

GROUP PRESENTATION | ANNUAL REPORT 2019



Marie Louise Kold on her art:

"On an autumn day 22 years ago, I fell in love with a copper plate. The plate I was holding, I had previously used to create plate printing. Now, there was so much life in it that I understood that it wasn't just my tool, but my material. Since then I have worked in copper, brass and bronze and developed my own techniques for utilising the metals' characteristics. It's a living material and its expression is not only changed by time, heat, chemicals and touch, but also by the space, the light and the viewer's position. The colours in my art are an interplay of all this. I etch and shape my metals and in the long processes they offer both cooperation and opposition, frustration and enrapturement. The exploration and driving force to get closer to my metals never ends. The beautiful patina that captured me so long ago continues to mature long after the work has

left my hands. The work of art, in that respect, is eternal, but slowly changing."

Marie Louise Kold was born in 1974 in Denmark. She trained at the Lund Art Academy and also studied architecture, metallurgy, archaeology and bronze casting. Marie Louise is based in Skåne, but works all over the world. Her art is featured in many collections such as at the European Parliament in Strasbourg and the home of the Swedish Crown Princess Couple at Haga Castle. The work on the cover is a part of the forthcoming exhibition entitled Transit, in which Marie Louise uses 120-year-old copper that was made available in connection with the renovation of the copper towers at the Central Post Office Building in Malmö.



2018 Katarina Axelsson



2017 Karolina Wojcik



2016 Lennart Aschenbrenner



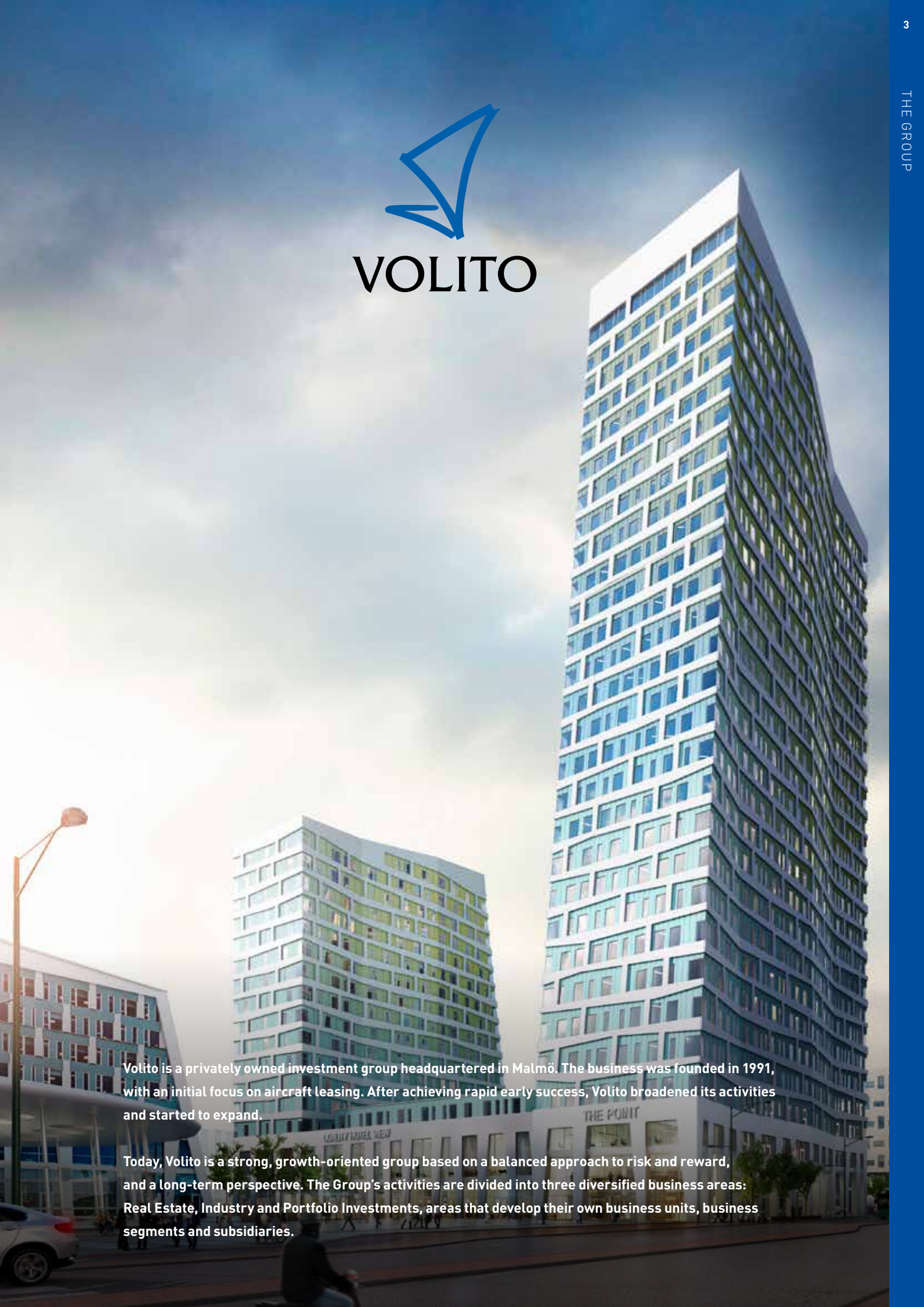
2015 Rodion Petroff



VOLITO

Volito is a privately owned investment group headquartered in Malmö. The business was founded in 1991, with an initial focus on aircraft leasing. After achieving rapid early success, Volito broadened its activities and started to expand.

Today, Volito is a strong, growth-oriented group based on a balanced approach to risk and reward, and a long-term perspective. The Group's activities are divided into three diversified business areas: Real Estate, Industry and Portfolio Investments, areas that develop their own business units, business segments and subsidiaries.





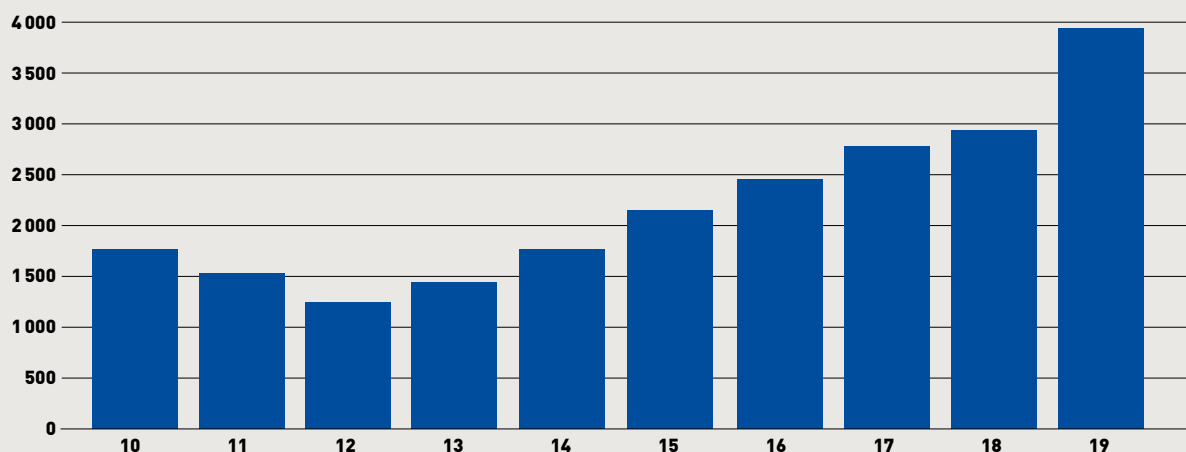
THE YEAR IN BRIEF

Volito is a strong, growth-oriented investment group based on a balanced approach to risk and reward, and a long-term perspective. The Volito Group's overall objective is to optimise the return for shareholders, both through current earnings from operational activities and the value growth of the Group's investments. In the Parent company, Volito AB, business operations are organised in three overall business areas: Real Estate, Industry and Portfolio Investments.

Volito AB 2019

At year-end, the Volito Group's adjusted equity amounted to SEK 3 918.4 million, an increase of 33.9% (including paid dividend). In 2019, Volito concluded the consolidation phase that began in 2018 and commenced a new period of expansion. Volito also established a new refinancing arrangement and continued the optimisation of the organisation and corporate governance. After the well-implemented expansion plan of the past five years, Volito reports strong value growth and good development of financial results.

SEK million The Volito Group, adjusted equity

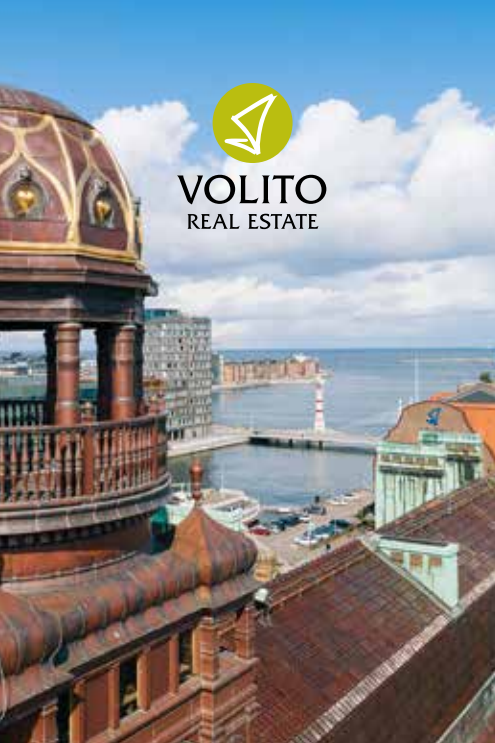


The Volito Group, Ten-year summary

SEK million	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Result after financial items	291.4	157.5	130.8	78.5	147.6	134.4	-165.7	-252.7	88.5	121.7
Adjusted equity	3 918	2 954	2 808	2 475	2 181	1 787	1 435	1 253	1 539	1 771
Return on adjusted equity (%)	27.9	12.6	12.4	13.0	20.5	23.7	14.8	-19.2	4.2	5.8
Adjusted equity ratio (%)	52	45	46	50	50	46	40	40	45	56
Assets	7 513	6 528	5 883	4 857	4 447	4 415	4 278	4 212	3 850	2 939

From 2014 the consolidated financial statements are drawn up in accordance with IFRS. The comparison information for 2012 and 2013 has been recalculated according to the new principles.

Key figures and definitions, see page 66.



Business Area Real Estate consists of Volito Fastigheter, which owns and manages commercial and residential properties in the Malmö region. The portfolio contains 22 properties, divided between offices, retail, industry, warehousing and residential, with a total area of approximately 107 000 m².

Business Area Real Estate 2019

In 2019, Volito Fastigheter continued to develop positively and, among other things, divested industrial premises with an aim to increase opportunities to invest in office premises and residential properties. Rental revenue increased in the remaining portfolio. At year-end, the property portfolio was valued at SEK 3 526.8 million, an increase of 2.4 % (adjusted by the investments and sales for the year). For Volito Fastigheter, the five-year plan has meant good financial results, value growth and an intensified focus on the housing market.



Business Area Industry consists of Volito Automation, a business that invests in companies within industrial automation. Volito Automation has established a well-reputed organisation composed of multiple subsidiaries in Sweden and Finland.

Business Area Industry 2019

Volito Automation reports continued strong demand and rising sales, despite weaker business conditions in industry. Turnover, financial results and cash flow reached record levels in 2019. During the year, Volito Automation strengthened its market position with a major MRO acquisition in Finland. The consolidated operating profit before depreciation (EBITDA) amounted to SEK 27.6 million. Volito Automation can look back on five good years of expansion, strong growth and improved financial results.



Within Business Area Portfolio Investments, Volito has significant ownership interests in both listed and unlisted companies. Volito has an ownership philosophy of engagement that aims for stable, long-term growth. The Group strives for active ownership with involvement on the companies' boards. Volito has a diversified portfolio with holdings in Peab AB (publ), Bulten AB (publ), Anticimex AB, EQT AB (publ) and EQT's funds.

Business Area Portfolio Investments 2019

Within Business Area Portfolio Investments, the portfolio companies developed soundly and each reports a good financial position. Peab reports very favourable value growth. Bulten's share was adversely affected by weak business conditions and transitions in the vehicle industry. Anticimex carried out 37 acquisitions, of which 14 were in the USA. The company reports continued strong growth, increased turnover, considerably improved financial results and an all-time high for the company's operating EBITA margin. EQT was listed in 2019 on Nasdaq Stockholm and reports very strong value growth. EQT's funds report a good investment rate and a record high for divestments.



COMMENTS FROM THE CEO

TRANSFORMATION TOWARDS INCREASED DIVERSIFICATION

Volito concludes its five-year expansion plan with strong growth, continued expansion, good development of financial results as well as value growth in adjusted equity. The next five-year plan, with new, challenging targets is now underway. The focus for the future will be on the transformation of our business areas towards increased diversification and continued profitable growth.

Since Volito was founded in 1991, the Group has strived for long-term, balanced value growth through both income from operations and the value growth of investments. Over the years, our business activities have changed, but regardless of the focus we have over time reported continuous strong growth. Over the past five years, the adjusted equity has risen from SEK 1.8 billion to SEK 3.9 billion, which corresponds to an annual average increase of 17.0%. At year-end, the balance sheet total for 2019 was SEK 7.5 billion.

Reformation, expansion, consolidation

In 2015, we launched a five-year expansion plan. The period began with a reformation of Volito – from entrepreneur-driven activities to a pure investment company. Vision, business concept, targets and core values were strengthened, a generation shift was carried out, strategy and organisation were focused on growth and our business areas were collected under the joint vision of building value across generations.

This was followed by a couple of years of strong expansion including an investment in Anticimex, the construction of The Point, a real estate project in collaboration with Peab, and the acquisition of residential properties.

and return, as well as sustainable cash flows. The diversification is to continue in both geographical and business terms and we will increase the rate of expansion for existing business areas and add new, appropriate investments.

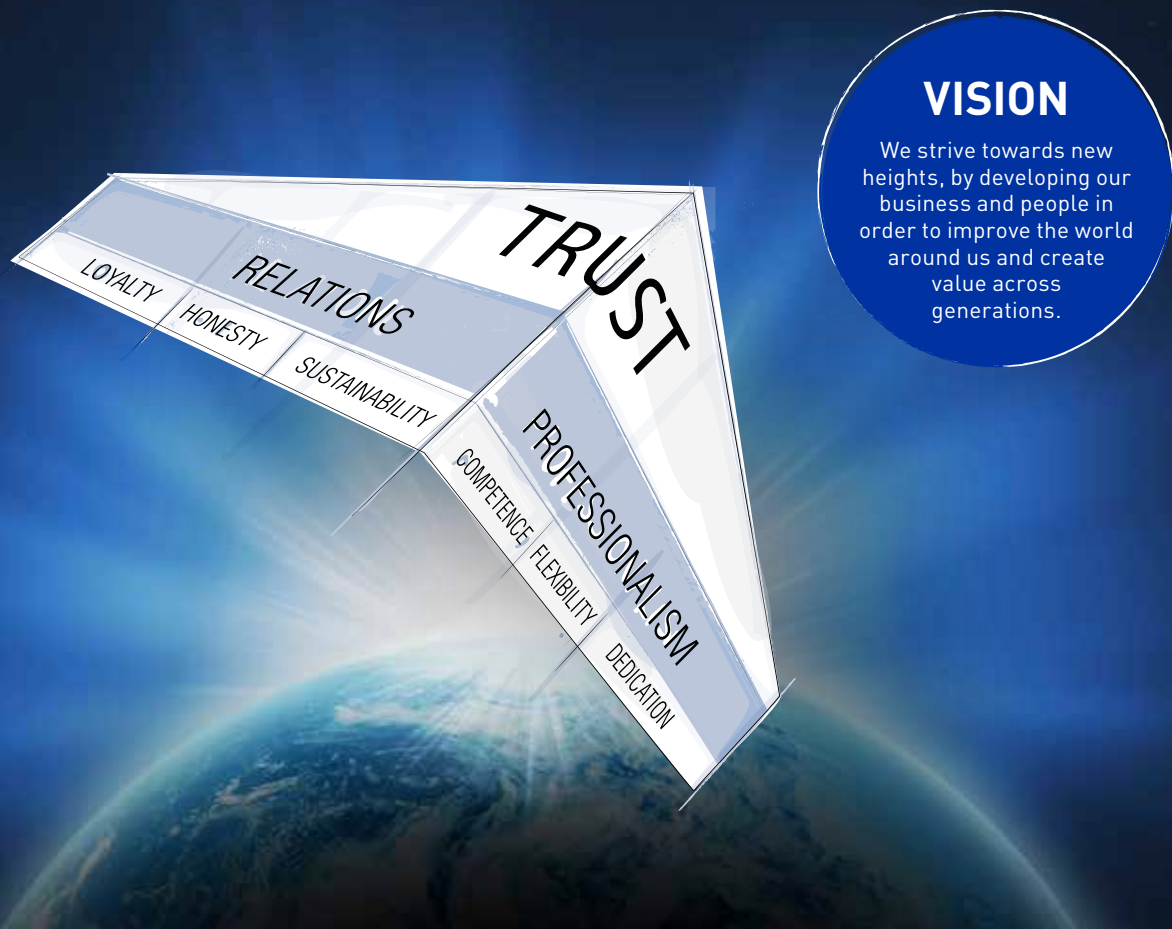
WITH GOOD EXPERIENCES FROM THE PREVIOUS EXPANSION PLAN, WE HAVE NOW LAUNCHED A NEW PLAN, WHICH HAS SET TARGETS FOR 2024.

The five-year period ended with a phase of consolidation in which we also laid the foundation for the next five-year plan with a focus on the continued transformation of our now well-established business areas: Real Estate, Industry and Portfolio Investments.

Transformation 2020–2024

The transformation in the new five-year plan aims both to optimise Volito's growth and apply clear diversification to create a beneficial balance between risk

In business activities, the transformation is seen through Business Area Real Estate divesting industrial premises and investing in residential properties. Business Area Industry is continuing its broadening of Volito Automation in the Nordic countries, where a major new acquisition in Finland is significant. Within Business Area Portfolio Investments, our ownership interest in Anticimex – a business not dependent on the business cycle – is a good example. We are also broadening our portfolio, most



VISION

We strive towards new heights, by developing our business and people in order to improve the world around us and create value across generations.

recently with a new holding in EQT AB, and continuously increasing our involvement in the portfolio companies. All the portfolio companies have strategies closely aligned with our own.

2019

In 2019, we ended the consolidation phase that began in 2018 and commenced a new period of expansion. A new refinancing arrangement adapted to our targets was established. We also continued the optimisation of our organisation and our corporate governance. The year was characterised by the continued weakening of global business conditions, dampened growth and, at times, a volatile stock market – challenges that Volito has managed well.

Our business areas

Within Business Area Real Estate, Volito Fastigheter concluded the five years with good financial results, value growth and an intensified focus on the housing market. In 2019, Volito Fastigheter reported continued positive developments. Industrial premises

were divested in order to increase opportunities for investments in office premises and residential properties. In the remaining portfolio, rental revenue increased due to our focus on sales and customer-oriented refinements. Looking forward, the company has set its sights on the development of new residential quarters on Volito Fastigheter's plots in the expanding Nyhamnen district.

Within Business Area Industry, Volito Automation can look back on five good years of expansion, strong growth and improved financial results. Despite weakened business conditions in industry, Volito Automation reports continued strong demand and rising sales in 2019. In terms of turnover, financial results and cash flow, 2019 was a record year. A major MRO acquisition in Finland means a strengthened market position, a volume increase and good conditions for increased market shares. Volito Automation is now aiming for continued expansion within areas such as electrification and other adjacent technologies.

Within Business Area Portfolio Investments, the portfolio companies showed sound development and can each report a good financial position. Peab and EQT displayed very favourable value growth, whereas Bulten was adversely affected by the business climate and transitions within the vehicle industry.

Peab concluded a positive 2019 with increased turnover and improved profitability. The company signed an agreement with YIT on a major acquisition. The completion of the acquisition is expected in 2020 and means a strengthening of Peab's Industry business area and a reduced sensitivity to the business cycle. Peab faces the future with solid finances, good long-term market prospects and a well-diversified order book.

Bulten reports a positive order inflow, despite downturns in the personal vehicle market. The company carried out strategic investments in capacity and production, as well as efficiency enhancements with visible results including lower stock levels. Bulten has completed

its relocation in China and signed an agreement on the acquisition of PSM, a move which, among other things, aims to broaden the customer base in Asia and North America. The acquisition, in combination with strategic measures, means a strong position prior to 2020.

Anticimex is in a multi-year expansion phase and reports continued strong growth, increased turnover, considerably improved financial results and an all-time high for the company's

THE FOCUS FOR THE FUTURE WILL BE ON THE TRANSFORMATION OF OUR BUSINESS AREAS TOWARDS INCREASED DIVERSIFICATION AND CONTINUED PROFITABLE GROWTH.

operating EBITA margin. In 2019, a total of 37 acquisitions were carried out in 14 countries –14 of the acquisitions were in the USA. Anticimex is continuing to focus on strengthening its offering and developing digital services and products.

In 2019, EQT AB was listed on Nasdaq Stockholm. Volito now has both a shareholding in EQT and investments in 12 of EQT's funds. Investment activity was good in 2019, with investments from EQT's funds totalling EUR 11.9 billion. The funds have also completed record-

high divestments totalling EUR 8.0 billion. EQT will continue to develop its thematic investment strategy and increase its sustainability ambitions. EQT is active in a growing sector and is well positioned for continued growth.

The future – ready for continued expansion

With good experiences from the previous expansion plan, we have now launched a new plan, which has set targets for 2024. The new expansion

plan was presented during the autumn for the whole Group and we have jointly developed our targets. We now have 170 staff members, who all possess considerable knowledge and skills, and I cannot emphasise enough the significance of the motivated corporate culture that exists within Volito. Our joint strivings for targets and visions is a key factor for our success.

We are now ready for continued expansion with an experienced organisation, a strong financial

platform and clear targets for each business area.

In view of our transformation towards further diversification and the balancing of risk, we are well prepared to manage a challenging future. Our focus is on long-term ownership and long-term returns based on a clear vision and core values.

In early 2020, the new coronavirus caused considerable anxiety worldwide. At the time of writing, we do not know the final effects, but we are monitoring developments closely. In our operations, measures are being taken continuously in order to manage the business-related consequences of the virus, safeguard the health of staff and be of assistance to the wider world where we can.

We are well equipped to continue building value across generations together – for the company, staff, the wider world and society. Next year will be Volito's 30th anniversary, a milestone we look forward to marking by aspiring to new heights.



Ulf Liljedahl
President and CEO,
Volito AB



VOLITO

REAL ESTATE

Business Area Real Estate consists of **Volito Fastigheter**, which owns and manages commercial and residential properties in the Malmö region. The business is characterised by a long-term approach, efficient property, a high level of service and close relations with customers and partners. Volito Fastigheter has continuously developed its portfolio in order to strengthen its presence in the Malmö region's most attractive areas. The company's aims include positioning Volito Fastigheter as one of Malmö's most well known real estate companies, and the best in terms of property management and customer relations.

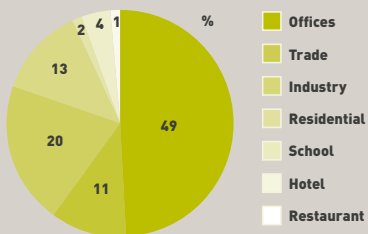


NEW EXPANSION PLAN FOCUSES ON NYHAMNEN

Volito Fastigheter can look back on five successful years with an expansion plan that has provided good financial results, value growth and a new orientation towards the housing market. A new five-year period is starting with ambitious expansion targets set for 2024. The new residential area in Nyhamnen will be of considerable importance in the new expansion plan.

Vision of Nyhamnen © Mandaworks

Distribution by category and m²

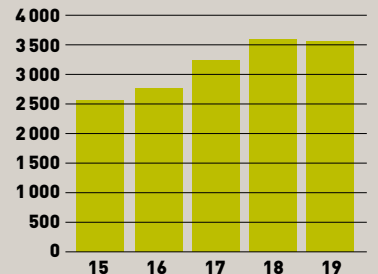


The Volito Fastigheter AB Group, Five-year summary

SEK million	2019*	2018	2017	2016	2015
Rental	176.0	181.1	155.5	147.4	138.1
Profit after financial items	193.8	61.7	46.3	58.7	52.8
Equity	1 692.8	1 441.5	1 324.7	1 155.2	1 019.3
Real estate market value	3 527	3 588	3 229	2 764	2 560

* Starting in 2019, the properties in the Joint Ventures, Point Hyllie and Bara, have been adjusted to the market value. These valuations have affected the proportion of the Joint Ventures's profit by SEK 136.7 million.

SEK million Market value of real estate holding





After five years with Volito's expansion plan, we can note that we have successfully managed the high rate of growth. Expansion, value growth and financial results are in line with our targets. We had wished for a somewhat larger expansion, but the number of prospective properties has been limited and we invest only if the conditions are right. Strategically, we continue to focus the portfolio on attractive locations in the centre, with the main emphasis on housing and commercial premises.

If we look solely at 2019, the year has lived up to our expectations. The property market remained strong with a high level of demand, low interest rates and high prices. There were increases in the value of our property portfolio, revenues and profit after financial items.

Tenants and refining

We continued the targeted-focused work on our vacancies. The Point in Hyllie has a completed exterior and will open in 2020. The property's geographical location is a factor that stimulates good demand and the layout of each floor of the building is now being customised as the tenancies are taken up. Among the tenants are System Verification, Cementa and Brenntag. We are pleased to welcome new tenants at Carl Gustaf 4, Almi Företagspartner Skåne and Plexian, who will move into newly renovated premises. Fraktkompaniet is moving in to Segeholm where we are converting a loading facility, docking system and doors. During the year, we also extended a rental contract with Cloetta at Laxen 23. We are working intensively to find solid tenants for our retail premises in the centre. Premises that are temporarily without a contract are being rented out for short periods to pop-up shops, which creates both a more living environment and an improved cash flow. Taking into account a few outgoing large tenants, vacancies overall are at a level comparable to 2018.

Strategic divestments

We divested a total of five industrial properties in Bulltofta and Fosie. The sales mean that we have improved our possibilities for acquiring office premises and residential properties.

Bara town centre

The expansion of Bara town centre, in cooperation with Peab, is continuing. The square has been completed and two further residential properties are now being planned. The old central building has been replaced by new, modern buildings for ICA and the Swedish Dental Service. All that remains is the construction of new premises for the healthcare centre, which will be carried out in 2020–2021.

Financial results

We are pleased by the continued positive development of the business. Rental income increased on the previous year, excluding the industrial properties that were divested during 2019. Interest rates remained low. The profit after financial items for 2019 amounted to SEK 193.8 million. This result includes a market valuation of investment properties in joint ventures of SEK 136.7 million.

New expansion plan

– focus on Nyhamnen

We are now commencing the next five-year period of Volito's expansion plan. The targets remain high and we are striving for diversification, more even business cycles, long-term returns and low risk.

The transition towards housing in our portfolio means both lower risk and a stronger long-term approach. The development of our properties in Nyhamnen will be an important element of the expansion plan.

The City of Malmö's comprehensive plan is now based on Malmö reaching a population of close to 500 000 and

carrying out a clear densification and new infrastructure investments. The expansion focuses on Hyllie, Västra hamnen and Nyhamnen. In Nyhamnen, the City of Malmö wants to create an attractive city district that takes advantage of close proximity to water and the centre. Planning is now underway to create 9 000 housing and workplaces for 16 000 people. Among the key concepts are greenery, diversity, culture and meeting places, and the city district is to provide space for both people and the business sector. The environmental and sustainability goals are ambitious and require a corresponding commitment from the construction companies. We will actively drive the development of Nyhamnen and build attractive residential areas where people can thrive in their home and at their workplace. Development work is now intensifying and discussions are currently being held with the City of Malmö and other groups of property owners about how the properties can be optimised in relation to the municipality's plans regarding height, volume and content. With the projects in Nyhamnen, we see considerable opportunities to continue strengthening our local connection and our good relations with the city.

