalents			264.3	264.3	264.3
Accrued income			7.2	7.2	7.2
Total financial assets	–	–	348.3	348.3	348.3
Liabilities to credit institutions and similar liabilities			13,395.1	13,395.1	13,395.1
Lease liability			1,018.0	1,018.0	1,018.0
Other non-current liabilities			42.8	42.8	42.8
Trade payables			125.1	125.1	125.1
Other current liabilities		126.8 ¹⁾	110.7	237.5	237.5
Accrued expenses			84.6	84.6	84.6
Total financial liabilities	–	126.8	14,776.3	14,903.1	14,903.1

¹⁾ Refers to derivative instruments not intended for hedge accounting

Classification of financial assets and liabilities, as well as fair value

31/12/2018

	Fair value through comprehensive income	Fair value through profit or loss	Financial assets and liabilities measured at amortised cost	Total carrying amount	Total fair value
Other long-term securities holdings			–	–	–
Other non-current receivables			8.4	8.4	8.4
Trade receivables			3.9	3.9	3.9
Other current receivables			374.6	374.6	374.6
Cash and cash equivalents			676.1	676.1	676.1
Accrued income			0.2	0.2	0.2
Total financial assets	–	–	1,063.2	1,063.2	1,063.2
Liabilities to credit institutions and similar liabilities			12,157.4	12,157.4	12,157.4
Other non-current liabilities			29.9	29.9	29.9
Trade payables			132.4	132.4	132.4
Other current liabilities		94.3 ¹⁾	62.9	157.2	157.2
Accrued expenses			77.3	77.3	77.3
Total financial liabilities	–	94.3	12,459.9	12,554.2	12,554.2

¹⁾ Refers to derivative instruments not intended for hedge accounting

NOTE 23 Disclosures on related party transactions

The Parent Company handles receipts and payments for subsidiaries, as well as loan transactions. For some companies, this is done based on commission agreements (see Note 1 Accounting principles).

Transactions with companies within the Fastpartner Group take place on market terms.

At year-end, Fastpartner has a debt to Compactor Fastigheter AB, the company's largest owner, amounting to SEK 81.4m (89.4), carrying a market rate of three per cent. During the year, Fastpartner distributed a dividend of SEK 209.2m (187.9) to the parent company Compactor Fastigheter AB. Salary to Fastpartner's CEO Sven-Olof Johansson, who is also the owner of Compactor Fastigheter AB, amounts to SEK 960,000 (960,000).

During the year, Fastpartner handled the financial and administrative management of Henrik och Sven-Olof Fastigheter AB. For these services, Fastpartner invoices a market-based fee of SEK 1.3m (1.3) per year.

NOTE 24 Pledged assets

	Group		Parent Company	
	2019	2018	2019	2018
Property mortgages	11,566.1	10,947.4	-	-
Participations	3,637.4	2,946.0	3,637.4	2,946.0
Receivables from subsidiaries	-	-	7,643.8	6,415.7
Total	15,203.5	13,893.4	11,281.2	9,361.7

NOTE 25 Contingent liabilities

	Group		Parent Company	
	2019	2018	2019	2018
Guarantee commitments	1.5	13.4	851.4	1,495.1
Total	1.5	13.4	851.4	1,495.1

The Parent Company, as owner and full partner in the Group's partnership and limited partnership company, is ultimately responsible for the debts of these companies.

NOTE 26 Personnel, Board of Directors and auditors

	Group		Parent Company	
	2019	2018	2019	2018
Average no. of employees	70	64	70	64
Of which, men	53	49	53	49
Salaries and remuneration				
Board of Directors and CEO	1.8	1.7	1.8	1.7
Other employees	40.2	38.0	40.2	38.0
Total	42.0	39.7	42.0	39.7
Social security contributions				
Board of Directors and CEO	0.3	0.3	0.3	0.3
of which, pension expenses	-	-	-	-
Other employees	13.0	11.9	13.0	11.9
of which, pension expenses	6.7	6.3	6.7	6.3
Total	13.3	12.2	13.3	12.2
Remuneration of auditors				
Auditing assignments	1.6	1.8	1.6	1.8
Services other than auditing assignments	-	-	-	-
Tax advisory services	-	-	-	-
Other services	-	-	-	-

Remuneration of SEK 770k (770) was paid to the Board, of which the Chairman received SEK 280k (280) and other members, with the exception of the CEO who does not receive any Board fees, were paid SEK 140k (140) each. The deputy received a half salary, SEK 70k (70). No remuneration other than the board fee was paid. No pension premiums or similar benefits were paid for the members of the Board or the deputy. The Annual General Meeting decides on Board fees, and the distribution is decided by the Board. A presentation of the Board can be found on page 61.

The 2019 Annual General Meeting resolved on the following guidelines for remuneration of senior executives: Fastpartner shall offer a total compensation package on par with market levels so that the company can recruit and keep qualified senior executives. Remuneration to the Executive Management Team may consist of one or more of the following: fixed salary, variable remuneration, pension and other remuneration. Together, these components make up the individual's total compensation package. In order to encourage key executives to align their long-term interests with those of the company's shareholders, in addition to salary, pension and other remuneration, incentives may also be offered in the form of share-based instruments. The fixed salary must take into account the responsibilities and experience of the individual, and be reviewed each year. Variable remuneration shall be based on a simple and transparent structure and shall not exceed the fixed salary. Pension terms shall be on par with the market in relation to executives in similar positions in the market and be based on defined contribution pension solutions. Termination salary and severance pay must not exceed 24 monthly salary payments in total for the Chief Executive Officer and 12 monthly payments for other senior executives.

