FINANCIAL REPORTS

ADMINISTRATION REPORT

The Board of Directors and the Chief Executive Officer of 24Storage AB (publ), Corporate ID 556996-8141, Domicile in Stockholm, present the Annual Report and Consolidated Accounts for the financial year 2019.

24STORAGE IN BRIEF

24Storage AB is a self storage company that offers customers convenient and easy-to-access storage space outside the home.

The Company was founded in 2015 with the vision of digitalising the self storage industry and has successfully established itself as one of the biggest players in Sweden. 24Storage operates and is developing 23 self storage facilities, which are spread among over 10,000 units comprising just over 53,000 lettable square metres and approximately 6,000 customers. The 24Storage shares are listed on Nasdaq First North Growth Market. The Company's Certified Adviser is Arctic Securities.

Five-year overview – Group, MSEK	2019	2018	2017	2016	2015
Income statement					
Net sales	71.7	57.3	35.0	27.0	3.4
Operating expenses	-55.3	-47.9	-29.7	-14.5	-5.2
Gross profit/loss	16.4	9.4	5.3	12.5	-1.8
Profit/loss for the year	-37.6	-14.1	39.5	22.0	17.5
Balance sheet					
Investment properties	1,141.5	989.2	762.8	427.6	241.8
Equity	509.7	322.2	243.0	127.8	54.5
Total assets	1,393.7	1,110.0	862.9	503.3	253.8
Equity ratio, per cent	37	29	28	25	22
Other key ratios					
Rental income per let square metre, SEK	1,910	1,784	1,590	1,538	434
Lettable space self storage, square metres	53,397	45,088	32,939	20,927	15,676
Occupancy (area), per cent	67	68	72	74	77
Average no. of employees	30	35	27	15	4

SIGNIFICANT EVENTS DURING 2019

During the year the business has been characterised by the continued expansion and consolidation of the organisation. Fredrik Sandelin was appointed CEO on 1 January and the Company was listed on Nasdaq First North Growth Market on 10 December.

During the autumn a more intensive period of marketing was begun and a number of activities were implemented to increase customer knowledge and the number of signed leases. These included the launch of a free trailer loan service in collaboration with Freetrailer. In IT a number of clearly defined projects have been initiated to further develop the business system, many of which will be delivered during the fourth quarter.

During the year letting has increased by 946 storage units and 5,155 square metres. Prices for new customers have been raised slightly during the year while discounts have been reduced. This led to an increase in rental income from SEK 1,784 per square metre let in 2018 to SEK 1,910 in 2019.

During the year stores were opened in Borås, Malmö (phase 1, while phase 2 is due to open during 2020) and Vallentuna. Together these added almost 7,000 square metres of lettable floor space. Further space has been made available at a number of other stores with a total of 8,300 square metres of lettable floor space added during 2019.

In December there was a fire at the store in Eskilstuna. The facility is in the process of being restored, with the greatest respect for the inconvenience this has caused for the Company's customers. The damage to the store and the loss of income is covered by insurance.

During the year land was acquired in Uppsala, and work has started to build a store which is due to open in autumn 2020. A property in Mölndal has also been acquired. An acquisition agreement was also signed for a property in Vällingby, Stockholm, which was taken into possession in February 2020. A further agreement was signed for the acquisition of a property in Farsta with access planned during 2021. Access depends on land division and other construction projects in the area.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Lena Nelson was appointed CFO and took up her position on 24 February 2020.

In February the Company took possession of a property in Vällingby, Stockholm. The existing building will be converted into a modern highly automated self storage facility. The new store is due to open in the autumn of 2020 and will contain over 400 units.

24Storage has introduced measures to protect operations and stem the spread of Covid-19. To date neither the activities nor ongoing construction projects have been noticeably affected by Covid-19. The Company is, however, following developments closely and has taken measures to reduce costs and strengthen liquidity in the face of an uncertain future. See also the section "Expectations for future growth" on page 44.

PROFIT/LOSS FOR THE YEAR

Net sales and gross profit/loss

Net sales increased by 25 per cent to 71.7 MSEK (57.3). At the same time, the direct operating expenses increased by only 15 per cent thanks to the scalability of the Company's business model.

The gross profit amounted to 16.4 MSEK (9.4). The increase in the gross profit (see the table below) is primarily an effect of increased occupancy and higher prices in comparable stores. Newly opened stores initially imply a certain charge to profit/loss.

In line with IFRS 16 Leases, rental expenses and site leasehold fees amounting to 3.6 MSEK have been reported as a depreciation of 2.7 MSEK, and a financial expense of 0.9 MSEK (see Note 12). Equivalent adjustments have not been made for the previous year.

Change gross profit/loss, MSEK	**2018 result**	Change 2019, comparable stores	**2019 result, comparable stores**	New stores	Other	IFRS	**2019 result**
Net sales	**57.3**	9.6	**66.9**	4.8	0.0		**71.7**
Operating expenses	**-47.9**	-2.7	**-50.6**	-7.3	1.7	0.9	**-55.3**
Gross profit/loss	**9.4**	6.9	**16.3**	-2.5	1.7	0.9	**16.4**
Gross margin, per cent	**16**		**24**				**23**

Operating profit/loss

Administrative expenses amounted to -47.4 MSEK (-42.7). The result was charged with non-recurring expenses in connection with the listing of -4.6 MSEK (-), in addition to new share issue (see below under "Total assets"). Administration expenses also include depreciations to the amount of -7.6 MSEK (-6.9) and capitalised expenses resulting in improved operating profit of 8.9 MSEK (14.6), which refer primarily to internal expenditures for project leadership in connection with acquisitions and the construction, rebuilding and extension of self storage facilities.

The operating profit/loss before changes in value of investment properties amounted to -30.9 MSEK (-33.3).

All properties with stores in operation as well as ongoing construction projects have been valued by external independent evaluation institutions. Unrealised changes in the value of investment properties had a positive effect on the result of 40.6 MSEK (38.3).

The operating profit/loss after changes in the value of investment properties amounted to 9.7 MSEK (4.9).

Financial income and expenses

Net financial income/expenses amounted to -45.8 MSEK (-28.6). Rental expenses and site leasehold fees of 0.9 MSEK have been reported as a financial expense in line with IFRS 16 Leases. In conjunction with the redemption of subordinated loans the net financial income/expense has been charged with a total of -10.7 MSEK. These expenses refer to the writing off of capitalised financing expenditures in connection with previous extension of subordinated loans as well as interest in relation to the early redemption.

Taxation and profit/loss for the year

The Group reports a net taxation effect of -1.5 MSEK (9.6). The net amount comprises temporary differences in respect of deficit, real estate tax depreciations and unrealised changes in value (see Note 9). Due to the new interest deduction regulations the Group has not capitalised a deferred tax asset of approx. 6 MSEK in respect of interest expenses of approx. 30 MSEK. The profit/loss after tax amounted to -37.6 MSEK (-14.1) or -3.93 SEK (-2.27) per share.

CASH FLOW

Total cash flow for the Group amounted to 126.8 MSEK (14.9), of which cash flow from the operating activities was -53.1 MSEK (-95.3). The negative cash flow from operating activities is a result of the business being in an establishment phase.

The cash flow from the investing activities amounted to -115.0 MSEK (-130.1), primarily due to real estate acquisition and ongoing construction projects.

Financing activities contributed with 294.9 MSEK (240.3), of which bank loans increased by 151.5 MSEK (180.3) net. During the third quarter new shares were issued to a net value of 128.3 MSEK (82.5), in part through off-setting subordinated loans of 79.0 MSEK. During the fourth quarter there was a new share issue for 95.5 MSEK net in conjunction with the listing on Nasdaq First North Growth Market (see below under Equity and equity ratio).

FINANCIAL POSITION

The Company's total assets at the end of the financial year amounted to 1,393.7 MSEK (1,110.0).

Fixed assets

The Company's fixed assets amounted to 1,183.1 MSEK (1,030.6) of which investment properties represent 96 per cent.

Intangible assets amount to 21.3 MSEK (29.3), and consist primarily of capitalised expenditures to develop the Group business system. Right of use assets, over and above investment properties, amounted to 6.1 MSEK (-) and refer to leases for the Group Head Office as well as leased cars and office equipment (see Note 12).

Investment properties

At the end of the period the Group held a real estate portfolio with a reported fair value of 1,141.5 MSEK (989.2), including leased investment properties for 41.3 MSEK (60.9). The portfolio comprised 23 storage facilities in operation (see the list in Note 14) as well as a number of ongoing projects, that is to say stores in the planning stage or currently being built, restored or extended.

Change in book value investment properties, MSEK	**2019**	**2018**
At start of period	989.2	762.8
Acquisitions during the period	31.5	88.2
Sales during the period	-	-2.3
Investments in construction projects etc.	80.5	79.6
Leased investment properties:		
New and revalued leases	2.9	22.5
Depreciation	-2.7	-
Unrealised changes in value	40.6	38.3
Reclassification	-0.4	-
At end of period	**1,141.5**	**989.2**
Of which leased investment properties	41.3	60.9

Liabilities to credit institutions and liquid assets

At the end of the financial year, Group liabilities to credit institutions amounted to 768.3 MSEK (616.8). The Group's lease liabilities amounted to 27.4 MSEK (22.5). Subordinated loans were redeemed in conjunction with the new share issue in September, at the same time as capitalised financing expenditures pertaining to these were redeemed against the financial net profit/loss. At the end of the previous year these amounted to 79.0 MSEK and 10.4 MSEK respectively, or 68.6 MSEK net. Total interest-bearing liabilities (see Note 22) thereby amounted to 795.7 MSEK (707.9).

The Group's liquid assets amounted to 189.3 MSEK (62.5). Net borrowings thereby amounted to 606.4 MSEK (645.4) and the loan-to-value to 53 per cent (65).

Equity and equity ratio

At the end of the financial year Group equity amounted to 509.7 MSEK (322.2), implying an equity ratio of 37 per cent (29).

There were two new share issues during the third quarter. The first, for 128.3 MSEK, was made in part by offsetting subordinated loans for 79.0 MSEK and interest of 7.6 MSEK, making a total of 86.6 MSEK, and in part by 41.7 MSEK in cash. During the quarter outstanding warrants for a total value of 42.8 MSEK were repurchased. The resulting liability was offset in the second new issue of 42.8 MSEK.

In September a further decision was taken for a share split 1:10. All key ratios in this Annual Report have been recalculated to take this split into account.

During the fourth quarter there was a new share issue of 100.0 MSEK in conjunction with the listing of the Company's shares on Nasdaq First North Growth Market. The total costs for this listing amounted to -9.1 MSEK, of which -4.5 MSEK was reported directly against the issue settlement and -4.6 MSEK as an administration expense.

Change in number of shares and equity	No. of shares [1]	Group equity	Parent company
At start of year	7,907,470	322.2	176.7
Premiums paid for warrants	-	1.3	1.3
Offset issue (subordinated loans, interests)	2,474,170	86.6	86.6
Cash issue	1,191,550	41.7	41.7
Withdrawn warrants	-	-42.8	-42.8
Offset issue (liability share options repurchase)	1,222,830	42.8	42.8
New share issue in conjunction with listing	2,128,000	100.0	100.0
Issue expenses, reported direct against share liquidity	-	-4.5	-4.5
Total profit/loss for the year	-	-37.6	-34.9
Total at 31 December 2019	**14,924,020**	**509.7**	**366.9**

[1] *The number of shares has been recalculated to take into account the share split 1:10 which was performed in September 2019.*

Personnel

The average number of employees amounted to 30 full-time employees (35), of which 10 (13) in the Parent Company. The number of employees decreased compared with the previous year despite the increase in the number of stores, as an effect of increased digitalisation and efficiency.

Expectations for future growth

24Storage will continue to acquire and develop properties in order to conduct self storage operations. The goal is to open three to five new stores per year – a target which 24Storage has met since the start in 2015 – which means that the Group is adding capacity of on average approx. 10,000 square metres of lettable space each year. The investment in digitalisation is continuing.

24Storage is following developments with regard to Covid-19 and continuously evaluating both the long-term and short-term impact this may have on the business. While the Company has not been noticeably affected so far, it is not possible today to assess the extent to which operations may be affected. Compared to the industry's traditional model of local staffing, however, our business model of central staffing means the Company is less vulnerable. The long-term strategy remains unchanged.

24Storage does not make a financial forecast.

The 24Storage share

24Storage AB (publ) was listed on Nasdaq First North Growth Market on 10 December 2019 and trades under the short name "24STOR". The share capital amounts to 1.5 MSEK and 14,924,020 shares. All shares are of the same class and carry one vote. On 31 December 2019 the Company, according to Euroclear, had 1,021 shareholders. The largest shareholders were Ernström Kapital AB with 19.6 per cent and Staffan Persson via company holdings with 15.1 per cent of capital and voting rights. No other single shareholder owns more than 10 per cent of voting rights. The ten largest shareholders together accounted for 80.5 per cent of the capital and voting rights.

At the end of the year the closing price was 46.50 SEK and the total market value amounted to 694 MSEK.

At 31 December 2019 the Company has outstanding warrants with the right to subscribe for 759,993 new shares, see Note 4 for further information.

Environmental impact

None of the Group's companies conducts any operations requiring a permit under the Environmental Code. Nonetheless, 24Storage has a stated ambition to minimise the negative influence of our operations on the environment and has adopted a number of guidelines with regard to this.

