



QUARTIERS TIERS

P R O P E R T I E S

**YEAR-END REPORT
JANUARY TO DECEMBER 2019**

Quartiers Properties AB (publ)
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SUMMARY OF THE PERIOD

- Net sales amounted to kSEK 93,377 (kSEK 29,098), of which the second half of the year accounted for kSEK 36,989 (kSEK 25,856). Since 1 January 2019, the company has been running operator business under its own management. This, together with the opening of the first phase of the Boho Club project in September, led to a rise in income from the operator business from kSEK 5,188 in 2018 to kSEK 25,245 in 2019. At the same time, income from the divestment of properties has increased from kSEK 23,910 in 2018 to kSEK 68,132 in 2019.
- Operating profit/loss totalled kSEK -26,449 (kSEK 23,255), of which the second six months of the year accounted for kSEK -26,659 (kSEK 15,128). Operating profit/loss before depreciation and non-realised changes in value (EBITDA) totalled kSEK -14,823 (kSEK -20,411), of which the second half of the year accounted for kSEK -17,447 (kSEK 10,614). The operating profit/loss during the second six months of the year was negatively affected by the Boho Club start-up costs. The company has completed a number of rationalisation measures designed to improve the efficiency of the business, and this work will continue in 2020. The start-up costs the company has recognised for the Boho Club are one-time costs and are not expected to have an impact on profits in the future.
- Profit/loss after tax amounted to kSEK -37,443 (kSEK 10,158), of which the second half of the year accounted for kSEK -33,677 (kSEK 8,474). Profits for the previous year included changes in value on the company's investment properties in the amount of kSEK 45,567. No changes in value have been recognised for 2019 given that the company's investment properties have been reclassified as operating properties. Depreciation on operating properties amounted to kSEK -9,595 (kSEK 0).
- Cash flow from operating activities before changes in operating capital and divestment of properties amounted to kSEK -38,563 (kSEK -21,537), of which the second half of the year accounted for kSEK -40,854 (kSEK -21,640).
- According to the external valuation of its property holdings that the company commissioned at 31 December 2019, the market value is estimated at MSEK 844 (MSEK 680), which corresponds to a 24 percent increase in the value of the portfolio compared to the same period in the previous year.
- Earnings per share before dilution for the period totalled SEK -0.73 (SEK 0.35).
- Equity totalled kSEK 337,731 (kSEK 373,172).
- The company's net asset value is kSEK 400,019 (kSEK 360,633), equivalent to SEK 8.26 (SEK 7.44) per share.
- The 22byQuartiers project was concluded in 2019 after the final sale of the project was completed during the year.

SIGNIFICANT EVENTS DURING THE SECOND HALF OF THE YEAR

- September saw the opening of the restaurant as the first part of the Boho Club project. The first phase of the hotel, comprising 30 finished rooms, was then opened in December.
- In July, the company refinanced its previous short-term loan of MEUR 1.5 from the property fund Frux, and agreed an additional MEUR 1.5 line of credit. Prior to the extension of the loan the company had repaid EUR 1.0 million of the EUR 2.5 million of the original loan.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- In January, the company completed a new issue of preference shares, generating proceeds of around MSEK 25 after share issue expenses.

OTHER EVENTS AFTER THE END OF THE PERIOD

- The company has sold three apartments (full payment or binding agreement and 30 percent paid) in the company's apartment hotel in Benahavis. The sales were made at prices in line with the market evaluation received or at prices that exceeded the current market evaluations used as a basis for the company's net asset value calculation. As such, these sales confirm that the company's net asset value is reasonable.

QUARTIERS IN BRIEF

Quartiers Properties is a Swedish-owned property company listed on Nasdaq First North in Stockholm. The company's business is geographically focused on Spain. Quartiers mainly invests in hotels and residential properties aimed at an affluent international target group.

Quartiers is the only publicly listed property company in Sweden whose entire business is geographically focused on Spain. The company is active in two main segments: property refinement and property development. In the area of property development, the company invests in underperforming properties with the aim of increasing the property's operating income and stabilising the property's cash flow – thus increasing its value. The property development segment comprises the usual development, marketing and sales of villas and apartments.

The company also runs operator business comprising concierge service and hotel operation, where the principal task is to contribute to the generation of value in the two main segments of property development and

property refinement. As this business area continues to grow, a third business area is being created with the potential to operate as a separate sub-group in the future.

The operator business features low capital binding and can, through tenancy agreements with the relevant property company, continue to serve as an income-generating activity from an individual property, even in cases where Quartiers has decided to divest itself of the property itself. Alternatively, the operator company for the property in question could be divested and Quartiers could continue as the property owner.

At 31 December 2019, the Group employed 105 people, of whom all were located in Spain and 94 were directly linked to the company's operator business.



Overview photo of Boho Club.

SUMMARY OF GROUP KEY PERFORMANCE INDICATORS

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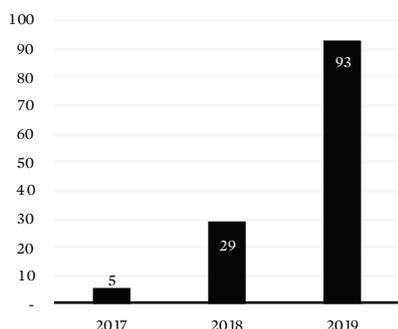
The company's sales revenues increased by 221 percent in 2019 compared to 2018. The company reduced losses at EBITDA level by 33.6 percent to kSEK -14,823, despite the start-up costs associated with the launch of Boho Club. The value of the company's property portfolio shows an increase of 24.0 percent, while the equity/assets ratio – taking into account the assessed market value – remains at a level of 70 percent.