The Chief Executive Officer was paid a fixed salary of SEK 960k (960) during the year, plus pension premiums of SEK 0k (0). The CEO is entitled to receive a salary for twelve months upon termination by the company. There are no pension obligations, nor is there any agreement regarding age of retirement. The Board of Directors decides on remuneration to the Chief Executive Officer.

The company's management includes eight people, excluding the Chief Executive Officer. During the year, these individuals were paid a fixed salary including car benefits of SEK 9,858k (8,373). The Executive Management Team does not receive any variable remuneration. A presentation of the company's management can be found on page 60.

Pension premiums of SEK 2,563k (2,368) were paid for individuals in the company's management. These executives are entitled to receive a salary for a maximum of twelve months upon termination by the company. The Chief Executive Officer decides on remuneration and other terms and conditions for other senior executives.

In the Fastpartner Group, there are only commitments under the ITP plan which, according to a statement from the Swedish Financial Reporting Board, should be regarded as a defined benefit plan. The plan is administered through Alecta, which does not have the opportunity to provide the information required for Fastpartner to report the plan as a defined benefit plan, for which reason it is classified as a defined contribution plan. During the year, ITP premiums totalling SEK 6,670k (6,369) were paid.

ITP 2 defined benefit plan obligations for old age pension and family pension (alternatively family pension) obligations for white-collar workers in Sweden are managed through insurance from Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, Classification of ITP plans financed through insurance with Alecta, this is a defined benefit plan that covers several employers. For financial year 2019 the company did not have the necessary information required to recognize its proportional share of the plan's obligations, plan assets and expenses, which has made it impossible to recognise this plan as a defined benefit plan. The ITP 2 pension plan, which is secured through insurance from Alecta, is therefore recognised as a defined contribution plan. Premiums for the defined benefit old age and family plans are calculated individually taking into account salary, previously earned pension and anticipated remaining employment period.

Anticipated premiums for the next report period for ITP 2 insurance that are covered by Alecta amount to SEK 3,445k (3,372) and refer to 49 (46) active members. For more information on the total number of active members, please see Alecta's financial reports. The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 155 per cent. If Alecta's collective consolidation level is less than 125 per cent or exceeds 155 per cent, measures must be taken aimed at returning the consolidation level to the normal interval. If the consolidation level is low, one measure may be raising the agreed price for new subscriptions and expanding existing benefits. If the consolidation level is high one measure may be implementing premium reductions. Alecta's surplus can be distributed to the policy owners and/or insured parties. At year-end 2019, Alecta's surplus, as expressed by the collective funding ratio, was 148 per cent (142). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial assumptions, which do not comply with IAS 19.

NOTE 27 Specification, statement of cash flows

	Group		Parent Company	
	2019	2018	2019	2018
Difference between paid and expensed interest	-2.5	-6.5	-3.7	-6.5
Difference between interest received and recognised	-7.1	1.3	-7.1	1.3
Share of associated companies' profit	-24.2	-52.6	-24.2	-75.1
Capital gains, sales of properties/participations	-423.4	-0.7	-780.0	-23.8
Capital gains, sale of shares in CareDx	-	-157.0	-	-157.0
Other items	17.3	10.3	10.9	5.2
Total	-439.9	-205.2	-804.1	-255.9

NOTE 28 Liabilities attributable to financing activities

Group	CB 2018	Cash flow from financing activities	Not affecting cash flow	
			Change	Change in fair value
Liabilities to credit institutions and similar liabilities, non-current	8,037.2	2,524.9		10,562.1
Liabilities to credit institutions and similar, current	4,120.2	-1,287.2		2,833.0
Lease liability leasehold	-		1,018.0	1,018.0
Interest rate swaps, fair value hedging	94.3			-32.5
Total liabilities attributable to financing activities	12,251.7	1,237.7	1,018.0	-32.5

Group	CB 2017	Cash flow from financing activities	Not affecting cash flow	
			Change	Change in fair value
Liabilities to credit institutions and similar liabilities, non-current	7,062.6	974.6		8,037.2
Liabilities to credit institutions and similar, current	4,130.9	-10.7		4,120.2
Interest rate swaps, fair value hedging	81.7			-12.6
Total liabilities attributable to financing activities	11,275.2	963.9	963.9	-12.6

Parent Company	CB 2018	Cash flow from financing activities	Not affecting cash flow	
			Change	Change in fair value
Liabilities to credit institutions and similar liabilities, non-current	7,040.8	2,014.9		9,055.7
Liabilities to credit institutions and similar, current	2,904.6	-217.1		2,687.5
Receivables/Liabilities to Group companies	-7,816.1	1,820.4	-5,315.9	-11,311.6
Interest rate swaps, fair value hedging	75.1			-36.0
Total liabilities attributable to financing activities	2,204.4	3,618.2	-5,315.9	-36.0

Parent Company	CB 2017	Cash flow from financing activities	Not affecting cash flow	
			Change	Change in fair value
Liabilities to credit institutions and similar liabilities, non-current	5,700.2	1,340.6		7,040.8
Liabilities to credit institutions and similar, current	3,231.7	-327.1		2,904.6
Receivables/Liabilities to Group companies	-7,229.0	324.0	-911.1	-7,816.1
Interest rate swaps, fair value hedging	60.3			-14.8
Total liabilities attributable to financing activities	1,763.2	1,337.5	-911.1	-14.8

NOTE 29 Events after balance sheet date

On 19 February 2020 Fastpartner raised SEK 224m through a private placement of two million Class A ordinary shares.