Sustainability issues

24Storage strives to take a major social responsibility by engaging in the local community and making active environmental choices.

As of the financial year 2017, the Annual Accounts Act requires large companies to publish a sustainability report. According to the criteria, 24Storage is not obliged to prepare a sustainability report for the financial year 2019.

A healthy and safe working environment is an important strategic question for 24Storage. Our efforts with regard to the working environment aim to create a workplace which is physically, mentally and socially sound with opportunities for all our co-workers to develop their skills, and prevents any risk of occupational injuries and related health problems. 24Storage continuously evaluates the Company's work with the working environment in order to improve the everyday work with the working environment. Another element of the sustainability work we believe is important is equality of opportunity. 24Storage's work with equality shall follow up and improve equality of opportunity among co-workers. Equality of opportunity is to be taken into account and included in the Company's operations. The Company conducts an annual salary mapping to discover, remedy and prevent unjustifiable differences in salary between women and men. In addition, we are continuing our work to counter discrimination and promote equal rights and opportunities in the work life based on all seven grounds for discrimination.

For a more detailed description of the Company's engagement and completed projects see the section on sustainability on pages 22-25.

The Board of Directors, Chief Executive Officer and Executive Management

The Board of Directors has remained unchanged during the year and consisted of Jan-Olof Backman (Chair of the Board), Kenneth Eriksson, Patrick Metdepenninghen, Staffan Persson, Henrik Forsberg Schoultz, Fredrik Tilander and Maria Åkrans.

Fredrik Sandelin was appointed Chief Executive Officer on 1 January 2019. The Executive Management comprises seven members including the CEO. The Executive Management normally meets at least twice a month.

Remuneration to Directors and Senior Executives

Remuneration to Directors and Senior Executives is shown in the section on corporate governance on pages 31-35. Expenses for remuneration to Directors and Senior Executives during 2019 are shown in Note 4.

The Parent Company

The Parent Company 24Storage AB (publ) is concerned primarily with management, coordination and expansion of the Group and its real estate portfolio. Revenue during the year amounted to 15.4 MSEK (21.8) and referred primarily to internal services. Profit/loss after tax amounted to -34.9 MSEK (-36.0).

At the end of the year liquid assets amounted to 113.8 MSEK (10.0). During the year the Company has received 223.8 MSEK (82.5) through new share issues, see above under the heading “Equity and equity ratio”.

The book value of shares in Group companies amounted to 193.2 MSEK (182.1). During the year owner contributions have been paid to the subsidiary 24Storage Systems and Brands AB. Group contributions have been received from subsidiaries 24Storage Service AB and 24Storage Systems and Brands AB, and also paid to 24Storage AB. The net profit/loss from subsidiaries amounts to 3.3 MSEK (0.2).

Recommendation for the appropriation of non-restricted reserves

The Board of Directors proposes that non-restricted reserves for appropriation by the Annual General Meeting, comprising share premium reserves of 400,288,250 kronor and the loss for the year of 34,876,904 kronor, in total 365, 411,346 kronor, be appropriated so that the loss for the year is offset against the share premium reserve.

The Board of Directors proposes that no dividend be paid out for the financial year 2019.

Annual General Meeting

The Annual General Meeting of 24 Storage will be held at the Company's Head Office, Luntmakargatan 46, 8th floor, in Stockholm on 28 May 2020 at 18.00. Information about the Annual General Meeting and the Board of Directors' proposals for decisions to be taken at the Annual General Meeting can be found on the Company's website, 24Storage.se.

RISKS AND RISK MANAGEMENT

As with any other business, 24Storage's operations carry elements of risk. All risks are managed proactively as an integrated part of the operations and taken into account in the strategic work. Broadly speaking, the risks can be divided into external and operational risks, property-related risks, legal and regulatory risks and financial risks. Risks and uncertainty factors affecting the Group and Parent Company are presented below. Financial risks are shown in Note 24.

24Storage is following developments with regard to Covid-19 and continually evaluating both the long-term and short-term impact this may have on the business. The Company has taken measures to protect its operations and stem the spread of the virus. At the time of writing it is not possible to assess the extent to which operations may be affected. Compared to the industry's traditional model of local staffing our business model of central staffing means the Company is less vulnerable. Risks which may increase as a consequence of Covid-19 include delays in construction projects, changed valuations of properties and a change in access to capital.

Risk area	Risk management and exposure
EXTERNAL AND BUSINESS RISKS	
Competition in the Group's market The rate of occupancy may be affected by offerings from competitors. The market for letting storage units is exposed to competition from a number of large, established companies offering similar services, as well as smaller players with a local base. In addition, there is a risk of competition from players with new service offerings and logistics solutions. Failure to reach, or delay in reaching, a sufficiently high rate of occupancy and/or price level, reduces profitability. If a store is not profitable during a longer period of time the Group may sell the store, with the risk of making a loss, which may affect the financial position of the Group	24Storage has a modern offering where the customer is offered a high level of service and accessibility. For a description of the Company's situation regarding the market and competition, see pages 10-13. The Company's long-term goal for each storage facility is to achieve an occupancy rate of approx. 90 per cent. 24Storage estimates that achieving the long-term goal takes around six years from the opening of a new store. At year-end the Group had an occupancy rate (area) of 67 per cent (68). In the short term, the rate of occupancy is affected by newly opened stores.
Risks related to the destruction or damage of stores and/or inadequate insurance protection 24Storage's operations are reliant on the buildings the Company manages having a high degree of protection and security. There is a risk that the Group's stores will be exposed to fire or damage, or affected by some other factor.	All stores have security alarms, connected directly to emergency call centres and/or the emergency services. Insurance is purchased with the help of independent external insurance brokers, to secure effective insurance protection. All properties/stores have full-value insurance and the operations have interruption insurance for 36 months. 24Storage requires its customers to have insurance protection for everything stored in the units. 24Storage can offer a supplementary service which is tailor-made for self storage in units outside the home which around 75 per cent of customers have chosen to purchase. 24Storage has also taken out Directors and Officers Liability insurance. 24Storage assesses that the insurance protection is sufficient. There are, however, the usual limits with regard to what is covered by the insurance protection and possible compensation amounts.
Risks related to the macroeconomic trends, including demand for storage units in metropolitan regions or for certain customer groups The real estate industry can be affected by macroeconomic factors. There is a risk of a fall in demand for storage units in metropolitan regions or within certain customer groups as a result of a slowdown in the rate of urbanisation, less movement on the housing market or a significant change in living conditions for private individuals, or a change in the economic cycle.	Because the Group has a large number of customers and is not dependent on one single customer, the risk is well spread. 24Storage has just over 6,000 customers, of whom 85 per cent are private customers. The 10 largest customers represent 1.3 per cent of the total revenues. The American self storage market, which is the oldest market globally, has historically stood strong in times of recessions compared to other segments in the real estate industry.

Reliance on external partners and sub-contractors There is a risk that costs for sub-contracting and consulting assignments will increase as a result of unforeseen events in conjunction with construction, development, renovation or operations and infrastructure in the storage facilities. 24Storage is dependent on suppliers, such as consultants and sub-contracting firms, both for the construction, development and renovation of the storage facilities, and because some aspects of operations and infrastructure are operated by external parties.	24Storage has a structured procurement process which includes, among other things, a thorough evaluation of possible suppliers. The Group strives to have long-term collaboration with serious suppliers. Further, the Group aims, where possible, to collaborate with several suppliers within the same field in order to uphold both healthy competition and redundancy.
Customers' storage of illegal or harmful objects 24Storage has no direct control over the items customers store in their units. There is thus a risk that customers who rent 24Storage units may store illegal items, such as stolen goods, weapons or drugs.	All customers undertake not to store illegal items when they sign the contract. All customers must identify themselves using a Bank ID before the rental period can begin and the 24Storage proptech solution provides real-time video surveillance of the entire facility and immediate area with round the clock recording. 24Storage cooperates with the judicial system and offers the authorities video material and access to the stores if the need arises.
Technical developments Technology and digitalisation influence people's behaviour, which can lead to quickly changing customer demands.	A high degree of digitalisation and automation underpin the 24Storage business model and is one of the Company's competitive advantages. 24Storage is a data-driven company, and has smart properties that are on-line for central management. Technology is constantly developing and will drive further changes in the Company's operations.
Organisation and growing pains We must be an attractive employer if we want to recruit and retain competent employees. **PROPERTY-RELATED RISKS**	The customer service and telemarketing industries generally have a high turnover of employees. Centralising sales and customer service has strengthened the 24Storage company culture and Group spirit. The Group also works actively with process documentation and competence transfer in order to reduce dependency on individuals.
Property valuation 24Storage reports the properties at fair value in accordance with IFRS. The value of the Group's properties is affected both by factors specific to the actual property, such as operating costs, rate of occupancy and levels of rent, as well as the permitted use of the properties, and by factors specific to the market, such as the required return and capital costs. Unrealised changes in value affect both the income statement and the balance sheet and also affect the financial commitments that are in some cases connected to the Group's loan agreements (covenants).	During 2019 24Storage performed external valuations of the real estate portfolio at six-monthly intervals. When valuing real estate, consideration should be given to an uncertainty interval in order to reflect the inherent uncertainty in commitments and calculations made. In a well-functioning market this normally amounts to +/-5 to 10 per cent. If the direct required return increases/decreases by 0.5 per cent, the value is affected by -78 MSEK or +92 MSEK respectively.
Competition for attractive project properties The demand from other players, whether within the storage industry, other segments of the real estate industry or other industries, can drive up price levels for suitable objects for acquisition.	24Storage follows the real estate market continuously and works with a broad pipeline of potential acquisitions. It is difficult to estimate the consequences of increased competition for attractive properties, but it could potentially lead to more comprehensive efforts to find suitable objects to enable continued expansion.
Environmental risks There is a risk that Group properties which have previously been used for industrial activities will have suffered environmental damage and that this will not have been discovered at the time of the acquisition, which could lead to 24Storage having to pay for the property to be deep cleaned. **LEGAL AND REGULATORY RISKS**	In conjunction with acquisitions 24Storage always performs an environmental review (environmental due diligence) for the purpose of mapping the occurrence of toxins and other environmental risks.
Risks related to information leaks and the handling of personal details Cyber attacks or employees can cause the leaking of sensitive information, e.g. personal details (with the risk of breaching GDPR), the financial result (with the risk of breaching the Market Abuse Penalties Act, MAPR), or of planned business deals.	With regard to the risk of breaching GDPR, the Group already has sound routines in place. With regard to the risk of breaching the MAPR, the Company established routines and policies for publishing information prior to the listing. Further, the Company's Senior Executives have undertaken the customary stock exchange training. 24Storage assesses the likelihood of a leaking of sensitive information and sanction fees to be low.

CONSOLIDATED INCOME STATEMENT

MSEK	Note	2019	2018
Net sales	1, 2, 12	71.7	57.3
Operating expenses	6	-55.3	-47.9
Gross profit/loss		**16.4**	**9.4**
Administrative expenses	4, 5, 6, 12	-47.4	-42.7
Operating profit/loss before change in value		**-30.9**	**-33.3**
Change in value of investment properties	14	40.6	38.3
Operating profit/loss		**9.7**	**4.9**
Interest income and similar income statement items		0.0	0.0
Interest expenses and similar income statement items		-45.8	-28.6
Net financial income/expense	8	**-45.8**	**-28.6**
Profit/loss before tax		**-36.1**	**-23.7**
Tax	9	-1.5	9.6
Profit/loss for the year		**-37.6**	**-14.1**
Other comprehensive income			
Total comprehensive income for the year		**-37.6**	**-14.1**
Earnings per share before and after dilution, SEK	21	-3.93	-2.27

CONSOLIDATED BALANCE SHEET

MSEK	Note	31 Dec 2019	31 Dec 2018
Assets			
Fixed assets			
Intangible assets	11	21.3	29.3
Right of use assets	12	6.1	-
Tangible assets	13	11.3	10.7
Investment properties	14	1,141.5	989.2
Long-term receivables	16, 28	2.8	1.4
Total fixed assets		**1,183.1**	**1,030.6**
Current assets			
Inventories		0.4	0.5
Accounts receivable	28	3.9	3.3
Prepaid expenses and accrued income	18	10.3	4.1
Other current receivables	16, 28	6.7	8.9
Cash and cash equivalents	19, 28	189.3	62.5
Total current assets		**210.6**	**79.4**
Total assets		**1,393.7**	**1,110.0**
Equity and liabilities			
Share capital	20	1.5	0.8
Other capital contributions		480.9	256.5
Profit brought forward including profit/loss for the year		27.4	65.0
Total equity		**509.7**	**322.2**
Long-term liabilities			
Interest-bearing liabilities	22, 24, 28	538.6	604.7
Leasing liabilities	1, 12	22.3	20.9
Deferred tax liabilities	10	43.1	41.5
Total long-term liabilities		**604.0**	**667.0**
Current liabilities			
Interest-bearing liabilities	22, 24, 28	229.6	80.7
Lease liabilities	1, 12	5.1	1.6
Accounts payable	28	24.1	13.5
Tax liabilities		0.0	0.6
Other current liabilities	28	1.7	2.6
Accrued expenses and deferred income	23	19.5	21.6
Total current liabilities		**280.0**	**120.7**
Total liabilities		**884.0**	**787.7**
Total equity and liabilities		**1,393.7**	**1,110.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Other capital contributions	Profit brought forward	Total
Opening equity 1 January 2018	**0.5**	**163.4**	**79.1**	**242.9**
Profit/loss for the year [1]	-	-	-14.1	-14.1
Total comprehensive income	**-**	**-**	**-14.1**	**-14.1**
Transactions with owners:	-	-	-	-
New share issue	0.3	82.2	-	82.5
Portion of equity for options issued	-	10.9	-	10.9
Total transactions with shareholders	**0.3**	**93.1**	**0.0**	**93.4**
Closing equity 31 December 2018	**0.8**	**256.5**	**65.0**	**322.2**
Opening equity 1 January 2019	**0.8**	**256.5**	**65.0**	**322.2**
Profit/loss for the year [1]	-	-	-37.6	-37.6
Total comprehensive income	**-**	**-**	**-37.6**	**-37.6**
Transactions with owners:				
New share issue	0.7	270.4	-	271.1
Issue expenses	-	-4.5	-	-4.5
Warrants withdrawn	-	-42.8	-	-42.8
Premiums paid in for warrants	-	1.3	-	1.3
Total transactions with shareholders	**0.7**	**224.4**	**0.0**	**225.1**
Closing equity 31 December 2019	**1.5**	**480.9**	**27.4**	**509.7**