The company's net asset value per ordinary share shows a rise of 11.0 percent from SEK 7.44 per ordinary share at 31 December 2018 to SEK 8.26 per ordinary share at the same date in 2019. Furthermore, this means that the company's ordinary shares were being traded at a net asset value discount of 38.3 percent at 31 December 2019.

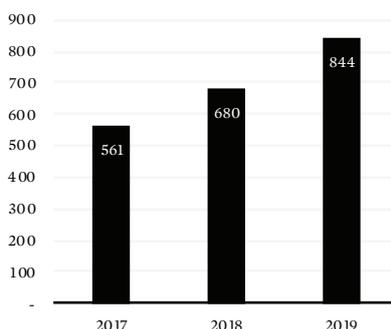
The company's equity capital has declined as a result of the Group posting a loss in 2019.



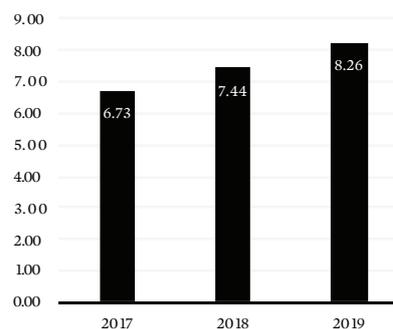
SALES (MSEK)



PROPERTY VALUE (MSEK)



NET ASSET VALUE PER ORDINARY SHARE (SEK)



Key performance indicators (kSEK)	31/12/2019 (Full year)	30/6/2019 (Half-year)	31/12/2018 (Full year)	31/12/2017 (Full year)
Sales revenues	93,377	56,389	29,098	5,232
Operating profit/loss, EBITDA*	-14,823	212	-22,312	-10,679
Property values**	843,999	721,881	680,460	560,500
Interest-bearing liabilities	292,657	208,988	207,139	171,064
Loan to value (LTV)	34.68%	28.95%	30.44%	30.52%
Equity/assets ratio – carrying amount	48%	53%	57%	61%
Equity/assets ratio – property market value	70%	67%	70%	72%
Number of employees (Group)	105	65	8	3
Net asset value per ordinary share***	8.26	7.56	7.44	6.73
Equity per share	6.97	9.88	9.51	8.43
Share price per ordinary share	5.10	5.60	6.54	6.65
Market capitalisation – ordinary shares	246,977	271,392	316,947	322,278

* Excluding non-realised changes in value

** According to the valuation report from CBRE Spain.

*** Equity capital adjusted for market valuation of the property portfolio after tax, and taking into account preferential shareholders' share of equity.

MESSAGE FROM THE CEO

In 2019 we continued to reinforce our net asset value, which now amounts to SEK 8.26 per ordinary share, noting growth of 11.0 percent compared to year-end 2018. The ongoing positive development of net asset value per ordinary share confirms that the measures we introduced during the year have continued to contribute to creating value for our shareholders. At the same time, we have paid MSEK 7 in dividends to our preference shareholders and maintained a stable share price in same. With ordinary shares currently being traded at a significant discount (46 percent) on their net asset value, we hope that even more investors will find our ordinary share interesting and choose to invest in the Company in 2020.

The increase in net asset value has been powered by a combination of measures, where a strong working relationship with our financiers in Spain and the extremely solid teamwork within the organisation made a great contribution to the year's successes. Significant accomplishments during the year included the opening of Boho Club, the final sale of the 22byQuartiers project, and improved profits on our apartment hotel in Benahavis.

The year commenced with our securing the financing of Boho Club, after which we commenced the intensive work to execute the renovation, employ staff and open the business – aims we successfully achieved over the autumn and winter. The restaurant opened at the beginning of September and the hotel welcomed its first guests in the middle of December. Boho Club has already established itself as one of the most popular restaurants in Marbella, and the hotel recently kicked off the new year in a positive fashion with plenty of satisfied customers – which generally translates into repeat customers. With Boho Club, we are looking to generate solidarity with our target group which, in the long term, should result in frequently returning guests and an attractive foundation for both the restaurant and the hotel. The profit/loss for the year at Group level has, as expected, been negatively affected by the Boho Club start-up costs, but with these costs already met, we are looking forward to an exciting 2020 where our focus will be shifting from the investment and start-up phases to income-generating activities. We will, of course, continue to develop the property and the guest experience in order to remain relevant to our target group in the long term.

In Benahavis, the work on our apartment hotel has been streamlined and we have clearly demonstrated that our internal skills in the field of operation exceeded those of our formerly contracted operator, resulting in a rise in both earnings and profits. We are performing at a high level in relation to comparable installations. Over the past year we succeeded in particular in increasing the occupancy level during the off-season, which contributed to creating a secure, vibrant apartment area all year round. This was

a key piece of the puzzle in our refinement work and thus an important factor in the appreciation in value in the area. The principal purpose of our leasing business has been to contribute to the value generation taking place in the apartment hotel and, indirectly, in the associated projects 22byQuartiers and Ocean View. As a result of this, we successfully completed and sold the 22byQuartiers project in 2019. On the basis of the great demand, we also chose to choose to sell a number of apartments in our existing holdings in the apartment hotel. The move confirmed our value creation in the holdings of 110 percent since the acquisition, which is assimilated into the calculation of our net asset value per ordinary share.