As of 20 February 2020, Fastpartner has issued unsecured bonds of SEK 400m. The issue price corresponds to a credit spread of about 1.25 per cent and has a final maturity date in March 2024.

Ownership of the Herjërva 3 property in Solna transferred to Fastpartner on 5 March 2020. The lettable area amounts to 19 800 m² and the annual rental income amounts to SEK 78m. At the time of closing, Fastpartner took out new loans of SEK 850m, which fall due in March 2023.

During the first quarter of 2020 the coronavirus outbreak created growing uncertainty in the economy. Fastpartner is carefully monitoring the situation, but since the consequences are great, the assessment is that the economic effect on the market and on Fastpartner, both in the short and long term, cannot reasonably be estimated at this time. In recent years, Fastpartner has built up a strong balance sheet in order to be able to stand on a stable foundation in turbulent times.

NOTE 30 Significant assessments and assumptions

The preparation of financial statements in conformity with IFRS requires management to make assessments, estimates and assumptions that affect the application of accounting policies and recognized amounts of assets and liabilities, income and expenses. Estimates and assumptions are based on historical experience and a number of factors that are considered reasonable based on the circumstances. The results of these estimates and assumptions are used to assess the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates and assessments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by the Board of Directors and the Executive Management Team in the application of IFRS that have had a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed further below.

Investment properties

For important assumptions and assessments in connection with valuation of investment properties and a sensitivity analysis, see Note 10 Investment properties. Fastpartner recognises its properties at fair value, which means that changes in value are recognised in profit or loss. Earnings can therefore be materially affected depending on the assumptions made in the valuation.

The value of the properties is affected by a number of factors, in part property-specific circumstances such as the leasing rate, rent level and operating expenses, and in part such external factors such as interest rates and inflation, as well as the supply and demand for a certain type of property. Fastpartner assesses the value of all properties every six months with external evaluations from the independent valuation institutions Cushman & Wakefield Sweden AB and Newsec Advice AB. Fastpartner provides information to the valuers regarding all newly signed lease agreements, current operating and maintenance expenses, as well as assessed investments and future vacancies.

Asset acquisition vs business combination

Upon acquisition of a company, the company makes an assessment of whether the acquisition is to be regarded as an asset acquisition or a business combination. Companies containing only properties with no associated property management/administration are normally classified as an asset acquisition. Deferred tax is not recognised with asset acquisitions. Any tax discount would reduce the cost and thus would affect changes in value in subsequent periods. All acquisitions in the Group in 2018 were classified as asset acquisitions.

Preference shares

Fastpartner has issued 5,692,497 preference shares through two issuances. There is no contractual payment obligation in the terms for these preference shares, as both dividends and repurchases can only be carried out after a resolution by the Annual General Meeting or other general meeting of shareholders. The fact that dividends amounting to less than SEK 6.68 per year accumulate in the 'Available Amount' does not in itself imply any obligation as a meeting resolution is required to settle it. The company's assessment is that this means that the issued preference shares should be reported as equity.

NOTE 31 Proposal for the Distribution of Profits**The following amount is at the disposal of the AGM:**

Share premium account	1,903,698,949
Retained earnings	842,520,150
Profit for the year	1,974,760,485
Total	4,720,979,584

The Board of Directors and the Chief Executive Officer propose that the amount be allocated as follows:

A dividend of SEK 1.90 per share to the holders of Class A ordinary shares	347,510,000
A dividend of SEK 5.0 per share to the holders of Class D ordinary shares	42,500,000
A dividend of SEK 6.68 to existing holders of preference shares	38,025,880
Other funds to be carried forward	4,292,943,704
Total	4,720,979,584

The above dividend amount is based on the number of outstanding Class A ordinary shares as of 29 February 2020, which is 182,900,000 shares, the number of outstanding Class D ordinary shares as of 31 December 2019, which is 8,500,000 shares and the number of outstanding preference shares as of 31 December 2019, which is 5,692,497 shares.

In addition, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the next Annual General Meeting, to decide to issue Class A and/or Class D ordinary shares. However, the total of all new share issues decided by the Board under this authorisation may not entail the issuance of more shares than the equivalent of 10 per cent of share capital on the day of the Annual General Meeting, regardless of the Class of shares. In the event that the Annual General Meeting grants such authorisation, the Board of Directors further proposes that the Annual General Meeting resolves that the Class D ordinary shares that may be issued with the support of this authorisation shall carry the right to dividend from the date they were entered in the share register maintained by Euroclear Sweden AB, which means an initial dividend of SEK 1.25 per Class D ordinary share and quarter with the next following record date according to the terms and conditions, though not to exceed SEK 5.0. The following record dates are proposed for the quarterly dividends: 30 April 30 2020, 31 July 2020, 30 October 2020 and 29 January 2021.

If the authorisation for the Board to issue new shares is exercised in full, a dividend for the additional Class D ordinary shares of a maximum of SEK 98.7m will be paid. Of the amount available as of 31 December 2019, at least SEK 4,194,230,637 will remain after a maximum dividend of SEK 526,748,947.

SIGNING OF THE ANNUAL REPORT


The Board of Directors and Chief Executive Officer hereby certify that:

- the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2
- the Annual Report provides a true and fair view of the company's financial position and results, and
- the Directors' Report provides a true and fair overview of the development of the company's business, position and results and describes significant risks and uncertainties faced by the company.