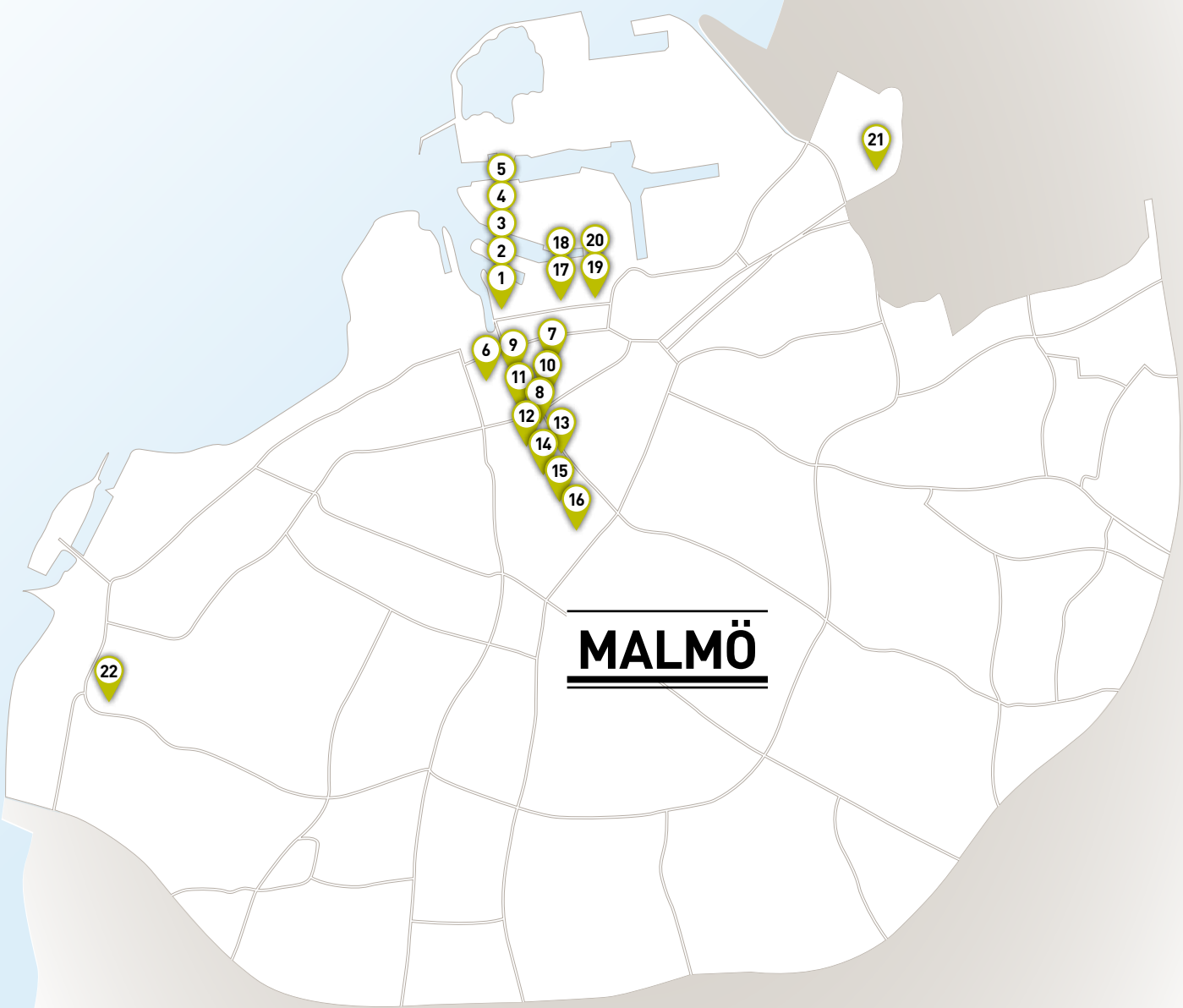
The last five years have been good years for Volito Fastigheter and in conclusion I would like to thank our customers and business partners as well as my colleagues. Our attention now turns to the future and a further five years. I am looking forward with great confidence to continuing the development of Volito Fastigheter with you.



Pelle Hammarström
Managing Director,
Volito Fastigheter

REAL ESTATE HOLDING

December 31, 2019





Property Aegir 1
Address Neptunigatan 1
Area 7 744 m²



Property Ran 4
Address Skeppsbron 3
Area 4 577 m²



Property Ran 8
Address Skeppsbron 7
Area 1 084 m²



Property Ran 9
Address Jörgen Kocksg. 1
Area 7 892 m²



Property Hamnen 22:2
Address Jörgen Kocksg. 3
Area 7 719 m²



Property Diana 28
Address Engelbrektsg. 5
Area 902 m²



Property Sankt Peter 3
Address Östergatan 30
Area 3 360 m²



Property Carl Gustaf 4
Address Gustav Adolfs torg 8A-C
Area 7 617 m²



Property Stjärnan 10
Address Engelbrektsg. 6
Area 975 m²



Property Claus Mortensen 29
Address Södergatan 16
Area 3 047 m²



Property Söderport 8
Address Per Weijersg. 4
Area 1 956 m²



Property Delfinen 17
Address Södra Förstadsgatan 4
Area 3 041 m²



Property Elefanten 41
Address Lugna gatan 38
Area 7 107 m²



Property Visenten 20
Address S. Förstadsg. 36
Area 3 497 m²



Property Laxen 23
Address S. Förstadsg. 32
Area 2 347 m²



Property Laxen 23
Address S. Förstadsg. 34
Area 7 482 m²



Property Medusa 3
Address Carlsgatan 42
Area 1 300 m²



Property Medusa 4
Address Carlsgatan 44
Area 7 201 m²



Property Söderhavet 5
Address Elbegatan 5
Area 1 708 m²



Property Söderhavet 6
Address Elbegatan 7
Area 1 406 m²



Property Segeholm 10
Address Ågatan 1
Area 14 962 m²



Property Kupolen 3
Address Krossverksg. 7-17
Area 10 037 m²



CENTRAL AND FLEXIBLE – MEETING ALMI'S CRITERIA

Almi Skåne helps companies develop their businesses. At Almi's office, dynamic meetings and networking alternate with focused thinking sessions. The search for new, inspiring premises led to the selection of a well-known modernist building in the central square, Gustav Adolfs torg. The spaces have been adapted for meetings, a calm work environment and flexibility.

The mission of Almi Företagspartner Skåne AB is to strengthen the development of the business sector in Skåne and promote sustainable development. The company is one of 16 regional subsidiaries and is 49% owned by Region Skåne and 51% by the Swedish state. With a focus on small and medium-sized companies, Almi offers both financing and business development.

"Almi has a unique position in the company promotion market," says Marie Krüeger, CEO of Almi Skåne. "We complement the market with financing, providing support when other financiers feel it is difficult to get involved. We also offer business development and innovation support to companies that want to grow. Almi, which acts in a contracyclical way, can invest during periods when others would rather not take risks."

At Almi Skåne's office in Malmö, there is a high level of activity with around 80 client meetings every day. The organisation is growing and in the

search for new premises, Almi found Volito Fastigheter's Carl Gustaf 4 – a beautiful modernist building located in central Malmö.

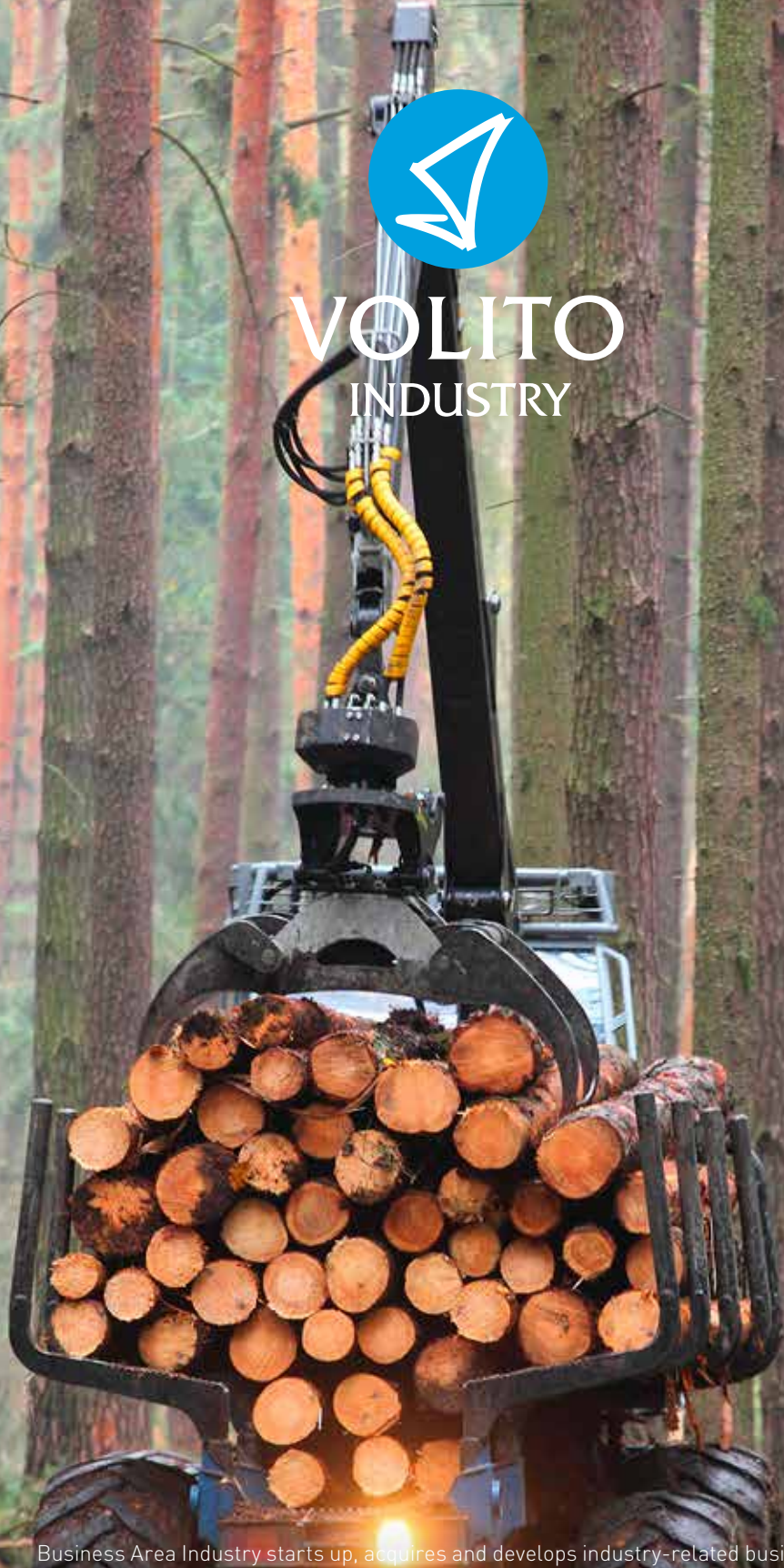
"Being absolutely central was an essential requirement," says Marie Krüeger. "There is considerable added value for our staff in being close to restaurants, shops and services. We also wanted a property owner that is sensitive to our needs and Volito Fastigheter has fulfilled the assignment perfectly."

"It is important to us that our tenants have premises that contribute to the development of their operations," says Pelle Hammarström, CEO of Volito Fastigheter. "Almi knew exactly what they needed and with their requirements as a starting point, our architects split the premises into two parts – an external outward-facing section for meetings and networking, and a more secluded section where Almi's advisors can work in a focused way without being disturbed."

"On the inside we have plenty of workspaces in an open plan office, so that we can easily work in teams and rapidly share experiences and knowledge with each other," says Marie Krüeger. "In the external section, visitors are met by a restaurant-like foyer environment with a kitchenette, stepped seating area and comfortable cushions. A large number of meeting and conference rooms provide space for all our client meetings, start-up seminars, courses and CEO groups. Here, there is also our flexible 'Almi Open Space', which is adaptable for large or small events. The interior decor in deep earthy colours was created by our interior designers at Ideas in Malmö and matches our graphic profile. We are now looking forward to the spring when we can move in and continue to inspire Skåne's entrepreneurs."



VOLITO INDUSTRY



Business Area Industry starts up, acquires and develops industry-related businesses. Today, Business Area Industry consists of **Volito Automation**, a rapidly growing organisation focused on knowledge-intensive companies in industrial automation. In a short time, Volito Automation has established a well-reputed business in Sweden and Finland composed of multiple subsidiaries in hydraulic solutions.

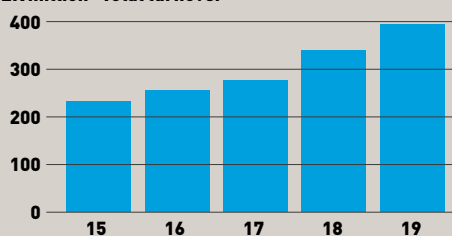
Volito Automation stands ready to start up further automation-oriented businesses in areas such as pneumatics, electronics, control and regulation technology, and robotics.



A RECORD YEAR AND CONTINUED EXPANSION

Volito Automation concluded a five-year strategy period in an excellent way and can be satisfied with expansion, strong growth and good financial results. Despite a weaker business climate in industry, 2019 was a record year. A significant acquisition in Finland strengthened Volito Automation's position and the next five-year period begins with confidence.

SEK million Total turnover



The Volito Industry Group, Five-year summary

SEK million	2019	2018	2017	2016	2015
Revenue	392.9	340.0	276.3	254.6	230.2
EBITDA	27.6	15.7	9.6	10.5	11.4
Result after financial items	21.3	10.7	4.7	6.4	6.2



Focus on profitable growth and cash flow

Despite a weaker business climate in industry, Volito Automation reports continued strong demand and rising sales. In terms of turnover, income and cash flow, 2019 was a record year.

In addition to strong customer focus, the good results can be attributed to our Business Excellence work, which is one of our strategic priorities. We have continued to enhance the efficiency of our organisation so that processes, roles, functions and areas of responsibility have become much clearer. We have improved our structure for reporting and follow up, and also updated our ERP system, which creates better conditions for proactive sales. The efficiency enhancements have also made it possible for us – despite expansion, increased sales and maintained customer service – to reduce parts of our stock, free up capital and strengthen our cash flow.

MRO – expansion in Finland

As a part of our strategy to become a leading actor in the Nordic countries within sustainable automation solutions, we acquired 100% of Finnish Satatekniikka Oy, a nationwide MRO company with a staff of just over 30 and an annual turnover of around SEK 70 million. The acquisition means an improved market position, a clear volume increase and good opportunities for continuing to capture market shares.

Satatekniikka Oy is a full-service company within hydraulics and pneumatics that in recent years has grown faster than the Finnish hydraulics market. The customer base is well diversified in the forestry, steel, mining and construction industries. Satatekniikka Oy has operations in

Björneborg and Tammerfors. In a joint initiative, Satatekniikka Oy and fellow subsidiary HydroSystem have also set up operations in Äänekoski, an industry-intensive area with customer companies in the forest products, paper and mining industries among others. Including HydX on the OEM side, Volito Automation is now a comprehensive supplier of hydraulic solutions in Finland.

During the year, a new CEO was appointed at MRO Sweden, which consists of Hindab and HydSupply. Hindab refined its activities to Vetlanda and Tranås with a strong focus on customer relations, proactive sales and growth. HydSupply opened a sales office in Växjö.

OEM – increased diversification and a ten-year anniversary

HydX continued the planned broadening of its product portfolio. A greater spread of risk and a more even flow of revenue are to balance the need for project sales.

The previous year's acquisition, MPS, was fully integrated into the HydX facility in Ystad and an internationalisation of the MPS product portfolio is imminent. HydX also strengthened its presence online, where the company's newly launched website plays a central role.

In 2019, HydX celebrated ten years as part of Volito Automation – a decade in which HydX successfully built up a strong brand and a leading position in the Nordic market.

Financial results

Volito Automation increased its turnover by 16% compared with the previous year. The consolidated EBITDA (earnings before interest,

taxes, depreciation and amortisation) amounted in 2019 to SEK 27.6 million (15.7), which is an increase of 76%.

The future

Volito Automation concluded its five-year expansion plan with great satisfaction. As well as the acquisitions of recent years, we can report strong organic growth and our best financial results since the start. We are now commencing the next five-year plan, in which alongside continued ambitious growth targets, we will strive for an operating margin that in the long term is to exceed 10%.

With an even stronger focus on customer relations, Volito Automation is to take on a greater responsibility in the role as our customers' guarantor for functionality and continuous operation.

As a part of our striving to supply long-term sustainable automation solutions, we are continuing to look for new opportunities for expansion. We intend, for example, to explore opportunities in electrification and other adjacent technologies, with the aim of being a supplier that is as comprehensive as possible.

I would like to extend my thanks to customers and partners for a very positive 2019. I would particularly like to draw attention to my colleagues who have together achieved our best year ever. I look forward in the coming year to continuing the development of Volito Automation with you.



Johan Frithiof
Managing Director,
Volito Automation

VOLITO AUTOMATION AND SATATEKNIKKA OY – “A PERFECT MATCH!”

Volito Automation has acquired Satatekniikka Oy – a Finnish MRO company that in recent years has grown faster than the hydraulics market. The acquisition, which means a dramatically improved market position, was enabled due to a shared view of long-term growth, good customer relations and the importance of an inspiring corporate culture.

Satatekniikka Oy, founded in 1992, has grown into a full-service company within hydraulics and pneumatics. The company has a staff of just over 30 and an annual turnover of around SEK 70 million. Their customers are in the forestry, steel, mining and construction industries and include companies such as SSAB, UPM, Boliden, Stora Enso and Sandvik.

“The key to our success has been that we have built up the business slowly, recruited good people, focused on delivering high quality to our customers and let the reputation of our work act as our marketing,” says Jukka-Matti Sahi, CEO of Satatekniikka Oy. “Over time we have achieved a market position that is both strong and securely rooted in our activities and our relations.”

After almost 30 years of success, Satatekniikka Oy started to search for a partner to jointly create new development opportunities for the business and for the company’s staff. After discussions with a number of interested parties, Satatekniikka Oy met Volito Automation.

“We felt immediately that Satatekniikka Oy and Volito Automation were a perfect match,” says Jukka-Matti Sahi. “Volito Automation offers a strong platform for long-term growth based on good customer relations, a good working climate and an inspiring corporate culture. Our staff have now got the opportunity to use their know-how to be a part of something even larger than before.”

The acquisition of Satatekniikka Oy is an element in Volito Automation’s strategy to become a leading actor in the Nordic countries within sustainable automation solutions. The customers can look forward to increased geographical coverage, a wider product range and broader expertise.

“We were previously established in Finland through HydroSystem on the MRO side and HydX on the OEM side,” says Johan Frithiof, CEO of Volito Automation. “Now, we expect that Satatekniikka Oy and Volito Automation will continue to capture market shares by providing a more complete offering.”

“As a part of Volito Automation, we want to strengthen the group’s MRO business in Finland, compete for larger assignments and offer even greater added value. Together, we will benefit from our successes and build strong relations, both with customers and suppliers, and within Volito Automation,” says Jukka-Matti Sahi.



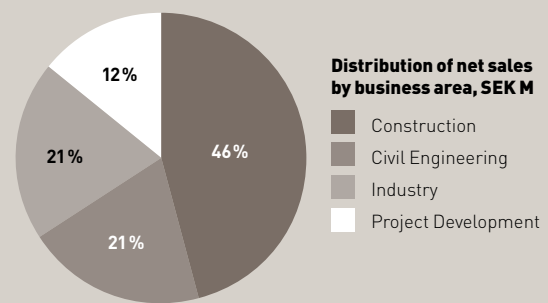
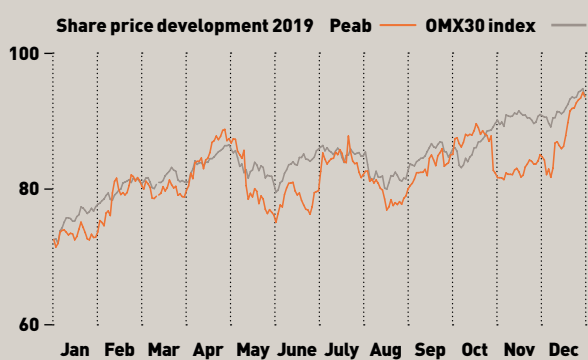
VOLITO

PORTFOLIO INVESTMENTS

Within Business Area Portfolio Investments, Volito has significant ownership interests in both listed and unlisted companies. Volito has an ownership philosophy of engagement that aims for stable, long-term growth. The Group strives for active ownership with involvement on the companies' boards.

Volito has a diversified portfolio with holdings in **Peab AB (publ)**, **Bulten AB (publ)**, **Anticimex AB**, **EQT AB (publ)** and **EQT's funds**.

Peab AB is one of the leading construction and civil engineering companies in the Nordic countries. Bulten is one of the largest suppliers of fasteners to the international automotive industry. Anticimex is a global, modern service company in pest control that creates healthy environments for companies and individuals worldwide. EQT is a differentiated and global investment organisation active in Europe, Asia and the USA.





INCREASED TURNOVER, HIGHER PROFITABILITY AND CONTINUED EXPANSION

Peab sums up 2019 as a positive year with increased turnover and higher profitability, adjusted for costs relating to acquisitions and eliminations. An agreement was signed with YIT concerning a major acquisition that will be completed in 2020. Peab looks to the future with solid finances, good long-term market prospects and a well-diversified order book.

Peab AB (publ) is one of the leading construction and civil engineering companies in the Nordic countries. The company operates in Sweden, Norway and Finland within Construction, Civil Engineering, Industry and Project Development. Volito has a long-term involvement in Peab and is one of the company's major owners. Peab is listed on Nasdaq Stockholm (Large Cap). The company's B share developed very strongly in 2019, rising in value by approx. 30%.

Business Area Construction reports increased turnover, higher operating profit and an unchanged operating margin. Business Area Civil Engineering reports reduced turnover and a lower operating profit and operating margin. Business Area Industry reports unchanged turnover and a somewhat lower operating profit and operating margin after costs related to acquisitions. Business Area Project Development reports unchanged turnover with an improved operating profit for the full year.

Peab's operative net sales in 2019 increased by 3% to SEK 54 008 million (52 233). The operating profit amounted to SEK 2 568 million (2 573) with an operating margin of 4.8%. Cash flow before financing amounted to SEK -551 million (-1 021) and net debt to SEK 7 507 million (3 551). Excluding IFRS 16 leasing agreements, net debt amounted to 6 743 million. The increased build-up of properties in the balance sheet and via joint ventures has entailed increased eliminations of intra-group profit and that the cash flow and net debt were affected. Business Area Industry invested in machines and equipment. In addition, tied-up operating capital increased, due, among other things, to more ongoing housing projects in Norway and Finland. Peab can base its strategic investments on a high equity/assets ratio of 31.7%, substantially above the company's target of 25%.

Economic growth in the Nordic countries abated during the year. As 2020 approaches, Peab expects a somewhat reduced total market followed

by a levelling off and renewed growth in 2021, with product and geography-related variations. Continued low interest rates and a considerable underlying need provide a good foundation for the construction market over time. The order book amounted at year-end to SEK 42.5 billion (45.8) with a good spread in terms of both products and geography.

In 2019, Peab signed an agreement with YIT concerning the acquisition of a surfacing and ballast business with 1 700 employees and a turnover of approx. SEK 6 billion. The acquisition, which will mean a strengthening of Business Area Industry and a reduced sensitivity to the business cycle, is expected to be completed in 2020.

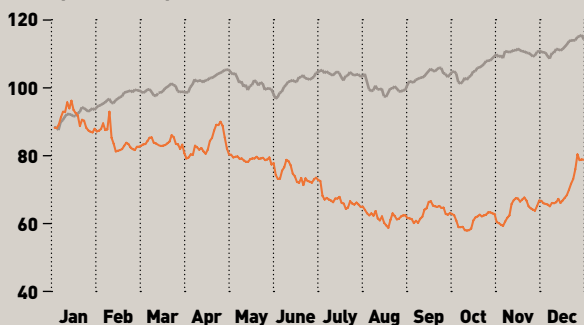
Due to its four synergetic business areas and a strong corporate culture, Peab has a stable position in the market. With solid finances and good long-term market prospects, Peab stands ready to continue its striving to have the most satisfied customers, and to be the best workplace and most profitable company in the industry.

Financial key ratios	2019	2018	Largest shareholders (%)	Capital	Votes
Net sales, SEK M	54 008	52 233	Ekhaga Utveckling AB	20.8	48.2
Operating profit, SEK M	2 568	2 573	AB Axel Granlund & companies	6.6	5.4
Operating margin, %	4.8	4.9	Mats Paulsson	3.8	7.6
Orders received, SEK M	44 130	51 087	Peabs profit share foundation	3.8	1.9
Earnings per share, SEK	7.09	7.12	State Street Bank And Trust Co, W9	3.4	1.7
Dividend per share, SEK ¹⁾	4.20	4.20	Kamprad family foundation	2.9	1.4
Share price 31 Dec, B share	93.75	72.40	Handelsbanken Funds	2.7	1.3
			CBNY-Bank of Norway	1.9	0.9
Volito's holding	2019	2018			
No. A shares	1 500 000	1 500 000			
No. B shares	15 200 000	15 200 000			
Value, SEK M	1 566	1 209			

¹⁾ The Board's proposal to the AGM



Share price development 2019 Bulten — OMX30 index —



Financial key ratios	2019	2018
Net sales, SEK M	3 093	3 132
Operating profit, SEK M	98	210
Operating profit margin, %	3.2	6.7
Orders received, SEK M	3 103	3 098
Earnings per share, SEK	2.62	7.19
Dividend per share, SEK ¹⁾	4.00	4.00
Share price 31 Dec	78.80	88.20

Volito's holdings	2019	2018
No. of shares	4 800 000	4 750 000
Value, SEK M	378	419

Largest shareholders (%)	Capital	Votes
Volito AB	22.8	22.8
Investment AB Öresund	13.8	13.8
Lannebo fonder	12.4	12.4
Bulten AB	5.0	5.0
State Street Bank & Trust Com, Boston	4.5	4.5

The shareholder register above is taken from Euroclear. The capital share, 24.0 mentioned elsewhere in the annual report is adjusted taking into account the treasury shares.

¹⁾ The Board's proposal to the AGM.

STRATEGIC MEASURES, POSITIVE ORDER INFLOW AND ACQUISITIONS STRENGTHEN BULTEN'S POSITION

Although 2019 was characterised by a decline in the private vehicle market, Bulten can report a positive order inflow. Bulten carried out strategic investments in increased capacity and productivity, as well as activities to improve control of stock levels. The company enters 2020 in a strong position.

Bulten AB (publ) is one of the largest suppliers of fasteners to the international automotive industry. The company's offering encompasses customer-specific standard products and customised special fasteners as well as technical development, line feeding and expertise in logistics, materials and production. Bulten offers a Full Service Provider (FSP) concept or selected elements of the service. The company was founded in 1873 and has approximately 1 400 employees in eight countries. Bulten's head office is in Gothenburg.

Volito is the largest owner of Bulten with 24.0% of the shares at year-end 2019. The share is listed on Nasdaq Stockholm. During an occasionally volatile stock market year in 2019, Bulten's share decreased in value by 10.7%. Bulten's financial position remains strong.

The group's net sales in 2019 amounted to SEK 3 093 million (3 132), which corresponds to a decrease of 1.2%. The operating profit (EBIT) amounted to SEK 98 million (210), which

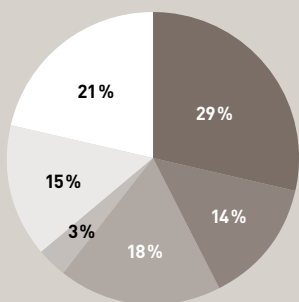
corresponds to an operating margin of 3.2% (6.7). Adjusted for costs attributable to relocation in China, restructuring in Germany and the acquisition of PSM, the operating profit (EBIT) amounted SEK 147 million (211) which corresponds to an adjusted operating margin of 4.8% (6.7).

The profit after tax was SEK 55 million (143). Order inflow amounted to SEK 3 103 million (3 098), an increase of 0.2%. The cash flow from operations amounted to SEK 207 million (125) and net debt to SEK 565 million (181). Net debt excluding financial leasing amounted to SEK 299 million (145). The equity/assets ratio was 55.2% (64.8) at year-end. The equity/assets ratio excluding financial leasing amounted to 60.5% (64.8).

The year was characterised by lower new vehicle sales which, among other things, could be attributed to anxiety ahead of the UK's exit from the EU, as well as new environmental regulations. Despite this decline, Bulten's net sales and order inflow were positive.

In 2019, Bulten carried out investments in increased capacity and productivity, as well as activities to normalise and improve control of stock levels. A restructuring of the company's unit in Bergkamen, Germany, is expected to produce a saving of SEK 25 million, beginning in 2020. The relocation in China went according to plan and in November 2019 a new production unit was opened in Tianjin. The investment is expected to provide further growth possibilities. An agreement on the acquisition of PSM will broaden the customer base in emerging markets in Asia and in North America as well as strengthen Bulten's production capacity and product offering.

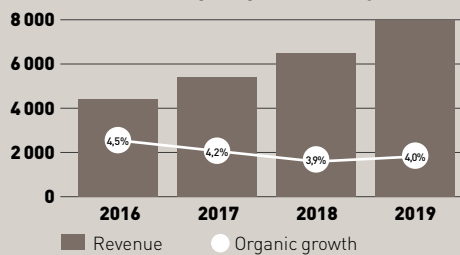
Bulten sums up 2019 as an off-year influenced by a cautious market and an implemented programme of measures. The company enters 2020 strongly with a better position due to strategic measures, increased volumes from already contracted deals as well as the agreed acquisition of PSM.



Distribution of revenue by geographical area

- Nordics
- Insurance
- Europe
- Asia
- Pacific
- US

SEK M Revenue and organic growth development



Financial key ratios

	2019	2018
Revenue, SEK M	7 928	6 494
EBITA, SEK M ⁽¹⁾	1 363	1 008
EBITA margin, %	17.2	15.5
EBIT, SEK M	868	587
EBIT margin, %	10.9	9.0
Cash flow, SEK M	119	161

⁽¹⁾ EBITA refers to operating EBITA

STRONG GROWTH AND IMPROVED FINANCIAL RESULTS

Anticimex is in a multi-year expansion phase. The company reports continued strong growth, an increase in operational EBITA earnings of 35.2% and an all-time high for the company's operational EBITA margin. Anticimex SMART is constantly in high demand and the number of installations has increased by just over 30%.