Our “to-do” list for 2020 now features the launch of 60 new apartments in the Ocean View project, which will take the form of a continuation of 22byQuartiers in a more modern, environment-oriented direction. In addition, we will continue working on the refinancing of our costly loans, which have functioned as a type of construction financing during the Boho Club project period. With the new valuation in place and both hotel and restaurant now operating, opportunities are opening up for financing terms that are sure to prove more sustainable in the long term.

In addition, we are now another six months closer to the anticipated new general plan for the Municipality of Marbella compared to the situation at the time of our half-year report 2019. As I have mentioned previously, the plan is likely to open up opportunities for us to receive construction rights to appreciably more square metres than we currently hold at our Golden Mile property Centro Forestal Sueco, of which Boho Club forms part. If this proves to be the case, we can expect a highly positive effect on our net asset value per ordinary share, which is not included in the estimate published today.



Marcus Johansson Prakt
CEO, Quartiers Properties

SELECTED SUBSIDIARIES AND ASSOCIATES

BOHO CLUB SL (80% OWNERSHIP)

Boho Club is Quartiers' operating company for the hotel and restaurant project in the Golden Mile area of Marbella, where Quartiers is currently developing part of the Centro Forestal Sueco property. The company was founded in 2018, and Quartiers owns 80% of the operating company. Restaurant operations commenced at the beginning of September 2019 and the hotel opened on 15 December of the same year.

Sales, 2019: MSEK 6.0

EBITDA 2019: MSEK -14.1

Employees: 92 at 31 December 2019.



QUARTIERS ESTATES SL (50% OWNERSHIP)

Quartiers Estates is Quartiers Properties' sales company. The company markets and sells Quartiers' own projects, as well as external projects and projects sold and developed by the Otero Group. The company is 50 percent owned by Quartiers, with the other 50 percent owned by Ruben Villaverde Otero through companies. The company was founded in the middle of 2018.

Sales, 2019: MSEK 7.5

EBITDA 2019: MSEK 0.9

Employees: 7 at 31 December 2019.



QUARTIERS MANAGEMENT SL (WHOLLY OWNED)

Quartiers Management operates the Quartiers Apartment Hotel & Resort apartment complex in Benahavis, and provides concierge and letting services to buyers of apartments in Quartiers Properties projects. The company commenced operations in January 2019. Of sales for the first six months of 2019, short-term rental accounted for MSEK 15.5 and long-term rental for MSEK 3.4.

Sales, 2019: MSEK 18.9

EBITDA 2019: MSEK 1.0

Employees: 17 at 31 December 2019.



**QUAR
TIERS**
PROPERTIES

PROJECT REPORT

QUARTIERS APARTMENT HOTEL IN BENAHAVIS

THE BUSINESS

Quartiers has been running short- and long-term rental operations at the company's apartment complex in Benahavis since 2016. Following the acquisition of the apartments in two phases in 2015 and 2016, the average valuation per apartment in local currency has increased by 110 percent from kEUR 174 to kEUR 365 per apartment in accordance with the market valuation performed on 31 December 2019. The carrying amount totals kEUR 343 per apartment on average, which is lower than the valuation because as from and including 2019, and in line with IFRS guidelines, Quartier has not recognised the apartments at market value in the report.

The company's success in running rental operations and transforming the apartment complex into an attractive resort has contributed to the positive development in value of the apartment portfolio.

Quartiers took over the operating business from an external player as from 1 January 2019. The decision to bring the business in-house has had a positive effect, and as a result of this it has proved possible to reduce costs associated with the business at the same time as increasing income.

LEGAL STRUCTURE AND FINANCIAL COMMENTS

The apartments in the complex are owned by Flexshare Espana SL (wholly owned by Quartiers Properties), which in turn rents the apartments to Quartiers' wholly owned subsidiary Quartiers Management SL. Quartiers Management SL pays a fixed, profit-based rent to Flexshare Espana SL.

The financial table summarises the business as a consolidated whole. The comparison figures refer to income and costs from hiring to an external operator.

The company's net sales for 2019 amounted to kSEK 18,890, which was generated from the short- and long-term rent of apartments. Sales costs totalled kSEK 1,860 and principally comprise commission to booking agents including booking.com and Expedia.

Operating costs comprise, for example, costs for the joint association for maintenance (kSEK 4,870), staff costs (kSEK 4,609), electricity and water (kSEK 1,782), property tax (kSEK 1,124), and other operating costs (kSEK 3,314).

Comparable EBITDA for the business in 2019 totalled kSEK 1,330, which is an improvement of kSEK 6,445 compared with 2018, when the property was leased to an external operator and the comparable EBITDA totalled kSEK -5,115.

Interest expenses on loans (not preference shares) directly related to the business amounted to kSEK 2,259 in 2019, while repayments linked to the current business totalled kSEK 9,956.

In all, cash flow related to leasing operations before investments amounted to kSEK -10,885 for 2019, which constitutes an improvement of kSEK 6,114 (36%) compared to 2018, when the corresponding cash flow totalled kSEK -16,999.

FINANCIAL SUMMARY

	2019	2018*
Net sales	18,890	5,188
Sales expenses	1,861	0
Gross earnings	17,029	5,188
Other operating expenses	-15,699	-10,303
EBITDA	1,330	-5,115
Interest expenses	-2,259	-1,897
Depreciation/amortisation	-10,750	-1,846
Profit/loss before tax	-11,679	-8,858
Repayments	-9,956	-9,987
Operative cash flow	-10,885	-16,999
Investments	-3,758	-1,287
Property valuation	385,708	349,313
EBITDA yield	0.35%	-1.46%

* The figures for 2018 refer to income and costs from the leasing of the property to an external operator.