[1] *Profit/loss for the year corresponds to the total comprehensive income for the year.*

CONSOLIDATED CASH FLOW STATEMENT

MSEK	Note	2019	2018
Operating activities			
Profit/loss before tax		-36.1	-23.7
Adjustment for depreciations	3	12.8	8.5
Adjustment for change in value of properties	14	-40.6	-38.3
Adjustments for other non-cash items	3	4.6	-8.2
Income tax paid		0.0	-0.3
Cash flow from the operating activities before change in working capital		**-59.3**	**-62.0**
Change in inventories		0.1	-0.2
Change in operating receivables		-5.9	-3.2
Change in operating liabilities		12.0	-30.0
Total changes in working capital		**6.2**	**-33.4**
Cash flow from the operating activities		**-53.1**	**-95.3**
Investing activities			
Acquisition of properties/real estate companies	3	-30.8	-41.8
Investment in properties	14	-80.5	-79.6
Purchase of property, plant and equipment	13	-1.9	-5.3
Purchase of intangible assets	11	-0.4	-5.4
Disposal of properties		-	2.3
Change in financial fixed assets	16	-1.4	-0.1
Cash flow from investing activities		**-115.0**	**-130.1**
Financing activities			
New share issue		223.8	82.5
Paid premiums for warrants		1.3	-
Loans raised	22	242.3	228.8
Repayment of loans	22	-90.8	-48.5
Repayment of lease liabilities	1, 22	-2.7	-
Repayment of convertible loans	22	-	-25.0
Change in subordinated loans	22	-79.0	2.5
Cash flow from financing activities		**294.9**	**240.3**
Cash flow for the year		**126.8**	**14.9**
Cash and cash equivalents at start of period		62.5	47.6
Cash and cash equivalents at end of period	19	**189.3**	**62.5**

INCOME STATEMENT FOR THE PARENT COMPANY

MSEK	Note	2019	2018
Net sales	1, 2	15.4	21.8
Operating expenses	4, 5, 6, 12	-46.0	-49.6
Operating profit/loss		**-30.6**	**-27.8**
Profit/loss from participations in Group companies	7	3.3	0.2
Interest income and similar profit/loss items	8	0.0	0.0
Interest expenses and similar profit/loss items	8	-7.6	-8.4
Net financial income/expense		**-4.3**	**-8.2**
Profit/loss before tax		**-34.9**	**-36.0**
Tax	9	-	-
Profit/loss for the year [1)]		**-34.9**	**-36.0**

[1)] *Profit/loss for the year corresponds to the total comprehensive income for the year.*

BALANCE SHEET FOR THE PARENT COMPANY

MSEK	Note	31 Dec 2019	31 Dec 2018
Assets			
Fixed assets			
Intangible assets	11	0.0	0.6
Tangible assets	13	0.1	0.2
Ongoing construction and projects	15	16.8	23.4
Participations in Group companies	27	193.2	182.1
Long-term receivables	16	0.4	0.4
Total fixed assets		**210.5**	**206.7**
Current assets			
Receivables from Group companies	17	165.2	170.9
Prepaid expenses and accrued income	18	1.3	1.3
Other receivables	16	0.0	1.2
Cash and cash equivalents	19	113.8	10.0
Total current assets		**280.3**	**183.4**
Total assets		**490.8**	**390.1**
Equity and liabilities			
Share capital	20	1.5	0.8
Total restricted equity		**1.5**	**0.8**
Share premium reserve		400.3	211.9
Profit/loss for the year		-34.9	-36.0
Total unrestricted equity		**365.4**	**175.9**
Total equity		**366.9**	**176.7**
Long-term liabilities			
Interest-bearing liabilities	22	-	79.0
Liabilities to Group companies	17, 22	68.3	68.3
Total long-term liabilities		**68.3**	**147.3**
Current liabilities			
Accounts payable		14.5	9.5
Liabilities to Group companies	17	32.9	39.0
Other current liabilities		2.9	8.7
Accrued expenses and deferred income	23	5.3	8.9
Total current liabilities		**55.6**	**66.1**
Total liabilities		**123.9**	**213.4**
Total equity and liabilities		**490.8**	**390.1**

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

MSEK	Share capital reserve	Share premium brought forward	Profit/loss	Total
Opening equity 1 January 2018	**0.5**	**137.6**	**-7.9**	**130.2**
Allocation of profit/loss	-	-7.9	7.9	0.0
Profit/loss for the year[1]	-	-	-36.0	-36.0
Total comprehensive income	**-**	**-7.9**	**-28.1**	**-36.0**
Transactions with owners:				
New share issue	0.3	82.2	-	82.5
Total transactions with shareholders	**0.3**	**82.2**	**-**	**82.5**
Closing equity 31 December 2018	**0.8**	**211.9**	**-36.0**	**176.7**
Opening equity 1 January 2019	**0.8**	**211.9**	**-36.0**	**176.7**
Allocation of profit/loss	-	-36.0	36.0	0.0
Profit/loss for the year [1]	-	-	-34.9	-34.9
Total comprehensive income	**-**	**-36.0**	**1.1**	**-34.9**
Transactions with owners:				
New share issues	0.7	270.4	-	271.1
Issue expenses	-	-4.5	-	-4.5
Repurchase of warrants	-	-42.8	-	-42.8
Premiums paid in for warrants	-	1.3	-	1.3
Total transactions with shareholders	**0.7**	**224.4**	**-**	**225.1**
Closing equity 31 December 2019	**1.5**	**400.3**	**-34.9**	**366.9**

[1] *Profit/loss for the year corresponds to the total comprehensive income for the year.*

CASH FLOW STATEMENT FOR THE PARENT COMPANY

MSEK	Note	2019	2018
Operating activities			
Profit/loss before tax		-34.9	-36.0
Adjustments for non-cash items	3	-3.0	-3.1
Income tax paid		-	-
Cash flow from operating activities before change in working capital		**-37.9**	**-39.1**
Change in operating receivables		10.1	-56.9
Change in operating liabilities		-10.1	-83.3
Cash flow from operating activities		**-37.9**	**-179.3**
Investing activities			
Shareholder contributions paid out	27	-11.1	-38.0
Acquisition /Disposal of ongoing projects	15	6.7	71.2
Cash flow from investing activities		**-4.4**	**33.2**
Financing activities			
New share issues		223.8	82.5
Employee share options issued		1.3	-
Change in long-term Group loans	17, 22	-	45.8
Change in subordinated loans	22	-79.0	2.5
Cash flow from financing activities		**146.1**	**130.8**
Cash flow for the year		**103.8**	**-15.3**
Cash and cash equivalents at start of period		10.0	25.3
Cash and cash equivalents at end of period	19	**113.8**	**10.0**

OVERVIEW OF THE NOTES

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LAWS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the statements of interpretation by the IFRS Interpretations Committee (IFRIC) as they have been adopted by the EU. Further, the Swedish Financial Reporting Board's recommendation RFR 1 Complementary Accounting Rules for Groups has been applied.

CONDITIONS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent Company's functional currency is Swedish kronor which is also the reporting currency for the Parent Company and for the Group. All amounts are reported in millions of Swedish kronor, MSEK, unless otherwise stated. Rounded amounts are reported in the report while total amounts and key ratios have been calculated to the exact amount.

Assets and liabilities are reported at historical acquisition cost with the exception of investment properties, which are measured at fair value.

Assessments made by management when applying IFRS which have a significant influence on the financial statements and estimations made which may lead to significant adjustments in the next following year's financial statements are described in more detail in Note 30.

The accounting policies for the Group stated below have been applied consistently to all periods presented in the consolidated financial statements unless otherwise stated below. The Group's accounting policies have further been applied consistently to the reporting and consolidation of the Parent Company and subsidiaries. The Parent Company applies the same accounting policies as the Group with the exception of the cases stated below in the section "Parent Company's Accounting Policies".

The Annual Report and the Consolidated Accounts have been approved for issue by the Board of Directors and the Chief Executive Officer on 28 April 2020. The consolidated income statement and balance sheet, and the income statement and balance sheet for the Parent Company will be presented for adoption at the Annual General Meeting on 28 May 2020.

REVISED ACCOUNTING POLICIES DUE TO NEW OR CHANGED IFRS

The Group applies IFRS 16 Leases as of 1 January 2019. IFRS 16 replaces existing IFRS related to the reporting of leases including IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. IFRS 16 primarily affects lessees and the main effect is that for the majority of leases the right of use asset and lease liability are reported, and that rental expenses are instead reported as depreciation and interest, even for leases which were previously classified as operating leases.

The Group has chosen the modified transition method, meaning the comparative year has not been recalculated.

The Group previously utilised the possibility under previous policies for reporting assets and liabilities to report operating leases for its leased investment properties, in which the underlying asset was defined as an investment property, as financial leases. The implementation of IFRS 16 on the Group's opening balance in the balance sheet consequently had a minor effect. From the end of 2019 additional right of use assets and lease liabilities have been reported for leases where the underlying assets have not been defined as investment properties. See Note 12 Leases for more information on these.

NEW IFRS STANDARDS WHICH HAVE NOT YET BEEN IMPLEMENTED

New and revised IFRS standards which will be applied in the future are not expected to have any significant effect on the Group's financial statements.

CLASSIFICATION ETC.

Fixed assets consist essentially of amounts which it is expected will be recovered after more than twelve months from the balance sheet date. Current assets consist essentially of amounts which it is expected will be recovered or paid within twelve months of the balance sheet date.

Long-term liabilities consist essentially of amounts which the Group, at the end of the reporting period, has an unconditional right to elect to pay at a later time than twelve months after the end of the reporting period. If the Group does not have such a right at the end of the reporting period - or if it is expected that the liability will be settled within the normal operating cycle – the amount of the liability is reported as a current liability.

SEGMENT REPORTING

All Group operations are reported and followed up in the segment "Self storage Operations Sweden".

CONSOLIDATION PRINCIPLES

Subsidiaries are companies which come under a controlling interest from the Parent Company. Controlling interest implies directly or indirectly a right to shape a Company's financial and operating strategies for the purpose of gaining economic advantages. Shares which carry potential voting rights which can be utilised or converted without delay are taken into account when assessing whether a controlling influence exists.

The Group comprises at 31 December 2019 the Parent Company and 31 (27) wholly owned subsidiaries.

Subsidiaries are reported according to the acquisition method. The method implies that the acquisition of a subsidiary is considered as a transaction by means of which the Group indirectly acquires the assets of the subsidiary and takes over its debts and contingent liabilities. In the acquisition analysis, the fair value of acquired identifiable assets and assumed liabilities at the date of acquisition is determined, as is the possible holding of a non-controlling interest. Acquisition of real estate often takes place in the form of a business acquisition. When this type of acquisition is made there is a consideration as to whether the acquisition can be considered a business combination, i.e. if the acquisition also includes other resources and processes in addition to the property. When the business acquisition is not deemed to be a business combination it is reported as an acquisition of assets and liabilities and the acquisition cost is allocated to the assets and liabilities based on their fair value, with no goodwill or deferred tax reported. Transaction expenses are entered as assets.

The financial statements of subsidiaries are included in the consolidated accounts from and including the point of time of acquisition up to and including the date on which the controlling interest ceases.

Transactions eliminated on consolidation

Intra-Group receivables and liabilities, income or expenses and unrealised profits or losses which arise from intra-Group transactions between Group companies are eliminated entirely when the consolidated accounts are prepared.

FOREIGN CURRENCY

The Group makes no significant transactions in foreign currency.

REVENUE

Rental income

Rental income from investment properties is reported on a straight-line basis in the income statement according to the terms in the lease. Since the lease essentially runs on a monthly basis the rental income is reported directly in the period to which it refers as stated on the customer invoice.

Other income

Income from the sale of removal packing materials and insurance solutions is reported at net value, that is to say income minus purchasing price is reported as net sales. Income is measured according to the payment specified in the agreement with the customer.

Income from sales of goods is reported in the income statement when control over the goods has been transferred to the purchaser, which is considered to take place when the goods have been delivered to and accepted by the customer.

Income from sales of real estate

Income from sales of real estate is as a rule reported on the date of entry unless the control has been transferred to the buyer on an earlier occasion. Control of the assets may have been transferred on an occasion prior to the date of entry and if this is the case the income from the sale of the property is reported at this prior point in time. In assessing the point in time at which the income is reported, what has been agreed between the parties in respect of the risks and benefits, as well as the commitment to the operating administration, is taken into account. In addition, circumstances which may affect the outcome of the business and which are outside the control of the seller and/or buyer are taken into account.