Anticimex is a global, modern service company in pest control that offers modern solutions for a modern society. Through preventive measures, in-depth knowledge and new digital technology, the company creates healthy environments for companies and individuals worldwide. New digital technology provides more effective, easily accessible and eco-friendly services.

The business is divided into 158 local offices in 18 countries in the Nordic region, Europe, Asia, the Asia-Pacific region and the USA. The company has approx. 6 100 employees and more than 3 million customers around the world. The head office of the parent company, Anticimex International AB, is in Stockholm. Since 2017, Volito AB has been one of Anticimex's owners, with minority shares in the company.

Anticimex was acquired by EQT in 2012. Since the change of ownership, the company has launched a successful acquisition strategy and carried out more than 190 international acquisitions and introduced Anticimex in 12 new countries. The key to the company's success in the market is a series of ground-breaking innovations. Anticimex highlighted the market's

demand for long-term sustainable solutions and initiated a digitalisation of the sector, among other things through Anticimex SMART – a digital system for pest control. The company also introduced a strong decentralised business model in which all local offices are responsible for their business and financial results – an approach that drives continuous improvements, using methods such as internal auditing and comparison of KPIs.

The global market for pest control has a turnover of approx. SEK 180 billion, of which just over half stems from the USA. Annual growth is estimated at 5–6% and the dominant driving forces are population growth, urbanisation, globalisation and a reduced tolerance of pests. Anticimex has approx. 5% of the market shares with leading market positions in around 15 countries.

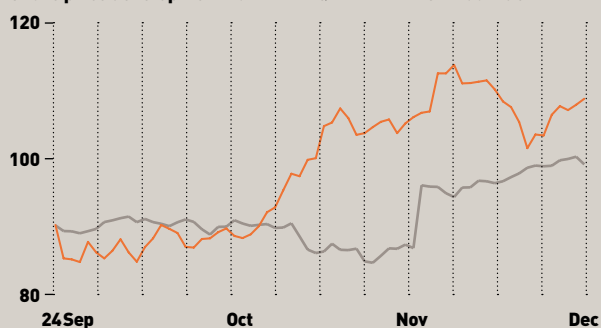
In recent years, the company has focused successfully on launching Anticimex in the American market. Through the initial, strategic acquisition of companies, which in turn assume responsibility for identifying continued acquisition opportunities, Anticimex has created a strong platform for continued expansion in the USA.

During 2019, Anticimex carried out 37 acquisitions in 14 countries –14 of these acquisitions were in the USA.

The number of installed SMART units increased in 2019 by 33% and at year-end the total installed base was over 130 000 units. Anticimex is continuing to focus on strengthening its digital offering and developing digital products and services.

In 2019, the turnover of Anticimex was SEK 7 928 million, an increase on the previous year of 22.1%, of which 4.0% (3.8) is attributable to organic growth. All business areas report organic growth within the company's target range of approx. 4–6%, except the Pacific region, which was affected by a number of external factors in Australia during the year. The business areas Asia and Insurance Solutions stood out with 6.5% and 6.6% respectively.

Anticimex reports operational EBITA earnings of SEK 1 363 million, which represents an increase of 35.2%. The company's operational EBITA margin increased by 1.7 percentage points to 17.2%, with the USA and Europe making the strongest contributions.


Share price development 2019

Financial key ratios

	2019	2018
Net sales, EUR M	600	393
Operating profit, EUR M	208	149
Operating profit margin, %	35.0	38.0
Financial net cash, EUR M	909	265
Earnings per share, EUR ¹⁾	0.25	0.20
Dividend per share, SEK ²⁾	2.20	–
Share price 31 Dec ³⁾	108.90	–

¹⁾ Adjusted earnings after dilution

²⁾ The Board's proposal to the AGM

³⁾ The Company was listed on 24 September 2019

Financial key ratios

	2019	2018
AUM, EUR bn ⁴⁾	39.9	36.6
Effective management fee rate, %	1.4	1.4
Management fees, EUR M	574	384
Investments by EQT funds, EUR bn	11.9	8.6
Gross fund exits, EUR bn	8.0	5.1

⁴⁾ AUM, Fee generating managed capital

GOOD INVESTMENT AND EXIT ACTIVITY IN LISTED EQT

In 2019, EQT's funds invested approximately EUR 12 billion in the company's different strategies and carried out exits totalling EUR 8 billion – a new record. EQT's stock exchange introduction in the autumn attracted considerable interest and the offer was oversubscribed by more than ten times. Volito is one of the company's new shareholders.

EQT is a differentiated and global investment organisation with a 25-year track record of stable returns divided between different geographical areas, sectors and strategies. With deeply-rooted values and a clear corporate culture, EQT manages and advises several specialised funds and other investment units that invest worldwide with an aim to create attractive returns for the funds' investors.

EQT has raised more than EUR 62 billion since the start and today has approximately EUR 40 billion in managed capital in 19 active funds divided between three business segments – Private Capital, Real Assets and Credit. EQT is a leader in the private market with deep expertise in responsible and long-term ownership, company governance, operative improvement, digitalisation and sustainability. EQT has offices in 16 countries in Europe, the Asia-Pacific region and North America, and more than 700 employees.

In 2019, EQT was listed on Nasdaq Stockholm – the first day of trading was 24 September. The share's first closing price was SEK 80.50 per share.

At year-end, the share price was 108.90, meaning the share climbed in value by approximately 35% in 2019. Volito has holdings in EQT and investments in twelve of EQT's funds.

Investment activity was good in 2019 with total investments from EQT's funds of EUR 11.9 billion. The EQT funds also set a new record for exits with total divestments for EUR 8.0 billion. The fee-generating managed capital, AUM, increased to EUR 39.9 billion as of 31 December 2019 (36.6), mainly driven by successful capital acquisition in EQT Infrastructure IV.

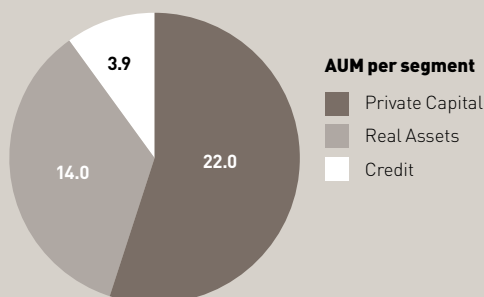
Adjusted total revenue was EUR 606 million (393), an increase of 54% compared with 2018. Total revenue amounted to SEK 600 million (393). The increase was mainly attributable to the full-year effect of management fees from EQT Infrastructure IV and EQT VIII.

EQT's adjusted EBITDA amounted to EUR 275 million (156), which corresponds to a margin of 45% (40%). EBITDA amounted to EUR 208 million (149), which corresponds to a margin of 35% (38%).

Adjusted net profit amounted to EUR 213 million (127). The net profit amounted to EUR 160 million (121).

EQT will continue to both develop its thematic investment strategy and increase its sustainability ambitions. The company has defined three main dimensions that will be focused on in 2020 and onwards: Transparency & Accountability, Diversity & Upskilling and Clean & Conscious.

EQT operates in a growing sector and is well positioned for continued growth. The company sees exciting thematic investment opportunities in all of its strategies and markets. The company will continue to build and deepen relations with its fund investors, and invest in the EQT platform and the company's team and network.



Key EQT funds, MOIC	Gross MOIC (December 31, 2019)	Expected Gross MOIC
Private Capital		
EQT VI	2.4x	On plan
EQT VII	1.8x	On plan
EQT VIII	1.1x	On plan
Real Assets		
EQT Infrastructure II	2.1x	On plan
EQT Infrastructure III	1.5x	Above plan
EQT Infrastructure IIV	1.1x	On plan

MOIC: Multiple of Invested Capital

BOARD OF DIRECTORS



Back row, from left: Board member **Karl-Fredrik Granlund**, Board member **Axel Granlund**, Board member **Peter Granlund**,
President and CEO **Ulf Liljedahl** (Chairman of the Board at Bulten AB (publ))
Front row, from left: Chairman of the Board **Karl-Axel Granlund** (Board member of Peab AB (publ) and others),
Board member **Lennart Blecher** (Deputy Managing Partner of EQT, Board member of Nordkap Holding AG, Zürich)

MANAGEMENT



From left: **Johan Frithiof**, Managing Director, Volito Automation AB, **Fredrik Molested**, CFO, Volito AB,
Pelle Hammarström, Managing Director, Volito Fastigheter AB, **Ulf Liljedahl**, President and CEO, Volito AB



THE GROUP

ANNUAL REPORT

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ADMINISTRATION REPORT

The business in brief

The Group

Volito AB (556457-4639) is the Parent company in a Group that conducts operations in the business areas Real Estate, Industry and Portfolio Investments.

Volito Fastigheter owns and manages commercial and residential properties in the Malmö region. Business Area Industry consists today of Volito Automation, an operation that invests in companies within industrial automation. Within Business Area Portfolio Investments, Volito has significant ownership interests in both listed and non-listed companies.

The year in brief

A five-year expansion plan was launched in 2015. The period began with a reformation of Volito – from an entrepreneur-driven business to a dedicated investment company. This was followed by a few years of strong expansion including an investment in Anticimex, the construction of The Point in cooperation with Peab and the acquisition of residential properties. The five-year plan concluded with a period of consolidation.

In 2019, Volito concluded its consolidation phase and entered a new period of expansion. A new refinancing arrangement adapted to Volito's goals was established. The year 2019 was characterised by the continued weakening of global business conditions, subdued growth and volatile stock market – challenges that Volito handled well. Within Business Area Real Estate, the refinement of existing properties continued as well as preparations for construction in Nyhamnen. A large acquisition in Finland was carried out within Business Area Industry. Within Business Area Portfolio Investments, Peab, EQT and Anticimex reported good value growth, whereas Bulten was adversely affected by business conditions as well as transitions within the vehicle industry.

At year-end, the Volito Group's adjusted equity amounted to SEK 3 918.4 million (2 954.4), which represents an increase of 33.9% (including paid dividend) compared with the previous year.

Income

The Group's turnover amounted to SEK 569.5 million (521.6), which is an increase of 9.2%. The increase is mainly attributable to Volito Industry, SEK 392.9 million (340.0), generated by both organic growth and the acquisition of the Finnish company Satekniikka Oy. The company has contributed with a turnover of SEK 30.9 million since the acquisition on 5 August. Volito Fastigheter divested five properties early in the year and turnover was therefore reduced. The Volito Group's operating profit was SEK 51.1 million (95.4), a decrease of 46.4% that is mainly attributable to overhead items.

The profit after financial income and expense was SEK 291.4 million (157.5). The construction of the Point at Hyllie is virtually completed and the development of Bara is proceeding according to plan. A market valuation of the properties for both joint venture companies has affected Volito's share of equity positively by SEK 136.7 million. In connection with the winding up of Nordkap Bank, all receivables were written down to zero. Subsequently, work proceeded on recovering the receivables and the Volito Group has been able to reverse SEK 44.1 million (16.2) of the written-down receivables.

The value growth of Volito's wholly-owned property portfolio continued and the increase in value in 2019 amounted to SEK 83.3 million (68.5).

Interest rate swaps are used for protection against interest rate risks relating to Volito Fastigheter's borrowings. These are measured at fair value in the balance sheet and unrealised changes in fair value of interest rate swaps of SEK 5.4 million (3.9) were reported in the profit or loss for the year.

The profit before tax for the Group amounted to SEK 380.1 million (230.0).

The development of the Group's portfolio investments was very positive and led to value growth of the holdings of SEK 586.1 million (151.0) in other comprehensive income.

Financial position and cash flow

The Group's financial position amounted to SEK 7 512.6 million (6 528.1) and equity relating to the Parent company's owners amounted to SEK 3 838.4 million (2 923.0).

The Group's total cash flow amounted to SEK 17.5 million (3.8). The cash flow from operating activities generated a surplus of SEK 136.4 million (112.5). The year's net investments amounted to SEK -71.7 million (-362.9). The net outflow from financing activities amounted to SEK -47.2 million (254.1).

The Parent company

Activities

The Parent company runs no operations of its own, but manages group-wide functions for administration and finance.

Income

The turnover of SEK 11.5 million (9.2) relates primarily to the sale of services to other companies within the Group. The profit after financial income and expense was SEK 24.2 million (58.2). The decrease in profit is primarily attributable to write-downs of subsidiaries in order to address corresponding submitted shareholders' contributions as well as overhead.

The profit before tax amounted to SEK 88.4 million (77.9).

Financial position and cash flow

The financial position amounted to SEK 2 008.6 million (1 860.3) and equity to SEK 819.7 million (778.9).

The cash flow from operating activities amounted to SEK 64.2 million (57.2). The year's net investments amounted to SEK -98.9 million (-89.2), of which the largest investments related to the acquisition of shares in EQT AB (publ), which became a listed company, SEK 83.8 million, and further investments in EQT funds, SEK 63.9 million. Repayment from EQT funds amounted to SEK 48.7 million. Furthermore, shares in Sdptech were divested, SEK 22.7 million, and Nordkap Holding AG made a repayment of SEK 38.1 million. The cash flow from financing activities amounted to SEK 33.0 million (33.7).

Real Estate

Activities

Volito Fastigheter is involved in the trade and management of real estate in the Malmö region, with a focus on attractive locations in the city centre. The focus is on residential properties and commercial premises.

The property market remained strong with a high level of demand, low interest rates and high prices. The value of Volito Fastigheter's portfolio, as well as revenue and profit after financial income and expense increased. Volito's premises and housing are in demand and the targeted-focused work to reduce vacancies continued.

The expansion of Bara town centre, in cooperation with Peab, is continuing. The square has been completed and Volito is planning two further residential properties. The old central building has been replaced by new, modern buildings for ICA and the Swedish Dental Service. All that remains is the construction of new premises for the healthcare centre, which will be carried out in 2020–2021.

The Point in Hyllie has a completed exterior. The location is in high demand and the layout of each floor of the building is being customised as the tenancies are taken up.

Volito Fastigheter divested five industrial properties in 2019 in sales worth SEK 163.1 million. The sales mean that Volito Fastigheter has further strengthened its possibilities to acquire office premises and residential properties.

The market value of Volito Fastigheter's property portfolio was evaluated at year-end by an external assessor at SEK 3 526.8 million (3 587.8). Adjusted for investments and sales, the value increase of the portfolio was SEK 83.3 million (68.5), which corresponds to 2.4% (1.9%) compared with the previous year-end.

The vacancy rate at year-end was 12.1% (11.1%).

Income

Volito Fastigheter's turnover amounted to SEK 176.0 million (181.1). The decrease is attributable to changes in the property portfolio. Excluding divestments, rental revenue increased in 2019. The operating profit amounted to SEK 98.1 million (107.3).

The profit after financial income and expense was SEK 193.8 million (61.7). As of 2019, the market value of properties in the joint venture companies Point Hyllie and Bara are assessed and this has affected profit participation positively by SEK 136.7 million.

The profit after changes in value for the year of investment properties and derivatives amounted to SEK 282.5 million (134.1). The change in value of Volito's own properties has affected income positively by SEK 83.3 million (68.5). Volito Fastigheter uses interest rate swaps as protection against interest rate risks relating to borrowings. These are measured at fair value in the balance sheet and unrealised changes in the fair value of interest rate swaps amounting to SEK 5.4 million (3.9), are reported in the profit or loss for the year.

Financial position and cash flow

The financial position amounted to SEK 4 074.7 million (3 896.9) and equity amounted to SEK 1 692.8 million (1 441.5). The cash flow for the year was SEK 0.0 million (0.0). Operating activities generated a positive cash flow of SEK 46.2 million (53.7). The year's net investments amounted to SEK 48.5 million (-292.7) and the cash flow from financing activities amounted to SEK -94.7 million (248.0). Volito Fastigheter paid a dividend to Volito AB of SEK 9.0 million (9.0).

Industry

Activities

Volito Industry, via the subgroup Volito Automation, acquires and starts up companies within industrial automation. The group's ambition is to be the market leader in the Nordic countries. Volito Automation has subsidiaries focused on hydraulics within several application areas. The operations cover a large number of sectors with end customers in different markets.

Despite weaker business conditions in industry, Volito Automation reports continued strong demand and rising sales. In terms of turnover, income and cash flow, 2019 was a record year.

As a part of Volito Automation's strategy to become a leading actor in the Nordic countries within sustainable automation solutions, 100% of Finnish Satatekniikka Oy was acquired. The company is a nationwide MRO company with a staff of just over 30 and a turnover corresponding to around SEK 70 million. Satatekniikka Oy, a full-service company within hydraulics and pneumatics, has grown faster than the Finnish hydraulics market in recent years. The customer base is well diversified in the forestry, steel, mining and construction industries. The acquisition means an improved market position, a clear volume increase and good opportunities for continuing to capture market shares. Overall, with Satatekniikka and Hydrosystem on the MRO side and HydX on the OEM side, Volito Automation is now a comprehensive supplier of hydraulic solutions in Finland.

On the Swedish side, a new CEO was appointed at MRO Sweden, which consists of HydSupply and Hindab.

The year 2019 was a ten-year anniversary for HydX and OEM. During this period, HydX built up a strong brand and a leading position in the Nordic market. Work continued during the year on broadening the product portfolio to enable a greater spread of risk and reduce the need for project sales. The previous year's acquisition, MPS, was fully integrated into the HydX facility in Ystad. HydX also strengthened its presence online, where the company's newly launched website plays a central role.

Volito AB owns 91% of the shares in the Volito Industry group and the Volito Group's CEO Ulf Liljedahl owns the remaining 9%.

Income

Volito Industry's turnover amounted to SEK 392.9 million (340.0), of which 30.9 is attributable to the acquisition of the Finnish company Satatekniikka. The operating profit before depreciation was SEK 27.6 million (15.7) and after depreciation SEK 23.7 million (12.9). Volito Industry generated a profit after financial income and expense of SEK 21.3 million (10.7).

Financial position and cash flow

The financial position amounted to SEK 307.8 million (215.7) and equity to SEK 1.3 million (-10.9).

Operating activities generated a positive cash flow of SEK 29.1 million (5.9). The year's net investments amounted to SEK -77.6 million (-11.0), which were financed by net borrowing of SEK 69.2 million (6.8). The total cash flow for the year was SEK 20.6 million (1.7).

Portfolio Investments

Business Area Portfolio Investments consists of Volito's holdings in Peab AB (publ), Bulten AB (publ), Anticimex AB, Avensia AB (publ), EQT AB (publ) as well as Volito's funds in EQT. EQT AB (publ) was acquired in 2019 in connection with the company's stock exchange introduction. The holding in Sdiptech AB (publ) was divested, resulting in a small capital gain.

Peab AB (publ)

Peab is one of the leading construction and civil engineering companies in the Nordic countries, active in Construction, Civil Engineering, Industry and Project Development. The company's share is listed on Nasdaq Stockholm (Large Cap).

Volito's holding in Peab amounts to 16 700 000 shares as at 31 December 2019, of which 15 200 000 are class B shares, which corresponds to 5.64% of the capital and 4.99% of the votes. Volito has a long-term involvement in Peab and is one of the company's major owners.

The Peab share rose in value in 2019. The market value of Volito's total holding at year-end was SEK 1 565.6 million (1 209.1).

Bulten AB (publ)

Bulten is one of the largest suppliers of fasteners for Europe's automotive industry. The product offering encompasses customer-specific standard products and customised special fasteners as well as technical development, line feeding, and expertise in logistics, materials and production. Bulten offers a Full Service Provider concept. The company's share is listed on Nasdaq Stockholm (Mid Cap).

Volito is the largest owner of Bulten AB and increased its holding in 2019 by 50 000 shares to 4 800 000 shares as at 31 December 2019, which corresponds to 24.01% of the capital and votes.

Bulten reports negative value growth during the year. The market value of Volito's total holding at year-end was SEK 378.2 million (419.0). Bulten is consolidated as an associated company and the Volito Group's income attributable to the holding amounted to SEK 19.7 million (41.7) including other comprehensive income. The groupwise value of the participations amounted to SEK 388.1 million (387.5).

EQT AB (publ)

EQT is a differentiated and global investment organisation and manages capital in 19 active funds divided between three business segments, Private Capital, Real Assets and Credit. EQT is a leader in the private market with deep expertise in responsible and long-term ownership, company governance, operative improvement, digitalisation and sustainability.

In 2019, Volito acquired 1 250 000 shares in EQT AB (publ) for SEK 83.8 million. At year-end 2019, the holding corresponded to 0.13% of the capital and votes.

EQT was listed on Nasdaq Stockholm. The first day of trading was 24 September 2019. The company reports positive value growth. The market value of Volito's total holding at year-end was SEK 136.1 million.

EQT funds

Volito has holdings in 12 of EQT's funds. At year-end, the value of these amounted to SEK 182.4 million (91.2).

EQT has a long-term, responsible and sustainable approach to its investments and has strong and close relations with all its portfolio companies. EQT offers key expertise in strategic business development, structural changes and financial analysis. A strict model of corporate governance is applied at all the majority-owned companies. A portfolio company normally stays under EQT's ownership for four to eight years.

Anticimex AB

Anticimex is a leading global specialist in pest control. Through preventive measures, new technology and sustainable solutions, the company creates healthy environments for companies and private individuals.

Volito owns 3.21% of the capital and 3.31% of the votes.

The market value at year-end was estimated at SEK 789.0 million (620.0).

Sdiptech AB (publ)

The holding in Sdiptech was divested during the year, which resulted in groupwise income of SEK 5.5 million, of which 0.3 is reported in the profit or loss for the year and the rest in other comprehensive income.

Avensia AB (publ)

Avensia is a leading e-commerce company that supplies complete omnichannel solutions to companies with high ambitions and requirements for their business. Avensia has extensive experience of e-commerce projects and helps customers with the implementation of systems, consulting and business development in e-commerce.

Avensia is traded on NASDAQ OMX Stockholm First North Premier and has the ticker symbol, AVEN. At year-end, Volito owned 800 000 shares and the market value of the holding amounted to SEK 11.6 million (9.3).

Other holdings

In addition to the holdings above, Volito has ownership interests in other diverse small companies. The combined value of these holdings at year-end was SEK 2.4 million (6.9).

Expectations concerning future developments

The Group

The next five-year plan is now underway with new challenging targets. This plan aims to optimise Volito's growth and with clear diversification create a beneficial balance between risk and returns as well as sustainable cash flows. Volito's focus is long-term ownership, long-term returns based on a clear vision and core values. Volito stands ready for continued expansion with an experienced organisation and strong financing. A continuing favourable interest rate situation also provides good conditions for new investments.

Volito Fastigheter intends to continue the concentration of the portfolio to attractive central locations, with the main focus on residential properties and commercial premises. The targets are high and Volito is striving for diversification, more even cyclicity, long-term returns and low risk. The diversification towards housing has led to lower risk as well as a stronger long-term approach. The development of Volito's properties in Nyhamnen will be an important part of the expansion plan.

Business Area Industry will continue its expansion of Volito Automation in the Nordic countries. Volito is to deliver long-term sustainable automation solutions, and Volito is therefore looking for expansion opportunities in areas such as electrification and other adjacent technologies in order to be as comprehensive as possible.

Group information

The company is a subsidiary of AB Axel Granlund, org.no. 556409-6013 with registered office in Malmö. AB Axel Granlund owns 88.0% (88.0%) of the capital and votes in the Volito Group and draws up consolidated financial statements for the largest group.

Information on risks and uncertainty factors

The Group

Volito's income, cash flow and financial position are affected by a number of factors that are to varying degrees influenced by the company's own actions.

Risk management

Exposure to risks is a natural part of a business enterprise and this is reflected in Volito's approach to risk management. This aims to identify risks and prevent and limit the adverse consequences that arise as a result of these risks. Management of the operational risks is a continuous process. The operational risks are managed within the organisation by the respective business areas. The financial risks are linked to the operations' tied up capital and capital requirements, mainly in the form of interest rate risks and refinancing risks. See Note 43.

Material risks

Changes in the value of properties depend mostly on Volito Fastigheter's own ability, through changes and refinements to properties as well as agreement and customer structures, to increase the properties' market value, and partly on external factors that affect property supply and demand. In general, property value is less volatile for concentrated portfolios of property in good locations. Volito's properties are predominately concentrated in the central and most expansive parts of Malmö. Most of Volito Fastigheter's long-term rental agreements contain an index clause that means annual rent adjustments are based either on changes in the consumer price index or on a fixed percentage increase. Property valuations are calculations made according to established principles based on certain assumptions and affect the Group's financial results considerably. For more information on property valuations, see the Valuation principles section on page 47 and in Note 21.

Credit risks

Credit risks refer to the risk of losing money due to another party being unable to fulfil their obligations.

Vacancy risks and credit risks in accounts receivable – trade

Demand for premises is affected by general business conditions. Volito Fastigheter's activities are concentrated in Malmö, which is deemed to be attractive in the long term regarding location, population growth, employment and general communications. A broad portfolio of contracts reduces the risk of large fluctuations in vacancies. Leases are divided between commercial properties 90% (91%) and residential 10% (9%). The commercial rental revenue is divided between 152 (162) contracts within a number of different sectors. A combination of good local knowledge, active involvement and a high level of service creates conditions for long-term rental relations and thereby a reduced risk of new vacancies. A certain level of vacancies provides opportunities in the form of new leases and flexibility for existing tenants who want to expand or reduce their premises. Furthermore, Volito Fastigheter bears the risk that tenants are unable to make rent payments. Regular follow-ups are carried out on the tenants' credit ratings in order to reduce exposure to credit losses. A credit rating of tenants is carried out for all new leases, and, if required, the rental agreement is complemented with personal guarantees, rent deposit or bank guarantee. All rents are paid quarterly or monthly in advance.

Within Volito Industry, risks are linked to project management. Many projects are customised and Volito Industry bears the risk that customers cannot fulfil their obligations. Customers make advance payments on major projects in order to reduce the risk of credit losses.

Financial risks

In its business activities, the Volito Group is exposed to various types of financial risk. Financial risks relate to changes in exchange rates and interest rates that affect the company's cash flow, financial results and thereby associated equity. The financial risks also include credit and refinancing risks.

The Group's finance policy for managing financial risks has been designed by the Board and creates a framework of guidelines and rules in the form of risk mandates and limits for the business. Responsibility for the Group's financial transactions and risks are managed centrally by the Group's Finance department, which is within the Parent company. The overall aim of the Finance department is to provide cost-efficient financing and to minimise negative effects on the Group's financial results that stem from market risks. Reporting is conducted on a regular basis to the CEO and the Board, which have overall responsibility for financial risk management. See Note 43.

Liquidity and financing risks

Liquidity and financing risks refer to risks of not being able to fulfil payment obligations as a result of insufficient liquidity or difficulties in arranging new loans. Volito is to be able to carry through business transactions when the opportunity arises and always be able to fulfil its obligations. Refinancing risks increase if the company's credit rating deteriorates or a large part of the debt portfolio becomes due on a single, or relatively few, dates

Liquidity risks are managed through both regular liquidity forecasts and Volito's access to credit or liquid assets that can be raised at short notice in order to even out fluctuations in the payment flow.

Borrowing risks refer to risks that financing is unavailable or available on unfavourable conditions at a certain time. In order to limit financing risks, Volito strives to spread final due dates regarding credit over the longest possible period allowed by prevailing market conditions.

Part of Volito's borrowing is linked to fulfilling financial ratios (covenants) in the form of the interest coverage ratio and equity ratio that the Group is to achieve, which is customary for this type of loan. These ratios are followed up continuously and make up a part of the management's framework for financial planning of the business. Volito fulfilled these ratios by a good margin at year-end.

Currency exposure

The Volito Group's exposure to risks relating to exchange rate changes has increased due to operations in the Finnish market. However, this exposure is minor.

Interest rate exposure

The Volito Group is exposed to changes mainly in short-term interest rates through its involvement in the Volito Fastigheter group. The Parent company, Volito AB, also has risk exposure relating to short-term interest rates. Volito's policy regarding interest rates is that fixed rate terms for the portfolio shall be well balanced and adjusted to the company's prevailing view of the interest rate market at that time.

Interest rate expense is the largest single expense item for Volito Fastigheter. How much and how fast a change in interest rates makes an impact on financial results depends on the chosen fixed interest term. A rise in interest rates is often initiated by higher inflation. In commercial rental contracts, it is normal that the rent is index-adjusted upwards for inflation.

A combination of loans with short fixed interest terms and utilisation of financial instruments in the form of interest rate swaps enables flexibility to be achieved, and the fixed interest term and interest rate level can be adjusted so that the aim of the financing activity can be achieved with limited interest rate risk. This is without underlying loans needing to be renegotiated. In order to manage the interest rate risks and achieve even development of net interest income, the average fixed interest term for Volito's interest-bearing liabilities has been adjusted according to the assessed risk level and interest rate expectations. Interest rate derivatives are valued at fair value. If the agreed interest rate for the derivative deviates from the expected future market interest rate during the derivative's duration, a change in value arises that affects the company's balance sheet and income statement, but not the cash flow. The risk reduction in interest payments from longer fixed interest terms often creates a larger risk in derivative value, due to the time factor. When the term of the derivative has expired, the value of the interest rate derivative is always zero.