Furthermore, the Board of Directors and Chief Executive Officer certify that:

- the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as referred to in Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards
- the consolidated financial statements provide a true and fair view of the Group's financial position and results
- the Directors' Report for the Group gives a true and fair overview of the development of the Group's business, results and position and describes significant risks and uncertainties faced by the companies included in the Group.

Stockholm, 26 March 2020



Peter Carlsson
Chairman of the Board



Sven-Olof Johansson
Board Member and Chief Executive Officer



Charlotte Bergman *Board Member*



Cecilia Vestin
Board Member

Our audit report on this annual report has been submitted on 26 March 2020

Deloitte AB



Johan Telander
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of the shareholders of Fastpartner AB (publ)
Corporate registration number: 556230-7867

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Fastpartner AB (publ) for the financial year from 1 January 2019 to 31 December 2019 with the exception of the Corporate Governance Report on pages 74–77. The annual accounts and consolidated accounts of the company are included on pages 67–105 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2019 and of its financial performance and its cash flows 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 at 31 December 2019 and of their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the profit and loss accounts and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

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 in relation to the parent company and group, in accordance with generally accepted auditing standards in Sweden, and have in other respects fulfilled our ethical responsibility according to these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014 Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit

of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment properties

Fastpartner recognises investment properties at fair value and the property portfolio at 31 December 2019 is measured at SEK 28,172.4m. During the financial year, external valuations are conducted every six months for parts of the property portfolio and as of 31 December 2019 all properties in the portfolio were valued by external valuers. These valuations are carried out in the form of an individual assessment of each property's future earnings and market yield. As a complement to the external valuations, Fastpartner conducts an internal review of the valuations on a quarterly basis for the entire portfolio. Changes in value can occur either as a result of macro and micro economic or property-related causes. The valuations are based on estimates and assumptions that can have a significant impact on the Group's income and financial position.

For more information, please refer to the section on risk management on page 61, the property portfolio and valuation on page 67, the Group's accounting policies on page 86, Note 10 Investment properties and Note 30 Significant estimates and assumptions in the annual report.

Work performed

Our work included the following procedures, but were not limited to these:

- We have reviewed and assessed Fastpartner's procedures to prepare input to both internal and external valuations, that procedures are consistently applied and that there is integrity in the process.
- We have reviewed the input data and calculations in the internal valuation model as well as in the external valuations of a selection of properties for assessing the completeness and valuation.
- We have assessed the competence and objectivity of the independent appraisers.
- We have examined relevant notes to the financial statements.

Other information besides the annual accounts and consolidated accounts

This document also contains other information besides the annual accounts and consolidated accounts, which is on pages 1–65 and 109–116. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer intends 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 ISA 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 CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO'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.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Chief Executive Officer of Fastpartner AB (publ) for the financial year 1/1/2019 – 31/12/2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer 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 in relation to the parent company and group, in accordance with generally accepted auditing standards in Sweden, and have in other respects fulfilled our ethical responsibility according to these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

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 organisation 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 organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a satisfactory manner. The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a satisfactory 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 Chief Executive Officer 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for ensuring that the corporate governance statement on pages 74–77 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 the second paragraph points 2-6 of the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Acts.

Deloitte AB was appointed auditor of Fastpartner AB (publ) by the general meeting of the shareholders on 25 April 2019, and has been the company's auditor since 4 April 1994.

Stockholm, 26 April 2020

Deloitte AB



Johan Telander

Authorised Public Accountant

DEFINITIONS

Property-related

NET OPERATING INCOME

Rental income less property expenses

NET OPERATING INCOME, %

Net operating income in relation to the average recognised value of the investment properties.

FINANCIAL OCCUPANCY RATE, %

Recognised rental income adjusted for discounts and rental losses as a percentage of rental value.

ECONOMIC VACANCY RATE

Assessed market rent for unleased space divided by rental value.

PROPERTY EXPENSES

Total of direct property expenses such as operating expenses, costs for repairs and maintenance, rents, taxes, and indirect property expenses such as costs for property administration and marketing.

Profit/loss from property management

Profit/loss before tax in the property management business excluding changes in value, currency effects and taxes.

ROLLING ANNUAL PROFIT FROM PROPERTY MANAGEMENT (4 QUARTERS FORWARD)

Profit/loss before tax in the property management business excluding changes in value, currency effects and taxes adjusted for average surplus ratio, acquisitions/sales for the period and newly signed contracts that have not yet come into effect /contracts that have been terminated.

RENTAL VALUE

Recognised rental income with reversal of any discounts and any rental losses, plus assessed market rent for existing unleased space.

COMPARABLE PORTFOLIO

The comparison period is adjusted with respect to acquired and sold properties as if they had been held during the corresponding period as the current reporting period.

SURPLUS RATIO, %

Net operating income in relation to recognised rental income.

Financial

RETURN ON EQUITY, %

Profit/loss after tax in relation to average equity.

RETURN ON TOTAL CAPITAL, %

Profit/loss after financial items plus interest expenses less interest subsidy in relation to average total assets.

LOAN-TO-VALUE RATIO, %

Liabilities to credit institutions in per cent of the properties' carrying amount.

NET LIABILITIES

Interest-bearing liabilities less interest-bearing assets, cash and cash equivalents and listed shares.

INTEREST-BEARING LIABILITIES

Liabilities with an agreed interest rate.

INTEREST COVERAGE RATIO, MULTIPLE

Profit/loss before tax with reversal of changes in value and interest expenses, as a multiple of interest expenses.

EQUITY/ASSETS RATIO, %

Equity in relation to total assets.

EQUITY/ASSETS RATIO ADJUSTED FOR EPRA NAV, %

Equity with reversal of interest-rate derivatives and deferred tax in relation to total assets.