VALUATION AND YIELD

At 31 December 2019, the company owned 100 apartments for rent in the apartment complex. These were valued according to the comparable sales method as if they were to have been sold separately, one by one. The valuation at 31 December 2019 amounted to the equivalent of kSEK 385,708, which represented a 7.7 percent increase in value compared with the same point in 2018.

At the time of presentation of the report, the company has sold or received a 30 percent partial payment on four apartments, corresponding to kSEK 15,879, and where the apartments were sold, the price received was equal or higher than the current valuation.

For the full year 2019, direct yield on allocated capital to the business, measured as EBITDA over current market value, amounted to 0.35 percent, while the corresponding figure for 2018 was -1.46 percent.

FUTURE PLANS

At the same time as the value of the apartments has risen by MSEK 197 – corresponding to 110 percent – since acquisition, the company is aware that the apartment hotel generates only low yield in relation to the market value. Income and profits have improved considerably in 2019, and it is anticipated that they will continue to increase gradually. Over and above this, the Board of Directors is assessing possible business models and opportunities for optimising the allocated capital.

BOHO CLUB

THE BUSINESS

In 2017, Quartiers purchased the Centro Forestal Sueco property complex on the Golden Mile in Marbella, consisting of a plot area of 36,894 square metres and associated buildings. Sections of the plot corresponding to 23,231 square metres of land and 4,182 square metres of building area were renovated and developed into Boho Club in 2019. Additionally, the company has an option agreement to acquire an adjacent undeveloped plot of 3,781 square metres. Quartiers intends to build more hotel rooms on this plot in the future.

Boho Club currently comprises two restaurants, two pools and 30 rooms and bungalows. The restaurants opened in September 2019 and the hotel welcomed its first guests on 15 December of the same year.

LEGAL STRUCTURE AND FINANCIAL COMMENTS

The property is owned in full by Quartiers Properties via the wholly owned subsidiary CFS Marbella Hotel Property SL. The property owner then rents the building to the operating company The Boho Club SL, of which Quartiers owns 80 percent. The operating company is required to pay rent to the property-owning company, consisting of a fixed guaranteed minimum rent or a variable part comprising turnover-based rent. The higher of the two is to be paid annually to the property owner.

While business was only active during a part of 2019, the financial year was nevertheless affected by costs related to renovation, concept development and so on.

Net sales for the year totalled kSEK 6,356, of which kSEK 6,020 was attributable to the restaurant and kSEK 336 to the hotel, which was only open for 15 days in 2019. The restaurant opened in September, serving only dinners during the period. As from 2020, both the hotel and the restaurant will be fully operational, with the restaurant serving breakfast, lunch and dinner.

The interest costs and repayments reported are directly linked to loans related to the project (not preference shares). The company is currently working with a process to refinance the project with loan capital at a lower rate of interest.

FUTURE PLANS

The company plans to expand the hotel by a further 20 rooms in 2020, increasing its size from 30 to 50 rooms. In addition, the Municipality of Marbella is working on a project intended to implement a new local development plan. The company estimates there is a potential upside to receiving around 12,000 square metres more construction rights in the project, which should allow further development of facilities and up to approximately 150 new hotel rooms, which will correspondingly increase the value of the property.

FINANCIAL SUMMARY

The Boho Club SL

	2019
Net sales	6,356
Sales expenses	-2,640
Gross earnings	3,716
Other operating expenses	-17,847
EBITDA	-14,131
Interest expenses	-135
Depreciation/amortisation	-738
Profit/loss before tax	-15,004
Repayments	-274
Investments	-65,864
Cash flow	-80,404

FINANCIAL SUMMARY

CFS Marbella Hotel Property SL

	2019
Rental income	0
Property expenses	-1,235
EBITDA	-1,235
Interest expenses	-507
Depreciation/amortisation	-102
Profit/loss before tax	-1,844
Repayments	-1,161
Investments	-12,912
Cash flow	-15,816
Property valuation	249,157
EBITDA – yield	neg.

PROPERTY DEVELOPMENT PROJECT

22BYQUARTIERS

22byQuartiers was launched for sale in 2018, and the project was concluded in 2019 with the sale of all the apartments. Total sales revenues amounted to kSEK 88,294, and production costs, including capital costs, totalled kSEK 56,958. Profits on operations before sales costs amounted to kSEK 31,793, corresponding to an operational mark-up of 36 percent. Sales costs totalled kSEK 7,755.

Purchasers in the project comprised a variety of nationalities, of which Scandinavian buyers were the largest single target group.

PROJECT OCEAN VIEW

Project Ocean View comprises 60 apartments in the same area as the 22byQuartiers project, which recently saw the last of its properties sold. The apartments to be developed and sold will be included in the same cooperative association as 22byQuartiers and the company's apartment hotel in Benahavis. This association also includes other private owners whose approval was required to make changes to the design and layout of the project. This approval was successfully obtained at an extraordinary association meeting in December 2018.

The architectural work for the Ocean View project has entered its final phase, and all parts of the project have been defined. During the design phase, the company has made a number of major changes in the project, which has

delayed the launch date. Sales and construction start are scheduled for 2020.