Overall, the Volito Group's total loans exposed to short-term interest rates amount to SEK 1 964.8 million (1 895.5). Hedging relating to 56.0% (58.6) of the debt portfolio of the Volito Fastigheter group, corresponding to 35.7% (38.1) of the entire Volito Group, is managed with swaps, something that gives the company a higher degree of flexibility in terms of future debt management.

The nominal amount of Volito Fastigheter's outstanding interest rate swaps at year-end 2019 was SEK 1 089.0 million (1 169.0). At year-end 2019, the fixed interest rates varied from 0.05% (-0.18%) to 3.45% (3.45 %) and the floating interest rates are STIBOR 3-months with a supplement for a margin relating to borrowing in SEK.

Refinancing risks

The Volito Group depends on a functioning credit market. The Group has a need to continuously refinance parts of its business, see Note 40. The Group has a satisfactory equity ratio and borrowing capacity. It is therefore Volito's assessment that there is at present no problem concerning the credit that is due for refinancing.

Taxes

Volito's current tax expense is lower than the nominal tax on the pre-tax profit or loss, which is due to higher fiscal depreciation in properties than in the accounts and to unrealised changes in value that are not included in the fiscal results. Political decisions regarding changes in corporate taxation, tax legislation or their interpretation can lead to changes in Volito's tax situation.

Operational risks

Good internal control procedures for important processes, fit-for-purpose administrative systems, competence development and reliable valuation models and principles are methods for reducing operational risks. Volito works continuously to monitor, evaluate and improve the company's internal control procedures.

Information on non-financial result indications

Volito's employees

The Volito Group is a relatively small organisation that handles large amounts of capital. Therefore, the wellbeing and development of the Group's employees are of vital importance for the long-term prosperity of the Group.

Volito primarily uses employment conditions as a competitive factor for attracting suitable, people with the right set of skills. Different events are regularly organised within the Group's various companies to further strengthen team spirit and company loyalty.

Proposed allocation of the company's profit

The Board of Directors and CEO propose that the unappropriated earnings, SEK 554 728 788.83 are allocated as follows:

Dividend, [2 440 000 * SEK 20.00 per share]	48 800 000
Retained earnings carried forward	505 928 789
<hr/>	<hr/>
Total	554 728 789

The Group's equity has been calculated in accordance with the EU-developed IFRS standards and interpretations of these (IFRIC), and in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 1 Supplementary reporting rules for groups.

The Parent company's equity has been calculated in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 2 Reporting for legal entities. The proposed dividend reduces the Parent company's equity ratio from 40.8% to 38.4%. The equity ratio is prudent, in view of the fact that the company's activities continue to operate profitably. Liquidity in the Group is expected to be maintained at a similarly stable level.

The Board's understanding is that the proposed dividend will not hinder the company from carrying out its obligations in the short or long term nor from conducting necessary investments. The proposed dividend is thus defensible with consideration to what is stated in ABL chapter 17, section 3, paragraph 2-3 (prudence principle).

For further information on the company's financial results and position, refer to the following income statements and statements of financial position, and related notes to the financial statements.

Consolidated income statement and other comprehensive income for the Group

Note	Amounts in SEK K	2019	2018
3	Net sales	569 526	521 562
4	Other operating income	904	664
5		570 430	522 226
	Operating expenses		
	Raw materials and consumables	-229 437	-199 335
	Real estate expenses	-44 407	-48 469
6	Other external expenses	-41 895	-47 188
7	Personnel expenses	-182 906	-121 720
8	Depreciation and amortisation of tangible and intangible fixed assets	-19 367	-7 578
9	Other operating expenses	-1 346	-2 525
	Operating profit	51 072	95 411
	Profit or loss from financial income and expense		
11	Profit or loss from participations in joint ventures	141 519	3 761
12	Profit or loss from participations in associated companies	58 513	50 276
13	Profit or loss from other financial income and expense	103 898	74 210
14	Interest income and similar income	7 232	4 999
15	Interest expense and similar expenses	-70 828	-71 110
	Profit after financial income and expense	291 406	157 547
16	Change in value of investment properties	83 297	68 505
17	Change in value of derivatives	5 423	3 902
	Profit before tax	380 126	229 954
18	Taxes	-25 238	-104
	Profit for the year	354 888	229 850
19	Other comprehensive income		
	Items that have been or can be transferred to profit or loss for the year		
	Translation differences from translation of foreign operations for the year	-768	2 704
	Participations in other comprehensive income of associated companies and joint ventures	4 420	5 126
	Items that cannot be transferred to profit or loss for the year		
	Change in fair value of equity instruments measured at fair value via other comprehensive income for the year	586 080	150 980
	Tax attributable to items that cannot be transferred to profit or loss for the year	12 329	-24 720
	Other comprehensive income for the year	602 061	134 090
	Total comprehensive income for the year	956 949	363 940
	Profit or loss for the year attributable to:		
	Owners of Parent company	354 774	229 850
	Holdings with non-controlling interest	114	-
	Profit for the year	354 888	229 850
	Total comprehensive income for the year attributable to:		
	Owners of Parent company	956 835	363 940
	Holdings with non-controlling interest	114	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	956 949	363 940

Consolidated statement of financial position

Note	Amounts in SEK K	2019-12-31	2018-12-31
ASSETS			
Fixed assets			
20	Intangible assets	122 664	70 839
21	Investment properties	3 526 800	3 587 755
22	Industrial premises	3 814	4 025
23	Right-of-use assets	53 731	–
24	Machinery and other technical fixed assets	3 461	3 794
25	Equipment, tools and installations	16 770	27 213
26	Fixed assets under construction and advances regarding tangible fixed assets	12 694	4 020
29	Participations in joint ventures	423 319	72 909
30	Receivables from joint ventures	12 027	192 704
31	Participations in associated companies	412 554	408 335
32	Receivables from associated companies	10 869	16 378
33	Other long-term securities holdings	2 687 209	1 953 091
34	Deferred tax asset	1 107	8 098
35	Financial leasing agreements	23 575	24 719
36	Other long-term receivables	400	–
Total fixed assets		7 310 994	6 373 880
CURRENT ASSETS			
	Inventories	84 669	76 591
43	Accounts receivable – trade	49 928	40 623
	Receivables from subsidiaries	10 000	8 077
	Receivables from associated companies	12 445	–
	Tax assets	3 706	4 083
	Other receivables	3 209	6 220
37	Prepaid expenses and accrued income	10 112	8 242
38	Cash and bank balances	27 512	10 356
Total current assets		201 581	154 192
TOTAL ASSETS		7 512 575	6 528 072

Consolidated statement of financial position

Note	Amounts in SEK K	2019-12-31	2018-12-31
	EQUITY AND LIABILITIES		
39	Equity		
	Share capital	244 000	244 000
	Other contributed capital	21 005	21 005
	Reserves	1 474 845	872 784
	Retained earnings including profit or loss for the year	2 098 590	1 785 198
	Equity attributable to owners of Parent company	3 838 440	2 922 987
	Holdings with non-controlling interest	114	0
	Equity	3 838 554	2 922 987
	Liabilities		
40, 43	Liabilities to credit institutions	3 087 239	592 920
	Other long-term liabilities	1 835	1 835
34	Provisions for deferred tax	324 882	328 182
	Total long-term liabilities	3 413 956	922 937
40, 43	Liabilities to credit institutions	44 316	2 452 217
40,41,43	Bank overdraft facilities	34 943	99 334
	Advances from customers	5 927	1 257
	Accounts payable – trade	47 020	43 537
	Liabilities to subsidiaries	532	87
	Current tax liabilities	9 909	4 613
	Other liabilities	9 847	15 490
44	Accrued expenses and deferred income	107 571	65 613
	Total short-term liabilities	260 065	2 682 148
	TOTAL EQUITY AND LIABILITIES	7 512 575	6 528 072

Report on changes in equity for the Group

Amounts in SEK K	Share capital	Other contributed equity	Foreign exchange reserve	Available-for-sale reserve	Retained earnings incl. profit or loss for the year	Total	Holdings with non-controlling interest	Total equity
EQUITY, 31 DECEMBER 2017	244 000	21 005	10 804	738 662	1 596 110	2 610 581	0	2 610 581
Total comprehensive income for the year								
Transfer to accumulated profit or loss due to IFRS 9 after tax				-10 772	10 772	-	-	-
Profit for the year					229 850	229 850	-	229 850
Foreign exchange reserve, assoc. companies			5 126	-	-1 029	4 097	-	4 097
Other comprehensive income			2 704	126 260	-	128 964	-	128 964
Total comprehensive income for the year	-	-	7 830	115 488	239 593	362 911	-	362 911
Transactions with Group owners								
Contributions from and value transfer to owners								
Dividends paid					-36 234	-36 234	-	-36 234
Transactions between owners					-8 609	-8 609	-	-8 609
Share-related remuneration (in assoc. companies)					-472	-472	-	-472
Associated companies' buy-back of own shares					-5 190	-5 190	-	-5 190
Tot. contributions fr/value transfer to owners	-	-	-	-	-50 505	-50 505	-	-50 505
EQUITY, 31 DECEMBER 2018	244 000	21 005	18 634	854 150	1 785 198	2 922 987	0	2 922 987
Total comprehensive income for the year								
Profit for the year					354 774	354 774	114	354 888
Foreign exchange reserve, assoc. companies			4 420	-	-	4 420	-	4 420
Other comprehensive income			-768	598 409	-	597 641	-	597 641
Total comprehensive income for the year	-	-	3 652	598 409	354 774	956 835	114	956 949
Transactions with Group owners								
Contributions from and value transfer to owners								
Dividends paid					-37 820	-37 820	-	-37 820
Transactions between owners					-3 562	-3 562	-	-3 562
Tot. contributions fr/value transfer to owners	-	-	-	-	-41 382	-41 382	-	-41 382
EQUITY, 31 DECEMBER 2019	244 000	21 005	22 286	1 452 559	2 098 590	3 838 440	114	3 838 554

Consolidated statement of cash flows

Amounts in SEK K	2019	2018
Operating activities		
Profit after financial income and expense	291 406	157 547
Adjustments for items not requiring an outflow of cash	-211 562	-41 845
	79 844	115 702
Income taxes paid	-5 752	-1 830
Cash flow from operating activities before changes in working capital	74 092	113 872
Cash flow from changes in working capital		
Increase(-)/Decrease(+) in inventories	2 684	-17 269
Increase(-)/Decrease(+) in operating receivables	-20 020	4 261
Increase(+)/Decrease(-) in operating liabilities	79 613	11 660
Cash flow from operating activities	136 369	112 524
Investing activities		
Acquisition of intangible fixed assets	-1 738	-151
Acquisition of investment properties	-30 188	-281 405
Divestment of investment properties	163 055	-
Acquisition of tangible fixed assets	-3 138	-5 865
Acquisition of subsidiaries	-73 619	-7 375
Investments in financial assets	-247 137	-89 318
Divestment/reduction of financial assets	121 103	21 233
Cash flow from investing activities	-71 662	-362 881
Financing activities		
Proceeds from borrowings	3 011 758	307 958
Amortisation of borrowings	-3 021 173	-17 593
Amortisation of leasing liabilities	-15 928	-
Dividends paid	-21 820	-36 234
Cash flow from financing activities	-47 163	254 131
Cash flow for the year	17 544	3 774
Liquid funds at start of the year	10 356	6 351
Exchange rate differences in liquid funds	-388	231
Liquid funds at year-end	27 512	10 356

Supplement to consolidated statement of cash flows

Amounts in SEK K	2019	2018
Interest paid and dividends received		
Dividends received	90 179	84 199
Interest received	3 447	2 505
Interest paid	-70 925	-70 221
Adjustments for items not requiring an outflow of cash		
Less: Profit participations in associated companies and joint ventures	-155 918	-37 826
Dividends received from associated companies	19 000	16 875
Depreciation and write-downs of tangible and intangible assets	5 786	4 251
Write-downs	1 487	305
Reversed write-downs	-44 114	-16 211
Unrealised exchange rate differences	-2 294	54
Capital gains or losses from divestment of tangible fixed assets	-	135
Capital gains or losses from divestment of financial assets	-24 686	-6 005
Changes in value of financial instruments	-9 520	-1 121
Other income/expense items that do not affect liquidity	-1 303	-2 302
	-211 562	-41 845
Transactions that do not involve payments		
Acquisition of assets via the issuing of a promissory note	-	1 835
Acquisition of assets through financial leasing	39 741	10 297
Acquisition of subsidiaries and other business units		
Acquired assets and liabilities:		
Intangible fixed assets	51 983	7 168
Tangible fixed assets	2 240	51
Financial assets	3 787	-
Inventories	10 785	1 795
Operating receivables	12 899	4 510
Liquid funds	15 051	1 903
Total assets	96 745	15 427
Operating liabilities	8 075	6 149
Total provisions and liabilities	8 075	6 149
Purchase price	88 670	11 113
Less: Promissory notes	-	-1 835
Purchase price paid	88 670	9 278
Less: Liquid funds in the acquired business	-15 051	-1 903
Effect on liquid funds (minus = increase)	73 619	7 375
Liquid funds		
The following components are included in liquid funds:		
Cash and bank balances	27 512	10 356
Unutilised credit facilities		
Unutilised credit facilities amount to SEK 265.1 million (150.7).		

Income statement for the Parent company

Note	Amounts in SEK K	2019	2018
3	Net sales	11 466	9 230
4	Other operating income	23	97
		11 489	9 327
	Operating expenses		
6, 23	Other external expenses	-21 725	-17 761
7	Personnel expenses	-61 167	-18 586
8	Depreciation of tangible and intangible fixed assets	-73	-83
9	Other operating expenses	-	-102
	Operating loss	-71 476	-27 205
	Profit or loss from financial income and expense		
10	Profit or loss from participations in subsidiaries	-41 605	-6 311
12	Profit or loss from participations in associated companies	63 114	33 086
13	Profit or loss from other financial income and expense	88 414	72 949
14	Interest income and similar income	8 198	5 473
15	Interest expense and similar expenses	-22 416	-19 758
	Profit after financial income and expense	24 229	58 234
	Appropriations		
	Group contributions, received	64 186	19 629
	Profit before tax	88 415	77 863
18	Taxes	-9 748	4 167
	PROFIT FOR THE YEAR	78 667	82 030

In the parent company there is no other comprehensive income, which is why the total comprehensive income sum for the Parent company corresponds with the profit for the year.

Financial position for the Parent company

Note	Amounts in SEK K	2019-12-31	2018-12-31
	ASSETS		
	Fixed assets		
	Intangible fixed assets		
20	Franchises, patents, licences, brands and similar rights	493	38
		493	38
	Tangible fixed assets		
25	Equipment, tools and installations	2 670	2 655
		2 670	2 655
	Financial fixed assets		
27	Participations in subsidiaries	348 182	348 182
28	Receivables from subsidiaries	107 997	107 997
31	Participations in associated companies	229 377	225 919
32	Receivables from associated companies	10 869	16 378
33	Other long-term securities holdings	1 196 787	1 052 926
34	Deferred tax asset	-	6 941
36	Other long-term receivables	400	0
		1 893 612	1 758 343
	Total fixed assets	1 896 775	1 761 036
	Current assets		
	Short-term receivables		
	Accounts receivable – trade	1 314	576
	Receivables from subsidiaries	94 957	93 975
	Receivables from associated companies	12 445	-
	Tax assets	567	567
	Other receivables	974	1 156
37	Prepaid expenses and accrued income	1 157	979
		111 414	97 253
38	Cash and bank balances	381	2 021
	Total current assets	111 795	99 274
	TOTAL ASSETS	2 008 570	1 860 310

Financial position for the Parent company

Note	Amounts in SEK K	2019-12-31	2018-12-31
	EQUITY AND LIABILITIES		
39	Equity		
	Restricted equity		
	Share capital	244 000	244 000
	Legal reserve	21 005	21 005
		265 005	265 005
	Non-restricted equity		
	Retained earnings	476 061	431 850
	Profit or loss for the year	78 667	82 030
		554 728	513 880
		819 733	778 885
	Long-term liabilities		
40	Liabilities to credit institutions	1 014 625	500 000
		1 014 625	500 000
	Short-term liabilities		
40	Liabilities to credit institutions	14 000	470 000
40, 41, 43	Bank overdraft facilities	34 943	99 334
	Accounts payable – trade	2 554	1 416
	Liabilities to subsidiaries	74 488	2 531
	Current tax liabilities	2 807	–
	Other liabilities	646	1 517
44	Accrued expenses and deferred income	44 774	6 627
		174 212	581 425
	TOTAL EQUITY AND LIABILITIES	2 008 570	1 860 310

Report on changes in equity for the Parent company

Amounts in SEK K	Share capital	Legal reserve	Retained earnings	Profit or loss for the year	Total equity
EQUITY, 31 DECEMBER 2017	244 000	21 005	363 771	104 323	733 099
Appropriation of earnings			104 323	-104 323	–
Profit for the year				82 030	82 030
Dividend			-36 234	–	-36 234
Merger profit or loss			-10	–	-10
EQUITY, 31 DECEMBER 2018	244 000	21 005	431 850	82 030	778 885
Appropriation of earnings			82 030	-82 030	–
Profit for the year				78 667	78 667
Dividend			-37 820	–	-37 820
EQUITY, 31 DECEMBER 2019	244 000	21 005	476 061	78 667	819 733

Cash flow statement for the Parent company

Amounts in SEK K	2019	2018
Operating activities		
Profit after financial income and expense	24 229	58 233
Adjustments for items not requiring an outflow of cash	-12 502	-6 910
	11 727	51 323
Income taxes paid	-	-108
Cash flow from operating activities before changes in working capital	11 727	51 215
Cash flow from changes in working capital		
Increase(-)/Decrease(+) in operating receivables	2 688	29 681
Increase(+)/Decrease(-) in operating liabilities	49 829	-23 669
Cash flow from operating activities	64 244	57 227
Investing activities		
Acquisition of intangible fixed assets	-519	-
Acquisition of tangible fixed assets	-24	-46
Investments in financial assets	-243 011	-109 369
Divestment/reduction of financial assets	144 701	20 215
Cash flow from investing activities	-98 853	-89 200
Financing activities		
Proceeds from borrowings	1 089 165	69 958
Amortisation of borrowings	-1 034 390	-
Dividends paid	-21 820	-36 234
Cash flow from financing activities	32 955	33 724
Cash flow for the year	-1 654	1 751
Liquid funds at start of the year	2 021	248
Exchange rate differences in liquid funds	14	22
Liquid funds at year-end	381	2 021

Supplement to cash flow statement for the Parent company

Amounts in SEK K	2019	2018
Interest paid and dividends received		
Dividends received	98 324	92 819
Interest received	3 871	2 935
Interest paid	-19 341	-18 509
Adjustments for items not requiring an outflow of cash		
Dividends from subsidiaries	-	-21 000
Depreciation and write-downs of tangible assets	73	83
Other write-downs	50 605	36 413
Reversed write-downs	-44 114	-16 211
Unrealised exchange rate differences	-976	-190
Capital gains or losses from divestment of financial fixed assets	-18 090	-6 005
	-12 502	-6 910
Liquid funds		
The following components are included in liquid funds		
Cash and bank balances	381	2 021
Unutilised credit facilities		
Unutilised credit facilities amount to SEK 265.1 million (150.7).		

Accounting principles and notes to the accounts

Amounts are in SEK thousand, unless otherwise stated.

Note 1 Significant accounting principles Agreement with standards and laws

The consolidated financial statements have been drawn up in accordance with International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the IFRS Interpretations Committee such as have been enacted by the EU. Furthermore, the consolidated financial statements have been drawn up in accordance with the Swedish Financial Accounting Standards Council recommendations RFR 1 Supplementary accounting rules for groups.

The Parent company's annual accounts are drawn up in accordance with the same principles as the Group's with the exception of cases noted below in the section "The Parent company's accounting principles".

The consolidated financial statements and annual accounts of Volito AB (Parent company) for the fiscal year 2019 were approved by the Board and CEO on 27 February 2020 and will be presented to the Annual General Meeting on 8 May 2020 for adoption. The Parent company is a Swedish limited company with registered office in Malmö.

Valuation basis applied in the drawing up of the Parent company's and Group's financial statements

Assets and liabilities are reported at historical acquisition value, except investment properties and certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities that are measured at fair value comprise derivative instruments, listed and non-listed shares and holdings in mutual funds.

Functional currency and reporting currency

The Parent company's functional currency is SEK, which is also the reporting currency for the Parent company and the Group. This means that the financial statements are presented in SEK. All amounts are rounded to the nearest thousand, unless otherwise stated.

Assessments and estimates in the financial statements

Drawing up the financial statements in accordance with IFRS requires the company management to make assessments and estimates as well as assumptions that affect the application of accounting principles and the book amounts of assets, liabilities, revenue and expenses. These assessments are based on experience and the various assumptions that the management and Board deem to be reasonable under the prevailing circumstances. Conclusions from this process form the basis for decisions relating to book values of assets and liabilities, in those cases where they cannot be established by information from other sources. The actual outcome may differ from these assessments if other assumptions are made, or if conditions change.

Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period the change is made, if the change affected only that period, or in the period when the change is made and future periods, if the change affects both current and future periods.

Assessments made by company management in the application of IFRS that have a significant effect on the financial statements and applied estimates, and which may entail significant adjustments to the following year's financial statements, are covered in Note 2.

Significant applied accounting principles

The accounting principles outlined below, with the exceptions that are described in detail, have been applied consistently for all periods that are presented in the Group's financial statements. The Group's accounting principles has also been consistently applied by the Group's companies regarding associated companies and joint ventures, when necessary through adjustment to the Group's principles.

Changed accounting principles

Changed accounting principles resulting from new or changed IFRS

The Group applies IFRS 16 Leasing agreements from 1 January 2019. As a result of this, the Group has changed its accounting principles for leasing agreements according to below. The Group has chosen to apply the modified retroactive approach in the transition, which, among other things, means the comparison year is not recalculated in accordance with IFRS 16.

Definition of leasing

Previously, the Group determined whether an agreement contained leasing in accordance with IFRIC 4. Determination of whether an agreement contains a leasing agreement. From 1 January 2019, the Group determines whether an agreement contains leasing based on the definition of leasing agreements in IFRS 16.

In the transition to IFRS 16, the Group chose to apply the relief rule to "inherit" the previous definition of leasing in the transition. This means that IFRS 16 is applied to agreements that were previously identified as leasing agreements and that IFRS 16 is not applied to agreements that were previously deemed not to contain leasing agreements. Consequently, the definition of leasing agreement in accordance with IFRS 16 is only applied to those agreements that have changed or been entered into after 1 January 2019.

Leasing agreements in which Volito is the lessee

Previously, the Group classified leasing agreements as operational or financial leasing agreements based on whether the leasing agreement transferred the significant risks and benefits that the ownership of the underlying asset brings to the Group. Operational leasing agreements are not reported as assets and liabilities in the statement of financial position and a leasing/rental expense is reported linearly over the agreement's leasing period. In accordance with IFRS 16, the Group reports right-of-use assets and leasing liabilities for most leasing agreements, even leasing agreements that were previously classified as operational, and depreciation and interest expense is reported in the Consolidated income statement and other comprehensive income for the Group. Exceptions have been made for agreements mentioned below with a remaining leasing period of maximum 12 months and for leasing agreements of low value (underlying asset value < SEK 50 K).

Leasing agreements previously classified as operational leasing agreements in accordance with IAS 17

In the transition, leasing liabilities were valued at the present value of the remaining leasing fees, discounted with the Group's marginal borrowing interest rate on the first day of application (1 January 2019). Right-of-use assets are valued at an amount that corresponds to the leasing liability, adjusted for any prepaid or accrued leasing fees. The Group has chosen to apply the following relief rules for previous operational leasing agreements in the transition to IFRS 16:

- Applied a single discounting rate to a portfolio of leasing agreements with somewhat similar characteristics.
- Excluded initial direct expenditure from the valuation of right-of-use assets on the first day of application.
- Made assessments in retrospect in the determining of the leasing period if the agreement contains options to extend or terminate the leasing agreement.

Leasing agreements previously classified as financial leasing agreements

For the reporting of previous financial leasing agreements, see "Effect on the financial statements".

Leasing agreements in which Volito is the lessor

For the Group as lessor, the transition to IFRS 16 has not necessitated any adjustments.

Effect on the financial statements

In the transition to IFRS 16, the Group reported right-of-use assets of SEK 65 647 K and leasing liabilities of SEK 63 548 K, of which SEK 13 024 K were short-term leasing liabilities. Prepaid expenses decreased by SEK 2 099 K.

	Reported 31 December 2018	Effect of IFRS 16	Recalculated items 1 January 2019
Assets – The Group			
Equipment, tools and installations	27 213	-13 990	13 223
Right-of-use assets	–	65 647	65 647
Other fixed assets	6 338 569	–	6 338 569
Deferred tax asset	8 098	–	8 098
Total fixed assets	6 373 880	51 657	6 425 537
Current assets	154 192	-2 099	152 093
Total assets	6 528 072	49 558	6 577 630
Equity and liabilities – The Group			
Equity	2 922 987	–	2 922 987
Long-term liabilities	922 937	-13 990	908 947
Long-term leasing liabilities	–	50 524	50 524
Short-term leasing liabilities	–	13 024	13 024
Other short-term liabilities	2 682 148	–	2 682 148
Total equity and liabilities	6 528 072	49 558	6 577 630

In the valuation of the leasing liability, the Group discounted leasing fees at the marginal borrowing interest rate as at 1 January 2019. The balanced average interest rate used for premises is 2.0% and for the leasing of cars 2.5%.

	1 January 2019
Operational leasing obligations as at 31 December 2018 according to information in the annual report	21 963
Discounted with marginal borrowing interest rate as at 1 January 2019	19 495
Added financial leasing liabilities reported on 31 December 2018	13 990
Added – reasonably secure extension options	30 063
Leasing liability as at 1 January 2019	63 548

The leasing liability for leases previously classified as financial lease has, in accordance with the transition rules in IFRS 16, in the initial amount for 2019 stated above, been reported at the same amount as at the end of 2018. In the following period, the Group has chosen to continue to report the previous financial leasing agreements according to the previous principles until these expire or are subject to change.

The reported right-of-use assets as at 1 January 2019 are attributable to the following type of assets:

	1 January 2019
Real estate	50 970
Vehicles	13 990
Other fixed assets	687
Total right-of-use assets	65 647

New IFRS that have not yet come into effect

The new or changed IFRS that come into effect during the coming fiscal year have not been applied in advance in the drawing up of these financial statements. There are no plans to apply in advance new standards or changes that will apply in the future. Other new and changed IFRS for application in the future are not expected to have a significant effect on the Group's financial statements.

Classification, etc.

Fixed assets, long-term liabilities and provisions essentially consist only of amounts that are expected to be recovered or paid after more than 12 months calculated from accounting year-end. Current assets and short-term liabilities consist essentially only of amounts that are expected to be recovered or paid within 12 months calculated from accounting year-end.

Consolidated financial statements

Subsidiaries

The consolidated financial statements cover the Parent company Volito AB and its subsidiaries, which are all companies in which the Parent company, directly or indirectly, has a controlling influence. A controlling influence exists if Volito AB has influence over investments, is exposed to, or has the right to variable return from its involvement and can use its influence over investments to affect the return. In an assessment of whether a controlling interest exists, attention is paid to potential shares with voting entitlement and whether actual control exists.

Subsidiaries are reported according to the acquisition method. The method means that the acquisition of the subsidiary is considered as a transaction from which the Parent company indirectly acquires the assets of the subsidiary and takes over its debts. The group-wise acquisition value is established through an acquisition analysis in connection with the acquisition. The analysis establishes the acquisition value for the shares, as well as the fair value on the acquisition date of the acquired identifiable assets, taken over liabilities and any holdings with non-controlling interest on the acquisition date. Transaction expenditure, with the exception of transaction expenditure relating to issue of equity or debt instruments, is reported directly in profit or loss for the year.

In business combinations where the transferred payment, any holding with non-controlling interest and the fair value of previously owned shares (in multi-stage acquisitions) exceed the fair value of the acquired assets and taken over liabilities, the difference is reported as goodwill. When the difference is negative, so-called acquisition at low price, this difference is reported directly in the profit or loss for the year. Transferred payment in connection with the acquisition does not include payments relating to regulation of previous business connections. This type of regulation is usually reported in profit or loss for the year.

Conditional purchase prices are reported at fair value from the acquisition date. In cases where the conditional purchase price is classified as an equity instrument, no revaluation and regulation is reported in equity. For other conditional purchase prices, revaluation is done for each reporting period and the change in value is reported in profit or loss for the year.

In cases where the acquisition does not relate to 100% of the subsidiary, a holding with non-controlling interest is created. There are two alternatives for reporting holdings with non-controlling interest. These two alternatives are to report the holding with non-controlling interest's share of proportional net assets, or that the holding with non-controlling interest is reported at fair value, which means that the holding with non-controlling interest has a share in goodwill. The choice between the two methods for reporting a holding with non-controlling interest can be made from acquisition to acquisition.

Ownership of a company that increases through acquisitions on several occasions is reported as a multi-step acquisition. In a multi-step acquisition that results in a controlling interest, the previously acquired shares are revalued based on the fair value of the latest acquisition and the arising profit or loss is reported in profit or loss for the year.