Share-related

YIELD REQUIREMENT OF THE SHARE, %

Dividend in per cent of share price at the end of the corresponding financial year

TOTAL RETURN ON SHARE, %

Share price performance and actual dividend in relation to the share price at the beginning of the year

EQUITY PER SHARE

Equity in relation to number of outstanding shares at the end of the period.

LONG-TERM NET ASSET VALUE PER SHARE, EPRA NAV

Equity per share with reversal of interest-rate derivatives and deferred tax.

AVERAGE NUMBER OF SHARES

Weighted average number of outstanding shares during a certain period.

PROFIT/LOSS PER ORDINARY SHARE

Profit/loss after tax adjusted for dividends on preference shares in relation to average number of outstanding ordinary shares. The comparative figures for the previous year have also been adjusted for dividends on preference shares.

Fastpartner presents certain financial performance measures in the interim report that are not defined according to IFRS. Fastpartner considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of the company's performance. Since not all companies calculate financial performance measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS. Measures presented on the next page are not defined according to IFRS, unless stated otherwise.

FINANCIAL MEASURES

that are not defined according to IFRS

		2019 1/1-31/12	2018 1/1-31/12
Rolling annual profit from property management, SEKm (4 quarters forward)	Profit from property management, SEKm	849.6	728.1
Rolling annual profit from property management is a key ratio that Fastpartner considers to be relevant to assess the profit-generating capacity of the underlying business and the key figure serves as the basis for follow-up of the Company's financial targets.	Adjustment for share of associated companies' profit, SEKm	-	-13.6
	Adjustment to average surplus ratio, SEKm	2.5	2.5
	Adjustment for acquisitions and newly signed contracts that have not yet come into effect, SEKm	92.9	123.0
	Adjustment for closing swap contracts and changed margins with refinancing	5.0	-
	Adjusted for profit from property management, SEKm	950.0	840.0
	Rolling annual profit from property management, (4 quarters forward), SEKm	950.0	840.0
Equity/Class A ordinary share	Shareholders' equity, SEKm	12,631.7	9,114.3
Fastpartner considers this key ratio to be relevant since it shows how the Group's equity is distributed per outstanding Class A ordinary share and has been included to disclose the quantity of equity, according to this definition, per Class A ordinary share.	Total number of Class A ordinary shares outstanding	180,900,000	180,900,000
	Equity/Class A ordinary share	69.8	50.4
	Long-term net asset value per Class A ordinary share, EPRA NAV, SEK	82.6	59.7
Fastpartner considers this ratio to be relevant since net asset value is the aggregate capital that Fastpartner manages for its owners. Long-term net asset value is based on the Group's book equity, with adjustments for items that do not involve any payment in the near future, such as in the case of Fastpartner's derivatives and deferred tax liability, distributed per Class A ordinary share.	Shareholders' equity, SEKm	12,631.7	9,114.3
	Reversal of deferred tax, SEKm	2,178.9	1,589.0
	Reversal of interest-rate derivatives, SEKm	126.8	94.3
	Total number of Class A ordinary shares outstanding	180,900,000	180,900,000
	Long-term net asset value per Class A ordinary share, EPRA NAV, SEK	82.6	59.7
Return on equity, %	Profit/loss after tax, SEKm	3,147.0	1,805.9
Return on equity is a key ratio that Fastpartner considers to be relevant for showing the Company's return on equity in the Group.	Calculated at annual rate, SEKm	4,196.0	1,805.9
	Average equity, SEKm	10,873.0	8,360.6
	Return on equity, %	38.6	21.6
	Return on total capital, %	Profit/loss after financial items, SEKm	3,830.9
Return on total capital is a key ratio that Fastpartner considers to be relevant for showing the Company's return on total capital in the Group.	Reversal of financial expenses, SEKm	287.4	238.7
	Calculated at annual rate based on respective period, SEKm	4,118.3	2,349.5
	Average total assets, SEKm	26,757.8	22,256.2
	Return on total capital, %	15.4	10.6
	Interest coverage ratio, multiple	Profit/loss before tax, SEKm	3,830.9
Interest coverage ratio is a key ratio that Fastpartner considers relevant for assessing the Group's ability and sensitivity to pay interest on interest-bearing liabilities.	Reversal of changes in value, SEKm	-2,978.5	-1,343.7
	Reversal of interest expenses, SEKm	287.4	238.7
	Adjusted profit/loss before tax, SEKm	1,139.8	1,005.8
	Adjusted profit/loss before tax as a multiple of interest expenses, xx	4.0	4.2
	Equity/assets ratio, %	Shareholders' equity, SEKm	12,631.7
Fastpartner considers the equity/assets ratio to be relevant to show the Group's capital structure by indicating the amount of equity in relation to the Group's total assets.	Total assets, SEKm	29,986.5	23,529.0
	Equity/assets ratio, %	42.1	38.7
	Equity/assets ratio adjusted for EPRA NAV, %	49.8	45.9
Fastpartner considers the equity/assets ratio adjusted for EPRA NAV to be relevant to show the Group's capital structure by indicating the amount of equity with adjustments for items that do not entail payment in the near future, such as derivatives and deferred tax liability Fastpartner's case, in relation to the Group's total assets	Shareholders' equity, SEKm	12,631.7	9,114.3
	Reversal of deferred tax, SEKm	2,178.9	1,589.0
	Reversal of interest-rate derivatives, SEKm	126.8	94.3
	Adjusted shareholders' equity, SEKm	14,937.4	10,797.6
	Total assets, SEKm	29,986.5	23,529.0
Equity/assets ratio adjusted for EPRA NAV, %	49.8	45.9	
Net liabilities, SEKm	Interest-bearing liabilities, SEKm	13,395.1	12,157.4
	Interest-bearing assets	-387.2	-402.6
	Cash and cash equivalents	-264.3	-676.1
	Listed shares	-14.4	-14.4
	Net liabilities, SEKm	12,729.2	11,064.3
	Net operating income, %	Net operating income according to the profit and loss accounts, SEKm	1,173.0
	Net operating income for dev. properties, as well as adjustment for acquisitions for the period, SEKm	3.5	-11.3
	Adjusted net operating income for dev. properties and acquisitions for the period, SEKm	1,176.5	970.6
	Average value of investment properties (adjusted for dev. properties and acquisitions), SEKm	25,551.3	20,658.7
	Net operating income, %	4.6	4.7
	Surplus ratio, %	Rental income, SEKm	1,686.5
	Property expenses, SEKm	-513.5	-468.7
	Net operating income, SEKm	1,173.0	981.9
	Surplus ratio, %	69.6	67.7