LEASES

Policies applied as of 1 January 2019

When an agreement is entered into the Group assesses whether the agreement constitutes, or contains, a lease. An agreement constitutes, or contains, a lease if the agreement transfers the right to decide over the use of an identified asset in exchange for payment during a specified period of time.

Leases where the Group is the lessee

The Group reports a right of use asset and a lease liability at the date on which the lease was entered into. The right of use asset is measured initially at cost of acquisition, which consists of the initial value of the lease liability with a supplement for leasing fees which are paid on or before the date on which the agreement is entered into plus any initial direct fees. The right of use is depreciated on a straight-line basis from the date on which the agreement is entered into up until the end of the period of the asset's right of use or the leasing period, whichever is the earlier, which for the Group is generally the end of the leasing period. In less frequent cases where the acquisition cost of the right of use reflects the Group's intention to utilise an option to purchase the underlying asset, the asset is depreciated at the end of the right of use period.

Lease liabilities – which are split into long-term and current components – are measured initially at the present value of remaining leasing fees during the estimated leasing period. The leasing period consists of the period which cannot be cancelled with a supplement for additional periods in the agreement if it is estimated on the date on which the agreement is entered into to be reasonably certain that these will be utilised.

The leasing fees are as a rule discounted with the Group's marginal borrowing interest rate, which in addition to the Group/Company's credit risk reflects the leasing period, currency and quality of the underlying asset expected to be the security for each lease. However, in cases where the lease's implicit interest can be easily determined, which is the case for some parts of the Group's vehicle leases, that interest rate is used.

Lease liabilities comprise the present value of the following fees during the estimated leasing period:

- fixed fees, including capped fixed fees,
- variable leasing fees linked to index or interest levels, initially valued with the aid of the index or interest level which was valid on the date on which the agreement was entered into,
- any residual level guarantees expected to be paid,
- the redemption price for a purchase option which the Group is reasonably certain of utilising and
- penalties which come into force when the lease is cancelled if the estimated leasing period reflects that such a cancellation will be made.

The value of the liability increases with the interest expenses for the period in question and is reduced by the lease payments. The interest expense is calculated as the value of the liability multiplied by the discount rate.

The lease liability for the Group's premises with indexation of rent is calculated based on the rent which applies at the end of each reporting period. At that point in time the liability is adjusted with the equivalent adjustment of the reported value of the right of use asset. In a similar way, the values of the liability and asset are adjusted in conjunction with the reassessment of the leasing period. This takes place when the final date for notice of termination within an earlier estimated leasing period of a lease for premises has passed, or when a significant event occurs or there is a significant change in circumstances which is within the control of the Group and affects the applicable assessment of the leasing period.

Lease liabilities are presented as a separate item.

Right of use assets and lease liabilities are not reported for leases which have a leasing period of 12 months or less or have an underlying asset of low value, under 50 TSEK. Leasing fees for these leases are carried as expenses on a straight-line basis during the leasing period.

Leases where the Group is the lessor

The Group reports leasing fees from operating leases as income on a straight-line basis over the leasing period under the "Net Sales" entry. The majority of leases have a period of notice of one month. On average the Group's customers rent their units for 15 months.

Policies applied up to and including 31 December 2018

Leases are classified as either financial or operating leases. In financial leases, the economic risks and benefits associated with the ownership are to all intents and purposes transferred to the lessee. When this is not the case they are treated as operating leases.

Assets which are rented under financial leases are reported as fixed assets in the statement of financial position and are initially measured at whichever is the lower of the leasing object's fair value and the present value of the minimum leasing fees at the time the agreement was entered into. The obligation to pay future leasing fees is reported as long-term and current liabilities. The leased assets are depreciated over the useful life of each asset respectively while the lease payments are reported as interest and amortisation of liabilities.

Assets which are rented under operating leases are generally not reported as assets in the statement of financial position. Neither do operating leases give rise to a liability. Property, buildings and/or land rented under operating leases are, however, under certain circumstances included in the statement of financial position as investment properties (see "Investment properties" below).

The Group reports leasing fees from operating leases as income on a straight-line basis over the leasing period as part of the "Net sales" entry.

Expenses in respect of operating leases are reported in the income statement on a straight-line basis over the leasing period. Benefits received in connection with the signing of a lease are reported in the income statement as a decrease in the leasing fees on a straight-line basis over the duration of the lease. Contingent rents are carried as expenses in the periods in which they arise.

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest income on bank assets and receivables. Financial expenses consist of interest and derecognition expenses on loans from credit institutions, subordinated loans and on convertible promissory notes during the comparative year.

Interest income/expenses are reported according to the effective interest rate method. The effective interest rate is the rate which discounts the estimated future payments in and out during the anticipated duration of a financial instrument at the reported net value of the financial asset or liability. The calculation includes all the fees paid by or received from the parties to the agreement which are a part of the effective interest and transaction expenses.

INCOME TAXES

Income taxes are comprised of current tax and deferred tax. Income taxes are reported in the income statement except when the underlying transaction is reported in other comprehensive income or in equity, in which case a pertaining tax effect is reported in other comprehensive income or in equity.

Current tax is tax which is to be paid or received in respect of the current year, applying the tax rates which have been decided or in practice decided at the balance sheet date. Current tax also includes adjustment of tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method, taking its starting point in temporary differences between reported and tax base values of assets and liabilities. Temporary differences are not taken into account in Group goodwill nor for any difference which has arisen on the first reporting of assets and liabilities which are not business combinations which at the time of the transaction do not affect either reported or taxable profit/loss. Deferred tax is measured based on how the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and tax regulations which have been decided or in practice decided at the balance sheet date.

Deferred tax assets in respect of deductible temporary differences and loss carry-forwards are reported only to the extent that it is likely they will be able to be utilised. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised. Deferred tax liability is calculated on the difference between the reported value of the properties and their taxable value, as well as on untaxed reserves. Any change in the above-mentioned items will thus also change the deferred tax liability or asset, which will be reported in the income statement as deferred tax.

FINANCIAL INSTRUMENTS

Financial instruments which are reported on the assets side in the statement of financial position include liquid assets, long-term receivables and accounts receivable. The liabilities side shows borrowings, accounts payable and certain accrued expenses.

Recording, derecognition and offsetting

A financial asset or financial liability is reported on the balance sheet when the Company becomes a party under the agreed conditions of the instrument. A receivable is reported when the Company has delivered and there is an agreed obligation for the counter-party to pay, even if no invoice has yet been sent. Accounts receivable are reported in the balance sheet when an invoice has been sent. Liabilities are reported when the counter-party has delivered and there is an agreed obligation to pay, even if the invoice has not yet been received. Accounts payable are reported when an invoice has been received.

A financial asset is removed from the balance sheet when the rights in the agreement are realised, fall due or the Company loses control over them. The same applies for a part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is met or in some other way eliminated. The same applies for a part of a financial liability.

A financial asset and a financial liability are offset and reported at a net amount in the balance sheet only when there is a legal right to offset the amount as well as an intention to settle the items with a net amount or to, at the same time, realise the asset and settle the debt.

Reporting on the first reporting occasion

A financial asset or a financial liability is measured on the first reporting occasion at fair value plus, in the case of financial instruments which are not reported at fair value in profit/loss, transaction expenses directly attributable to the acquisition or share issue.

Reporting after the first reporting occasion – financial assets

When a financial asset is reported for the first time, it is classified as being measured at: amortised cost; fair value through other comprehensive income – debt instrument investment; fair value through other comprehensive income – equity investment; or fair value in profit/loss.

All the Group's financial assets are of the type which after the first reporting occasion are reported at amortised cost according to the effective interest method. The amortised cost is decreased through impairment. Interest income and impairments are reported in profit/loss. Profits or losses resulting from derecognition are reported in profit/loss.

Reporting after the first reporting occasion – financial liabilities

All the Group's financial liabilities are measured at amortised cost.

During the comparative year the Group had outstanding convertible promissory notes which could be converted to shares in the Parent Company if the owner chose to utilise the option to convert. These were reported as combined financial instruments divided into a liability portion and an equity portion. The liability portion was initially reported at fair value while the remaining portion of the value of the instrument was reported in equity.

During the comparative year the subordinated loan was extended, and the subsequent transaction expense was reported as a reduction in the liability. The transaction expenditures were performed by issuing warrants, the value of which was reported in equity. During the year in question the loan was repaid, at which point the said transaction expenditures were reported in profit/loss as a financial expense in conjunction with the derecognition of the liability.

TANGIBLE ASSETS (EXCLUDING INVESTMENT PROPERTIES)

Tangible assets are reported in the Group at acquisition cost after deduction for accumulated depreciations and possible impairments. The acquisition cost includes the purchase price and expenditures directly attributable to ensuring the asset is in the right place and condition to be utilised in accordance with the purpose of the acquisition.

The accounting policies for impairments are shown below.

Tangible assets which consist of items with different useful lifes are treated as separate components of tangible assets. The reported value of a tangible asset is removed from the balance sheet if it is disposed of or sold, or when the use or disposal/sale of the asset is not expected to provide any future financial benefits. Profit or loss which results from the disposal or sale of an asset is comprised of the difference between the selling price and the asset's reported value with a deduction for direct sales expenses. Profit and loss are reported as other operating income/expenses.

Depreciation

Depreciation takes place on a straight-line basis over the asset's estimated useful life:

- plant and machinery 5 – 12 years
- equipment, tools, fixtures and fittings 5 - 10 years

The depreciation methods used, remaining values and useful lifes are reviewed at the end of each year.

INVESTMENT PROPERTIES

Investment properties are properties which are owned for the purpose of providing rental income or an increase in value or a combination of both these purposes. Investment properties are initially reported at acquisition cost, which includes expenditures directly attributable to the acquisition. Investment properties are reported on the balance sheet at fair value. The fair value is based on the market value, which is the amount which it is assessed at the time of valuation would be received if a property was sold through an arranged transaction between market players. The fair value is based wholly on valuations made by external independent valuers who have recognised qualifications and relevant expertise in valuing properties of this type and in the locations in question. This valuation has taken place on a six-monthly basis during 2019.

Both unrealised and realised changes in value are reported in the income statement under the entry Change in value of properties.

Rental income and income from the sales of properties are reported in line with the policies described in the section on "Revenue" on page 58.

A property or a part of a property which is owned through an operating lease is classified as a right of use asset under the term investment property if the Group owns the property for the purpose of receiving rental income or an increase in value or for both these purposes in accordance with IAS 40. The leased investment property is thereafter continuously reported at fair value in the statement of financial position, with changes in value reported in the income statement.

Properties under construction that are intended to be used as investment properties when the work has been completed are also classified as investment properties. Valuation takes place according to the method described above.

Additional expenditures are added to the reported value only if it is likely that the future economic benefits which are associated with the asset will benefit the Company and the acquisition cost can be calculated in a reliable manner. All other additional expenditures are reported as expenses in the period in which they occur. The deciding factor in assessing whether an additional expenditure will be added to the reported value is if the expenditure refers to the replacement of identified components, or parts thereof, in which case such expenditures are capitalised. The expenditure is also added to the reported value in cases where new components are created. Repairs are written off at the time when the expenditure is incurred.

Ongoing projects

Ongoing projects are reported at acquisition cost with an internal supplement for project management (development fee). The acquisition cost is comprised of expenditures for the acquisition of the property and expenditures which are directly attributable to the asset, such as construction costs, architect fees and similar.

INTANGIBLE ASSETS

Goodwill

Goodwill comprises acquisition of assets and liabilities in conjunction with the start-up of operations and is measured at acquisition cost minus possible accumulated impairments. No amortisations are made for goodwill. Goodwill is assessed for the need for amortisation on at least an annual basis.

Capitalised development expenditures

Capitalised development expenditures are comprised primarily of business systems and are reported in the Group at acquisition cost minus accumulated amortisations and possible impairments.

Additional expenditures for capitalised intangible assets are reported as an asset in the balance sheet only when they increase the future economic benefits for the specific asset to which they are attributable. All other expenditures are written off as and when they occur. The capitalisation of intangible assets for the year refers to investments in business systems.

Depreciations are reported in the income statement on a straight-line basis over the estimated useful life of intangible assets, as long as such useful lives are not indefinite. Intangible assets with a finite useful life are depreciated from the point in time at which they become available for use. The estimated useful lives are:

- Capitalised development expenditures 5 years

IMPAIRMENTS

Impairment of tangible and intangible assets

The reported tangible and intangible assets of the Group are assessed at each balance sheet date to determine whether there are indications of write-down requirements. If there are indications of write-down requirements, the recoverable amount of the asset is calculated (see below). Further, for goodwill, other intangible assets with indefinite useful lives and intangible assets which are not yet ready for use, the recoverable amount is calculated on an annual basis.

An impairment is reported when the reported value of an asset exceeds the recoverable amount. An impairment is reported as an expense in the income statement.

The recoverable amount is whichever is the higher of fair value minus sales expenses and value in use. When calculating the value in use, future cash flows are discounted with a discounting factor which takes into account risk-free interest and the risk associated with the specific asset.

Impairment of financial assets

The Group reports loss reserves for anticipated credit losses on its financial assets at each reporting occasion.