When the acquisition of subsidiaries means the acquisition of net assets that do not consist of a business, the acquisition cost is divided between the single identifiable assets and liabilities based on their fair value on the acquisition date.

The subsidiaries' financial statements are taken into the consolidated financial statements from the day the controlling interest arises and is included in the consolidated financial statements until the day it ceases.

Acquisitions from holdings with non-controlling interest

Acquisitions from holdings with non-controlling interest are reported as a transaction within equity, i.e. between the Parent company's owners (within retained earnings) and the holding with non-controlling interest. Therefore, no goodwill arises from these transactions. Changes in holdings with non-controlling interest are based on the proportional share of net assets. The difference between the received liquidity and the holding with non-controlling interest's proportional share of acquired net assets is reported under retained earnings.

Sales to holdings with non-controlling interest

Sales to holdings with non-controlling interest, in which the controlling interest remains, are reported as a transaction within equity, i.e. between the Parent company's owners and the holding with non-controlling interest.

If a reduction in ownership is to the extent that a controlling interest is lost, this is considered to correspond to a divestment of a subsidiary. The effect is reported in profit or loss for the year and consists of capital gains or losses from the divested assets and liabilities and a revaluation effect on the remaining holding, which is valued at fair value on the divestment date with the change in value reported in profit or loss for the year.

Participations in joint ventures

Participations in joint ventures in accounting terms are those companies for which the Group, through cooperation agreements with one or more parties, has a joint controlling interest over operational and financial management. From the point when the joint controlling interest is gained, participations in joint ventures are reported in accordance with the equity method in the consolidated financial statements.

Associated companies

Associated companies are those companies in which the Group has a significant interest, but not a controlling interest, over operational and financial management, generally through shareholdings with between 20% and 50% of the votes. From the time that the significant influence is gained, shares in the associated company are reported in accordance with the equity method in the consolidated financial statements.

The equity method

The equity method means that the book value of joint ventures and associated companies reported in the Group corresponds to the Group's share in the joint venture's or associated company's equity, as well as group-wise goodwill and any other residual value in the group-wise surplus value or under value. The Group's participation in the respective

companies' profit after tax and expenses adjusted for any amortisation, write-downs or resolution of acquired surplus or under value is reported in the profit or loss for the year under "Participations in joint ventures' profit or loss" and "Participations in associated companies' profit or loss". These profit participations less received dividends from joint ventures and associated companies make up the main changes in the book value of participations in joint ventures and associated companies. The Group's participation in other comprehensive income in associated companies is reported in a separate line in the Group's other comprehensive income.

Any difference at the time of acquisition between the acquisition value of the holding and the owner company's share of the net fair value of joint ventures' and associated companies' identifiable assets and liabilities is reported in accordance with the same principle as the acquisition of subsidiaries. Transaction expenditure, with the exception of transaction expenditure relating to the issue of equity instruments or debt instruments, is included in the acquisition value.

When the Group's participation in reported losses in a joint venture or associated company exceeds the book value of the participation in the Group, the value of the participation is reduced to zero. Settlement for losses is also applied for long-term financial dealings without security, which in their economic meaning make up part of the owner company's net investment in the associated company. Continued losses are not reported, provided that the Group has not made guarantees to cover losses arising in the joint venture or associated company.

The equity method is applied until such point as the significant influence ceases.

Acquisition of property via a company

A company acquisition can be regarded as either an asset acquisition or a business combination. Company acquisitions in which the primary aim is to gain a company's property and in which the company's property management organisation and administration has a subordinate importance for the acquisition's implementation, are generally treated as asset acquisitions. Company acquisitions in which the acquired company's property management organisation and administration has a considerable importance for the acquisition's implementation and valuation, are instead treated as business combinations.

In the case of asset acquisitions, no deferred tax is reported on the property's surplus value, and any discount attributable to the deferred tax instead reduces the property value. In the case of business combinations, the deferred tax is reported with the relevant nominal tax on the property's surplus value and other temporary differences attributable to the acquired assets and liabilities. The company acquisitions regarding property that have occurred since the formation of the Group have been treated as asset acquisitions.

Elimination of transactions on consolidation

Intra-group receivables and liabilities, revenue or expenses and unrealised profits or losses that arise from intra-group transactions between subsidiaries are eliminated in full in the drawing up of consolidated financial statements. Unrealised profits deriving from transactions with associated companies and joint ventures are eliminated to the extent that corresponds to the Group's ownership share in the company. Unrealised losses are eliminated in the same way as unrealised profits, provided that there is no write-down requirement.

Translation of foreign subsidiaries or other overseas businesses

Assets and liabilities in overseas businesses, including goodwill and other group-wise surplus value or under value are translated from the overseas businesses' functional currency to the Group's reporting currency, SEK, at the exchange rate at accounting year-end. Revenue and expenses in an overseas business are translated to SEK at an average exchange rate that constitutes an approximation of the exchange rate on the respective transaction date. Translation differences that arise in currency translation of overseas businesses are reported in other comprehensive income and accumulated in a separate component in equity, called the foreign exchange reserve. In cases where an overseas business is not wholly owned, the translation difference is allocated to holdings with non-controlling interest based on the proportional ownership share.

If an overseas business is divested, the accumulated translation differences attributable to the business are reclassified from the foreign exchange reserve in equity to profit or loss for the year.

When a controlling interest, significant interest or joint controlling interest ceases for an overseas business, the accumulated translation differences attributable to the business are realised and reclassified from the foreign exchange reserve in equity to profit or loss for the year. In cases where divestment occurs, but a controlling interest remains, the proportional share of the accumulated translation differences is transferred from the foreign exchange reserve to holdings with a non-controlling interest. In cases where parts of an associated company or joint venture have been divested, but significant influence or joint controlling interest remains, the proportional share of the translation differences is reclassified to profit or loss for the year.

Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate on the transaction date. The functional currency is the currency in the primary economic environments where the company runs its operations. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at accounting year-end. Exchange rate differences arising from translation are reported in profit or loss for the year. Non-monetary assets and liabilities that are reported at historical acquisition value are translated at the exchange rate on the transaction date. Non-monetary assets that are reported at fair value are translated to the functional currency at the exchange rate at the time of measurement of fair value.

Exchange rate differences regarding operating receivables and operating liabilities are reported in the operating profit or loss, whereas exchange rate differences relating to financial assets and liabilities are reported as profit or loss from financial income and expense.

Revenue

Rental revenue

Rental revenue from investment properties is reported linearly in the profit or loss for the year based on the conditions in the leasing agreement. The total cost for granted benefits is reported as a reduction of rental revenue linearly over the leasing period.

Rental contracts relating to investment properties are considered as operational leasing agreements. These agreements are reported in accordance with the principles for revenue recognition above. Volito has one property that is leased out through a financial leasing agreement, see Note 35.

Revenue from the sale of real estate

Revenue from the sale of real estate is normally reported on the day of taking possession, unless the risks and benefits have been transferred to the buyer at an earlier juncture. Control of access may have been transferred at an earlier juncture than the day of taking possession, and if this is the case, revenue from the sale of the property is recognised at this earlier juncture. The assessment of the juncture for recognising revenue takes into consideration both what has been contracted between the parties regarding risks and benefits, and involvement in the current management of the property. In addition, consideration is given to circumstances that can affect the transaction's outcome, but are beyond the sellers and/or buyer's control.

Sales of goods

Recognition of revenue other than rental and leasing revenue from property management is done in accordance with IFRS 15 Revenue from contracts with customers. Revenue from sales of goods is recognised in the profit or loss for the year when control of the goods has been transferred to the buyer.

Revenue is recognised at the fair value of what has been received, or is expected to be received, with deduction of granted discounts.

Leasing agreements

Principles applied as from 1 January 2019

When an agreement is made, the Group assesses whether the agreement is, or contains, a leasing agreement. An agreement is, or contains, a leasing agreement if the agreement transfers the right during a certain period to decide on the use of an identified asset in exchange for compensation.

At the start of a leasing agreement or in the review of a leasing agreement that contains several components – leasing and non-leasing components – the Group divides the compensation according to the agreement to each component based on the stand-alone price.

For the leasing of property and vehicles where the Group is the lessee, Volito has, however, chosen not to differentiate between non-leasing components and reports leasing and non-leasing components that are paid with fixed amounts as a single leasing component.

Leasing agreements in which Volito is the lessee

The Group reports a right-of-use asset and a leasing liability at the start date of the leasing agreement. The right-of-use asset is initially valued at the cost of acquisition, which consists of the leasing liability's initial value with an addition for leasing fees paid at or before the start date plus any initial direct expenses. The right-of-use asset is depreciated linearly from the start date to the earliest of the end of the asset's period of utilisation or the end of the leasing period, which in a normal case for the Group is the end of the leasing period. In more uncommon cases, when the cost of acquisition for the right-of-use asset reflects that Volito will utilise an option to buy the underlying asset, the asset is written down at the end of the utilisation period.

The leasing liability – which is divided up between long-term and short-term parts – is initially valued at the present value of remaining leasing fees during the assessed leasing period. The leasing period comprises the non-cancellable period with the addition of further periods in the agreement if on the start date it is assessed as reasonably certain that these will be utilised.

Leasing fees are discounted in normal cases using the Group's marginal borrowing interest rate, which in addition to the Group's/company's credit risk reflects each agreement's leasing period, currency and quality of the underlying asset as intended security. In cases where the leasing agreement's implicit interest rate can be easily determined that interest rate is used, however, which is the case for parts of the Group's leases of vehicles.

The leasing liability comprises the present value of the fees during the assessed leasing period:

- fixed fees, including in-substance fixed fees,
- variable leasing linked to an index or rate, initially valued using the index or rate that applied on the start date,
- any residual value guarantees that are expected to be paid,
- the exercise price for a purchase option that the Group is reasonably certain that will be utilised, and
- penalty fees that are paid at the termination of the leasing agreement if the assessed leasing period reflects that such a termination is going to take place.

The liability's value increases with the interest rate expense for the respective period and is reduced by the leasing payments. Interest expense is calculated as the liability's value times the discounting interest rate.

The leasing liability for the Group's premises with rent that is index-adjusted upwards is calculated on the rent that applies at the end of the respective report period. At this juncture, the liability is adjusted with a corresponding adjustment of the right-of-use asset's book value. In a corresponding way, the value of the liability and asset is adjusted in connection with a reassessment of the leasing period. This takes place in connection with the final termination date in the previously assessed leasing period for premises rental agreements having passed or that significant events happen or circumstances change in a significant way that is within Volito's control and affects the current assessment of the leasing period.

The Group presents right-of-use assets and leasing liabilities as their own items in the statement of financial position.

For leasing agreements with a leasing period of 12 months or less or with an underlying asset of low value, below SEK 50 K, no right-of-use asset or leasing liability is reported. Leasing fees for these leasing agreements are reported as an expense over the leasing period.

Leasing agreements in which Volito is the lessor

When the Group is the lessor, it determines on each leasing agreement start date whether the leasing agreement is to be classified as a financial or operational leasing agreement.

In determining the classification, an overall assessment is carried out as to whether the leasing agreement in all important considerations transfers the financial risks and benefits that are associated with the ownership of the underlying asset. If that is the case, the leasing agreement is a financial leasing agreement. In other cases, it is an operational leasing agreement. As a part of this assessment, the Group takes into account several indicators. These indicators include whether the leasing period constitutes a large part of the asset's economic lifetime or if the right of ownership to the underlying asset is transferred to the lessee when the leasing agreement expires.

When a leased asset is sub-leased, the main leasing agreement and sub-leasing agreement are reported as two separate agreements. The Group classifies the sub-leasing agreement based on the right-of-use that arises from the main leasing agreement, not based on the underlying asset.

Assets rented out in accordance with financial leasing agreements are not reported as tangible fixed assets, as risks and opportunities linked to ownership of the assets are transferred over to the lessee. Instead, a financial asset is reported regarding future minimum leasing fees.

The Group reports leasing fees from operational leasing agreements as revenue linearly over the leasing period as part of the item net sales, when it mainly refers to the leasing out of properties.

Principles applied until 31 December 2018

Leasing is classified in the consolidated financial statements as either financial or operational leasing. It is considered to be financial leasing when the economic risks and benefits associated with ownership in all significant aspects are transferred to the lessee. If this is not the case, it is a matter of operational leasing.

Operational leasing agreements

Expenses relating to operational leasing agreements in which the Group is the lessee are reported in profit or loss for the year linearly over the leasing period. Benefits gained in connection with the signing of an agreement are reported in the profit or loss for the year linearly over the duration of the leasing agreement. Variable fees are reported as expense in the period they arise.

Revenue relating to operational leasing agreements in which the Group is the lessor is recognised linearly over the duration of the leasing agreement. Expenses that arise as a result of the leasing agreement are reported when they arise.

Financial leasing agreements

Assets that are hired in accordance with financial leasing agreements are reported as assets in the consolidated statement of financial position at the lowest of the leasing object's fair value and present value of future minimum leasing fees. The leased assets are written down during their economic period of utilisation in the same way as Group-owned assets. The obligation to pay future leasing fees is reported as long-term and short-term liabilities. Minimum leasing fees are divided between interest expense and amortisation on the outstanding liability. Interest expenses are assigned with an amount that corresponds to a fixed interest rate for reported liabilities during the respective period. Variable fees are expensed in the periods they arise.

Expense

The income statement is classified by nature of expense.

Real estate expenses

The term real estate expenses covers all expenses for the investment properties. This includes direct property expenses, such as expenses for operation, maintenance, ground rent and property tax. The term also covers indirect property expenses, such as expenses relating to leasing and property administration.

Financial income and expense

Financial income consists of interest income from invested funds and dividend income. Interest income is taken up as income in the period it concerns. Dividends from shares are reported in the period that the right to receive payment is deemed as certain.

Financial expense consists of interest expense on loans, and realised losses on financial investments as well as derivative instruments used in financial activities. Interest costs affect income in the period they concern, except to the extent they are included in an asset's acquisition value, and are reported with the application of the effective rate method. An asset for which the interest can be included in the acquisition value is an asset that of necessity takes a significant time to complete for intended use or sale. Activation of borrowing costs is done in accordance with IAS 23 Borrowing costs.

Income from the sale of financial investments is reported when the risks and benefits associated with the undertaking of the instrument in all important aspects has been transferred to the buyer and the Group no longer has control over the instrument.

Exchange rate profits and losses are reported net.

Unrealised changes in the value of financial assets measured at fair value, as well as hedging instruments, are reported in a specific line in the profit or loss for the year. Interest rate swaps are used for hedging against interest rate risks linked to the Group's

borrowing. The Group does not at present apply hedge accounting for these instruments. Interest rate swaps are measured at fair value in the balance sheet. In the profit or loss for the year, the interest rate coupon component is reported as a correction of interest expense. Unrealised changes in the fair value of interest rate swaps are reported in a specific line in the profit or loss for the year.

The effective rate is the rate that discounts the estimated future incoming and outgoing payments during a financial instrument's expected duration at the financial asset's or liability's reported net value. The calculation includes all fees paid or received by the agreement parties that are a part of the effective rate, transaction costs and all other surplus and under values.

Taxes

Income taxes consist of both current and deferred income tax for the Swedish and foreign Group units. Income taxes are reported in the profit or loss for the year, unless the underlying transaction is reported in other comprehensive income or in equity, in which case the associated tax effect is reported in other comprehensive income or in equity.

Current tax is tax that is to be paid or received regarding the current year, with application of the tax rates that are decided or in practice decided at year-end. Current tax also includes adjustments of current tax relating to earlier periods.

Deferred tax is calculated according to the balance sheet method. According to this method, deferred tax liabilities and receivables are reported for all temporary differences between reported and fiscal values for assets and liabilities and for other fiscal deductions or deficiencies. Deferred tax liabilities and tax assets are calculated based on how the temporary differences are expected to be evened out and by the application of the tax rates and tax rules that have been decided or announced at accounting year-end.

In the valuation of fiscal deficit deduction, an assessment is made of the probability that the deficit can be utilised. The basis for deferred tax assets includes established deficit deductions to the extent that they can with certainty be utilised in relation to future profits. Deferred taxes are reported at the nominal valid tax rate without discounting.

Temporary differences are not taken into account in group-wise goodwill or in normal cases in the differences relating to participations in subsidiaries, joint ventures and associated companies that are not expected to be taxed in the foreseeable future. Temporary differences are not taken into account either for differences that have arisen in the initial reporting of assets and liabilities that are not business combinations that on the transaction date do not affect either the reported income or the taxable income.

When an acquisition of a company takes place, the acquisition is either a business combination or an acquisition of assets. It is an acquisition of assets, for example, if the acquired company only own one or more properties with a rental contract, but the acquisition does not include the processes required to run the property business. In reporting of an acquisition of assets, no deferred tax is reported separately. The fair value of the deferred tax liability is instead deducted from the fair value of the acquired asset.

Untaxed reserves including deferred tax liabilities are reported in the legal entity. In the consolidated financial statements on the other hand, untaxed reserves are divided into deferred tax liabilities and equity.

Intangible assets

Goodwill

Goodwill represents the difference between the acquisition value of the business combination and the fair value of the acquired identifiable assets and taken over liabilities.

Goodwill is valued at the acquisition value minus any accumulated write-downs. Goodwill is designated to cash generating units and is reviewed for write-down requirements annually or as soon as indications arise that show that the asset in question has fallen in value. Goodwill that has arisen in the acquisition of joint ventures and associated companies is included in the book value for shares in joint ventures and associated companies.

In the case of business combinations in which the acquisition cost is less than the net value of the acquired assets and taken over liabilities, known as an acquisition at low price, the difference is reported directly in profit or loss for the year.

Concerning goodwill in acquisitions that took place before 1 January 2013, the Group, on transition to IFRS, has not applied IFRS retroactively. The book value on that day constitutes from that time on the Groups' acquisition value, after write-down appraisal.

Other intangible assets

Intangible assets that are acquired by the company are reported at the acquisition value minus accumulated depreciations and write-downs.

Depreciation is linear over the asset's period of utilisation and reported as expense in the income statement. Depreciation begins from the date when assets become available for use.

The estimated periods of utilisation are:	The Group	The Parent company
Software	3-5 years	5 years
Other intangible assets	5 years	-

An assessment of an asset's period of utilisation and residual value is carried out annually.

Tangible fixed assets

Owned assets

Tangible assets that are acquired by the company are reported at the acquisition value less accumulated depreciation and any write-downs.

The book value of a tangible fixed asset is removed from the balance sheet in the case of discarding or sale of an asset, or when no future economic benefits are expected from use of the asset. Profit or loss that arises from the divestment or discarding of an asset is made up of the difference between the sales price and the asset's book value with deductions for directly related sales costs.

Leased assets

Principles applied until 31 December 2018

Leasing is classified in the consolidated financial statements as either financial or operational leasing. It is considered financial leasing when the economic risks and advantages associated with ownership are in all essential aspects transferred to the lessee. If this is not the case, it is a matter of operational leasing.

Assets that are hired according to financial leasing agreements are reported as assets in the Group's balance sheet. The obligation to pay future leasing fees has been reported as long and short-term liabilities. The leased assets are depreciated according to plan, whereas leasing payments are reported as interest and amortisation of liabilities.

Assets that are hired according to operational leasing agreements are not reported as assets in the Group's balance sheet. Leasing fees for operational leasing agreements are taken up as expense linearly over the duration of the leasing period.

Assets that are hired out according to financial leasing agreements are not reported as tangible fixed assets, as the risks and benefits associated with ownership of the assets are transferred to the lessee. Instead, a financial receivable is reported regarding the future minimum leasing fees.

Additional expenditure

Additional expenditure is added to the acquisition value to the extent that the asset's performance has been improved in relation to the level at the time it was originally acquired. All other additional expenditure is reported as expense in the period it arises.

Borrowing expenses

Borrowing expenses that are directly attributable to purchasing, construction or production of assets that take a significant time to complete for the intended use or sale are included in the asset's acquisition value. Activation of borrowing expenses is done on condition that it is probable that it will lead to future economic benefits and costs that can be measured in a reliable way.

Depreciation principles for tangible fixed assets

Depreciation according to plan is based on the original acquisition value reduced by the calculated residual value. Depreciation is linear over the period in which the asset is expected to be utilised.

The following depreciation periods are applied:	The Group	The Parent company
Industrial buildings	20-25 years	-
Plant and machinery	5-10 years	-
Equipment, tools and installations	5 years	5 years
Computer equipment	3-5 years	3-5 years

Industrial buildings account for a negligible amount and depreciation for various parts is over a period of 20-25 years.

Investment properties

Most of the properties in the Group are classified as investment properties, as they are owned with an aim to generate rental revenue or value increases, or a combination of the two. Investment properties are reported initially at acquisition value, which includes expenditure directly attributable to the acquisition. Thereafter, investment properties are reported at fair value in the statement of financial position, in accordance with IAS 40. Changes in value are reported in a designated line in the income statement. The Group's properties are reported in the statement of financial position as fixed assets. As the properties are reported at fair value, depreciation is not reported for these properties in the consolidated financial statements. The investment properties are valued annually by an independent external appraiser with recognised and relevant qualifications. The applied calculation model is based on long-term return evaluation, which factors in present value of future payment streams with differentiated return requirements per property, depending on aspects such as location, purpose, condition and standard.

Unrealised and realised changes in value are reported in profit or loss for the year. Rental revenue and revenue from property sales are reported in accordance with the principles described in the revenue recognition section.

Additional expenditure – investment properties reported according to the fair value method

Additional expenditure is added to the book value only if it is probable that the future economic benefits associated with the asset will be gained by the company and the acquisition value can be calculated in a reliable way. All other additional expenditure is reported as expense in the period it arises. A decisive factor in assessing when additional expenditure is added to the book value is if the expenditure refers to the exchange of the whole, or parts of, the identified components, which activates such expenditure. Expenditure for any newly created components is also added to the book value. Expenditure for repairs is expensed in the period it arises.

Properties under construction that are intended for use as investment properties when work is completed are also classified as investment properties.

Note 21 contains further information on external property valuation and a statement on classification of the property portfolio and its book value.

Inventories

Inventories are valued at the lowest of either the acquisition value or the net realisable value. The acquisition value is calculated according to the first-in, first-out principle and includes expenditure that has arisen in the acquisition of inventory assets and transport of these to their present location and condition. An obsolescence scale was introduced during the year for goods that have not been sold for two years or more.

For manufactured goods and ongoing work, the acquisition value includes a reasonable share of the indirect costs based on normal capacity.

Net realisable value is the estimated sales price in current operations, after deductions for estimated costs for completion and to achieve a sale.

Financial instruments

Financial instruments that are reported in the statement of financial position include on the asset side; liquid funds, accounts receivable – trade, participations in funds, listed and non-listed shares, derivatives and other receivables. On the liability side are accounts payable – trade, loan liabilities and derivatives.

Reporting in, and removing from, the balance sheet

Financial assets and liabilities are taken up in the statement of financial position when the company becomes a party in accordance with the instrument's agreement-related conditions. A receivable is taken up when the company has performed and the contracted obligation exists for the counterparty to pay, even if the invoice has yet to be sent. Accounts receivable – trade are taken up in the statement of financial position when the invoice has been sent. A liability is taken up when the counterparty has performed and the contracted obligation exists for the payment to be made, even if the invoice has yet to be received. Accounts payable – trade are taken up when the invoice is received.

A financial asset is removed from the statement of financial position when the rights in the agreement have been realised, fall due or when the company loses control over them. The same applies for a component of a financial asset. For every reporting period, the company evaluates if there are objective indications that a financial asset or group of financial assets requires a write-down. A financial liability is removed from the statement of financial position when the obligation in the agreement has been fulfilled or in another way ceases to apply. The same applies for a component of a financial liability.

Financial assets and liabilities are offset and reported as a net amount in the statement of financial position when there is a legal right to offset and where the intent is to regulate items with a net amount or to simultaneously realise assets and regulate liabilities. Financial income and expense are offset in the income statement in cases where they are linked to the financial assets and liabilities that are offset. Acquisition and divestment of financial assets are reported on the transaction date. The transaction date is the day when the company commits itself to acquire or divest the asset.

Measurement at initial recognition

Financial instruments are initially recognised at fair value with addition/deduction for transaction expenditure, with the exception of instruments that are continuously recognised at fair value via profit or loss for which transaction expenditure is instead expensed as it arises. Accounts receivable – trade (without a significant financing component) are initially recognised at the transaction price that is established according to IFRS 15.

Classification and subsequent measurement of financial assets

At initial recognition, a financial asset is classified as measured at amortised cost, fair value via other comprehensive income (debt instrument investment), fair value via other comprehensive income (equity investment), or fair value via profit or loss. Below is a description of how the Group's different holdings of financial assets are classified:

Holdings of non-listed funds

The Group has participations in non-listed funds. The participations in funds do not fulfil the criteria for equity instruments and the cash flows from the funds do not consist solely of payments of principals and interest. The funds have therefore been measured at fair value via profit or loss.

Holdings of non-listed shares

The Group's holdings of shares and participations in non-listed companies (that are not subsidiaries, associated companies or joint ventures) are measured at fair value via profit or loss. The Group's holding in Anticimex is however recognised at fair value via other comprehensive income.

Holdings of listed shares

The holdings of listed shares are measured at fair value via other comprehensive income.

Derivative assets

Derivatives that have a positive fair value for Volito are recognised as assets in the statement of financial position and measured at fair value via the income statement. Derivatives are made up of interest rate swaps that are used to economically hedge interest rate risks. Changes in value are reported in a specific line in profit or loss for the year. Volito does not apply hedge accounting.

Other financial assets

All other financial assets are recognised at the amortised cost. This is because they are within the framework for a business model whose goal is to receive the contractual cash flows at the same time as the cash flows from assets are solely composed of payments of principals and interest.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as being measured at amortised cost or measured at fair value via profit or loss. The financial liabilities that are measured at fair value via profit or loss consist of derivatives that have a negative fair value for Volito. Change in value is reported in a specific line in profit or loss for the year. Derivatives are made up of interest rate swaps that are used to economically hedge interest rate risks. Volito does not apply hedge accounting. All other financial liabilities are recognised at the amortised cost with the application of the effective rate method.

Liquid funds

Liquid funds consist of balances at the bank at accounting year-end and are reported at nominal value.

Write-downs

The book values of the Group's assets are tested at each accounting year-end to determine if there is any indication that write-downs are required. IAS 36 is applied for testing write-down requirements for assets other than financial assets, which are tested in accordance with IFRS 9, available-for-sale assets, and divestment groups, which are reported in accordance with IFRS 5. Inventories, managed assets used for the financing of remuneration to employees, and deferred tax assets. For excepted assets as above, the book value is tested according to the respective standard.

Write-down tests for tangible and intangible assets, and participations in subsidiaries, joint ventures, associated companies etc.

If there is an indication that a write-down is required, the asset's recoverable amount is calculated in accordance with IAS 36. For goodwill and for other intangible assets that are not yet ready for use, the recoverable amount is also calculated annually. If it is not possible to determine significant independent cash flows to a single asset, the assets on being tested for write-down requirements shall be grouped at the lowest level where it is possible to identify a significant independent cash flow – a so-called cash-generating unit.

A write-down is reported when an asset's or cash-generating unit's book value exceeds the recoverable amount. The write-down of assets relating to a cash-generating unit (group of units) is assigned first of all to goodwill. Thereafter, a proportional write-down is carried out for other assets included in the unit (group of units).

The recoverable amount is the highest value of the fair value minus sales costs and value in use. In the calculation of value in use, future cash flows are discounted with a discounting factor that takes into consideration risk-free interest and the risk that is associated with the specific asset.

A write-down is reversed if there is both an indication that a write-down requirement no longer exists and that a change has occurred in the assumption that was the basis for calculation of the recoverable amount. However, write-downs of goodwill are never reversed. A reversal is carried out only to the extent that the asset's book value after reversal does not exceed the book value that would have been reported, with deduction for depreciation if applicable, if no write-down had been carried out.

Write-down tests for financial assets

The Group reports a loss allowance for expected credit losses on financial assets measured at amortised cost. The loss allowance for accounts receivable – trade is measured at an amount that corresponds to the expected losses for the remaining duration. For other receivables the loss allowance is measured at an amount that corresponds to 12 months of expected credit losses, provided that the credit risk has not increased significantly since the time when the receivable was first reported. If the credit risk has increased significantly since the time when the receivable was first reported, the loss allowance is instead measured at an amount that corresponds to the expected losses for the remaining duration.

The loss allowance is calculated as the present value of all deficits in the cash flows (i.e. the difference between the cash flows according to the agreement and the cash flows that the Group is expected to receive). Short-term receivables, however, are not discounted. In the balance sheet, the assets are reported net after any write-downs. Write-downs are reported in the profit or loss.

A financial asset's reported gross value is written off when the Group does not have reasonable expectations of recovering a financial asset, fully or in part.

Equity

Dividends are reported as a reduction of equity after the Annual General Meeting has made a decision.

Provisions

A provision differs from other liabilities as there is uncertainty over the payment date or the size of the amount for regulating the provision. A provision is reported when the company has a formal or informal commitment as the result of an event that has occurred and it is likely that an outflow of resources is required to regulate the commitment, and that a reliable estimate of the amount can be made. Present value calculations are made to take significant time effects into account for future payments.