PROPERTY LISTING

Region 1

Property listing	Street address	Area	Foot-note	Plot area	Leased area	Distribution							Tax value SEK 000s	
						Offices	Logistics & warehousing	Retail and restaurants	Industry & manufacturing	Housing & hotels	Care & schools	Miscellaneous		
Alvesta 13:27	Forsdalavägen 2	Alvesta		38,187	13,200	3,200	10,000	0	0	0	0	0	0	14,102
Avesta 1	Avestagatan 61	Spånånga	T	20,595	7,898	2,717	4,601	0	580	0	0	0	0	56,400
Bagaren 7	Ljungaådsålgatan 4 A-H, JK	Växjö		28,077	9,558	492	7,422	0	1,644	0	0	0	0	36,847
Brahelund 2	Råsundavägen 2-16	Solna		13,090	41,375	33,926	4,311	1,530	0	0	1,016	592	989,000	
Bränninge 4	Taxingegränd 8-10	Spånånga	T	12,192	9,614	385	709	6,619	0	0	1,821	80	92,400	
Bränninge 7	Taxingegränd 4	Spånånga	T	3,334	700	0	510	0	0	0	0	190	20,178	
Båggången 5	Hässelby Torg 8-10	Hässelby	T	4,230	3,748	1,415	475	1,201	0	0	640	17	30,400	
Domnarvet 41	Gunnebogatan 32 A	Spånånga	T	436	668	385	283	0	0	0	0	0	5,322	
Domnarvet 43	Gunnebogatan 30	Spånånga	T	845	1,226	888	338	0	0	0	0	0	8,636	
Domnarvet 44	Gunnebogatan 22	Spånånga	T	456	690	350	340	0	0	0	0	0	3,754	
Domnarvet 45	Gunnebogatan 32 B	Spånånga	T	436	783	423	360	0	0	0	0	0	5,884	
Flyggodset 1	Cederströmsgatan 4	Malmö	T	9,104	5,718	839	4,069	0	0	0	0	810	14,199	
Flyggodset 2	Cederströmsgatan 4	Malmö	T	6,747	2,023	0	0	0	0	0	2,023	0	0	
Hilton 2	Gustav III:s Boulevard 26-38	Solna		12,736	23,935	22,606	303	1,024	0	0	0	2	678,000	
Hilton 5	Telegrafgatan 4, 6A, 6B	Solna		7,063	13,682	12,746	446	490	0	0	0	0	343,000	
Kallhäll 1:5	Gjutarplan 19	Järfälla		1,728	1,730	0	0	1,730	0	0	0	0	11,419	
Krejaren 2	Östermalmsgatan 1, 3	Stockholm	T	1,568	8,569	4,809	0	3,760	0	0	0	0	540,000	
Kristiansborg 2	Västra Hindby. 12 , 14	Malmö	T	11,530	7,088	2,427	3,908	753	0	0	0	0	18,600	
Kungsängens-Tibble 25:2	Hjortronvägen 1	Kungsängen		1,845	925	0	0	925	0	0	0	0	6,920	
Kvarnberget 3	Rinkebytorget 8	Spånånga	T	3,662	5,469	682	107	3,293	0	0	1,372	15	50,600	
Kvarnberget 4	Rinkebytorget 1	Spånånga	T	2,730	4,316	840	248	3,149	0	0	75	4	40,200	
Kvarnberget 5	Skärbygränd 3-5	Spånånga	T	771	1,904	0	0	107	0	0	1,797	0	0	
Kvarnberget 7	Skärbygränd 2	Spånånga	T	2,062	0	0	0	0	0	0	0	0	2,886	
Kvarnberget 8	Rinkebytorget 2-6	Spånånga	T	1,884	2,755	1,266	424	1,059	0	0	0	6	27,400	
Labyrinten 1	Astrakängatan 17-21	Hässelby	T	9,913	15,982	7,592	335	2,966	0	0	5,082	7	133,000	