PROJECT AMAPURA

Villa Amapura remains under construction, with 70 percent of the building work having been completed. The company intends to sell the villa once it has been completed, as this is considered to generate a higher price for the villa, which explains the postponement of the sale. Financing for the construction work was secured in 2019.

It is anticipated that the villa will be completed in the financial year 2020.

VILLA PROJECT IN LOS FLAMINGOS

These two villas are located in the attractive villa area of Los Flamingos in the Municipality of Benahavis, a stone's throw from the five-star Villa Padierna Hotel with two 18-hole golf courses. Both villas have views of the sea and golf courses and will be designed with a combination of classic Andalusian style and modern luxury.

The total building area for both the villas is 1,255 square metres, with a further 400 square-metre terrace and 1,600 square metres of gardens.

Work has not yet commenced on the construction as the company gave higher priority to the work on Boho Club.



View from the 22byQuartiers project – the 22byQuartiers project in Benahavis has now been completely sold.

FINANCING

Quartiers is financing the operation with a combination of sales revenues, bank loans, alternative loan financing, preference shares and ordinary share capital. At 31 December 2019 the company's interest-bearing loans amounted to MSEK 292.7 (MSEK 209.0), of which MSEK 168,5 (MSEK 169,9) consisted of bank loans, and the remainder of alternative loan financing. The market value of the company's preference shares was MSEK 70.6 (MSEK 65.0), and the company's redemption value (the amount for which Quartiers can repurchase the preference shares following the necessary decision from the General Meeting) was MSEK 87.3 (MSEK 87.3).

The average cost of capital for the company's bank borrowings amounted to 1.88 percent at 31 December 2019, while for the company's alternative financing it was 11.98 percent. The cost of the company's preference shares, based on its market value, was 12.37 percent after taking account of corporation tax of 20 percent. In all, this results in a weighted average cost of capital for the company's interest-bearing liabilities, including preference shares, of 7.25 percent.

In 2019, the company has amortised/repaid loans corresponding to MSEK 50.9 (MSEK 14.8) to credit institutions. Exchange rate effects have increased recognised debt by MSEK 1.0.

At 31 December 2019, the Group's equity totalled MSEK 337.7 (MSEK 373.2 million) and its equity/assets ratio was 50 (57) percent. Converted to market value, the equity/assets ratio was 70 (70) percent. The difference between recognised equity and equity based on market value is due to IFRS accounting restrictions that do not allow Quartiers to

recognise property assets at market value in the balance sheet.

Total assets amounted to MSEK 700.3 (MSEK 657.5), which corresponds to an increase of 10.6 percent. The debt/equity ratio was 46 (36) percent.

During 2019, the company raised new loans totalling the equivalent of MSEK 123.4 (MSEK 47.7). Net, the company took out loans of MSEK 72.4.

In 2020, the company intends to refinance a part of its loans with a view to freeing up cash flow for continued investments. As a part of this process, the company commissioned JLL Real Estate Advisors in London as consultants in December 2019.

LIQUIDITY

At 31 December 2019, the Group's cash and cash equivalents amounted to MSEK 6.9 (MSEK 8.4). In January 2020, share issue proceeds were deposited in the amount of approx. MSEK 25 after share issue expenses.

The company is currently experiencing an expansive period, focusing on development and investments in both existing and new property projects. This means that the company's liquidity position may vary over time. Quartiers Properties is of the opinion that the company's healthy equity/assets ratio enables it to take out short-term loan financing as needed to guarantee meeting working capital requirements for the forthcoming 12-month period. Moreover, the company holds liquid assets in the form of land and apartments, which can be divested within the framework of the company's operating activities should a financing need arise that cannot be met via borrowings.



Quartiers Properties was one of the co-organisers of the Interbourse football tournament in Marbella in 2019. The event was held on 13–14 September, attracting around 100 players divided into six different teams. The participating teams represented their countries and came from Great Britain (London), Norway, Spain, Sweden, Switzerland and the United States (Chicago). The Swedish team, where the majority of the players came from the Stockholm financial market, took the title on penalties, beating a Swiss team that largely comprised representatives of the Swiss banking sector. All players stayed at the Quartiers apartment hotel in Benahavis, and the tournament concluded with dinner at the newly opened Boho Club in Marbella.

SHAREHOLDER INFORMATION

Quartiers Properties has two outstanding share classes, in the form of ordinary shares and a series of preference shares. The ordinary and preference shares in Quartiers Properties have been traded on Nasdaq First North Stockholm since 21 June 2017. The preference share was previously traded on NGM Nordic MTF.

The market value of the company's ordinary shares at 31 December 2019 totalled MSEK 2470 (MSEK 316.9), based on a closing price of SEK 5.10 (SEK 5.60). The preference share pays an annual dividend of SEK 0.96 per share, which, given the closing price of SEK 9.7 per share at 31 December, corresponds to a yield of 9.9 percent.

WARRANTS

There were no outstanding warrants in the company at 31 December 2019.

AUTHORISATION

The 2019 AGM resolved to authorise the Board of Directors, up until the next AGM and within the scope of the Articles of Association, on one or more occasions, with or without deviation from shareholders' preferential rights, to decide on the issue of shares (ordinary shares and/or preference shares). When deciding on the number of preference shares to be issued, the Board of Directors shall ensure that the company is able to fulfil its commitments relating to dividends for preference shares, in accordance with the decision regarding the distribution of profit.

An issue may be made against a cash payment, via assets contributed in kind and/or via offsetting, or otherwise according to conditions. Decisions on share issues based on

this authority may result in an increase in the company's share capital by a maximum of 15 percent. For private cash issues the subscription price must be set on a market basis.