INVENTORIES

Inventories are measured at whichever is the lower of acquisition cost and net sales value

REMUNERATION TO EMPLOYEES

Current remuneration

Current remuneration to employees is calculated without discounting and is reported as an expense when the related services are received.

Severance pay

An expense for severance payments is reported when the Company can no longer withdraw the offer to the employees or when the Company reports expenses for reorganisation, whichever is the earlier. Remuneration which is expected to have been paid after twelve months is reported at its present value. Remuneration which is not expected to be fully paid within twelve months is reported as long-term remuneration.

Defined-contribution pension plans

Pension plans under which the Group's obligation is limited to the contributions the Group has committed to pay are classified as defined-contribution pension plans. In such cases the size of the employee's pension is determined by the contributions the Group pays into the plan or to an insurance company and the return on capital the contributions produce. Consequently, it is the employee who carries the actuarial risk (that the payment will be lower than expected) and the investment risk (that the assets invested will be insufficient to produce the expected payments). The Group's obligations in respect of contributions to defined-contribution plans are reported as an expense in the income statement at the rate at which they are earned as a result of the employees having performed services for the Group during a period of time.

Warrants programme

The Group has established warrant programmes based on warrants which are subject to capital taxation for selected Senior Executives and other key management personnel who are deemed to have a significant importance for the Company's operations and growth.

PROVISIONS

A provision is reported on the balance sheet when the Group has an obligation and it is probable that an outflow of economic resources will be required to settle the obligation and that a reliable estimate of the amount can be made. The provisions are measured at the present value of the amount it is anticipated will be required in order to settle the obligation.

A provision for restructuring is reported when the Group has adopted an extensive and formal restructuring plan, and the restructuring has either begun or been made public knowledge. Non-recurring expenses refer to expenses of a significant amount and at the same time of such a type that they can be considered foreign to the operations and not an annually recurring event.

CONTINGENT LIABILITIES

Information regarding contingent liability is provided when a possible commitment might arise from events which have occurred and whose existence is confirmed only by one or more uncertain future events outside the control of the Group, or when there is a commitment which is not reported as a liability or provision on the grounds that it is not probable that an outflow of resources will be required or cannot be calculated with sufficient reliability.

EARNINGS PER SHARE

The earnings per share before dilution has been calculated based on the Group's profit/loss for the year and on the weighted average number of shares of stock outstanding during the year. When calculating the earnings per share after dilution the average number of shares of stock is adjusted to take into account the effects of diluting potential common shares, which during the reported periods stem from warrants issued to Senior Executives and other key management personnel.

Potential common shares are considered to be diluting only if the dilution calculations lead to weaker earnings per share, with the effect that, for example, during periods when the result after tax is negative no dilution is calculated since this would lead to a lower loss per share.

PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company has prepared its Annual Report according to the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board's published conclusions regarding listed companies have also been applied. RFR 2 requires the Parent Company to apply, in the annual report for the legal entity, all the IFRS and conclusions adopted by the EU as far as this is possible within the framework of the Annual Accounts Act, the Security Act, and taking into account the link between accounting and taxation. The recommendation states which exemptions and supplements to IFRS are to be made.
The Parent Company applies the same accounting policies as the Group with the exceptions stated below. The accounting policies for the Parent Company stated below have been applied consistently to all periods presented in in the Parent Company's financial statements, unless otherwise stated.

Classification and format

The income statement and balance sheet for the Parent Company have been prepared according to the schedule of the Annual Accounts Act. The differences are minor, and consist primarily of the separation of equity into restricted and non-restricted equity.

Subsidiaries

Participations in subsidiaries are reported in the Parent Company according to the acquisition method. This means that transaction expenditures are included in the reported value for holdings in subsidiaries

Revenue

In the Parent Company, service assignments are reported when the service has been delivered. Next to this, ongoing work for a third party in respect of the service assignment is reported at whichever is the lower of acquisition cost or net sales value at the balance sheet date.

Revenue from service assignments is reported in the income statement based on the degree of completion at the balance sheet date. The degree of completion is determined by an assessment of the completed work made on the basis of examinations made. Revenue is not reported if it is probable that the economic benefits will not favour the Parent Company.

Financial instruments

Due to the link between accounting and taxation, the IFRS 9 regulations on financial instruments and hedge accounting are not applied in the Parent Company as a legal entity. Elements of the IFRS 9 policies can nonetheless be applied – such as those for impairments, making/removing an entry, criteria for the application of hedge accounting and the effective interest rate method for interest income and interest expenses. In the Parent Company, financial assets are measured at acquisition cost minus possible impairment, and financial current assets according to the lowest value principle.

Tangible fixed assets

Tangible fixed assets in the Parent Company are reported at acquisition cost after deduction for accumulated depreciations and possible impairments in the same way as for the Group but with the addition of possible write-ups.

Leased assets

In the Parent Company leasing expenses are reported on a straight-line basis for all leases where the Company is the lessor. Lease liabilities and right of use are not reported.

Intangible assets

Goodwill and other intangible assets with an indefinite useful life which are not subject to amortisation in the Group are amortised in the Parent Company in accordance with the Annual Accounts Act. As a rule, this implies amortisation over five years. In special cases, the amortisation period may be longer than five years.

Shareholders' contributions and Group contributions

The Parent Company reports Group contributions and shareholders' contributions in accordance with RFR 2 IAS 27 p. 2 in accordance with the principal rule. Shareholders' contributions and Group contributions paid are reported as an increase in participations in Group companies to the extent that impairment is not required. Group contributions and impairments are reported in the financial items category.

NOTE 2. BREAKDOWN OF NET SALES

	Group		Parent Company	
Nature of income, MSEK	**2019**	**2018**	**2019**	**2018**
Self storage income	64.3	50.6	-	-
Self storage-related income	5.5	4.7	-	-
Other income from properties	1.9	2.0	-	-
Management fee	-	-	6.5	7.2
Development fee[1)]	-	-	8.9	14.6
Total net sales	**71.7**	**57.3**	**15.4**	**21.8**

[1)] *Refers to internal supplements for project management in relation to acquisitions and real estate development.*

The principal source of revenue for the Group is self storage income from the letting of self storage units. Self storage-related income refers to insurance of the units and the sale of items such as packing boxes. Other income from properties refers to the letting of floor space which has not yet been converted to storage units. The Parent Company's income is intra-Group. The internal price setting has been done in line with market conditions.

NOTE 3. CASH FLOW STATEMENT

	Group		Parent Company	
Items not included in cash flow, MSEK	**2019**	**2018**	**2019**	**2018**
Interest	4.6	-8.2	-0.4	-3.5
Depreciations	12.8	8.4	0.7	0.7
Profit/loss from Group participations	-	-	-3.3	-0.3
Total	**17.4**	**0.2**	**-3.0**	**-3.1**

	Group	
Acquisitions of subsidiaries, MSEK	**2019**	**2018**
Acquired investment properties	31.5	88.2
Acquired cash and cash equivalents	4.3	2.8
Operating liabilities assumed	-0.7	-26.4
Bank loans assumed	-	-20.0
Bank loans, to be redeemed on acquisition	-13.5	-
Purchase price including acquisition costs	**21.6**	**44.6**
Effect on cash flow		
Purchase price paid including acquisition costs	-21.6	-44.6
Deductions cash and cash equivalents	4.3	2.8
Additions, bank loans, redeemed on acquisition	-13.5	-
Effect on cash and cash equivalents	**-30.8**	**-41.8**

NOTE 4. EMPLOYEES, PAYROLL COSTS AND REMUNERATION TO SENIOR EXECUTIVES

	2019			2018		
Number of employees and gender breakdown	Women	Men	**Total**	Women	Men	**Total**
Average number of employees						
Parent Company	2	8	**10**	4	9	**13**
Subsidiaries	10	10	**20**	11	11	**22**
Total	**12**	**18**	**30**	**15**	**20**	**35**
Proportion, per cent	40	60	**100**	43	57	**100**
Members of the Board and Executive Management						
Directors (Parent Company)	1	6	**7**	1	6	**7**
Senior Executives (Group)	1	6	**7**	2	4	**6**

Remuneration to Senior Executives, KSEK	**Basic salary, Director's fee**	**Variable remuneration**	**Pension costs**	**Other remuneration**	**Total**
2019					
Chair of the Board					
- Jan-Olof Backman	233				233
Other Directors					
- Kenneth Eriksson (elected 20 Dec 2018)	94				94
- Patrick Metdepenninghen	117				117
- Staffan Persson	117				117
- Henrik Forsberg Schoultz	117				117
- Fredrik Tilander	117				117
- Maria Åkrans	117				117
Chief Executive Officer					
- Fredrik Sandelin (CEO as of 1 Jan 2019)	1,680	249	547	110	2,586
Other Senior Executives	4,467	445	983	222	6,117
Total Directors and Senior Executives	**7,059**	**694**	**1,530**	**332**	**9,615**
2018					
Chair of the Board					
- Jan-Olof Backman	550				550
Other Directors					
- Patrick Metdepenninghen	100				100
- Staffan Persson	100				100
- Henrik Forsberg Schoultz	108				108
- Fredrik Tilander	100				100
- Maria Åkrans	200				200
Chief Executive Officer					
- Henrik Granström (CEO 3 April 2018 – 31 Dec 2018)	1,187		267	91	1,545
- Michael Fogelberg (CEO up to and incl. 2 April 2018)	1,152	240	176	110	1,678
Other Senior Executives	7,194	337	1,046	357	8,934
Total Directors and Senior Executives	**10,691**	**577**	**1,489**	**558**	**13,315**

Salaries and remuneration, MSEK	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
Salaries and remuneration, etc.	19.5	24.9	11.1	16.0
Pension costs	2.2	3.4	1.6	2.8
Social charges	7.0	7.6	4.1	4.7
Total	**28.7**	**35.9**	**16.8**	**23.5**

Remuneration to the Board of Directors

The Chair and members of the Board of Directors are paid a fee decided by the general meeting of shareholders. At the Annual General Meeting held on 14 May 2019 it was decided that a fee of 300,000 SEK shall be paid to the Chair, that an ordinary member of the Board who does not receive a salary from the Company shall receive a fee of 150,000 SEK and that other members of the Board shall not receive any remuneration. The fee is paid out on a quarterly basis retroactively. If a member of the Board performs work for the Company, over and above the work of the Board, the Board may make a special decision not to pay the consulting fee and other remuneration for such work. The members of the Company's Board of Directors do not have the right to any benefits after they leave the Board.

Terms of employment for the Chief Executive Officer

Remuneration paid to the Company's CEO Fredrik Sandelin consists of fixed and variable remuneration, other benefits and pension. The CEO is entitled to a monthly fixed salary of a total of 140,000 SEK with a supplementary variable remuneration. If the Company terminates Fredrik Sandelin's employment the Company must observe a twelve-month period of notice, while Fredrik Sandelin, if he resigns, shall observe an eight-month period of notice. The CEO is bound by a non-compete agreement which is valid for twelve months from the date on which employment ceases. The non-compete agreement implies an obligation on the part of the Company to compensate Fredrik Sandelin in the form of monthly payments, on condition that Fredrik Sandelin has not been given notice on the grounds of breach of contract.

Terms of employment for other Senior Executives

Remuneration paid to other Senior Executives consists of fixed and variable remuneration, other benefits and pension. Other Senior Executives are those individuals who together with the Chief Executive Officer comprise the Group Management. The employment contracts for Gabriel Bergqvist, Karin Lindblom and Sebastian Refai can be terminated by either party with a period of notice of three months. In the cases of Jim Forsell, Lena Nelson and Mikael Teljstedt, their contracts stipulate six months notice to be given by either party. The employment contracts with other Senior Executives, with the exception of Karin Lindblom and Sebastian Refai, contain a non-compete clause which is valid for twelve months. The non-compete clause imposes an obligation on the Company to compensate the employees in the form of monthly payments after the termination of employment, on condition that they have not been given notice on the grounds of breach of contract.

Warrants

The Parent Company has established warrant programmes based on warrants subject to capital taxation for selected Senior Executives and other key management personnel who are deemed to have a significant importance for the Company's operations and growth. Holders of warrants own the right to subscribe for a new share in the Company for each warrant at the issue price shown in the table below. Payment of the issue price for the shares forming the basis for the warrants is to be made in cash. The holder has acquired the warrants at a price (premium) which is the equivalent of an assessed fair value of the warrants and does not constitute share-related remuneration according to IFRS 2. No costs have arisen for the Company as a result of the current warrants in question. The premium for all warrants issued has been determined using the Black-Scholes model.

Value of subscription rights	2019	2018
Outstanding at start of year	5,879,963	87,528
Allocated during the year	180,030	5,792,435
Redeemed during the year	-5,300,000	-
Value of subscription rights at end of year	**759,993**	**5,879,963**

Of the 759,993 (5,879,963) outstanding warrants at the end of the period 0 (0) warrants were redeemable.

Warrant programmes	Number	Value of subscription rights [2]	Premium, SEK	Issue price, SEK	Subscription period	Equity effect, KSEK [1]
Series 2016/2021	8,400	87,528	14.60	96.00	1 Oct 2021-31 Oct 2021	8,403
Series 2018/2022	46,500	492,435	20.50	33.06	1 Oct 2022-30 Nov 2022	16,280
Series 2019/2022	17,000	180,030	20.50	33.06	1 Oct 2022-30 Nov 2022	5,952
Total		**759,993**				**30,634**

[1] Maximum utilisation will lead to an increase in equity of the following amounts.
[2] A 1:10 split was made during September 2019 together with preferential issues.