Remuneration to employees

Remuneration to employees in the form of salaries, paid holiday, paid sick leave, etc. is reported at the rate that it is earned. Regarding pensions and other remuneration after employment ends, these are classified as contribution-based or benefit-based plans. The commitment regarding the contribution-based plans is fulfilled through premiums to independent authorities or companies that administer the plans. A number of employees in the Volito Group have ITP plans with rolling payments to Alecta/Collectum. In accordance with IFRS, these are classified as benefit-based plans that cover several employers. As there is not sufficient information to report these as benefit-based plans, they are reported as contribution-based plans.

Remuneration on severance of employment

A provision for remuneration in connection with termination of employment for staff is reported only if the company is evidently obligated, without a realistic possibility of withdrawal, to terminate employment before the normal time and affected groups of employees have been informed of the termination plan. The provision is made for that part of the severance pay that has no requirement for received services from the employee.

Short-term remuneration

Short-term remuneration to employees is calculated without discounting and is reported as expense when the related services are received.

A provision is reported for the expected expense for bonus payments when the Group has a valid legal or informal obligation to make such payments as a result of services received from employees and the obligation can be calculated reliably.

Fixed assets owned for sale and discontinued operations

The meaning of having a fixed asset (or disposal group) classified as a holding for sale is that its book value will be recovered mainly through a sale rather than through use. An asset or disposal group is classified as being owned for sale if it is available for immediate sale in present condition and according to conditions that are normal, and that it is very probable that the sale will be made. These assets or disposal groups are reported in their own line as current assets and short-term liabilities respectively in the statement of financial position.

Immediately before classification as a holding for sale, the book value of assets and liabilities in a disposal group is determined in accordance with applied standards. In the initial classification of a holding for sale, the fixed assets and disposal groups are reported at the lowest of the book value and fair value with deductions for sales costs. Certain assets, separately or as part of a disposal group, are exempt from the valuation rules described above, namely investment properties, financial assets, deferred tax assets and managed assets relating to benefit-based pension plans.

A profit is reported at every increase of the fair value with deductions for sales costs. This profit is limited to an amount that corresponds to the total of the previously executed write-downs.

Losses as a result of a fall in value in the initial classification as a holding for sale are reported in the profit or loss for the year. Subsequent changes in value, both profits and losses, are also reported in the profit or loss for the year.

Discontinued operations refer to a part of a company's business that represents an independent operating arm or a significant business within a geographical area or a subsidiary that was acquired exclusively with an aim to be sold on. Classification as a discontinued operation is made on divestment or at an earlier time if the operations meet the criteria to be classified as a holding for sale.

Profit or loss after tax from discontinued operations is reported in a specific line in the statement of profit or loss and other comprehensive income. When operations are classified as discontinued, the formulation of comparison year reports of profit or loss and other comprehensive income changes so that it is reported as if the discontinued operations had been discontinued at the start of the comparison year. The formulation of the statement of financial position for the current year and previous year is not changed in a corresponding way.

Contingent liabilities

A contingent liability is reported when there is a possible obligation that arises from events and whose existence is confirmed only by one or more uncertain future events or when there is an obligation that is not reported as a liability or a provision due to the improbability of an outflow being required.

The Parent company's accounting principles

The Parent company has drawn up its annual accounts in accordance with the Swedish Annual Accounts Act [1995:1554], and the Swedish Financial Accounting Standards Council recommendation, RFR 2 Accounting for a legal entity. RFR 2 means that the Parent company in the annual accounts for the legal entity shall apply all of the EU-developed IFRS and pronouncements as far as this is possible within the framework of the Annual Accounts Act, the law on safeguarding pension commitments, and with consideration taken for the connection between accounting and taxation. The recommendation states the exceptions and additions to IFRS that are to be made.

Changed accounting principles

The Parent company does not apply IFRS 16, in accordance with the exception in RFR 2. As a lessee, leasing fees are reported as expense linearly over the leasing period and consequently the right-of-use and leasing liabilities are not reported in the balance sheet.

Differences between the Group's and Parent Company's accounting principles

The differences between the Group's and Parent Company's accounting principles are given below.

Classification and format

The Parent company's income statement and balance sheet are drawn up according to the Annual Account Act's scheme. The differences compared with IAS 1, Presentation of financial statements, which have been applied in the presentation of the Group's financial statements, are principally reporting of financial income and expense, fixed assets, equity and the addition of provisions as a specific heading in the balance sheet.

Financial instruments

The Parent company does not apply IFRS 9 as a legal entity.

In the Parent company, financial fixed assets are valued at acquisition value minus any write-down, and financial current assets according to the lowest value principle. The acquisition value for interest-bearing instruments is adjusted for the accrued difference between what was paid originally, after deductions for transaction expenditure, and the amount that was paid on the due date.

Subsidiaries, participations in associated companies and jointly controlled companies

Participations in subsidiaries, associated companies and jointly controlled companies are reported in the Parent company according to the cost method. This means that acquisition expenditure is included in the book value of participations in subsidiaries. In the consolidated financial statements, the acquisition expenditure relating to participations in subsidiaries is, from 2013 onwards, reported directly in profit or loss when it arises.

The book value is reviewed continuously against the fair value of assets and liabilities in the subsidiaries, associated companies and jointly controlled companies. In cases where the book value of the participations exceeds the companies' fair value, write-downs are made that affect the income statement. In cases where a previous write-down is no longer justified, a reversal is carried out.

Financial guarantees

The Parent company's financial guarantee agreements consist mainly of guarantees for the benefit of subsidiaries, associated companies and jointly controlled companies. Financial guarantees mean that the company has an obligation to compensate holders of a debt instrument for losses if these are incurred due to a stated debtor not fulfilling payment on the due date according to the agreement conditions. For reporting of financial guarantee agreements, the Parent company applies one of the Swedish Financial Accounting Standards Council's permitted participation exemption rules compared with the rules in IFRS 9. The participation exemption rule relates to financial guarantee agreements formulated for the benefit of subsidiaries, associated companies and jointly controlled companies. The Parent company reports financial guarantee agreements as provisions in the balance sheet when the company has an obligation for which payment is probably required in order to regulate the obligation.

Anticipated dividends

Anticipated dividends from subsidiaries can be reported in cases where the Parent company alone has the right to decide on the dividend's size and the Parent company has decided on the dividend's size before the Parent company has published its financial statements. Anticipated dividends are reported as financial income.

Group contributions

Paid and received group contributions are reported as appropriations.

Shareholders' contribution

The shareholders' contribution is taken up directly against equity at the recipient and activated in shares and participations at the donor, to the extent that write-downs are not required.

Tangible fixed assets

Tangible fixed assets in the Parent company are reported at the acquisition value after deductions for accumulated depreciation and any write-downs in the same way as for the Group, but with any write-ups.

Leased assets

In the Parent company, all leasing fees are reported as an expense linearly over the leasing period.

Financial fixed assets

In the Parent company, all financial fixed assets are reported at the acquisition value with deductions for any write-downs. The assessment is made from share type to share type and a write-down to fair value is carried out when the decrease in value is expected to be lasting.

Other long-term receivables are valued at the amount that is expected to be received.

Taxes

In the Parent company, untaxed reserves are reported including deferred tax liabilities. However, in the consolidated financial statements untaxed reserves are divided between deferred tax liabilities and equity.

Note 2 Important estimates and assessments

The company management and the Board have discussed the development, choice and information regarding the Group's important accounting principles and estimates, as well as the applications of these principles and estimates.

Certain important accounting-related estimates that have been used in the application of the Group's accounting principles are described below.

The sources of uncertainty in estimates that are stated below refer to those that involve a risk that the value of the assets or liabilities may need an adjustment to a significant extent in the coming financial year.

Investment properties

Investment properties are reported in accordance with the options in IAS 40 at fair value. This value is established by company management based on the properties' market value at accounting year-end, with changes in fair value reported in the profit or loss. Therefore, the profit or loss can be considerably affected by changes in the fair value of investment properties. The fair value has been calculated by independent appraisal institutions in accordance with good appraisal practice. Important assessments have therefore been made regarding aspects such as cost of capital and direct yield requirement that are based on the appraisal institutions' experience-based assessments of the market's yield requirements for comparable properties. The assessments of cash flow for operating, maintenance and administration costs are based on actual costs, but consideration has also been given to experiences relating to comparable properties. Future investments have been assessed based on the actual needs that exist and with the support of the investment plans that have been drawn up. See Note 21 for a more detailed description of assumptions and estimations connected with the appraisal process.

Write-down testing of goodwill

The Group's total goodwill amounts to SEK 121 028 K (69 872). In the calculation of the cash-generating units' recoverable amounts for assessment of any write-down requirement for goodwill, several assumptions about future conditions and estimates of parameters have been made. A description of these is presented in Note 20. As can be understood from the description, changes exceeding what can reasonably be expected in 2019 relating to these assumptions and estimates could have an effect on the value of goodwill. However, this risk is very low as the recoverable amounts exceed to a great extent the book value in those cases where the goodwill values are a significant amount.

Taxes

Changes in fiscal legislation and changed practice in the interpretation of tax laws can significantly affect the size of reported deferred taxes. For more information on taxes, see Note 18 and 34.

Note 3 Net sales by type of revenue

	2019	2018
The Group		
Revenue from contracts with customers		
Sales of goods	392 882	339 990
Administrative revenue	3 127	2 810
Leasing revenue		
Rental revenue	173 517	178 762
Net sales	569 526	521 562
The Parent company		
Revenue from contracts with customers		
Administrative revenue	11 466	9 230
	11 466	9 230

Contract liabilities and assets

The Group has contract liabilities in the form of advance payments from customers, which are reported in other short-term liabilities. The amount is SEK 5 927 K (1 257). The Group has no significant contract assets. For information on accounts receivable – trade, see Note 43.

Order book

The order book within Volito Industry companies amounted at year-end to SEK 75 425 K (55 226). The orders will be delivered in 2020. For information on the duration of Volito Fastigheter's contract portfolio, see Note 5 and 21.

Note 4 Other operating income

	2019	2018
The Group		
Received contributions	252	315
Exchange gains from receivables/liabilities of an operating nature	184	12
Other	468	337
	904	664
The Parent company		
Other	23	97
	23	97

Note 5 Leasing revenue relating to operational leasing

Rental and leasing revenue is based on rental and leasing agreements that are regarded as operational leasing agreements in which the Group is the lessor.

One property in the Volito Fastigheter group is leased out through a financial leasing agreement, see Note 35.

Real estate

The rental revenue includes not only basic rent, continuing charges for items such as heating, electricity, water and sanitation, and property tax, but also a deduction for granted rent rebates. Also included is revenue relating to premature settlement of the rental contract. Of rental revenue SEK 1 926 K (1 714) consists of turnover-based premises rents. Rents and rent rebates that are only debited during a certain period of a contract's duration are accrued linearly over the respective contract's entire duration.

Rental revenue in the Volito Fastigheter group according to the property portfolio at year-end was divided between 90% (91%) commercial premises and 10% (9%) residential. The commercial rental revenue was divided between 152 (162) contracts within a number of different sectors. With the aim of limiting exposure to credit losses, regular follow-ups are made of tenants' credit ratings. No sector or tenant accounts for more than 10% of the rental revenue.

The duration of the contract portfolio for commercial premises in the Volito Group, as at 31 December 2019, expires according to the table below. The stated amounts refer to contracted closing rents in the portfolio:

	2019	2018
Within one year	2 589	20 855
Between one and five years	124 748	101 847
Later than five years	14 847	52 554
	142 184	175 256

Note 6 Auditing: fees and expenses

	2019	2018
The Group		
KPMG		
Audit assignments	1 033	1 016
Tax consultations	7	70
Other assignments	99	60
PWC		
Tax consultations	–	35
OTHER AUDITORS		
Audit assignments	43	–
Other assignments	64	–
The Parent company		
KPMG		
Audit assignments	323	367
Tax consultations	–	40
Other assignments	91	60

Audit assignments refer to the scrutiny of the annual accounts, accounting, and the Board's and CEO's administration, as well as other tasks that fall to the company's auditor to carry out, and consultation or other assistance resulting from observations of such scrutiny or the carrying out of such other tasks. Tax consultations include consultations concerning income tax and valued added tax. Other assignments refer to consultations that are not applicable to any of the above-named service categories.

Note 7 Staff and personnel costs

Average number of employees	2019	Of which, men	2018	Of which, men
The Parent company				
Sweden	7	57 %	7	43 %
Subsidiaries				
Sweden	111	86 %	116	87 %
Finland	48	94 %	18	89 %
Total in subsidiaries	159	89 %	134	85 %
Group total	166	87 %	141	85 %
Gender distribution in company management		2019		2018
		Percentage of women		Percentage of women
The Group				
Board of Directors		0 %		0 %
Other senior executives		0 %		0 %

	2019	2018	
Expenses and remuneration to employees			
The Group			
Salaries and remuneration etc	126 927	81 664	
Pension costs, contribution-based plans	13 319	11 019	
Social security expenditure	38 311	26 699	
	178 557	119 382	
Salaries, other remuneration and social security expenses			
	Salaries and remuneration	2019	2018
		Social security expenses	Social security expenses
The Parent company	39 780	16 089	11 718
(of which, pension costs)		¹⁾ (2 771)	¹⁾ (2 223)
Subsidiaries	87 147	35 541	69 946
(of which, pension costs)		(10 548)	(8 796)
Total for the Group (of which, pension costs)	126 927	51 630	81 664
		²⁾ (13 319)	²⁾ (11 019)

¹⁾ Of the Parent company's pension costs, SEK 1 898 K (previous year 1 515) refers to the company's Board and CEO. The company has no outstanding pension obligations to them.

²⁾ Of the Group's pension costs, SEK 4 888 K (previous year 4 307) refers to the subsidiaries' Boards and CEOs. The Group has no outstanding pension obligations to them.

Salaries and other remuneration by senior executives, and other employees in the Parent company

	2019	2018
The Parent company		
SENIOR EXECUTIVES (6 PEOPLE, CEO AND BOARD MEMBERS)		
Salaries and other remuneration (of which, bonuses and similar)	35 149 (26 968)	7 651 (2 000)
Social security expenses (of which, pension costs)	13 493 (1 898)	4 287 (1 515)
OTHER EMPLOYEES		
Salaries and other remuneration (of which, bonuses and similar)	4 631 (864)	4 067 (200)
Social security expenses (of which, pension costs)	2 596 (873)	2 274 (708)
The Parent company, total		
Salaries and other remuneration (of which, bonuses and similar)	39 780 (27 832)	11 718 (2 200)
Social security expenses (of which, pension costs)	16 089 (2 771)	6 561 (2 223)

Salaries and other remuneration by senior executives, and other employees in the Group

	2019	2018
The Group		
SENIOR EXECUTIVES		
Salaries and other remuneration (of which, bonuses and similar)	52 338 (32 721)	19 642 (2 300)
Social security expenses (of which, pension costs)	22 014 (4 888)	11 492 (4 307)
OTHER EMPLOYEES		
Salaries and other remuneration (of which, bonuses and similar)	74 589 (5 667)	62 022 (450)
Social security expenses (of which, pension costs)	29 616 (8 431)	26 226 (6 712)
The Group, total		
Salaries and other remuneration (of which, bonuses and similar)	126 927 (38 388)	81 664 (2 750)
Social security expenses (of which, pension costs)	51 630 (13 319)	37 718 (11 019)

Remuneration to senior executives
Principles

The Chairman of the Board receives no remuneration. The other Board members receive a fee of SEK 350 K according to the Annual General Meeting's decision. There is no agreement concerning future pension/severance pay for either the Chairman of the Board or other board members. Remuneration to the CEO and other senior executives consists of basic salary, other benefits and pension. There is an agreement with the CEO of the Parent company regarding a bonus scheme and severance pay corresponding to one year's salary.

Remuneration and other benefits

Other benefits refer to company cars. Pension costs refer to the costs that affect the profit or loss for the year. For the CEO and other senior executives premium-based pension plans apply, and the retirement age is 65. Costs for the CEO's pension consist of a premium of 35% of the pension-qualifying salary during the period of employment. For other senior executives ITP plans or equivalent apply, and the retirement age is 65.

Other senior executives

On termination of employment from the company's side, other senior executives have the right to severance payments amounting to between six months' and 12 months' salary.

Note 8 Depreciation of tangible and intangible fixed assets

	2019	2018
The Group		
Intangible assets	-945	-642
Industrial premises	-211	-211
Right-of-use assets	-13 581	-
Machinery and other technical fixed assets	-625	-533
Equipment, tools and installations	-4 005	-6 192
	-19 367	-7 578
The Parent company		
Licences	-64	-75
Equipment, tools and installations	-9	-8
	-73	-83

Note 9 Other operating expenses

	2019	2018
The Group		
Mortgage deed expenses in divestment of properties	-928	-
Exchange losses on receivables/liabilities of an operating nature	-109	-1 378
Capital losses	-	-135
Guarantee-related costs	-	-252
Additional purchase price	-	-613
Other	-309	-147
	-1 346	-2 525
The Parent company		
Write-downs of receivables	-	-102
	-	-102

Note 10 Profit or loss from participations in subsidiaries

	2019	2018
The Parent company		
Dividends	9 000	30 000
Write-downs of participations	-50 605	-36 311
	-41 605	-6 311

Note 11 Profit or loss from participations in joint ventures

	2019	2018
The Group		
Profit from participations in joint ventures for the year	141 519	3 761
	141 519	3 761

From and including 2019 there is a market valuation of the properties in the Point Hyllie and Bara companies. The Volito Group's participation amounted to SEK 136.7 million.

Note 12 Profit or loss from participations in associated companies

	2019	2018
The Group		
Profit participations in income of associated companies	14 399	34 065
Reversal of write-downs	44 114	16 211
	58 513	50 276
The Parent company		
Dividends	19 000	16 875
Reversal of write-downs	44 114	16 211
	63 114	33 086

Note 13 Profit or loss from other financial income and expense

	2019	2018
The Group		
Dividends	71 179	67 324
Capital gains from divestments	24 686	6 070
Write-downs	-1 487	-305
Change in value	9 520	1 121
	103 898	74 210
The Parent company		
Dividends	70 324	66 944
Capital gains from divestments	18 090	6 005
	88 414	72 949

Note 14 Interest income and similar income

	2019	2018
The Group		
Interest income, subsidiaries	100	34
Interest income, other	1 888	2 471
Leasing revenue	1 459	1 521
Exchange rate profits	3 785	973
	7 232	4 999
The Parent company		
Interest income, subsidiaries	3 507	2 936
Interest income, other	364	-
Exchange rate profits	2 452	662
Guarantee-related income, subsidiaries	1 875	1 875
	8 198	5 473

All interest income is attributable to instruments valued at amortised cost.

Note 15 Interest expenses and similar expenses

	2019	2018
The Group		
Interest expenses, other	-67 712	-69 918
Set-up fees	-1 630	-5
Credit charges and commissions	-1 486	-1 187
	-70 828	-71 110
The Parent company		
Interest expenses, subsidiaries	-728	-3
Interest expenses, other	-18 619	-18 563
Set-up fees	-1 630	-5
Credit charges and commissions	-1 439	-1 187
	-22 416	-19 758

Of interest expenses, SEK 49 245 K (46 035) is attributable to instruments measured at amortised cost and SEK 18 467 K (23 883) to instruments measured at fair value.

Note 16 Change in value of investment properties

	2019	2018
The Group		
Change in value of property portfolio, 31 December	83 297	68 505

Five properties were divested in 2019. Total invested capital refers to original investments or acquisitions plus the investments made in the respective properties during the remaining period of the holding.

At every year-end all properties are valued externally. Malmöbryggan Fastighetsekonomi AB carried out a valuation of Volito's properties on 31 December 2019. The properties' values are individually assessed to correspond to the fair value of each property.

Note 21 includes a description of the valuation methods, valuation basis, market parameters etc. that are used in the valuation of the property portfolio.

Note 17 Change in value of derivatives

Derivatives are financial instruments that according to IFRS 9 are measured at fair value in the balance sheet. Changes in the value of interest rate derivatives are reported under the heading "Change in value of derivatives" in the income statement. If the agreed interest rate for the derivative deviates from the expected future market interest rate during the derivative's duration, a change in value is entered in Volito's balance sheet and income statement, but does not affect the cash flow. The reduced risk in interest payments through long fixed interest rates often creates a larger risk in derivative value due to the time factor. When the duration of the derivative has expired, the value of the interest rate derivative is always zero.

Note 18 Taxes

	2019	2018
The Group		
Current tax	-9 220	-3 167
Deferred tax	-16 018	3 063
Total reported taxes for the Group	-25 238	-104
The Parent company		
Current tax	-2 807	-
Deferred tax	-6 941	4 167
Total reported taxes for the Parent company	-9 748	4 167

Reconciliation of effective tax

	2019		2018	
	Per cent	Amount	Per cent	Amount
The Group				
Profit before tax		380 126		229 954
Tax according to the current tax rate for the Parent company	21,4%	-81 347	22,0 %	-50 590
Effect of other tax rates for foreign subsidiaries	0,0%	144	0,0 %	96
Other non-deductible expenses	3,5%	-13 209	0,4 %	-932
Tax-exempt income	-9,8%	37 386	-10,8 %	24 842
Utilisation of previously non-activated deficit deduction	0,0%	82	0,0 %	-
Tax relating to previous years	0,8%	-3 137	0,3 %	-696
Effect of changed tax rates	0,0%	-	-8,8 %	20 203
Non-valued deficit deduction	2,7%	-10 381	0,2 %	-545
Temporary differences	-0,6%	2 252	0,1 %	-188
Fiscal result from divestment of shares	-3,1%	11 890	0,0 %	-
Adjustment of tax attributable to income from associated companies and joint ventures	-7,7%	29 301	-2,1 %	4 899
Other	-0,5%	1 781	-1,2 %	2 807
Reported effective tax	6,6%	-25 238	0,0 %	-104

Reconciliation of effective tax

	2019		2018	
	Per cent	Amount	Per cent	Amount
The Parent company				
Profit before tax		88 415		77 863
Tax according to the current tax rate for the Parent company	21,4%	-18 921	22,0 %	-17 130
Non-deductible expenses	17,1%	-15 079	11,0 %	-8 592
Tax-exempt income	-38,7%	34 242	-38,3 %	29 795
Increase in deficit deduction without corresponding activation of deferred tax	2,2%	-1 924	0,0%	-
Tax relating to previous years	3,2%	-2 807	-0,2%	175
Effect of changed tax rates and tax rules	0,0%	-	0,3%	-195
Temporary differences	0,0%	-	-0,1%	114
Previously valued deficit deduction	7,9%	-6 941	0,0%	-
Fiscal result from divestment of shares	-0,1%	71	0,0%	-
Other	-1,8%	1 611	0,0%	-
Reported effective tax	11,0 %	-9 748	-5,4 %	4 167

The Group reports current tax of SEK -9 220 K (-3 167). Current tax is calculated on the fiscal results of the companies included in the Group. This is lower than the Group's reported profit or loss before tax, which is mainly because:

- Changes in value relating to investment properties, shares in listed companies and derivatives are not included in the taxable profit or loss.
- Tax deductible depreciation for buildings does not affect the Group's profit or loss.
- Directly tax-deductible amounts relating to certain rebuilding investments for properties do not affect the Group's profit or loss.
- Fiscally utilised deficit deduction does not affect the Group's profit or loss.

The nominal tax rate is 21.4% in Sweden, 7.8% in Switzerland and 20.0% in Finland. The nominal tax rate in Sweden will be changed to 20.6% in 2022.

In addition to what is reported above, there is also within the Group a tax expense attributable to components in other comprehensive income amounting to SEK 12 329 K (-24 720).

The Group 2019	Before tax	Tax	After tax
Translation differences in translation of overseas businesses for the year	-768	-	-768
Participations in associated companies' other comprehensive income	4 420	-	4 420
Change in fair value of equity instruments measured at fair value via other comprehensive income for the year	586 080	12 329	598 409
Other comprehensive income	589 732	12 329	602 061
The Group 2018	Before tax	Tax	After tax
Translation differences in translation of overseas businesses for the year	2 704	-	2 704
Participations in associated companies' other comprehensive income	5 126	-	5 126
Change in fair value of equity instruments measured at fair value via other comprehensive income for the year	150 980	-24 720	126 260
Other comprehensive income	158 810	-24 720	134 090

Note 19 Scope of other comprehensive income and other reserves

The foreign exchange reserve includes all currency differences that arise in translation of financial statements from foreign subsidiaries and associated companies that have drawn up their financial statements in currencies other than the currency used in the Group's financial statements. When foreign subsidiaries are wound up or divested this part of the foreign exchange reserve is transferred to profit or loss for the year.

The fair value reserve includes changes in value in equity instruments measured at fair value via other comprehensive income (in 2017: available-for-sale financial assets).

Note 20 Intangible fixed assets

Goodwill	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	70 140	62 405
Acquisition of subsidiaries	51 453	7 168
Business combinations	582	-
Exchange rate differences for the year	-550	567
At year-end	121 625	70 140
Accumulated depreciation according to plan		
At start of the year	-268	-
Depreciation according to plan for the year	-307	-215
Exchange rate differences for the year	-22	-53
At year-end	-597	-268
Book value at end of period	121 028	69 872
Other intangible assets		
2019-12-31		
2018-12-31		
The Group		
Accumulated acquisition value		
At start of the year	5 998	5 748
Acquisition of subsidiaries	148	-
Other investments	1 156	151
Exchange rate differences for the year	33	99
At year-end	7 335	5 998
Accumulated depreciation according to plan		
At start of the year	-5 031	-4 518
Depreciation according to plan for the year	-638	-427
Exchange rate differences for the year	-30	-86
At year-end	-5 699	-5 031
Book value at end of period	1 636	967
Total intangible assets		
2019-12-31		
2018-12-31		
The Group		
Accumulated acquisition value		
At start of the year	76 138	68 153
Acquisition of subsidiaries	51 601	7 168
Business combinations	582	-
Other investments	1 156	151
Exchange rate differences for the year	-517	666
At year-end	128 960	76 138
Accumulated depreciation according to plan		
At start of the year	-5 299	-4 518
Depreciation according to plan for the year	-945	-642
Exchange rate differences for the year	-52	-139
At year-end	-6 296	-5 299
Book value at end of period	122 664	70 839
Other intangible assets		
2019-12-31		
2018-12-31		
The Parent company		
Accumulated acquisition value		
At start of the year	226	226
Other investments	519	-
At year-end	745	226
Accumulated depreciation according to plan		
At start of the year	-188	-113
Depreciation according to plan for the year	-64	-75
At year-end	-252	-188
Book value at end of period	493	38

Write-down testing of goodwill in cash-generating units

The Volito Group's financial position as at 31 December 2019 includes goodwill of SEK 121 028 K (69 872). The entire amount is attributable to acquisitions in the Volito Industry group.

	2019-12-31	2018-12-31
The Group		
HydX AB	43 148	35 980
MPS Mini Power Systems AB (merged with HydX)	-	7 168
Hydraulic Supplier i Norden AB	7 657	7 657
Hydraulik- och Industriservice i Vetlanda AB	6 901	6 901
Hydrosystem Oy	12 625	12 166
Satatekniikka Oy	50 697	-
At year-end	121 028	69 872

Write-downs of goodwill

During 2019, the Group made no write-downs of goodwill. In all of the cash-generating units where a calculation of the recoverable amount was carried out and no write-down requirement was identified, it is the company management's assessment that no reasonably possible changes in important assumptions would cause the recoverable amount to fall below the book value.

Method for calculating recoverable amounts

For all goodwill values the recoverable amount has been measured through a calculation of the value in use for the cash-generating unit. The calculation model is based on a discounting of future forecast cash flows that are set against the unit's book value. The future cash flows are based on 3-year forecasts compiled by the management of the respective cash-generating unit. In testing of goodwill, an infinite horizon has been assumed and extrapolation of the cash flow after the forecast period has been based on a growth rate from year 4 of approx. 2%.

Important variables for calculating value in use:

The following variables are significant and common for all cash-generating units in the calculation of value in use.

TURNOVER:

The following variables are significant and common for all cash-generating units in the calculation of value in use.

OPERATING MARGIN:

Historical profitability level and efficiency of the business, access to key people and qualified workforce, ability to cooperate with customers, access to internal resources, cost trends for salaries and materials.

OPERATING CAPITAL REQUIREMENTS:

An assessment on a case-by-case basis of whether the operating capital level reflects the business's requirements or needs to be adjusted for the forecast periods. For future development a cautious assumption is that it follows growth in turnover. A high level of internally developed projects can mean a greater need for operating capital.

INVESTMENT REQUIREMENTS:

The investment needs of the business are assessed based on the investments required to reach forecast cash flow at the base level, i.e. without investments in expansion. In normal cases, the investment level has corresponded to the depreciation rate on tangible fixed assets.

DISCOUNT RATE OF INTEREST:

The discount rate of interest is determined through a balanced average cost of capital for the hydraulic sector and reflects current market assessments of the money's time value and the risks that in particular apply to the asset for which the future cash flows have not been adjusted. For cash-generating units, a discount rate of interest estimated as a WACC of 8.3% (8.3%) is used.