MARKET MAKER AND CERTIFIED ADVISER

Mangold is the company's certified adviser, while ABGSC is the company's market maker for the ordinary shares. Mangold can be contacted on +46 8 503 015 50, and ABGSC can be reached at +46 8 566 286 00.



TEN LARGEST SHAREHOLDERS - 30 DECEMBER 2019

#	Shareholder	Ordinary shares	Preference shares	Capital	Votes
1	Egonomics AB	10,011,340	–	18.0%	20.4%
2	Fastighets Aktiebolag Bränneröd	6,139,018	85,370	11.2%	12.5%
3	LMK Companies & Foundation	4,627,714	1,402,222	10.8%	9.7%
4	Rocet AB	3,847,334	30,000	7.0%	7.8%
5	Bosmac Invest AB	2,400,666	–	4.3%	4.9%
6	Bernt Lundberg Fastigheter Lund AB	1,980,000	150,000	3.8%	4.1%
7	Swedbank Robur Funds	1,897,699	–	3.4%	3.9%
8	Mats Invest AB	1,700,000	156,000	3.3%	3.5%
9	Leif Edlund	1,333,334	–	2.4%	2.7%
10	SIX SIS AG	1,267,428	70,000	2.4%	2.6%
	Other	13,258,363	5,381,025	33.4%	28.0%
	Total	48,462,896	7,274,617	100.0%	100.0%

Source: Euroclear

COMMENTS ON THE PERIOD

Profit/loss, balance sheet and cash flow items relate to the period January–December 2019. The comparison items in brackets relate to the corresponding period of the previous year.

This report has been prepared in accordance with IAS 34 – Interim Financial Reporting. See the Supplementary Disclosures below, and the 2018 annual report for complete accounting principles.

REVENUE

Quartiers' net sales totalled kSEK 93,377 (kSEK 29,098), of which divestment of properties accounted for kSEK 68,132 (kSEK 23,910) and operating business amounted to kSEK 25,245 (kSEK 5,188). The rise in revenues can be explained by increased activity in the company. As of 1 January, the company took over operation of the apartment hotel in Benahavis from an external operator, and on 1 September 2019 the restaurant at Boho Club opened as the first part of the project. Phase 1 of the hotel itself then opened on 15 December 2019, making available 30 hotel rooms.

COST OF PROPERTIES SOLD

The cost of properties sold totalled kSEK 55,704 (kSEK 19,479), comprising construction and financing costs of kSEK 38,663 (kSEK 15,167), sales costs of kSEK 6,219 (kSEK 1,536) and the previously reported change in value of properties in the amount of kSEK 7,348 (kSEK 2,775). The profit margin in the property sales concluded by the company totals 35 percent before selling costs, which average 9.6 percent of the selling price.

PROPERTY EXPENSES

Property expenses total kSEK 56,253 (kSEK 14,067). The increase compared to the previous year can be explained by the takeover of operation of the apartment hotel in Benahavis (see Revenues above), as well as the start-up and initial operation of Boho Club, which cost kSEK 20,487. Property expenses also include – for the first time, following reclassification of previously market valued investment properties as operating properties and completion of the Boho Club restaurant – depreciation on operating properties of kSEK 9,575. The biggest single costs comprise staff and consultant expenses in the amount of kSEK 22,363 (40%), depreciation in the amount of kSEK 11,625 (21%), repair and maintenance costs of kSEK 6,714 (12%), and association fees for the joint property association in the company's apartment hotel in the amount of kSEK 4,870 (9%).

GROSS EARNINGS

Gross earnings totalled kSEK -18,580 (kSEK -4,448).

EARNINGS FROM INTERESTS IN JOINT VENTURES

The profit/loss for the year includes earnings from joint ventures in the amount of 2,677 (-1,165). As a result of the

acquisition of a majority of the shares in Boho Club in March 2019, this holding has been recognised as a subsidiary since April. In connection with this transaction accounting income was generated in the amount of 2,226, which has been included in the profit/loss.

OTHER SIGNIFICANT OPERATING ITEMS

Central administration costs for the period were kSEK 10,546 (kSEK 16,699), representing a decrease of 36.8 percent on the same period in 2018.

CHANGES IN THE VALUE OF INVESTMENT PROPERTIES

As of 1 January 2019, the company's investment properties were reclassified as operating properties. From 1 January 2019 no changes in value are therefore recognised for investment properties.

INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

The company's interest expenses and similar profit/loss items during the period totalled kSEK 13,140 (kSEK 2,291). Activated interest expenses during the period totalled kSEK 624 (kSEK 2,919), resulting in total interest expenses over the year of kSEK 13,764 (kSEK 5,210)

DEFERRED TAX

The deferred tax recognised is tax on recognised surplus values in properties. The deferred tax for the period is kSEK 2,146 (kSEK -10,807). This positive tax expense results from the resolution of deferred tax on previous changes in value.

PROFIT/LOSS AFTER TAX

Profit/loss for the period amounted to kSEK -37,443 (kSEK 10,158).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities, excluding divestment of properties, amounted to kSEK -35,197 (kSEK -11,449) during the period. Cash and cash equivalents at the end of the period totalled kSEK 6,874 (kSEK 8,422).

INVESTMENTS IN PROPERTY PORTFOLIO

Investments and purchases during the period amounted to a total (including project properties) of kSEK 88,256 (kSEK 67,298). Divestments totalled kSEK 52,358 (kSEK 20 893).