Ladugårdsgårde 1:48	Tullvaksivägen 5-15 etc.	Stockholm		19,197	37,680	36,362	0	0	0	0	1,000	318	988,400	
Lektorn 2	Jakobsbergsgatan 57	Ystad		3,534	1,270	0	0	1,270	0	0	0	0	3,124	
Lofgången 1	Hässelby Torg 3-5	Hässelby	T	581	1,021	504	0	517	0	0	0	0	10,640	
Målaren 14	Arabygatan 43-45 etc.	Växjö		47,629	12,296	1,191	7,502	120	2,869	0	0	614	41,284	
Oxen Mindre 30	Luntmakargatan 34	Stockholm		850	3,238	2,159	174	0	0	0	899	6	121,000	
Oxen Mindre 34	Luntmakargatan 22	Stockholm		335	1,435	814	117	0	0	0	504	0	62,800	
Oxen Mindre 35	Luntmakargatan 26	Stockholm	T	644	2,562	1,520	35	0	0	0	1,005	2	102,000	
Päronet 2	Ursviksvägen 127	Sundbyberg		15,937	7,891	3,252	2,512	0	2,120	0	0	7	53,768	
Recetten 1	Blackebergsvägen 109	Stockholm	T	900	827	0	0	604	0	223	0	0	9,162	
Robertsfors 2	Domnarvsgatan 11	Spånånga	T	22,448	10,947	4,170	6,777	0	0	0	0	0	75,672	
Robertsfors 3	Finspångsgatan 52	Spånånga	T	23,524	9,450	2,347	955	2,186	3,962	0	0	0	67,126	
Robertsfors 4	Finspångsgatan 54	Spånånga	T	5,850	6,261	3,163	101	1,029	0	1,968	0	0	44,235	
Rånäs 1	Fagerstagatan 18	Spånånga	T	27,495	36,783	15,951	17,767	1,040	1,538	0	0	487	221,360	
Skebo 2	Fagerstagatan 21	Spånånga	T	21,280	19,510	0	3,098	250	11,852	0	4,310	0	108,000	
Skebo 3	Finspångsgatan 42	Spånånga	T	9,881	9,105	3,103	5,945	0	0	0	0	57	52,890	
Skultuna 1	Finspångsgatan 48	Spånånga	T	8,615	5,740	0	5,740	0	0	0	0	0	29,804	
Skultuna 2	Finspångsgatan 46	Spånånga	T	5,334	1,450	1,182	268	0	0	0	0	0	13,002	
Skultuna 5	Domnarvsgatan 7	Spånånga	T	4,200	1,403	1,045	358	0	0	0	0	0	11,820	
Skänninge 6	Tenstagången 14-20	Spånånga		1,585	3,440	1,043	218	0	0	0	2,179	0	0	
Sporren 4	Alhemsgratan 2 etc.	Malmö		10,459	19,027	11,591	5,219	1,038	0	0	1,179	0	80,819	
Stenskärvan 8	Siktgatan 2	Vinsta	T	6,409	9,859	4,873	2,799	0	433	0	1,754	0	60,000	
Trymån 3	Hässelby Torg 7	Hässelby	T	920	1,891	0	0	811	0	0	1,080	0	12,492	
Tågarp 16:43	Företagsvägen 29	Ärlöv		40,284	12,915	1,098	9,128	0	2,689	0	0	0	40,600	
Tågarp 21:144	Ärlövsvägen 36	Ärlöv		4,157	432	0	0	432	0	0	0	0	3,061	
Uppfinnaren 1	Valhallavägen 136	Stockholm		5,904	16,162	16,162	0	0	0	0	0	0	459,000	
Veddesta 5:3	Brutnovägen 6	Järfälla		17,080	6,637	1,153	5,484	0	0	0	0	0	27,278	
Vitgröet 8	Stormbyvägen 6	Spånånga		3,233	2,764	2,764	0	0	0	0	0	0	23,000	
Åkarp 3:79	Dalslunds väg 1	Åkarp		3,031	1,131	130	50	951	0	0	0	0	6,447	
Total Region 1				506,517	426,683	213,565	113,436	38,854	27,687	2,191	27,736	3,214	5,857,931	