NOTE 5. AUDIT FEES AND EXPENSES

MSEK	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
KPMG AB				
Audit engagement	2.3	0.7	2.3	0.7
Audit business over and above the audit engagement	0.5	0.0	0.5	0.0
Other assignments	0.2	0.0	0.2	0.0
Total	**3.0**	**0.7**	**3.0**	**0.7**

The audit engagement refers to the statutory audit of the annual and consolidated accounts and accounting records as well as of the administration by the Board of Directors and the Chief Executive Officer and the audit and other scrutiny performed in accordance with understandings or agreements. This includes other work tasks which it is the duty of the Company's auditor to perform as well as advice or other supporting activities which result from observations made in such scrutiny or the performance of other such work tasks. Other assignments refer primarily to advice given in connection with acquisitions or process development.

NOTE 6. OPERATING EXPENSES

Group	2019			2018		
Operating expenses allocated by nature of expense, MSEK	**Operating expenses**	**Administrative expenses**	**Total**	**Operating expenses**	**Administrative expenses**	**Total**
Operations and maintenance	8.2	-	**8.2**	7.8	-	**7.8**
Property tax	1.9	-	**1.9**	1.3	-	**1.3**
Other external expenses [1)]	24.9	33.4	**58.3**	18.1	27.1	**45.2**
Reclassification of rental expenses (IFRS 16)	-3.6	-	**-3.6**	-	-	**-**
Allocation of internal expenses [2)]	8.3	-8.3	**0.0**	6.7	-6.7	**0.0**
Non-recurring expenses [3)]	-	5.3	**5.3**	-	4.7	**4.7**
Capitalised development fee	-	-8.9	**-8.9**	-	-14.6	**-14.6**
External expenses	**39.7**	**21.5**	**61.2**	**33.9**	**10.5**	**44.4**
Payroll costs	**10.4**	**18.3**	**28.7**	**12.4**	**25.3**	**37.7**
Depreciations	2.5	7.6	**10.1**	1.6	6.9	**8.5**
Depreciations leases (IFRS 16)	2.7	-	**2.7**	-	-	-
Depreciations	**5.2**	**7.6**	**12.8**	**1.6**	**6.9**	**8.5**
Total	**55.3**	**47.4**	**102.7**	**47.9**	**42.7**	**90.6**

[1)] *Other external expenses are comprised mainly of marketing, IT and consultancy expenses.*
[2)] *Allocation of internal expenses refers to e.g. real estate management, IT, data and telephony.*
[3)] *Non-recurring expenses refer to share issue expenses and severance payments.*

Operating expenses allocated by nature of expense, MSEK	**Parent Company 2019**	**Parent Company 2018**
External expenses	27.5	25.0
Payroll costs	17.9	24.0
Depreciations	0.6	0.6
Total	**46.0**	**49.6**

NOTE 7. PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

MSEK	**Parent Company 2019**	**Parent Company 2018**
Impairment of shares in subsidiaries	-32.5	-60.1
Group contributions received	35.8	60.3
Total	**3.3**	**0.2**

NOTE 8. NET FINANCIAL INCOME/EXPENSE

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Interest income	0.0	0.0	0.0	0.0
Interest income and similar profit/loss items	**0.0**	**0.0**	**0.0**	**0.0**
Interest expenses (liabilities at amortised cost)	-27.2	-17.4	-0.4	0.0
Intra-Group interest expenses	-	-	-1.6	-0.7
Interest expenses subordinated and convertible loans (amortised cost)	-16.0	-8.2	-5.6	-7.7
Interest expenses leases (IFRS 16)	-0.9	-	-	-
Other financial expenses	-1.7	-3.0	-	-
Interest expenses and similar profit/loss items	**-45.8**	**-28.6**	**-7.6**	**-8.4**
Total net financial income/expense	**-45.8**	**-28.6**	**-7.6**	**-8.4**

NOTE 9. TAXATION

	Group		Parent Company	
Reported tax expenses, MSEK	**2019**	**2018**	**2019**	**2018**
Current tax expenses				
Tax expenses for the year	0.0	-0.3	0.0	0.0
Deferred tax expenses /tax income				
attributable to investment properties	-11.0	-6.2	-	-
attributable to loss carry-forwards	11.3	15.6	0.0	0.0
Reassessment of deferred tax	-1.8	0.5	-	-
Total	**-1.5**	**9.6**	**0.0**	**0.0**

Reconciliation of effective tax Group	**2019 per cent**	**2019 MSEK**	**2018 per cent**	**2018 MSEK**
Profit/loss before tax	-	-36.1	-	-23.7
Tax according to applicable tax rate	21.4	7.7	22.0	5.2
Effect of changes in tax rate	-0.8	-0.3	11.9	2.8
Non-deductible expenses	-6.3	-2.3	-1.2	-0.3
Deductible expenditures, not reported through profit/loss	2.6	0.9	-	-
Effect of interest deduction limitations [1]	-16.3	-5.9	-	-
Non-taxable income	-	-	-0.5	-0.1
Utilisation of loss carry-forwards not previously capitalised	0.0	0.0	8.4	2.0
Tax attributable to previous year	-4.8	-1.7	-	-
Other	0.0	0.0	0.0	0.0
Total	**-4.2**	**-1.5**	**40.6**	**9.6**

Reconciliation of effective tax Parent Company	**2019 per cent**	**2019 MSEK**	**2018 per cent**	**2018 MSEK**
Profit/loss before tax	-	-34.9	-	-36.0
Applicable tax rate	21.4	7.5	22.0	7.9
Effect of changes in tax rate	-0.8	-0.3	-	-
Non-deductible expenses	-18.3	-6.6	-37.7	-13.6
Deductible expenditures, not reported through profit/loss	2.6	0.9	-	-
Effect of interest deduction limitations [1])	-4.2	-1.5	-	-
Utilisation of loss carry-forwards not previously capitalised	-	-	15.6	5.6
Total	**0.0**	**0.0**	**0.0**	**0.0**

[1] *Increase in residual negative net interest without capitalisation of deferred tax.*

NOTE 10. DEFERRED TAX LIABILITIES

Deferred tax liability, MSEK Group	2019	2018
Temporary differences in respect of investment properties	-80.6	-69.5
Temporary differences in respect of financial fixed assets	-	0.8
Loss carry-forwards	38.0	27.6
Untaxed reserves	-0.5	-0.4
Total	**-43.1**	**-41.5**
Preliminary tax loss carry-forwards, total	219.1	134.7
Of which loss carry-forwards for which tax assets have not been capitalised	34.6	0

NOTE 11. INTANGIBLE FIXED ASSETS

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Goodwill				
Accumulated acquisition costs				
Opening balance	3.1	3.1	3.1	3.1
Closing acquisition costs	**3.1**	**3.1**	**3.1**	**3.1**
Accumulated amortisations				
Opening balance	-	-	-2.5	-1.9
Amortisations for the year	-	-	-0.6	-0.6
Closing amortisations	**-**	**-**	**-3.1**	**-2.5**
Total	**3.1**	**3.1**	**0.0**	**0.6**
Goodwill refers to assets and liabilities purchased from the Company's founder in the year 2015.				
Capitalised development expenditures				
Accumulated acquisition costs				
Opening balance	35.1	29.7	-	-
New acquisitions	0.4	5.4	-	-
Reclassifications	-1.2	-	-	-
Closing acquisition costs	**34.3**	**35.1**		
Accumulated amortisations				
Opening balance	-8.9	-2.4	-	-
Amortisations for the year	-7.2	-6.5	-	-
Closing amortisations	**-16.1**	**-8.9**	-	-
Total	**18.2**	**26.2**	-	-
Total reported value	**21.3**	**29.3**	-	-
Amortisations for the year are reported in the following lines in the income statement:				
Administrative expenses	-7.2	-6.5	-0.6	-0.6
Total	**-7.2**	**-6.5**	**-0.6**	**-0.6**

NOTE 12. LEASES

Right of use assets, Group 2019 MSEK	Office premises	Equipment	Leased investment properties	Total
Depreciation for the year	0.0	0.0	2.7	2.7
Closing balance	4.1	2.0	22.7	28.8

The value of right of use assets added during the year which are not classified as investment properties amounted to 6.1 MSEK.

	Group	
Lease liabilities MSEK	**2019**	**2018**
Long-term portion	22.3	20.9
Current portion	5.1	1.6
Closing balance	**27.4**	**22.5**

For the maturity schedule for lease liabilities, see Note 24.

	Group
Amount reported in profit/loss MSEK	**2019**
Depreciation of right of use assets [1]	0.0
Depreciation of leasing assets reported as investment properties	2.7
Interest on lease liabilities	0.9
Expenses for short-term leases	2.7

The amount of the cash flow attributable to leases amounted in 2019 to 6.3 MSEK.

[1] Right of use assets which are not classified as investment properties were added at the end of the year and have not generated any depreciation during 2019.

	Group	Parent Company	
Lease payments which cannot be cancelled amount to MSEK	**2018**	**2019**	**2018**
Leases where 24Storage is the lessee			
Less than one year	3.4	2.9	2.1
Between one and four years	8.1	3.6	0.5
Longer than five years	4.1	-	-
Total	**15.6**	**6.5**	**2.6**
Cost for the year	6.2	2.2	2.4

Leases where 24Storage is the lessor

The majority of leases have a period of notice of one month. On average the Group's customers rent their storage unit for 15 months. See Note 2 for information about the income for the year from leases.

NOTE 13. TANGIBLE FIXED ASSETS

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Equipment				
Accumulated acquisition costs brought forward	14.3	9.0	0.2	0.2
New acquisitions	1.9	5.3	-	-
Reclassifications	1.6	-	-	-
Closing acquisition costs	**17.8**	**14.3**	**0.2**	**0.2**
Accumulated depreciations brought forward	-3.6	-1.6	0.0	-
Depreciations for the year	-2.9	-2.0	-0.1	0.0
Closing depreciations	**-6.5**	**-3.6**	**-0.1**	**0.0**
Total	**11.3**	**10.7**	**0.1**	**0.2**
Depreciations for the year are reported in the following lines in the income statement:				
Operating expenses	-2.5	-1.3	-	-
Administrative expenses	-0.4	-0.7	-0.1	0.0
Total	**-2.9**	**-2.0**	**-0.1**	**0.0**

NOTE 14. INVESTMENT PROPERTIES

Changes in investment properties, MSEK Group	Stores in operation	Ongoing investment	Leased investment properties	Total
2018				
Fair value at the start of the year	682.6	80.2	-	762.8
Acquisition cost, investment property	-	74.2	14.0	88.2
Investments, additional expenditures	66.4	8.0	5.2	79.6
Value added to leases during the year for leased investment properties	-	-	22.5	22.5
Reclassification	68.5	-76.2	7.7	0.0
Disposals	-2.3	-	-	-2.3
Unrealised change in value reported in profit/loss	22.6	4.2	11.5	38.3
Total	**837.9**	**90.4**	**60.9**	**989.2**
Value assessed for tax purposes				215.5
2019				
Fair value at the start of the year	837.9	90.4	60.9	989.2
Acquisition cost, investment property	-	31.5	-	31.5
Investments, additional expenditures	132.1	-51.9	0.3	80.5
Value added to leases during the year for leased investment properties	-	-	2.9	2.9
Reclassification	18.1	-	-18.5	-0.4
Depreciations of leased investment properties	-	-	-2.7	-2.7
Unrealised changes in value reported in profit/loss	40.0	2.2	-1.6	40.6
Total	**1,028.1**	**72.2**	**41.3**	**1,141.5**
Value assessed for tax purposes				307.8

Factors affecting profit/loss for the year other than change in value, MSEK	Group	
	2019	**2018**
Rental income	71.7	57.3
Direct costs [1)] which have generated rental income	-55.2	-47.8
Direct costs * which have not generated rental income	-0.1	-0.1

[1)] *Costs include operating and maintenance costs and property tax.*

Investment properties
All properties are classified as investment properties. The Group's properties are owned for the purpose of generating rental income from self storage and an increase in value. The entire stock of real estate holdings is owned for the purpose of conducting, or in the future conducting, self storage operations.

Property valuation
Valuation of the investment properties has been done by establishing the fair value of each individual property. The valuations have been made by independent valuers (JLL and Stockholmsbryggan Fastighetsekonomi), who are experienced in the valuation of properties of this type and in the locations in question.

The valuation of the properties is based on a cash flow analysis, which means that the value of the object being valued is based on the present value of estimated future cash flows as well as a residual value determined for the end of the period of calculation (10 years).

The assumptions regarding future cash flow have been made based on an analysis of the following parameters:

- Available information regarding the market
- Present rents, and actual reported costs and estimated future costs
- Analysis of and comparison with comparable transactions.

Based on an analysis of the above-mentioned parameters affecting value, cash flow and residual value at the end of the cost-accounting period are discounted with an estimated cost of capital. The valuation reflects costs of capital observed on the market where consideration has been given to key ratios from comparable transactions on both the Nordic and the European markets where an increase in liquidity has been observed in recent years. The sum of the cash flow and the residual market for each object of valuation constitutes the assessed market value. In the case of undeveloped land, the starting point for the assessment of the market value has been a local price comparison with a supplement for investments and possible growth in value for each object.