INVESTMENT AND OPERATING PROPERTIES

Operating properties consisted of a hotel property and 98 apartments that, as of 1 January 2019, are being rented out under the company's own management as an apartment complex. One apartment has been sold during the year at a price corresponding to the recognised market value at 31 December 2018. Investments in operating properties, including

COMMENTS ON THE PERIOD

the accounting effect of acquisitions, amounted to kSEK 81,301 (kSEK 6.0) for the period. The investment mainly relates to the Boho Club project.

PROJECT PROPERTIES

During the period, gross investments in project properties amounted to kSEK 6,953 (kSEK 42,265). Divestments of project properties during the period totalled kSEK 49,139 (kSEK 20,893).

FINANCING

During the year, the company raised loans and other long-term liabilities totalling kSEK 123,399 (kSEK 47,748). Repayments amounted to kSEK 50,960 (kSEK 14,797). See the section regarding financing above.

RELATED-PARTY TRANSACTIONS

In May 2019, the company entered into a financing agreement with Strandängen Bostäder i Bunkeflostrand AB. Jörgen Cederholm, Chairman of the Board of Quartiers, is also Chairman of the Board of Strandängen Bostäder. Jörgen's ownership stake in both companies does not exceed 10 percent. The Chairman waived his right to vote on the issue when the Board made the financing decision.

The loan sum amounts to kEUR 1,340, of which kEUR 700 is to be used for completion of the Amapura project. The loan has a maturity of two years and carries an annual interest rate of 7.46 percent. If the Amapura project results in a net realisable value in excess of kEUR 1,540, then 50 percent of the profit will revert to the lender. This means, for example, that the effective rate of interest for an anticipated net realisable value of kEUR 1,800 would be 12.3 percent.

SIGNIFICANT EVENTS DURING THE SECOND HALF OF THE YEAR

- September saw the opening of the Boho restaurant as the first part of the Boho Club project. The first phase of the hotel was then opened in December.
- In July, the company refinanced its previous short-term loan of MEUR 1.5 from the property fund Frux, and agreed an additional MEUR 1.5 line of credit. Prior to the extension of the loan the company had repaid EUR 1.0 million of the EUR 2.5 million of the original loan.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- In January, the company completed a new issue of preference shares, generating proceeds of around MSEK 25 after share issue expenses.

RISKS AND UNCERTAINTIES

Quartiers Properties is exposed to risks and uncertainties via its operations. For information about the Group's risks and uncertainties, please refer to the 2018 Annual Report. The description contained in the report remains relevant.

EXAMINATION

This Year-end Report has not been subject to examination by an auditor.

BOARD OF DIRECTORS' PROPOSAL TO THE 2020 AGM

The Board intends to present the following resolutions for decision at the Annual General Meeting to be held on 28 May 2020:

- That no dividend be paid for the ordinary share.
- That a dividend of SEK 0.96 be paid per preference share.
- To authorise the Board of Directors for the period extending up until the next AGM, on one or more occasions, to resolve on the issue of new preference and/or ordinary shares, as well as convertibles and/or warrants. It should be possible to subscribe for the shares against a cash payment, via assets contributed in kind and/or via offsetting, or otherwise according to conditions. Decisions on share issues based on this authority may result in an increase in the company's share capital by a maximum of 15 percent. For private cash issues the subscription price must be set on a market basis.
- The company reserves the right to propose additional decision points ahead of the notice convening the AGM.
- The Annual Report will be made available on the company's website by no later than 7 May 2020.

NEXT REPORT DATE

The half-year report in 2020 will be published on 31 July 2020.

CERTIFICATION BY THE BOARD OF DIRECTORS AND CEO

The Board of Directors and Chief Executive Officer certify that this period-end report provides a true and fair overview of the Parent Company and Group's operations, position and earnings and describes significant risks and uncertainties faced by the Parent Company and Group companies.

Stockholm, 28 February 2020

Jörgen Cederholm, Chairman of the Board
Jimmie Hall, Board member
Sten Andersen, Board member
Andreas Bonnier, Board member
Marcus Johansson Prakt, Chief Executive Officer



Financial
information

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts are stated in SEK thousand	Note	01/07/2019 31/12/2019	01/07/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Divestment of properties		18,899	23,910	68,132	23,910
Revenue, operator business		18,090	1,946	25,245	5,188
Total		36,989	25,856	93,377	29,098
Cost of properties sold		-18,354	-19,479	-55,704	-19,479
Property expenses		-41,775	-5,629	-56,253	-14,067
Total operating expenses		-60,129	-25,108	-111,957	-33,546
Gross earnings		-23,140	747	-18,580	-4,448
Central administration		-5,698	-11,172	-10,546	-16,699
Earnings from interests in joint ventures/associates		2,179	-1,165	2,677	-1,165
Unrealised change in value of investment properties		0	26,717	0	45,567
Operating profit/loss		-26,659	15,128	-26,449	23,255
- of which, profit/loss from operator business		-23,685	-3,683	-31,007	-8,879
- of which, profit/loss from divestment of properties		545	4,431	12,428	4,431
- of which, operating profit/loss before depreciation and non-realised changes in value (EBITDA)		-17,447	-10,424	-14,823	-20,411
Financial revenues		580	-414	732	421
Finance costs		-8,364	-145	-13,872	-2,711
Profit/loss from financial items		-7,784	-560	-13,140	-2,291
Profit/loss before tax		-34,443	14,568	-39,589	20,965
Deferred tax		766	-6,095	2,146	-10,807
Profit/loss for the period		-33,677	8,474	-37,443	10,158
OTHER COMPREHENSIVE INCOME					
Profit/loss for the period		-33,677	8,474	-37,443	10,158
Items that have been or may be transferred to profit/loss for the year					-
Translation differences on translation of foreign operations		-10,704	-7,349	4,318	13,322
Total comprehensive income		-44,374	1,125	-33,125	23,480
Of which attributable to minority		4,032	0	4,665	0
<i>Earnings and comprehensive income for the period attributable to:</i>					
Parent Company holders of ordinary shares		-47,332	-2,034	-35,441	17,163
Basic earnings per ordinary share, SEK		-0.90	-0.04	-0.73	0.35
Diluted earnings per ordinary share, SEK		-0.90	-0.04	-0.73	0.35
Average number of ordinary shares before dilution		48,462,896	48,462,896	48,462,896	48,462,896
Average number of ordinary shares after dilution		48,462,896	48,462,896	48,462,896	48,462,896