Note 21 Investment properties

The greater part of the Volito Group's properties has been classified as investment properties. Investment properties are properties held with an aim to generate rental revenue or value growth, or a combination of the two. Investment properties are reported in the statement of financial position at fair value.

Volito rents offices in Malmö in its own properties. The rental amount for internal renting makes up a negligible part of the respective property's total rental value, which is why no classification as a business property has been made for these properties.

Volito holds no property that has been acquired or rebuilt for subsequent immediate sale, which is why no property has been classified as a property held for resale.

Investments for the year amounted to SEK 30.1 million (281.4), see Note 26.

The property portfolio's fiscal residual value amounted at year-end to SEK 1 648.0 million (1 730.0).

Calculation of fair value

On 31 December 2019, the company carried out an external market valuation of the Group's properties. The fair value of the investment properties has been assessed by an external, independent property appraiser with relevant professional qualifications and experience of both current market areas and the type of property that is being valued. Volito has used Malmöbyrigan Fastighetsekonomi AB.

The valuation has been done in accordance with the guidelines applied in the SFI/IPD Swedish Real Estate Index. Fair value has been estimated through the application of the present value method, which is calibrated against comparable purchases and other available, relevant market information. The present value method is based on the present value calculation of future actual cash flows that is gradually market-adjusted, normally over five to eight years, and the present value of assessed residual value at the calculation period's end. Valuation of investment properties has been categorised as belonging to level three in the fair value hierarchy, as non-observable input data used in the valuation has a significant effect on the assessed value. The properties' values are individually assessed to correspond to the fair value of the respective property.

The value is calculated as an average yield of 4.37% (4.37%).

Reconciliation of property valuation	2019-12-31	2018-12-31
Properties' value according to external appraisers	3 526 800	3 587 755
Change in book value for the year	2019-12-31	2018-12-31
Book value at start of the year	3 587 755	3 229 000
Investments	133	224 129
Reclassifications	18 670	66 121
Divested properties	-163 055	-
Change in value of remaining properties at year-end	83 297	68 505
Book value	3 526 800	3 587 755

Summary

	2019-12-31	2018-12-31
Valuation date	5-8 years	5-9 years
Calculation period	In normal cases, five years for the most recent properties. However, certain properties have other calculation periods due to length of contracts.	

Assessed direct yield requirement, residual value

	3.0-6.25%	3.0-6.25%
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Long-term vacancy rate

	1.2-7.9%	2.0%
--	----------	------

Operating and maintenance costs

Assessed normalised cost levels SEK 101-164 /m² (SEK 153-487/m²) based on outcome 2017-2018, forecast 2019 and budget 2020.

Inflation forecast

CPI assessed to rise by 2.0% per year.

Accrued rebuilding expenses regarding properties classified as investment properties are reported under the item "Fixed assets under construction and advances relating to tangible fixed assets." Note 26.

	2019-12-31	2018-12-31
The Group	12 694	3 995

Investment properties – effect on profit or loss for the period

	2019-12-31	2018-12-31
The Group		
Rental revenue	172 864	178 151
Direct costs for investment properties that generated rental revenue during the period (operating and maintenance costs, property tax and ground rent)	-44 407	-48 469
The duration of the contract portfolio for commercial premises within the Volito Group, as at 31 December 2019, expires according to the table below. Stated amounts refer to contracted closing annual rents in the portfolio:		
	2019-12-31	2018-12-31
The Group		
Within one year	2 589	20 855
Between one and five years	124 748	101 847
Later than five years	14 847	52 554
	142 184	175 256

Counterparty risks in rental revenue

According to the contract portfolio at year-end, rental revenue was divided between 90% (91%) commercial properties and 10% (9%) residential. The commercial rental revenue was divided between 152 (162) contracts in a number of different sectors. With the aim of limiting exposure to credit losses, regular follow-ups are made of tenants' credit ratings. No sector or tenant accounts for more than 10% of the rental revenue.

Note 22 Industrial premises

	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	10 644	10 589
New acquisitions	-	55
	10 644	10 644
Accumulated depreciation according to plan		
At start of the year	-6 619	-6 408
Depreciation according to plan for the year	-211	-211
	-6 830	-6 619
Book value at end of period	3 814	4 025
Of which, land	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value	598	598

Note 23 Leasing agreements

The effect of the transition to IFRS 16 on the Group's leasing agreements is described in Note 1 Accounting principles. The transition method the Group has chosen to apply in the transition means that the comparable information is not recalculated to reflect the new requirements.

Leasing agreements in which the company is the lessee

The Group's tangible fixed assets consist of owned and leased assets. Leased assets consisting of investment properties are reported as a financial leasing agreement in a specific item, see Note 35.

	2019-12-31
The Group	
Right-of-use assets, not investment properties	53 730

The Group leases several types of asset. No leasing agreements contain covenants or other limitations in addition to security in the leased asset.

Right-of-use assets	Properties	Vehicles	Equipment	Total
The Group				
Depreciation during the year	-9 600	-3 564	-417	-13 581
Balance carried forward 31 Dec 2019	41 370	12 090	270	53 730

Addition to right-of-use assets in 2019 amounted to SEK 4 911 K. This amount includes the acquisition value of newly acquired right-of-use assets in 2019 as well as additional amounts in the review of leasing liabilities due to changed payments as a result of the leasing period having changed.

Leasing liabilities

	2019-12-31
The Group	
Short-term leasing liabilities	13 637
Long-term leasing liabilities	38 527

Leasing liabilities included in the statement of financial position

For duration analysis of leasing liabilities, see Note 43, Financial risks and financial risk management in the section on liquidity and financing risks.

Amount reported in profit or loss **2019**

The Group			
Depreciation		-13 581	
Interest on leasing liabilities		-1 228	
Revenue from sub-leasing of right-of-use assets		104	
Expenses for leasing of low value		-378	

The Group leases several types of asset. No leasing agreements contain covenants or other limitations in addition to security in the leased asset.

IAS 17 Non-cancellable leasing payments

	2018	2019	2018
	The Group	Parent company	
Within one year	9 672	2 642	2 377
Between one and five years	12 291	6 656	1 224
	21 963	9 298	3 601

IAS 17 Expensed fees for operational leasing agreements

	2018	2019	2018
	The Group	Parent company	
Minimum leasing fees	9 378	2 565	2 317

Rent for premises is classified as operational leasing agreements in the Parent company. The Parent company's leasing agreement has been extended and expires on 30 June 2023, without special restrictions and with an option for extension. Other agreements on operational leasing are divided between minor agreements and constitute a negligible amount.

Amount reported in statement of cash flows **2019**

Total cash outflow attributable to leasing agreements		
Leasing fees		14 320
Leasing of minor value		378

Property leasing

The Group leases buildings for its office premises. The leasing agreement for office premises normally has a duration of one to three years. All agreements contain an option to renew the leasing agreement at the end of the leasing period by a further period of the same duration.

Certain leasing agreements contain leasing fees based on changes in local price indexes or the Group's turnover in the leased premises during the year. Certain leasing agreements require that the Group pays fees connected with the property taxes that apply to the lessor. These amounts are determined annually.

Extension and termination options

Leasing agreements contain extension and termination options that the Group can utilise or not utilise up to one year before the expiry of the non-cancellable leasing period. When it is practical, the Group tries to include such options in new leasing agreements as they contribute to operative flexibility. The options can only be utilised by the Group, not the lessor. Whether it is reasonably certain that an extension option will be utilised or not is determined on the leasing agreement's start date. The Group reviews whether it is reasonably certain that an extension option will be utilised or not in the event of an important event or significant change in circumstances that lies within the Group's control.

The Group's rental agreements for both office premises and other premises consist mainly of non-cancellable periods of one to three years, that are extended by further periods of one to three years if the Group does not terminate the agreement with a six-month to one-year period of notice. The agreement contains no definitive end date. For agreements that have shorter non-cancellable periods than five years, it is assessed whether it is reasonably certain that a further period will be utilised, resulting in leasing periods of up to six years. The reported leasing liability for this amounts to SEK 39 823 K.

Significant changes may occur in the future in the event of a review of the leasing period being carried out regarding one of the Group's significant property agreements.

Other leasing agreements

The Group leases vehicles and equipment with leasing periods of three years in normal cases. In certain cases, the Group has the option to purchase the asset at the end of the leasing period. In other cases, the Group guarantees the leased assets residual value at the end of the leasing period. Extension options occur only to a limited extent.

Estimated residual value guarantees are reviewed at each accounting year-end in order to revalue the leasing liability and right-of-use asset. The estimated value as at 31 December 2019 was SEK 6 494 K.

In some individual cases, machinery and IT equipment is also leased with leasing periods of one to three years. These leasing agreements and/or leases are of low value. The Group has chosen not to report the right-of-use assets and leasing liabilities for these leasing agreements.

Leasing agreements in which the company is the lessor**Financial leasing agreements**

Within the Group is a property that is leased out via a financial leasing agreement, see Note 35. The Group classifies the sub-leasing agreement as a financial leasing agreement, as the sub-lease extends over the main leasing agreement's entire remaining leasing period.

Note 24 Machinery and other technical fixed assets

	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	7 472	5 850
New acquisitions	292	1 732
Divestments and disposals	-18	-110
	7 746	7 472
Accumulated depreciation according to plan		
At start of the year	-3 678	-3 145
Divestments and disposals	18	-
Depreciation according to plan of acquisition value for the year	-625	-533
	-4 285	-3 678
Book value at end of period	3 461	3 794

Note 25 Equipment, tools and installations

	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	55 879	45 429
Reclassified right-of-use assets	-19 428	-
New acquisitions	2 675	12 625
Acquisition of subsidiaries	2 372	904
Divestments and disposals	-	-4 921
Reclassifications	2 685	1 733
Exchange rate differences for the year	-16	109
	44 167	55 879
Accumulated depreciation according to plan		
At start of the year	-28 666	-23 931
Reclassified right-of-use assets	5 438	-
Acquisition of subsidiaries	-148	-724
Divestments and disposals	-	2 263
Depreciation according to plan of acquisition value for the year	-4 005	-6 192
Exchange rate differences for the year	-16	-82
	-27 397	-28 666
Book value at end of period	16 770	27 213
	2019-12-31	2018-12-31
The Parent company		
Accumulated acquisition value		
At start of the year	4 037	3 991
New acquisitions	24	46
	4 061	4 037
Accumulated depreciation according to plan		
At start of the year	-1 382	-1 374
Depreciation according to plan of acquisition value for the year	-9	-8
	-1 391	-1 382
Book value at end of period	2 670	2 655

Note 26 Fixed assets under construction and advances relating to tangible fixed assets

	2019-12-31	2018-12-31
The Group		
At start of the year	4 020	17 375
Reclassifications to investment properties	-18 670	-66 121
Reclassification accrued	-	-4 506
Reclassifications to machinery and equipment	-2 881	-1 733
Investments	30 225	59 005
Book value at end of period	12 694	4 020

Borrowing expenses

No activated interest is included in the acquisition value.

Note 27 Participations in subsidiaries

	2019-12-31	2018-12-31
Accumulated acquisition value		
At start of the year	558 894	586 250
Granted shareholders' contributions	50 605	15 311
Divestment/liquidation	-	-42 157
Mergers	-	-510
	609 499	558 894
Accumulated write-downs		
At start of the year	-210 712	-216 558
Divestment/liquidation	-	42 157
Write-downs for the year	-50 605	-36 311
	-261 317	-210 712
Book value at end of period	348 182	348 182

Note 27 (cont.) Specification of the Parent company's and Group's holdings of shares in subsidiaries

Subsidiary / Corp. ID No. / Registered office	No. of shares	Shares in % ¹⁾	2019-12-31 Book value	2018-12-31 Book value
Volito Aviation AB, 556603-2800, Malmö	10 000	100,0	30 588	30 588
Volito Fastigheter AB, 556539-1447, Malmö	423 000	100,0	312 014	312 014
Volito Fastighetsutveckling AB, 556375-6781, Malmö		100,0		
Volito Fastighetsförvaltning AB, 556142-4226, Malmö		100,0		
HB Ran Förvaltning, 916766-5224, Malmö		100,0		
Volito Fastighetskupolen AB, 556629-1117, Malmö		100,0		
Fastighets AB Centralposthuset i Malmö, 556548-1917, Malmö		100,0		
Volito Leisure AB, 556541-9164, Malmö		100,0		
Volito Mosippan AB, 556131-7979, Malmö		100,0		
Volito Delfinen AB, 556630-7988, Malmö		100,0		
Volito Proveniens AB, 556758-2415, Malmö		100,0		
Volito Sankt Peter AB, 556658-6904, Malmö		100,0		
Volito Claus AB, 556758-3090, Malmö		100,0		
Volito Laxen AB, 556758-3975, Malmö		100,0		
Volito Stjärnan AB, 556758-3074, Malmö		100,0		
Volito Södra Porten AB, 556758-3108, Malmö		100,0		
Volito Söderhavet AB, 556758-3561, Malmö		100,0		
Volito Visenten AB, 556749-9636, Malmö		100,0		
Volito Elefanten AB, 559125-9766, Malmö		100,0		
Volito Industri AB, 556662-5835, Malmö	81 900	91,0	5 460	5 460
Volito Automation AB, 556669-2157, Malmö		100,0		
HydX AB, 556791-5326, Ystad		100,0		
Hydraulic Supplier i Norden AB, 556718-2091, Malmö		100,0		
Hydraulik- och Industriservice i Vetlanda AB, 556281-7352, Vetlanda		100,0		
Hintratech AB, 556568-9436, Vetlanda		100,0		
Hyd Partner A/S, 913929616, Krokkeiva, Norway		100,0		
HydroSystem Oy, 0606351-2, Jyväskylä, Finland		100,0		
Satatekniikka Oy, 0880024-8, Pori, Finland		100,0		
Termotekniikka Oy, 0229693-3, Finland		100,0		
Volito Kapital AB, 556171-0140, Malmö	1 000	100,0	120	120
			348 182	348 182

1) Refers to the ownership share of the capital, which also agrees with the proportion of votes for the total number of shares.

Subsidiary	Country	Business segment	Holdings with non-controlling interest	
			2019-12-31	2018-12-31
Volito Industri AB	Sweden	Industry	9 %	9 %
			Volito Industri AB (group)	
Subsidiaries			2019	2018
Net sales			392 882	339 990
Profit or loss			-6 845	2 379
Total comprehensive income			-6 845	2 379
Attributable to acquisitions with non-controlling interest			-114	0
Fixed assets			141 842	85 418
Current assets			165 912	130 329
Long-term liabilities			-147 786	-112 689
Short-term liabilities			-158 705	-113 998
Net assets			1 263	-10 940
Attributable to acquisitions with non-controlling interest			114	0
Cash flow from:				
Operating activities			29 070	5 870
Investing activities			-77 642	-11 015
Financing activities			69 210	6 845
Cash flow for the year			20 638	1 700

As the net assets were previously negative, receivables from holdings with non-controlling interest have not been reported.

Effects of acquisitions 2019

On 5 August 2019, the Group acquired 100% of the shares in the Finnish company Satatekniikka Oy for SEK 88.7 million. Satatekniikka owns in turn 100% of the shares in Termotekniikka Oy. Both are nationwide MRO companies. The companies are full-service companies in hydraulics and pneumatics. The customer base is well diversified within the forest, steel, mining and construction industries. The acquisition means an improved market position, a clear volume increase and good opportunities to capture market shares.

In the five months until 31 December 2019, the subsidiary contributed SEK 30.9 million to the Group's revenues and SEK 2.9 million to the Group's profit after tax. If the acquisition has occurred on 1 January 2019, the company management estimates that the Group's revenues would have increased by SEK 39.4 million and the period's profit after tax would have been SEK 6.4 million higher.

Satatekniikka's net assets

Acquired assets and liabilities:

Group goodwill	51 983
Tangible fixed assets	2 240
Financial assets	3 787
Inventories	10 785
Operating receivables	12 899
Liquid funds	15 051
Total assets	96 745
Operating liabilities	8 075
Total assets and liabilities	8 075
Purchase price	88 670
Paid purchase price	88 670

Note 28 Receivables from subsidiaries

	2019-12-31	2018-12-31
The Parent company		
Book value at start and end of year	107 997	107 997

Note 29 Participations in joint ventures

	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	72 909	59 649
Acquisitions for the year	16 187	9 500
Reclassifications	192 704	-
Participations in joint ventures' profits for the year	141 519	3 761
	423 319	72 909

Specification of the Parent company's and Group's holdings of shares in joint ventures	Shares/ number in %	Equity share's value in the Group	2019-12-31 Book value at Parent company
Joint venture/Corp. ID no., Registered office			
Indirectly owned			
Nya Bara Utvecklings AB, 556858-4311, Bara	50,0	59 154	-
Point Hyllie Holding AB, 559023-4034, Malmö	50,0	364 165	-
Book value at end of period		423 319	-

Joint venture/Corp. ID no., Registered office	Shares/ number in %	Equity share's value in the Group	2018-12-31 Book value at Parent company
Indirectly owned			
Nya Bara Utvecklings AB, 556858-4311, Bara	50,0	43 434	-
Point Hyllie Holding AB, 559023-4034, Malmö	50,0	29 475	-
Book value at end of period		72 909	-

Below is a specification of the group-wise value relating to the owned participation in joint ventures' revenue and expenses, as well as assets and liabilities.

	Nya Bara Utvecklings AB		Point Hyllie AB	
	2019	2018	2019	2018
Revenue	10 998	9 460	17 662	14 908
Expenses	-5 574	-6 368	-10 758	-14 239
Change in value of properties	10 296	-	118 895	-
	15 720	3 092	125 799	669
Assets	203 480	186 679	852 189	521 092
Liabilities	-144 326	-143 245	-488 024	-511 376
Acquired surplus value	-	-	-	19 759
Net assets	59 154	43 434	364 165	29 475

Note 30 Receivables from joint ventures

	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	192 704	185 399
Additional receivables	11 912	5 000
Reclassifications	-192 704	-
Reclassifications, interest rates	115	2 305
Book value at end of period	12 027	192 704

Note 31 Participations in associated companies

	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	408 335	368 952
Purchases	3 458	30 696
Acquisitions via acquired companies	3 768	-
Participations in associated companies' profit for the year	14 399	34 065
Participations in associated companies' other comprehensive income for the year	4 420	5 126
Exchange rate differences for the year	733	1 844
Transactions relating to equity		
Dividend	-19 000	-16 875
Transactions with owners	-3 559	-15 473
Book value at end of period	412 554	408 335

Specification of the Parent company's and Group's holdings of shares in associated companies	Shares/ number in %	Equity share's value in the Group	2019-12-31 Book value at Parent company
The Parent company			
Accumulated acquisition value			
At start of the year	225 919	195 223	
Purchases	3 458	30 696	
Book value at end of period	229 377	225 919	

Associated company/Corp. ID no., Registered office	Shares/ number in %	Equity share's value in the Group	2019-12-31 Book value at Parent company
Directly owned			
Bulten AB (publ), 556668-2141, Göteborg	24,0	388 130	229 377
Nordkap Holding AG, CHE - 110.234.439, Zug, Switzerland	40,0	0	0
Indirectly owned			
Volito Aviation AG, CHE - 111.972.238, Zug, Switzerland	49,0	20 738	-
Kinteistö Oy, 1107347-5, Porin Pienteollisuustalo, Finland	42,0	3 686	-
		412 554	229 377

Associated company/Corp. ID no., Registered office	Shares/ number in %	Equity share's value in the Group	2018-12-31 Book value at Parent company
Directly owned			
Bulten AB (publ), 556668-2141, Göteborg	23,6	387 538	225 919
Nordkap Holding AG, CHE - 110.234.439, Zug, Switzerland	40,0	0	0
Indirectly owned			
Volito Aviation AG, CHE - 111.972.238, Zug, Switzerland	49,0	20 797	-
		408 335	225 919

Below is a specification of the group-wise value relating to owned participations in associated companies' revenue and expenses, as well as assets and liabilities.

	Bulten AB (publ)		Volito Aviation AG		Kinteistö Oy	
	2019	2018	2019	2018	2019	2018
Revenue	748 591	707 929	566	388	-	-
Expense	-735 946	-675 213	-1 442	-2 867	-	-
Acquired profit participation	2 629	3 828	-	-	-	-
	15 274	36 544	-876	-2 479	-	-
Assets	650 787	551 607	21 979	22 277	3 724	-
Liabilities	-295 461	-196 873	-1 241	-1 480	-38	-
Acquired surplus value	32 804	32 804	-	-	-	-
Net assets	388 130	387 538	20 738	20 797	3 686	-

Note 32 Receivables from associated companies

	2019-12-31	2018-12-31
The Group		
Accumulated acquisition value		
At start of the year	47 616	44 106
Regulated receivables	-38 144	-
Exchange rate differences for the year	1 397	3 510
	10 869	47 616
Accumulated write-downs		
At start of the year	-31 238	-44 106
Reversed write-downs for the year	31 238	16 211
Exchange rate differences for the year	-	-3 343
	-	-31 238
Book value at end of period	10 869	16 378

Note 33 Holdings in other long-term securities

	2019-12-31	2018-12-31
The Group		
Shares and participations	2 687 209	1 953 091
Book value at end of period	2 687 209	1 953 091

Changes relating to other long-term securities holdings for the year

	2019-12-31	2018-12-31
The Parent company		
Accumulated acquisition value		
At start of the year	1 058 514	1 033 602
Additional assets	197 180	34 060
Divested assets	-53 319	-9 148
	1 202 375	1 058 514
Accumulated write-downs		
At start of the year	-5 588	-5 588
	-5 588	-5 588
Book value at year-end	1 196 787	1 052 926

List of securities	2019-12-31		2018-12-31	
	The Group	The Parent company	The Group	The Parent company
Peab AB (publ)	1 565 625	449 825	1 209 080	449 825
Anticimex AB	789 035	500 035	620 035	500 035
EQT AB (publ)	136 125	83 750	-	-
Sdiptech AB (publ)	-	-	16 600	22 400
EQT-fonder	182 390	157 940	91 214	76 284
Avensia AB (publ)	11 640	3 864	9 280	3 864
NAC Luxembourg I S.A.	-	-	3 878	-
Other	2 394	1 373	3 004	518
	2 687 209	1 196 787	1 953 091	1 052 926

Note 34 Deferred tax asset/tax liability

	Deferred tax asset	Deferred tax liability	Net
The Group 2019			
Accelerated depreciation			
Investment properties		35 006	-35 006
Machinery and equipment		741	-741
Tax allocation reserves		1 233	-1 233
Fair value			
Investment properties	-	286 793	-286 793
Swaps	-	-12 467	12 467
Group-wise surplus value			
Buildings and land	-	245	-245
Temporary differences	1 002	12 349	-11 347
Other	105	982	-877
Net deferred tax liability	1 107	324 882	-323 775

	Deferred tax asset	Deferred tax liability	Net
The Group 2018			
Accelerated depreciation			
Investment properties		37 236	-37 236
Machinery and equipment		875	-875
Tax allocation reserves		1 715	-1 715
Fair value			
Investment properties	-	275 743	-275 743
Swaps	-	-13 585	13 585
Group-wise surplus value			
Buildings and land	-	267	-267
Temporary differences	-	25 015	-25 015
Other	-	916	-916
Deficit deduction	8 098	-	8 098
Net deferred tax liability	8 098	328 182	-320 084

	Deferred tax asset	Deferred tax liability	Net
The Parent company 2018			
Deficit deduction	6 941	-	6 941

The change in the Parent company between years has been reported as deferred tax expense. Within the Parent company there is deficit deduction of SEK 40 640 K, which, due to uncertainty in being able to utilise the deficit within a reasonable period of time, has not been valued.

Deferred taxes are valued based on the nominal rate of tax. The only exception to this rule is the acquisition of material assets in which the tax assessment was a significant part of the business transaction when the deferred tax is valued based on the purchase price. All deferred taxes have been valued at a nominal amount as at 31 December 2019 (the same applies for the previous year).

Unreported deferred tax assets

Deductible temporary differences and fiscal deficit deductions for which deferred tax assets have not been reported in the income statement and balance sheet:

	2019-12-31	2018-12-31
Fiscal deficit	57 820	8 845

SEK 48 877 K is attributable to Swedish companies. Uncertainty exists regarding the possibility of being able to utilise the deficit deduction within a reasonable period of time and therefore no valuation of the deficit deduction has been made. The remaining amount is attributable to foreign companies and therefore cannot be offset against profits in other companies with group contributions.

Note 35 Financial leasing agreements

One of the properties in the Volito Fastigheter group is leased out on a financial leasing agreement.

	2019-12-31	2018-12-31
The Group		
Reconciliation of the gross investment and the present value of the receivable relating to future minimum leasing fees:		
Gross investment	36 173	38 711
Less: Unearned financial revenue	-11 454	-12 913
Net investment in financial leasing agreements	24 719	25 798
Less: Non-guaranteed residual value that goes to the lessor	-	-
Present value of receivable relating to future minimum leasing fees	24 719	25 798

As at 31 December, the breakdown of the remaining durations was as follows:

	2019-12-31	2018-12-31
Gross investment		
Within one year	2 538	2 538
Later than one but within two years	2 538	2 538
Later than two but within three years	2 538	2 538
Later than three but within four years	2 538	2 538
Later than four but within five years	2 538	2 538
Later than five years	23 483	26 021
	36 173	38 711
Less: Unearned financial revenue	-11 454	-12 913
Net investment in financial leasing agreements	24 719	25 798
Present value of receivable relating to future minimum leasing fees		
Within one year	1 144	1 079
Later than one but within two years	1 212	1 144
Later than two but within three years	1 286	1 212
Later than three but within four years	1 364	1 286
Later than four but within five years	1 446	1 364
Later than five years	18 267	19 713
	24 719	25 798

Variable component of leasing fee included in profit or loss for the period

	2019-12-31	2018-12-31
	203	157

Variable fees change according to the CPI, in accordance with the rental agreement.

Note 36 Other long-term receivables

	2019-12-31	2018-12-31
The Group and Parent company		
Accumulated acquisition value		
At start of the year	357	357
Additional receivables	400	-
	757	357
Accumulated write-downs		
At start and end of the year	-357	-357
Book value at year-end	400	-

Note 37 Prepaid expenses and accrued income

	2019-12-31	2018-12-31
The Group		
Prepaid expenses	5 606	5 175
Prepaid rents	-	1 430
Borrowing costs allocated to period	1 766	402
Accrued income	2 740	1 235
	10 112	8 242
The Parent company		
Prepaid expenses	1 157	944
Accrued income	-	35
	1 157	979

Note 38 Liquid funds

Liquid funds consist of cash and bank balances. Unutilised bank overdraft facilities that are not included in liquid funds amount to SEK 265.1 million (150.7), of which in the Parent company, SEK 265.1 million (150.7).

Note 39 Equity

	Number of issued shares		Quota value
	Fully paid	Not fully paid	
Class B shares	2 440 000	-	100

All shares have the same voting rights, one vote per share.

Other contributed capital

Refers to equity that is contributed by the owners. This includes premiums paid in connection with share issues.

Reserves**Foreign exchange reserve**

The foreign exchange reserve includes all the exchange rate differences that arise from translating financial statements in a currency other than the currency used to present the consolidated financial statements. The Parent company and the Group present their financial statements in SEK. Furthermore, the foreign exchange reserve includes the exchange rate differences that arise in expanded investment in foreign businesses as well as re-loans from foreign businesses.

Fair value reserve

The fair value reserve includes the accumulated net change in fair value after tax of equity instruments that are reported at fair value via other comprehensive income.

Retained earnings including profit or loss for the year

Retained earnings including profit or loss for the year includes earned profits from the Parent company and its subsidiaries, jointly-controlled companies and associated companies.

The Parent company**Reserve fund**

The aim of the reserve fund has been to save a part of the net profit that is not designated for covering losses carried forward. The reserve fund also includes amounts that, prior to 1 January 2006, were transferred to the premium reserve. The reserve is not to be reduced through paying a dividend.

Retained earnings

Includes the previous year's profit or loss brought forward after paying a dividend. Constitutes together with profit or loss for the year the total non-restricted equity, i.e. the amount that is available for dividends to shareholders.

Proposed allocation of the company's profit

The Board of Directors and CEO propose that the unappropriated earnings, SEK 554 728 788.83 are allocated as follows (SEK):

Dividend, [2 440 000 * SEK 20.00 per share]	48 800 000
Retained earnings carried forward	505 928 789
	554 728 789

Information on allocation of profit

The Group's equity has been calculated in accordance with the EU-developed IFRS standards and interpretations of these (IFRIC), and in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 1 Supplementary reporting rules for groups.

The Parent company's equity has been calculated in accordance with Swedish law through the application of the Swedish Financial Accounting Standards Council reporting recommendation RFR 2 Reporting for legal entities. The proposed dividend reduces the Parent

company's equity ratio from 40.8% to 38.4%. The equity ratio is prudent, in view of the fact that the company's activities continue to operate profitably. Liquidity in the Group is expected to be maintained at a similarly stable level.

The Board's understanding is that the proposed dividend will not hinder the company from carrying out its obligations in the short or long term, nor from conducting necessary investments. The proposed dividend is thus defensible with consideration to what is stated in ABL chapter 17, section 3, paragraph 2-3 (prudence principle).