Fair value assumptions	2019	2018
Rate of occupancy after 30-48 months, per cent	90-93	85-92
Rental growth after year 6, per cent	2-4	2-4
Discount rate years 1-10, per cent	7.75-9.25	6.0-9.0
Discount rate for residual value, owned properties, per cent	6.0-7.0	
Discount rate for residual value, leased properties, per cent	9.0-10.0	
Sensitivity analysis:		
Required return +/- 0.5%, MSEK	-78/+92	-/+ 73
Rate of occupancy +/- 1%, MSEK	+/- 16	+/- 13
Investment commitments:		
Future investment commitments amount to 91 MSEK (67)		

List of stores in operation Property title	Name	Address	Holding	No. of units	Lettable area, m2
Stockholm region					
Stockholm Spiselhällen 3	Alvik	Drottningholmsvägen 195	Ownership/site-leasehold	504	1,943
Stockholm Valsverket 10 (part of)	Bromma	Karlsbodavägen 2	Lease	206	744
Eskilstuna Väduren 20	Eskilstuna	Langsgatan 3	Ownership	256	1,277
Haninge Söderby 1:752	Handen	Träffgatan 7	Ownership	714	3,573
Järfälla Kallhäll 9:44	Kallhäll	Skarprättarvägen 26	Ownership	698	3,758
Brf Järnvägsmannen (part of)	Kungsholmen	Wargentinsgatan 7	Lease	122	348
Nacka Lännersta 11:88	Orminge	Telegramvägen 48	Ownership	650	3,186
Brf Fåran 6 och Formen 11 (part of)	Solna	Brahevägen 3-5 Slottsvägen 7, 14	Lease	428	1,929
Brf Sparven (part of)	Sundbyberg Tule	Skogsbacken 2	Lease	123	449
Brf Klippan 22 (part of)	Sundbyberg Lilla Alby	Albygatan 123	Owner-occupier share	318	1,012
Botkyrka Vargen 13	Tumba	Länsmansvägen 15	Ownership	183	1,176
Tyresö Bollmora 2:591	Tyresö	Siklöjevägen 5	Ownership	417	1,826
Vallentuna Bällsta 5:211	Vallentuna Bällsta	Fågelsångsvägen 5	Ownership	257	1,184
Vallentuna Vallentuna-Åby 1:160	Vallentuna Centrum	Olsborgsvägen 13	Ownership	361	2,482
Total				**5,237**	**24,887**
Gothenburg region					
Borås Testaren 3	Borås Tullen	Teknikgatan 5	Ownership	201	1,111
Borås Lärkträdet 6	Borås Regementet	Göteborgsvägen 25	Ownership	418	2,624
Göteborg Backa 21:24	Hisings Backa	Exportgatan 31A	Ownership	700	4,331
Kungsbacka Hede 9:29	Kungsbacka Hede[1]	Göteborgsvägen 180	Ownership	331	2,154
Kungsbacka Varla 14:5	Kungsbacka Varla[1]	Magasinsgatan 12B	Ownership	420	2,756
Kungälv Perrongen 8	Kungälv	Västra Porten 2	Ownership	674	3,250
Trollhättan Baljan 1	Trollhättan	Betongvägen 13	Ownership	763	4,138
Uddevalla Kuröd 4:64	Uddevalla	Schillers väg 1	Ownership	320	1,902
Total				**3,827**	**22,266**
Malmö region					
Malmö Skjutstallslyckan 22	Malmö Centrum	Lundavägen 54	Ownership	767	4,499
Malmö Sminkören 1	Malmö Hyllie	Axel Danielssons väg 277	Ownership	294	1,745
Total				**1,061**	**6,244**
Total, stores open				**10,125**	**53,397**

[1] *The two properties in Kungsbacka constitute one facility.*

In addition to these the Group owns a number of properties under construction, i.e. stores in the planning phase or under construction, conversion or extension. The properties are located in Mölndal, Tumba, Täby and Uppsala.

NOTE 15. NEW STORES AND PROJECTS UNDER DEVELOPMENT

	Parent Company	
MSEK	**2019**	**2018**
Accumulated acquisition cost at start of year	23.4	94.6
Expenditures capitalised during the year	75.9	75.0
Invoiced to subsidiaries during the year	-82.5	-146.2
Total	**16.8**	**23.4**
Property development projects	16.2	22.6
IT projects	0.6	0.8
Total	**16.8**	**23.4**

NOTE 16. OTHER RECEIVABLES

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Long-term receivables				
Down-payments on acquisitions	2.4	1.0	-	-
Lease deposits	0.4	0.4	0.4	0.4
Total	**2.8**	**1.4**	**0.4**	**0.4**
Current receivables				
Deduction VAT and tax	6.7	6.8	0.0	0.0
Other	0.0	2.1	0.0	1.2
Total	**6.7**	**8.9**	**0.0**	**1.2**

NOTE 17. RECEIVABLES FROM AND LIABILITIES TO GROUP COMPANIES

	Parent Company	
MSEK	**2019**	**2018**
At start of year		
Current receivables from Group companies	170.9	112.3
Current liabilities to Group companies	-39.0	-97.5
Total	**131.9**	**14.8**
Group contributions received	35.8	60.3
Group contributions paid	-0.5	-
Capital contributions paid	-43.1	98.3
Other settlements	8.2	-41.5
Total	**0.4**	**117.1**
At end of year		
Current receivables from Group companies	165.2	170.9
Current liabilities to Group companies	-32.9	-39.0
Total	**132.3**	**131.9**
Long-term liabilities to Group companies		
At start of year	68.3	22.5
Change during the year	-	45.8
Total	**68.3**	**68.3**

NOTE 18. PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Financial items	6.4	1.1	-	-
Pre-paid lease expenses	-	0.9	0.5	0.5
Other	3.9	2.1	0.8	0.8
Total	**10.3**	**4.1**	**1.3**	**1.3**

NOTE 19. LIQUID ASSETS

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Bank balances	189.3	62.5	113.8	10.0
Total according to balance sheet	189.3	62.5	113.8	10.0
Total according to cash flow statement	189.3	62.5	113.8	10.0

NOTE 20. EQUITY

Growth in share capital		**Number of shares**		**Share capital , SEK**		
Year	**Transaction**	**Increase**	**Total**	**Increase**	**Total**	**Quota value, SEK**
2014	Company founded	50,000	50,000	50,000	50,000	1.00
2015	New share issue, cash	170,000	220,000	170,000	220,000	1.00
2016	New share issue, cash	127,500	347,500	127,500	347,500	1.00
2017	New share issue, cash	168,247	515,747	168,247	515,747	1.00
2018	New share issue, cash	275,000	790,747	275,000	790,747	1.00
2019	New share issue, offset	247,417	1,038,164	247,417	1,038,164	1.00
2019	New share issue, cash	119,155	1,157,319	119,155	1,157,319	1.00
2019	New share issue, warrants buy back	122,283	1,279,602	122,283	1,279,602	1.00
2019	Share split 1:10	-	12,796,020	-	1,279,602	0.10
2019	New share issue on listing	2,128,000	14,924,020	212,800	1,492,402	0.10

At 31 December 2019 the registered share capital was comprised of 14,924,020 shares with a quota value of 0.10 SEK.
All shares are the same type of share and carry the same right to a dividend as well as to a portion of the Company's assets and liabilities.

NOTE 21. EARNINGS PER SHARE

MSEK	2019	2018
Number of shares		
At start of year	790,747	515,747
At end of year	14,924,020	790,747
Average number of shares (weighted average, also adjusted 2018 for share split)	9,575,332	6,215,162
Value of subscription rights for outstanding warrants		
At start of year	5,879,963	87,528
At end of year	759,993	5,879,963
Average number of shares through warrants (adjusted 2018 for share split)	4,215,184	2,122,462
Average number of shares after dilution	13,790,516	8,337,624
Profit/loss for the year attributable to the Company's shareholders	-37.6	-14.1
Average number of shares	9,575,332	6,215,162
Earnings per share before and after dilution, SEK	-3.93	-2.27

The Company's warrants programme did not give rise to a dilution effect in 2019 or 2018.

NOTE 22. INTEREST-BEARING LIABILITIES

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Long-term liabilities				
Loans from credit institutions	538.6	536.1	-	-
Subordinated loans	-	79.0	-	79.0
Capitalised financing expenditures related to subordinated loans	-	-10.4	-	-
Lease liabilities	22.3	20.9	-	-
Liabilities to Group companies	-	-	68.3	68.3
Total long-term liabilities	**561.0**	**625.6**	**68.3**	**147.3**
Current liabilities				
Loans from credit institutions	229.6	80.7	-	-
Lease liabilities	5.1	1.6	-	-
Closing balance	**234.7**	**82.3**	**0.0**	**0.0**
Total reported value	**795.7**	**707.9**	**68.3**	**147.3**
Nominal value	795.7	707.9	68.3	147.3
Average nominal interest rate, per cent	4.0	3.8	-	-
Accrued financial items (see Note 23)	5.6	5.5	1.6	2.0
Change during the year, interest-bearing liabilities				
Amount at start of year	707.9	528.0	147.3	99.0
Change Group loan	-	-	-	45.8
Change subordinated loans	-79.0	2.5	-79.0	2.5
Change convertible loans	-	-25.0	-	-
Loans raised from credit institutions	242.3	228.5	-	-
Amortisation of loans from credit institutions	-90.8	-48.5	-	-
Amortisation of lease liabilities	-2.7	-	-	-
Changes not affecting cash flows				
- Interest on subordinated loans	10.4	-	-	-
- New and revised leases	7.6	22.5	-	-
Closing balance	**795.7**	**707.9**	**68.3**	**147.3**

NOTE 23. ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Rental income	7.4	6.5	-	-
Financial income and expense	5.6	5.5	1.6	2.0
Payroll-related costs	1.7	5.7	0.6	4.6
Other interim items	4.8	3.9	3.1	2.3
Total	**19.5**	**21.6**	**5.3**	**8.9**

NOTE 24. FINANCIAL RISKS AND RISK MANAGEMENT

The Group is exposed to different types of financial risks in connection with its operations, including market risk, liquidity and financial risk and credit risk. The market risks consist primarily of interest rate risks. The Board of Directors has the ultimate responsibility for exposure, management and follow-up with regard to the Company's financial risks. The framework that applies for exposure, management and follow-up of the financial risks is adopted by the Board. The Board has delegated the responsibility for the daily risk management to the Company's CEO and CFO.

Interest rate risk

Interest rate risk refers to the risk that fair value or future cash flows will fluctuate as a result of changed market rates. The Company is primarily exposed to interest rate risk through its loan financing, as significant increases in interest rates would have a negative financial impact.

Sensitivity analysis and risk management

The Company strives to secure loans with a relatively short fixed interest rate duration as the Company assesses that this will provide lower interest expenses over time. At 31 December 2019 the average fixed interest rate duration was just over 3 months while the portion of interest due within 1 month was 49 per cent. The fixed interest rate duration was affected by the conversion of a major loan on 15 January 2020. A change in the lending rate of +/- 1% has an effect on profit/loss of -/+ 8 MSEK (7).

Liquidity and financing risk

The liquidity risk is the risk that the Group will have a problem to meet its financial commitments when they become due for payment. The financial risk is the risk that the Group will be unable to raise sufficient financing to meet these commitments and complete plans for expansion. The reason for this might be the unwillingness or inability of bankers or shareholders to contribute with more loans or equity respectively.

Sensitivity analysis and risk management

The Group strives to have several lenders and loans with balanced durations. The average duration for capital tied up amounted to 1.6 years. The Company has a rolling 18 month liquidity plan which is updated each quarter and used to manage the liquidity risk and the costs of financing the Group.

Maturity schedule 31 Dec 2019, interest-bearing liabilities and interest, MSEK

Group **Year**	**Capital**	**Interest**	**Total**	**Portion, %**
2020	229.6	28.5	258.1	32
2021	401.4	20.0	421.4	51
2022	78.8	2.9	81.7	10
2023	58.5	0.5	59.0	7
Total	**768.3**	**51.9**	**820.2**	**100**

Maturity schedule 31 Dec 2019, lease liabilities, MSEK

Group Year	Capital	Interest	Total	Portion, %
2020	4.0	1.0	5.0	17
2021	4.7	0.8	5.5	19
2022	3.0	0.5	3.5	12
2023	2.1	0.4	2.5	9
2024	1.9	0.3	2.2	8
2025 -	8.4	1.5	9.9	35
Total undiscounted cash flows	**24.1**	**4.5**	**28.6**	**100**

In addition to the financial liabilities shown in the table the Group holds site leasehold agreements whose annual site leases amount to a total of 0.1 MSEK. These site leasehold agreements are seen as perpetual from the perspective of the Group as the Group does not have the right to cancel the agreement.

The loan agreements contain certain defined key ratios (covenants) which must be met in order to avoid early redemption. During 2019 the Group has met all its loan conditions.

At 31 December 2019 the Group's liquid assets amounted to 189.3 MSEK (62.5). In addition, the Group has unutilised credit facilities and loan pledges of 124.0 MSEK (95.0). The Group has raised the majority of its loans from three credit institutions. For the maturity schedule for the loans, see the table above.

Credit risk

Credit risk is the risk that the other party in a transaction causes a loss to the Group by not fulfilling its contractual obligations. The Group's exposure to credit risk is primarily attributable to accounts receivable.