Footnotes: T = Leasehold, O = Undeveloped property, A = Leased plot,

Region 3, cont'd.

Property listing	Street address	Area	Foot-note	Plot area	Leased area	Distribution							Tax value SEK 000s
						Offices	Logistics & warehousing	Retail and restaurants	Industry & manufacturing	Housing & hotels	Care & schools	Miscellaneous	
Märsta 17:6	Maskingatan 8 B	Airport City Stockholm (Arlandastad)		5,318	2,729	295	0	0	2,434	0	0	0	14,133
Märsta 19:2	Bristagatan 16	Märsta		34,002	12,514	1,932	8,875	0	1,361	0	76	270	62,600
Märsta 19:3	Bristagatan 16	Märsta		1,835	4,513	0	32	0	0	4,481	0	0	47,400
Märsta 21:54	Elkraftsgatan 11	Airport City Stockholm (Arlandastad)		10,934	2,200	200	2,000	0	0	0	0	0	19,067
Märsta 24:4	Industrigatan 7	Airport City Stockholm (Arlandastad)		31,705	8,995	0	6,299	0	2,696	0	0	0	51,456
Pelargonian 6	Ågatan 18	Mölnadal		9,677	4,078	0	1,000	2,252	826	0	0	0	17,345
Pottgård 3	Taljegårdsgatan 3	Mölnadal		13,043	2,954	1,236	1,122	0	596	0	0	0	23,800
Ringpärmen 4	Bergkällavägen 32	Sollentuna		12,205	12,773	8,822	961	600	0	2,390	0	0	89,000
Ringpärmen 5	Bergkällavägen 34	Sollentuna		4,022	3,999	2,722	1,277	0	0	0	0	0	28,000
Ritmallen 1	Rotebrovägen 115 etc.	Sollentuna		5,306	4,553	2,246	796	965	0	0	546	0	39,600
Sjöstugan 1	Sidensvansvägen 8	Sollentuna		9,155	6,346	4,179	2,167	0	0	0	0	0	46,800
Slingan 1	Vistaforsvägen 3	Ulricehamn		89,067	43,473	7,601	35,872	0	0	0	0	0	73,292
Sätisdalen 2	Norgegatan 2	Kista	T	10,812	11,597	10,936	223	0	388	0	0	50	123,000
Vallentuna Prästgård 1:130	Tuna Torg 1-5, 1A, 2-4	Vallentuna		4,836	10,170	6,090	46	3,342	0	0	682	10	106,800
Vallentuna-Rickeby 1:472	Torggatan	Vallentuna	IN	755	0	0	0	0	0	0	0	0	4,160
Vallentuna-Rickeby 1:474	Torggatan 9-17	Vallentuna		5,312	7,832	3,362	640	3,830	0	0	0	0	131,000
Vallentuna-Rickeby 1:58	Torggatan 14-16	Vallentuna		3,416	4,593	0	10	3,406	0	1,150	0	27	52,603
Vallentuna-Rickeby 1:7	Tuna Torg 6-8	Vallentuna		1,128	1,611	190	14	833	0	0	574	0	18,600
Vallentuna-Åby 1:99	Tellusvägen 5A-C, 7-45, 7A	Vallentuna		34,450	16,646	5,064	54	200	1,468	0	9,854	6	49,480
Vilunda 20:8	Optimusvägen 21	Upplands-Väsby		1,467	1,074	694	60	185	0	135	0	0	5,999
Årsta 68:5	Fyrislundsgatan 79A	Uppsala		2,379	1,010	0	0	785	225	0	0	0	8,259
Årsta 76:2	Fyrisborgsgatan 1-5, 2,4	Uppsala		28,027	25,681	24,058	462	1,150	0	0	0	11	238,102
Total Region 3				750,231	453,155	197,852	145,396	49,734	12,728	21,587	25,067	791	3,535,647

Region 4

Property listing	Street address	Area	Foot-note	Plot area	Leased area	Distribution							Tax value SEK 000s
						Offices	Logistics & warehousing	Retail and restaurants	Industry & manufacturing	Housing & hotels	Care & schools	Miscellaneous	
Björnänge 5:1	Granvägen 1	Söderhamn		78,500	40,326	8,446	9,979	1,151	19,491	0	0	1,259	21,551
Brynäs 124:3	Södra Skeppsbron 17	Gävle		3,530	2,090	1,095	165	0	830	0	0	0	11,557
Elverket 8	Ivarshyttvägen 6	Hedemora		4,059	788	0	197	591	0	0	0	0	1,297
Hemsta 11:11	Skolgången 17	Gävle		22,900	9,670	0	0	0	7,998	0	1,672	0	27,135
Hemsta 15:7	Skolgången 17	Gävle		39,190	35,000	12,740	5,960	0	15,950	0	0	350	105,583
Hemsta 9:4	Rynningsgatan 8	Gävle		4,767	1,343	0	1,343	0	0	0	0	0	0
Industrien 7	Gamla Bangatan 50	Ludvika		2,000	468	0	0	468	0	0	0	0	1,061
Närings 10:4	Strömmavägen 2	Gävle		68,334	17,002	2,255	437	978	11,946	0	0	1,386	79,204
Närings 15:6	Beckasinvägen 14-16/ Kanalvägen 11	Gävle		25,632	4,373	1,494	0	0	2,599	0	0	280	16,741
Närings 22:2	Beckasinvägen / Krickvägen	Gävle		75,183	27,926	3,680	22,166	0	2,080	0	0	0	109,904
Närings 5:1	Lötängsgatan 14-16	Gävle		31,277	19,079	1,883	15,735	0	1,146	0	0	315	34,537
Slagan 2	Axvägen 4	Sundsvall		2,444	632	0	0	430	202	0	0	0	2,485
Sätra 108:23	Folkparksvägen 7	Gävle		3,132	498	0	0	0	0	0	498	0	0
Sätra 11:3	Norrågen 32	Gävle		2,556	2,140	0	0	0	0	0	2,140	0	0
Sätra 11:4	Gavlehovsvägen 5	Gävle		22,194	6,300	0	0	0	0	0	6,300	0	0
Sätra 64:5	Folkparksvägen 13	Gävle		17,506	4,534	0	0	0	0	0	4,534	0	0
Söder 67:1	Nedre Åkargatan 67 A-C	Gävle		9,072	16,018	0	0	332	0	0	15,676	10	0
Valbo-Backa 6:13	Johanneslötsvägen 22	Gävle		12,192	3,981	1,500	2,481	0	0	0	0	0	17,016
Verkstäderna 2	Kungsgatan 30 etc.	Söderhamn		26,536	15,226	1,280	126	3,240	3,226	0	7,354	0	10,979
Väster 4:3	Västra vägen 54-56	Gävle		17,178	3,648	3,081	0	383	0	0	0	184	21,400
Total Region 4				468,182	211,042	37,454	58,589	7,573	65,468	0	38,174	3,784	460,450
TOTAL				2,421,116	1,510,711	545,901	459,378	151,131	183,974	29,799	127,726	12,801	11,828,477

Footnotes: T = Leasehold, O = Undeveloped property, A = Leased plot.



Kalendarium 2020

Interim report as of 31 March 2020	23 April 2020
Annual General Meeting 2020	23 April 2020
Interim report as of 30 June 2020	3 July 2020
Interim report as of 30 September 2020	21 October 2020

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