Note 40 Interest-bearing liabilities

	2019-12-31	2018-12-31
The Group		
Due date, up to 1 year from accounting year-end	79 259	2 551 551
Due date, 1-5 years from accounting year-end	3 031 914	544 217
Due date, more than five years from accounting year-end	55 325	48 703
	3 166 498	3 144 471
The Parent company		
Due date, up to 1 year from accounting year-end	48 943	569 334
Due date, 1-5 years from accounting year-end	1 014 625	500 000
	1 063 568	1 069 334

Long-term liabilities

	2019-12-31	2018-12-31
The Group		
Bank loans	2 988 190	515 390
Derivative instruments	60 520	65 943
Leasing liabilities	38 529	11 587
	3 087 239	592 920

The Parent company

Bank loans	1 014 625	500 000
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Short-term liabilities

	2019-12-31	2018-12-31
The Group		
Bank loans	30 679	2 449 814
Bank overdraft facilities	34 943	99 334
Leasing liabilities	13 637	2 403
	79 259	2 551 551

The Parent company

Bank loans	14 000	470 000
Bank overdraft facilities	34 943	99 334

Reserves

	2019-12-31	2018-12-31
The Group		
Borrowings at start of the year	3 144 471	2 848 584
Additional borrowings	3 011 758	238 000
Regulated borrowings	-2 956 782	-12 593
Change in bank overdraft facilities	-64 457	69 958
Change in leasing liabilities	-11 384	4 424
Additional leasing in accordance with IFRS 16	49 558	-
Change in value of derivatives	-5 423	-3 902
Exchange rate differences	-1 243	-
	3 166 498	3 144 471

The Parent company

Borrowings at start of the year	1 069 334	999 376
Additional borrowings	1 028 625	-
Regulated borrowings	-970 000	-
Change in bank overdraft facilities	-64 457	69 958
Exchange rate differences	66	-
	1 063 568	1 069 334

The Group's derivative instruments consist of interest rate swaps, which are utilised to cover risks of changes in interest rates. Derivative instruments are reported continuously at fair value in accordance with IFRS 9. The change in value of interest rate derivatives is reported in the income statement on a separate line "Change in value of derivatives." The change in value for the year amounts to SEK 5.4 million [3.9].

Value of swaps IFRS 7, level 2

	2019-12-31	2018-12-31
The Group		
Brought forward fair value, liability	65 943	69 845
Change in value	-5 423	-3 902
	60 520	65 943

Note 41 Bank overdraft facilities

	2019-12-31	2018-12-31
The Group and Parent company		
Granted credit limit	300 000	250 000
Unutilised part	-265 057	-150 666
Unutilised credit amount	34 943	99 334

Note 42 Measurement of financial assets and liabilities at fair value

For a description of how the Group's financial assets and financial liabilities are classified under IFRS 9, see Note 1 "Significant accounting principles". The table below shows the book value compared with the assessed fair value per type of financial asset and liability.

The fair value of listed shareholdings has been calculated according to the closing rate at accounting year-end. The fair value of fund participations is based on the Net Asset Value (NAV) that has been provided by the administering institute. The fair value of the Group's holding in Anticimex is based on a multiple that stems from the listed share price of comparable companies and expected growth in EBITA. For other non-listed holdings, the acquisition value essentially corresponds to the fair value. The fair value of interest rate swaps is based on a present value of future cash flow discounted with a market rate of interest for remaining durations.

For the Group's interest-bearing liabilities, the book value is considered to be a reasonable approximation of the fair value. The same applies for other items that are not measured at fair value in the statement of financial position, such as accounts receivable – trade and accounts payable – trade.

Amounts in SEK M	Measured at fair value via profit or loss		Measured at fair value via other comprehensive income		Valued at amortised cost		Total book value		Total fair value	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
The Group										
Financial assets										
Other long-term securities holdings	184,8	98,1	2 502,4	1 855,0	0,0	0,0	2 687,2	1 953,1	2 687,2	1 953,1
Interest-bearing long-term receivables	0,0	0,0	0,0	0,0	22,9	209,1	22,9	209,1	22,9	209,1
Other long-term receivables	0,0	0,0	0,0	0,0	24,0	24,7	24,0	24,7	24,0	24,7
Accounts receivable – trade	0,0	0,0	0,0	0,0	49,9	40,6	49,9	40,6	49,9	40,6
Interest-bearing short-term receivables	0,0	0,0	0,0	0,0	23,5	9,1	23,5	9,1	23,5	9,1
Prepaid expenses and accrued income	0,0	0,0	0,0	0,0	1,8	0,4	1,8	0,4	1,8	0,4
Other short-term receivables	0,0	0,0	0,0	0,0	2,1	5,2	2,1	5,2	2,1	5,2
Cash and bank balances	0,0	0,0	0,0	0,0	27,5	10,4	27,5	10,4	27,5	10,4
Total financial assets	184,8	98,1	2 502,4	1 855,0	151,7	299,5	2 838,9	2 252,6	2 838,9	2 252,6

Amounts in SEK M	Measured at fair value via profit or loss		Valued at amortised cost		Total book value		Total fair value	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial liabilities								
Interest-bearing financial liabilities	60,5	65,9	3 026,7	527,0	3 087,2	592,9	3 087,2	592,9
Other long-term liabilities	0,0	0,0	1,8	1,8	1,8	1,8	1,8	1,8
Interest-bearing short-term liabilities	0,0	0,0	79,3	2 551,6	79,3	2 551,6	79,3	2 551,6
Accounts payable – trade	0,0	0,0	47,0	43,5	47,0	43,5	47,0	43,5
Accrued expenses and deferred income	0,0	0,0	4,7	7,0	4,7	7,0	4,7	7,0
Other short-term liabilities	0,0	0,0	10,4	15,6	10,4	15,6	10,4	15,6
Total financial liabilities	60,5	65,9	3 169,9	3 146,5	3 230,4	3 212,4	3 230,4	3 212,4

The effects of measuring financial instruments at fair value is included in the Groups' profit or loss with a total of SEK 14.9 million [5.0] and relates to the market value of non-listed shares, fund participations and interest rate swaps.

Fair value

Fair value is determined through categorisation based on three levels.

Level 1: according to the quoted price in an active market for an identical instrument.

Level 2: based on direct or indirect observable market data that is not included in level 1.

Level 3: based on input data that is not observable in the market.

The table below shows the division by level of the financial assets and liabilities that are reported at fair value in the balance sheet.

Amounts in SEK M	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
The Group								
Financial assets								
Other long-term securities holdings								
Market listed	1 713,4	1 234,9	0,0	0,0	0,0	0,0	1 713,4	1 234,9
Fund holdings	0,0	0,0	0,0	0,0	182,4	91,2	182,4	91,2
Other securities holdings	0,0	0,0	0,0	0,0	791,4	626,9	791,4	626,9
Total financial assets	1 713,4	1 234,9	0,0	0,0	973,8	718,1	2 687,2	1 953,0
Financial liabilities								
Other long-term liabilities								
Interest rate swaps	0,0	0,0	60,5	65,9	0,0	0,0	60,5	65,9
Other short-term liabilities								
Interest rate swaps	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total financial liabilities	0,0	0,0	60,5	65,9	0,0	0,0	60,5	65,9

Reconciliation of fair value in level 3

The table below presents a reconciliation between incoming and outgoing balances for financial instruments measured in level 3.

The Group	Funds	Non-listed shares	Total
Fair value at 2018-01-01	65,1	508,6	573,7
Total reported profits and losses:			
Reported in other comp. income	0,0	120,0	120,0
Reported in profit/loss for the year*	1,1	-0,4	0,7
Acquisition value, acquisitions	34,1	0,0	34,1
Settlement at sale	-9,1	-1,3	-10,4
Fair value at 2018-12-31	91,2	626,9	718,1
Total reported profits and losses:			
Reported in other comp. income	0,0	169,0	169,0
Reported in profit/loss for the year*	27,3	5,4	32,7
Acquisition value, acquisitions	112,6	0,9	113,5
Settlement at sale	-48,7	-10,8	-59,5
Fair value at 2019-12-31	182,4	791,4	973,8

* Reported in Profit or loss from other financial income and expense in the income statement.

Sensitivity analysis for level 3 holdings

Holding of shares in Anticimex

For the Group's holding of shares in Anticimex a change of the multiple by +/- 10% means a change in fair value of SEK +/- 121 million. In a corresponding way, a change in expected EBITA of +/- 10% means a change in fair value of SEK +/- 121 million.

Fund holdings

For holdings of non-listed funds, the Group does not have access to the input data used by the administering institute in the valuation of fund participations. A sensitivity analysis that shows the effects of reasonable possible changes in input data can therefore not be provided.

Note 43 Financial risks and financial risk management

Framework for financial risk management

In its business activities the Volito Group is exposed to various types of financial risks. Financial risks relate to changes in exchange rates and interest rates that affect the company's cash flow, income and thereby associated equity. Financial risks also include credit and refinancing risks.

The Group's finance policy for managing financial risks has been designed by the Board and creates a framework of guidelines and rules in the form of risk mandates and limits for the business. Responsibility for the Group's financial transactions and risks are managed centrally by the Group's Finance department, which is within the Parent company. The overall aim for the Finance department is to provide cost-efficient financing and to minimise negative effects on the Group's income that stem from market risks. Reporting is conducted on a regular basis to the CEO and the Board, which have overall responsibility for financial risk management.

Management of financial risks

Liquidity and financing risks

Liquidity and financing risks refer to the risks of not being able to fulfil payment obligations as a result of insufficient liquidity or difficulties in arranging new loans. Volito shall be able to carry through business transactions when the opportunity arises and always be able to fulfil its obligations. Refinancing risks increase if the company's credit rating deteriorates or a large part of the debt portfolio becomes due on one or only a few dates.

Liquidity risks are managed through both regular liquidity forecasts and Volito's access to credit or liquid assets that can be raised at short notice in order to even out fluctuations in the payment flow.

Borrowing risks refer to risks that financing is unavailable or available on poor conditions at a certain time. In order to limit financing risks, Volito strives to spread final due dates regarding credit over as long a period as possible according to the prevailing market conditions.

Part of Volito's borrowing is linked to fulfilling financial ratios (covenants) in the form of interest coverage ratio and equity ratio, which is customary for this type of borrowing. These ratios are followed up continuously and make up a part of the management's framework for financial planning of the business. Volito fulfilled these ratios by a good margin at year-end. Volito's policy regarding borrowing is that the due dates for loans shall be spread over time. Volito's policy regarding interest rates is that loan periods for the portfolio shall be well balanced and adjusted to the company's current view of the interest rate market at any given time.

Duration analysis of financial liabilities, non-discounted cash flow including interest;

2019-12-31	Nominal amount in original currency	1 year or less	1-5 years	>5 years	Total
Interest-bearing financial liabilities					
Bank loans, SEK, Real Estate	1 944 665	36 790	1 979 426	10 847	2 027 063
Derivatives		14 623	49 129	17 919	81 671
Investment loans, SEK	1 028 625	33 650	1 039 066	-	1 072 716
Leasing liabilities	52 164	14 615	37 294	3 708	55 617
Bank overdraft facilities, SEK	34 943	37 109	-	-	37 109
Total interest-bearing financial liabilities		136 787	3 104 915	32 474	3 274 176
Non-interest-bearing financial liabilities					
Accounts payable – trade, SEK	41 177	41 177	-	-	41 177
Accounts payable – trade, EUR	560	5 843	-	-	5 843
Other short-term liabilities	10 388	10 388	-	-	10 388
Total non-interest-bearing financial liabilities		57 408	-	-	57 408
Total financial liabilities		194 195	3 104 915	32 474	3 331 584

2018-12-31	Nominal amount in original currency	1 year or less	1-5 years	>5 years	Total
Interest-bearing financial liabilities					
Bank loans, SEK, Real Estate	1 995 204	1 991 924	4 975	11 782	2 008 681
Derivatives		23 698	73 008	20 512	117 218
Investment loans, SEK	970 000	483 865	509 936	-	993 801
Leasing liabilities	13 990	2 652	11 830	-	14 482
Bank overdraft facilities, SEK	99 334	103 659	-	-	103 659
Total interest-bearing financial liabilities		2 605 798	599 749	32 294	3 237 841
Non-interest-bearing financial liabilities					
Accounts payable – trade, SEK	39 612	39 612	-	-	39 612
Accounts payable – trade, EUR	382	3 925	-	-	3 925
Other short-term liabilities	15 577	15 577	-	-	15 577
Total non-interest-bearing financial liabilities		59 114	-	-	59 114
Total financial liabilities		2 664 912	599 749	32 294	3 296 955

Currency exposure

The risk that fair value and cash flow relating to financial instruments can fluctuate when the value of foreign currencies change is called currency risk.

The Volito Group's exposure to foreign currencies has been drastically reduced in recent years in connection with the winding up of the Volito Aviation group, where only minor exposure now remains, and the winding up of Nordkap Holding AG. In addition, the Volito Group also has exposure to changes in EUR through its holdings in HydroSystem Oy and Satekniikka Oy.

The Board of Volito has decided to accept the exposure to the above-mentioned currencies, as this exposure in itself constitutes a risk diversification within the Volito Group. The extent of this exposure will be decided according to continuous review.

Interest rate exposure

Interest rate risks are risks that Volito's cash flow or the value of financial instruments vary due to changes in market interest rates. The interest rate risk can lead to changes in fair value and changes in the cash flow.

The Volito Group is exposed to changes mainly in short-term interest rates through its involvement in the Volito Fastigheter group. The Parent company, Volito AB, also has risk exposure relating to short-term interest rates. Volito's policy regarding interest rates is that loan periods for the portfolio shall be well balanced and adjusted to the company's current view of the interest rate market at any given time. How much and how fast a change in interest rates makes an impact on financial results depends on the chosen fixed interest term. A rise in interest rates is often initiated by higher inflation. In commercial rental contracts it is normal that the rent is index-adjusted upwards for inflation.

A combination of loans with short fixed interest terms and utilisation of financial instruments in the form of interest rate swaps enables flexibility to be achieved and the fixed interest term and interest rate level can be adjusted so that the aim of financing activities can be achieved with limited interest rate risk and without underlying loans needing to be renegotiated. In order to manage the interest rate risks and achieve even development of net interest income, the average fixed interest term for Volito's interest-bearing liabilities has been adjusted according to the assessed risk level and interest rate expectations.

Overall, the Volito Group's total loans exposed to short-term interest rates amount to SEK 1 964.8 million (1 895.5). Hedging relating to 56.0% (58.6) of the debt portfolio of the Volito Fastigheter group, corresponding to 35.7% (38.1) of the entire Volito Group, is managed with swaps, something that gives the company a higher degree of flexibility in terms of future debt management.

The nominal amount of Volito Fastigheter's outstanding interest rate swaps at year-end 2019 was SEK 1 089.0 million (1 169.0). At year-end 2019, the fixed interest rates varied from 0.05% (-0.18 %) to 3.45% (3.45%) and the floating interest rates are STIBOR 3-months with a supplement for a margin relating to borrowing in SEK.

Financial exposure	2019-12-31	2018-12-31		
Liabilities	Loan amount	Fair value	Loan amount	Fair value
The Group				
Interest rate swaps	1 089 000	-60 520	1 169 000	-65 943

Fair value has been calculated as the costs/revenues that would have arisen if the contracts had closed at accounting year-end. For this, banks' official rates have been applied.

Below is a summary of the Group's interest rate swaps by duration.

Liabilities	Nom. amount	Due date					
		2020	2021	2022	2023	2024	>2025
The Group							
Interest rate swaps 2019-12-31	1 089 000	80 000	181 000	90 000	131 000	132 000	475 000

Liabilities	Nom. amount	>2024					
		2019	2020	2021	2022	2023	>2024
The Group							
Interest rate swaps 2018-12-31	1 169 000	80 000	80 000	271 000	180 000	131 000	427 000

Credit risk

Credit risks refer to the risk of losing money due to another party being unable to fulfil their obligations.

Credit risks in accounts receivable – trade

Demand for premises is affected by general business conditions. Volito Fastigheter's activities are concentrated in Malmö, which is deemed to be attractive in the long term regarding location, population growth, employment and general communications. A broad portfolio of contracts reduces the risk of large fluctuations in vacancies. Leases are divided between commercial properties 90% (91%) and residential 10% (9%) (The commercial rental revenue is divided between 152 (162) contracts within a number of different sectors. A combination of good local knowledge, active involvement and a high level of service creates conditions for long-term rental relations and thereby a reduced risk of new vacancies. A certain level of vacancies provides opportunities in the form of new leases and flexibility for existing tenants who want to expand or reduce their premises. Furthermore, Volito Fastigheter bears the risk that tenants are unable to make rent payments. Regular follow-ups are carried out on the tenants' credit ratings in order to reduce exposure to credit losses. A credit assessment of tenants is carried out for all new leases, and, if required, the rental agreement is supplemented with personal guarantees, rent deposit or bank guarantee. All rents are paid quarterly or monthly in advance.

Within Volito Industry, risks are linked to project management. Many projects are customised and Volito bears the risk that customers cannot fulfil their obligations. Customers make advance payments on major projects in order to reduce the risk of credit losses.

Distribution of overdue accounts receivable – trade 2019-12-31 2018-12-31**The Group**

Accounts receivable – trade, that are neither overdue nor written-down	44 995	36 089
Accounts receivable – trade that are overdue		
1–30 days	3 803	3 362
31–60 days	627	447
61–90 days	320	89
>90 days	479	2 096
Of which, reserved (excluding VAT)	-296	-1 460

Total 49 928 40 623

The reserve relates essentially to accounts receivable – trade that are overdue by more than 90 days.

The total cost for confirmed and suspected customer losses for the year amounted to SEK 838 K (1 717).

Offsetting agreements and similar agreements

The Group has entered into a derivative agreement under the International Swaps and Derivatives Association (ISDA) master netting agreement. The agreement means that when a counterparty cannot regulate their obligation according to all transactions, the agreement is broken and all outstanding balances shall be regulated with a net amount. The ISDA agreement does not fulfil the criteria for offsetting in the statement of financial position. This is because offsetting in accordance with the ISDA agreement is only permitted if the counterparty or group cannot regulate their obligations. In addition, it is not the counterparty or the Group's intention to regulate the balances on a net basis or at the same juncture.

The company has not offset any amounts in the balance sheet relating to 2019 or 2018.

Note 44 Accrued expenses and prepaid income

2019-12-31 2018-12-31

The Group

Personnel-related items	74 997	26 701
Prepaid rental revenue	27 881	31 884
Accrued interest expenses	605	699
Other accrued expenses	4 088	6 329

107 571 **65 613**

The Parent company

Personnel-related items	43 360	4 639
Accrued interest expenses	55	49
Other accrued expenses	1 359	1 939

44 774 **6 627**

Note 45 Pledged assets and contingent liabilities

2019-12-31 2018-12-31

The Group**Pledged assets****For own liabilities and provisions**

Property mortgages	1 983 702	2 041 584
Chattel mortgages	12 500	12 500
Shares	2 089 880	1 596 619
Shares in subsidiaries	1 692 777	1 441 471
Leasehold Mosippan	24 719	25 798
Other	1 000	1 000

Total pledged assets 5 804 578 5 118 972

Contingent liabilities

Guarantees for joint ventures	262 500	301 500
-------------------------------	---------	---------

Total contingent liabilities 262 500 301 500

2019-12-31 2018-12-31

The Parent company**Pledged assets****For own liabilities and provisions**

Shares	762 953	675 745
Shares in subsidiaries	312 014	312 014
Other	1 000	1 000

Total pledged assets 1 075 967 988 759

Contingent liabilities

Guarantees for subsidiaries	49 676	1 167
Guarantees for jointly controlled companies	250 000	250 000

Total contingent liabilities 299 676 251 167

Note 46 Closely related parties**Close relations**

The Group is owned by AB Axel Granlund, 88.0% (88.0%), and Lennart Blecher (partly through companies), 12.0%. As a result of this, transactions with the companies listed below are noted as transactions with closely related parties.

Peab AB (publ)

Karl Axel Granlund is a Board member of Peab AB (publ). Volito AB owns 5.64% of the capital and 4.99% of the votes in Peab AB (publ).

Bulten AB (publ)

Ulf Liljedahl is a Board member of Bulten AB (publ). Volito AB owns 24.01% of the capital and votes in Bulten AB (publ).

EQT

Lennart Blecher is a partner in EQT.

Hjortseryd Skogar AB

Karl Axel Granlund and family own shares in Hjortseryd Skogar. Purchases and sales have only been made for minor amounts.

Granlunden AB

Karl Axel Granlund and family own shares in Granlunden AB. Purchases have been made amounting to SEK 0.6 million (0.8).

Joint ventures/ associated companies

In addition to the closely related parties stated above, the Group has close relations with its joint ventures/associated companies, see Note 29 and 31.

Subsidiaries

In addition to the closely related parties stated for the Group, the Parent company has close relations that involve a controlling interest in its subsidiaries, see Note 27.

Of the Group's total purchases and sales measured in SEK, 0% (0%) of purchases and 1% (1%) of sales relate to other companies within the entire group of companies to which the Group belongs.

Of the Parent company's total purchases and sales in SEK 19% (45%) of the purchases and 98% (98%) of the sales relate to other companies within the entire group of companies to which the company belongs.

Transaction conditions

Sales between the Group's different segments relate to administration fees and rents. Administration fees have been set on the basis of actual costs and utilisation. Rents are according to market conditions.

Loans between subsidiaries have interest rates set in accordance with the current finance policy. Interest rates are according to market conditions.

Summary of transactions with closely related parties

2019 2018

The Group**Transactions with the Parent company**

Sales to the Parent company	3 593	3 235
Purchases from the Parent company	-1 804	-4 865
Interest income from the Parent company	100	34
Receivables from the Parent company	10 007	8 077
Liabilities to the Parent company	539	87
Dividends to the Parent company	33 282	31 886

2019 **2018**

The Group**Transactions with joint ventures**

Sales to Nya Bara Utvecklings AB	1 008	1 078
Interest income from Point Hyllie Holding AB	1 186	2 302
Receivables from Point Hyllie	12 027	192 704

2019 **2018**

The Group**Transactions with associated companies**

Dividend from associated company (Bulten AB (publ))	19 000	16 875
Receivables from Nordkap Holding AG	23 314	16 378

2019 **2018**

The Group**Transactions with Peab AB (publ)**

Sales to Peab	-	16
Purchases from Peab	-9 613	-22 822
Dividend from Peab	70 140	66 800
Operating liabilities to Peab	-	2 625

	2019	2018
The Parent company		
Transactions with the Parent company		
Sales to the Parent company	2 940	2 624
Purchases from the Parent company	-1 804	-4 865
Interest income from the Parent company	100	34
Receivables from the Parent company	10 000	8 070
Liability to the Parent company (only the Group)	539	-
Dividends to the Parent company	33 282	31 886
	2019	2018
The Parent company		
Transactions with subsidiaries		
Sales to subsidiaries	8 340	6 420
Purchases from subsidiaries	-2 423	-2 317
Interest income from subsidiaries	3 407	2 901
Guarantee-related revenue	1 875	1 875
Interest expenses to subsidiaries	-728	-3
Receivables from subsidiaries	192 954	193 902
Liabilities to subsidiaries	73 949	2 531
Dividends from subsidiaries	9 000	30 000
	2019	2018
The Parent company		
Transactions with associated companies		
Dividend from Bulten AB (publ)	19 000	16 875
Receivables from Nordkap Holding AG	23 314	16 378
	2019	2018
The Parent company		
Transactions with Peab AB (publ)		
Dividend from Peab	70 140	66 800

The Group and Parent company

Transactions with EQT

Volito AB has holdings in twelve (previous year nine) of EQT's funds. For all funds, except two, there are co-investment agreements with AB Axel Granlund and/or Granlund AB. Capital placed in these funds during the year amounted to SEK 112.6 million [34.1]. The Group's participation in realised profit amounted to SEK 17.8 million [6.0]. The group-wide value of the holding in these funds at year-end 2019 was calculated at SEK 182.4 million [91.2], whereas the book value at the Parent company amounted to SEK 157.9 million [76.3].

Transactions with key employees

For salaries and other remuneration, expenses and obligations concerning pensions and similar benefits, and agreements concerning severance payments to the Board and the CEO, see Note 7.

Note 47 Events after accounting year-end

There have been no important events after accounting year-end.

Note 48 Information about the Parent company

Volito AB is a Swedish-registered limited company with registered office in Malmö. The address of the registered office is Skeppsbron 3, 211 20 Malmö.

The consolidated financial statements for 2019 consist of Volito AB and its subsidiaries, together referred to as the Group. The Group also includes an owned share of holdings in associated companies and joint ventures.

The company is a subsidiary of AB Axel Granlund, org.no. 556409-6013 with registered office in Malmö. AB Axel Granlund owns 88.0% (88.0%) of the capital and votes in the Volito Group and draws up consolidated financial statements for the largest group.

Malmö 27 February 2020



Karl-Axel Granlund
Chairman



Lennart Blecher



Axel Granlund



Peter Granlund



Karl-Fredrik Granlund



Ulf Liljedahl
CEO

Our auditors' report was submitted on 9 March 2020
KPMG AB



Eva Melzig
Authorized Public Accountant

The Group's income statement and balance sheet, as well as the Parent company's income statement and balance sheet, will be submitted for adoption at the Annual General Meeting on 8 May 2020.

AUDITOR'S REPORT

To the general meeting of the shareholders of Volito AB,
corp. id 556557-4639

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Volito AB for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 29-63 in 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 its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-28. The Board of Directors and the Managing Director 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 Managing Director

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

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

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Volito AB for the year 2019 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.
- Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism 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.

Malmö 9 March 2020
KPMG AB



Eva Melzig
Authorized Public Accountant

KEY FIGURES AND DEFINITIONS

The measurements of performance and definitions below are used to describe the development of operations and to enhance comparability between periods. These correspond to the methods applied by the executive management and Board of Directors to measure the company's financial performance.

Adjusted balance sheet total

Balance sheet total including surplus and/or under value of assets, less tax and holdings with non-controlling interest.

Adjusted equity (Net Asset Value - NAV)

The Group's equity attributable to the Parent company's owners adjusted for the market value of assets that are not measured at fair value in accordance with IFRS.

Adjusted equity ratio

Adjusted equity including holdings with non-controlling interest in relation to the adjusted balance sheet total.

AUM

Assets Under Management.

Average number of full-time equivalent employees (FTE)

The total number of hours worked divided by normal annual working hours, expressed as the number of full-time positions.

Debt/equity ratio

Interest-bearing net liabilities in relation to equity. Shows financial position.

EBIT

Earnings Before Interest and Taxes.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation.

EBITDA margin

Earnings Before Interest, Taxes, Depreciation and Amortisation as a percentage of net sales for the year.

EBIT margin (operating margin)

Earnings Before Interest and Taxes as a percentage of net sales for the year.

Equity

Recognised Equity attributable to the Parent Company's owners.

Equity/assets ratio

Equity including holdings with non-controlling interest as a percentage of the balance sheet total at year-end. Shows financial position.

ERP system

Enterprise Resource Planning – the company's business system – is a software package with integrated IT system that manages the Group's information system and meets all the subsidiaries' needs for governance and administration.

Full Service Provider (FSP) concept

An offer to take complete responsibility throughout the value chain, from product development to delivery to the customer's production line.

Interest coverage ratio

Pre-tax profit plus interest expenses in relation to the interest expenses. Measurement applied to show how well the interest expenses can be covered.

MOIC

Multiple Of Invested Capital.

MRO

Maintenance Repair and Overhaul

Inom Volitogruppen inkluderas i begreppet MRO:

- Installations and repair services within automation solutions
- Sales and distribution of components via stores, direct orders and webshops.

Net debt

Interest-bearing liabilities less liquid funds and interest-bearing assets at year-end.

Net investment

The change during the period of the recognised value of assets (CB-OB) plus depreciation and write-downs.

OEM

Original Equipment Manufacturer

- Design and assembly of automation solutions for e.g. mobile, industrial and marine applications
- Manufacturing of units and component systems and distribution of related components.

Operating margin

Operating profit/loss as a percentage of net sales.

Orders received

The sum of orders received during the period. Measures how new orders replace produced work.

Order book

The value at the end of the period of the remaining income in ongoing production plus orders received that will be produced/delivered.

Organic growth

Annual net sales (acquired companies during 2019 not included) compared with the previous year's net sales, adjusted for currency.

Return on adjusted equity

The total comprehensive income for the year in relation to average adjusted equity attributable to the Parent company's owners.

Return on equity

The total comprehensive income for the year in relation to average equity attributable to the Parent company's owners.

Vacancy rate

Calculated as income reduction due to vacancies in relation to total rental income.

Working capital

Current assets less short-term non-interest-bearing liabilities.

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This English version is a translation of the Swedish original. In case of any dispute as to the interpretation of this document, the Swedish version shall prevail.

Volito is a privately owned investment group headquartered in Malmö. The business was founded in 1991, with an initial focus on aircraft leasing. After achieving rapid early success, Volito broadened its activities and started to expand.

Today, Volito is a strong, growth-oriented group based on a balanced approach to risk and reward, and a long-term perspective. The Group's activities are divided into three diversified business areas: Real Estate, Industry and Portfolio Investments, areas that develop their own business units, business segments and subsidiaries.



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