Sensitivity analysis and risk management

The Group's financial policy stipulates that the Group's surplus liquid assets are invested in a secure manner, in selected top banks or securities guaranteed by the state. Credit risks related to accounts receivable are minor since the Group has just over 6,000 customers, of whom the 10 largest represent 1.3 per cent of the total revenues. The average customer pays around 1 KSEK per month (including insurance). Payment is made in advance, which further reduces the risk. In cases where the customers fail to pay, the Group has automated reminder and cancellation processes. The Group performs regular age analyses of overdue customer debts in order to make provision for bad debt losses. During the year reserved bad debt losses amounted to 0.4 MSEK (0.7) and established bad debt losses to 0.3 MSEK (0.4).

	Group	
Age allocation accounts receivable, MSEK	**2019**	**2018**
- 30 days	4.1	3.7
31-60 days	0.0	0.1
61-90 days	0.1	0.1
91 days -	1.1	0.6
Total	**5.4**	**4.4**
Credit loss provision	-1.5	-1.1
Accounts receivable net	**3.9**	**3.3**

	Group	
Credit loss provision Group, MSEK	**2019**	**2018**
Opening balance	-1.1	-0.4
Change in credit loss provision for the year	-0.4	-0.7
Closing balance	**-1.5**	**-1.1**
Established bad debt losses for the year	0.3	0.4

NOTE 25. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
MSEK	**2019**	**2018**	**2019**	**2018**
Pledged assets				
Property mortgages	508.5	395.0	-	-
Shares pledged in subsidiaries	697.3	607.6	21.1	21.1
Total	**1,205.8**	**1,002.6**	**21.1**	**21.1**
Contingent liabilities				
Guarantees for the benefit of subsidiaries	-	-	766.9	462.3
Total			**766.9**	**462.3**

NOTE 26. TRANSACTIONS WITH RELATED PARTIES

The Group's related parties are comprised of the Parent Company 24Storage AB and its 31 subsidiaries, see Note 27, and the Group's key personnel in executive management and their families. Key personnel refers to Directors and the Group executive management.

Sales and purchasing of goods and services within the Group always take place under market conditions, see Note 2.

Information regarding salaries and other remuneration, expenses and obligations in relation to pensions and similar benefits for the Directors, the Chief Executive Officer and other Senior Executives is found in Note 4.

NOTE 27. PARTICIPATIONS IN GROUP COMPANIES

The Parent Company's direct holdings of participations in subsidiaries

Name	Corporate ID	Domicile	Participating interest, %	Reported value 2019	2018
24Storage Sverige AB	556543-1326	Stockholm	100	21.1	21.1
24Storage Service AB	559014-3763	Stockholm	100	158.1	147.1
24Storage Systems & Brands AB	559014-3755	Stockholm	100	14.0	13.9
Total				**193.2**	**182.1**

Book value, participations in Group companies, MSEK, Parent Company	**2019**	**2018**
Opening balance	182.1	143.9
Shareholder contributions and Group contributions paid	43.6	98.3
Impairments	-32.5	-60.1
Total	**193.2**	**182.1**

Impairments of shares correspond to Group contributions received at the same time, with the result that net investment in subsidiaries amounts to 11.1 MSEK (38.0).

Indirect holdings in subsidiaries			Portion, % 2019	2018
Subsidiaries owned by 24Storage Service AB				
24Storage Service 2 AB	559139-9836	Stockholm	100	100
24Storage Service 3 AB	559203-6684	Stockholm	100	-
24Storage Property Kungsholmen AB	556709-3041	Stockholm	100	100
24Storage Property Alvik AB	559087-8145	Stockholm	100	100
24Storage Property Kallhäll AB	559015-3507	Stockholm	100	100
24Storage Property Vallentuna AB	559096-6197	Stockholm	100	100
24Storage Property Lundavägen AB	556866-2927	Stockholm	100	100
24Storage Property Eskilstuna AB	559083-7109	Stockholm	100	100
24Storage Property Orminge AB	559041-4230	Stockholm	100	100
Brinkvägen 12 Fastighets AB	559058-9486	Stockholm	100	100
Dalvägen 12 Fastighets AB	559058-9494	Stockholm	100	100
24Storage Property Borås AB	556778-5752	Stockholm	100	100
24Storage Property Kungsbacka AB	556245-7688	Stockholm	100	100
24Storage Property Uddevalla AB	556722-3945	Stockholm	100	100
24Storage Property Tyresö AB	559052-5183	Stockholm	100	100
24Storage Property Sundbyberg AB	556899-0260	Stockholm	100	100
Subsidiaries owned by 24Storage Service 2 AB				
24Storage Property Farsta AB	559208-5368	Stockholm	100	-
SÅ18 i Mölndal AB	556972-3405	Stockholm	100	-
Minilager i Stockholm AB	556519-4676	Stockholm	100	100
24Storage Property Fyrislund AB	559137-7535	Stockholm	100	-
24Storage Lokal AB	559139-9844	Stockholm	100	100
Lagringen2 AB	559136-6173	Stockholm	100	100
24Storage Property Täby AB	559129-3294	Stockholm	100	100
24Storage Property Hyllie AB	556926-9375	Stockholm	100	100
24Storage Property Lärkträdet AB	559147-5628	Stockholm	100	100
Subsidiaries owned by 24Storage Service 3 AB				
24Storage Property Insekten KB[1)]	969641-4573	Stockholm	100	100
24Storage Property Export KB[1)]	916832-0613	Stockholm	100	100
24Storage Property Handen KB[1)]	916634-4441	Stockholm	100	100

[1)] *The complementary partner is 24Storage Service 2 AB. The limited partnership was owned at the start of the previous year by other companies in the Group.*

NOTE 28. MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

Group, MSEK	**2019**	**2018**
Financial assets reported at amortised cost		
Long-term receivables	2.8	1.4
Accounts receivable	3.9	3.3
Other receivables	6.7	8.9
Cash and cash equivalents	189.3	62.5
Total	**202.7**	**76.1**
Other liabilities		
Interest-bearing liabilities	768.3	685.4
Accounts payable	24.1	13.5
Other liabilities	1.7	2.6
Total	**794.1**	**701.5**

The fair value of the financial assets and liabilities does not differ significantly from the reported values. The interest-bearing liabilities carry variable interest rates and the actual market rate for 24Storage does not differ from the current interest rate on the loan. Other financial instruments are short-term and/or insignificant.

NOTE 29. EVENTS AFTER THE BALANCE SHEET DATE

Lena Nelson was appointed CFO and took up her position on 24 February. Access was gained to a property in Vällingby, Stockholm in February 2020. The property will be converted into a new store, and is expected to open in autumn 2020.

With regard to the effects on the Company of Covid-19, see the sections "Events after the end of the financial year" and "Expectations for future growth" on pages 42 and 44 respectively of the Administration Report.

NOTE 30. IMPORTANT ESTIMATIONS AND ASSESSMENTS

The sources of uncertainties in estimations stated below refer to those that imply a significant risk that the value of the assets or liabilities may need to be adjusted significantly during the coming financial year. A number of the Group's accounting policies and additional points of information require assessment at fair value, for both financial and non-financial assets and liabilities.

The risks which influence the profit/loss and cash flow are primarily attributable to changes in the rates of occupancy, price levels, cost levels, interest rate levels and the financial conditions for the Group.

Valuation of real estate

The balance sheet is dominated by real estate and by equity and financing. The risk factor in the value of the properties is primarily dependent on the developments regarding cash flow for the self storage facilities, but also on the general economic conditions, since they have a strong significance for the level of the discount parameters. The location of the self storage facilities is also important for the specific discount parameters of the stores.

Deferred tax assets

The measurement of the reported deferred tax assets in respect of tax loss carry-forwards is another factor associated with estimations and assessments. At December 2019 the Group reported 38.0 MSEK (27.6), see Note 10, as deferred tax assets based on a best assessment of future tax profits within the Group.

Capitalised development expenditures

At the turn of the year there were capitalised development expenditures within the Group of 18.2 MSEK (26.2). In assessing a possible need for impairment a number of assumptions regarding future conditions and estimations of parameters have been made. The Group has found that reasonable changes of assumption do not give rise to impairment per 31 December 2019.

Participations in Group companies

The Parent Company has a financial risk in the measurement of participations in Group companies. All participations in Group companies have been revalued at 31 December 2019 and necessary adjustments to value have been made, see Note 27.

The financial risks refer primarily to market risk, liquidity and financing risk, and credit risk, see Note 24.

NOTE 31. INFORMATION ABOUT THE PARENT COMPANY

24Storage AB (publ), 556996-8141 is a Swedish registered limited company with its domicile in Stockholm. The Company has been listed on Nasdaq First North Growth Market, Stockholm, since 10 December 2019. The Company's Certified Adviser is Arctic Securities and its liquidity guarantor is ABG Sundal Collier.

The consolidated accounts for the year 2019 are comprised of the Parent Company and its subsidiaries, together with the above-mentioned Group.

DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors and the Chief Executive Officer declare that the consolidated accounts have been prepared in accordance with the international accounting standards IFRS as they have been adopted by the EU and that they present a true and fair picture of the Group's position and result. The Annual Report has been prepared in accordance with generally accepted accounting principles (in Sweden) and presents a true and fair picture of the Parent Company's position and result. The Administration Report for the Group and the Parent Company provides a true and fair overview of the development of the operations, position and result of the Group and the Parent Company and describes the significant risks and factors of uncertainty facing the Parent Company and the companies that comprise the Group.

Stockholm 28 April 2020

Jan-Olof Backman
Chair of the Board

Kenneth Eriksson
Director

Patrick Metdepenninghen
Director

Staffan Persson
Director

Henrik Forsberg Schoultz
Director

Fredrik Tilander
Director

Maria Åkrans
Director

Fredrik Sandelin
Chief Executive Officer

The Annual Report and the Consolidated Accounts have, as shown above, been approved for issue by the Board of Directors on 28 April 2020. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented for adoption at the Annual General Meeting on 28 May 2020.

Our audit report has been submitted on 28 April 2020
KPMG AB

Fredrik Westin
Authorised Public Accountant

AUDITOR'S REPORT

REPORT ON THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of 24Storage AB for the year 2019. The annual accounts and consolidated accounts of the Company are found on pages 40-83 of this document. In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present, in all material respects, a true and fair picture of the financial position of the Parent Company as per 31 December 2019 and of its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present, in all material respects, a true and fair picture of the financial position of the Group as per 31 December 2019 and of its financial performance and cash flow for the year 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 adopt the income statement and balance sheet for the Parent Company and for the Group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and good auditing practice in Sweden. Our responsibilities under those standards are further described in the section on the Auditor's Responsibilities. We are independent in relation to the Parent Company and the Group in accordance with good auditing practice in Sweden and and have in all respects 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 audit opinions.

Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is found on pages 1-39. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion with regard to the annual accounts and the consolidated accounts does not cover this other information and we express no opinion regarding this other information.

In connection with our audit of the annual accounts and the consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and the consolidated accounts. In this examination we also take into account knowledge we have otherwise obtained during the audit and assess whether the information appears to be materially misstated.
If we conclude, based on the work performed concerning this information, that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they present a true and fair picture in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they deem 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 the consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for assessing the ability of the Company and the Group to continue as a going concern. They provide information, where applicable, on matters which may affect the ability to continue as a going concern and on using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the Chief Executive Officer intend to put the Company into liquidation, or to cease operations, or have no realistic alternative but to do one of these.

Auditor's responsibility

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

When conducting an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit process. Further:

- We 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 based on, among other things, those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk that a material misstatement resulting from fraud will not be discovered is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control.
- We obtain an understanding of that part 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- We conclude on the appropriateness of the use by the Board of Directors of the going concern basis of accounting in preparing the

annual accounts and the 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 ability of the Company and the Group 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 the 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.

- We 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 offers a true and fair presentation.
- We 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 also have an obligation to inform the Board of Directors of, among other matters, the planned scope, direction and timing of the audit. We must also inform them of significant findings during our audit, including any significant deficiencies in internal control that we may have identified.

REPORT ON OTHER REQUIREMENTS ACCORDING TO LEGISLATION AND OTHER STATUTES

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also performed an audit of the administration by the Board of Directors and the Chief Executive officer of 24Storage AB for the year 2019 and of 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 Chief Executive Officer be discharged from liability for the financial year.

Basis for Opinions

We have conducted the audit in accordance with good auditing practice in Sweden. Our responsibilities under those standards are further described in the section on the Auditor's Responsibilities. 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 Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.
The Board of Directors is responsible for the Company's organisation and the administration of the Company's affairs. This includes, among other things, continuous assessment of the financial situation of the Company and of the Group, and ensuring that the Company's organisation is designed so that the accounting, management of assets and the Company's financial affairs in general are controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration according to the guidelines and instructions set out by the Board of Directors and, among other matters, take any necessary measures to ensure the Company's accounting is performed in accordance with law and that the management of assets is handled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence in order to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer has in any material respect:

- undertaken any action or been guilty of any omission which can give rise to liability for damages against the Company, or
- in any other way 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 on 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 good auditing practice in Sweden will always detect actions or omissions that can give rise to liability for damages against the Company, or that the proposed appropriations of the Company's profit or loss are not in accordance with the Companies Act.

When conducting an audit in accordance with good auditing practice in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the Ccompany's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with the starting point in risk and materiality. This implies 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 try decisions taken, supporting documentation for decisions, action taken and other circumstances that are relevant for 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 have examined whether the proposal is in accordance with the Companies Act.

Stockholm 28 april 2020

KPMG AB
Authorised Public Accountant