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are stated in SEK thousand	Note	31/12/2019	31/12/2018
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Operating properties	4	532,617	455,369
Equipment, tools and fixtures and fittings		16,846	5,806
Interests in joint ventures/associates		0	7,295
Other securities held as non-current assets		721	1,194
Other non-current receivables		0	38
Total non-current assets		550,184	469,702
Current assets			
Project properties	5	111,938	153,150
Inventories		783	
Receivables from joint ventures/associates		1,280	1,705
Trade receivables		1,645	2,372
Other receivables		1,644	1,801
Prepaid expenses and accrued income		25,940	20,371
Cash and cash equivalents		6,874	8,422
Total current assets		150,105	187,821
Total assets		700,289	657,523

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are stated in SEK thousand	Note	31/12/2019	31/12/2018
SHAREHOLDERS' EQUITY			
Share capital		1,393	1,393
Other contributed capital		291,673	291,673
Reserves, translation differences		24,125	19,807
Retained earnings incl. profit/loss for the period		20,540	60,299
Total shareholders' equity		337,731	373,172
LIABILITIES			
Non-current liabilities	7		
Deferred tax liabilities		45,443	46,782
Liabilities to credit institutions		172,780	155,126
Other non-current liabilities		95,216	13,872
Other provisions		0	5,394
Total non-current liabilities		313,439	221,173
Current liabilities	7		
Liabilities to credit institutions		20,212	16,884
Trade payables		9,306	6,669
Other current liabilities		18,407	37,966
Accrued expenses and deferred income		1,194	1,659
Total current liabilities		49,119	63,178
TOTAL EQUITY AND LIABILITIES		700,289	657,523

CONSOLIDATED CHANGES IN EQUITY

Amounts are stated in SEK thousand	Share capital	Other contributed capital	Reserves, translation differences	Other equity incl. profit/loss for the period	Shareholders' equity attributable to Parent Company owners	Minority share of shareholders' equity	Total shareholders' equity
Opening balance, 01/01/2018	1,363	279,852	6,485	56,458	344,158	0	344,158
Comprehensive income							
Profit/loss for the period				10,158	10,158		10,158
Translation differences			13,322		13,322		13,322
Total comprehensive income			13,322	10,158	23,480		23,480
Transactions with shareholders							
New share issue	30	11,915			11,945		11,945
Dividend paid, preference shares	-	-	-	-3,685	-3,685		-3,685
Change in expensed unpaid dividend, preference shares	-	-	-	-2,632	-2,632		-2,632
Share issue expenses	-	-94			-94		-94
Total transactions with shareholders	30	11,821	-	-6,317	5,534		5,534
Closing balance, 31/12/2018	1,393	291,673	19,807	60,299	373,172	0	373,172
Opening balance, 01/01/2019	1,393	291,673	19,807	60,299	373,172	0	373,172
Comprehensive income							
Profit/loss for the period			-	-37,441	-37,441		-37,441
Translation differences			4,318		4,318		4,318
Of which attributable to minority						4,665	4,665
Total comprehensive income			4,318	-37,441	-33,123	4,665	-28,458
Transactions with shareholders							
Dividend paid, preference shares				-6,983	-6,983		-6,983
Total transactions with shareholders	-	-	-	-6,983	-6,983		-6,983
Closing balance, 31/12/2019	1,393	291,673	24,125	15,875	333,066	4,665	337,731

CONSOLIDATED CASH FLOW STATEMENT

Amounts are stated in SEK thousand	01/07/2019 31/12/2019	01/07/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
<i>Cash flow from operating activities</i>				
Operating profit/loss, excl. divestment of properties	-34,423	15,128	-34,210	23,255
Depreciation, amortisation and impairment	9,052	975	11,464	1,901
Share in earnings of associated companies	-2,179	1,165	-2,677	1,165
Unrealised changes in value	0	-39,184	0	-45,568
Other non-cash items	-5,521		0	
Interest income and similar profit/loss items	581	421	732	421
Interest paid (attributable to financing activities)	-8,364	-145	-13,872	-2,711
Cash flow from operating activities before changes in working capital	-40,854	-21,640	-38,563	-21,537
<i>Changes in working capital</i>				
Increase/decrease in inventories	-783	0	-783	0
Increase/decrease in trade receivables	-336	1,557	727	4,395
Increase/decrease in other current receivables	5,374	3,666	-2,311	-2,428
Increase/decrease in trade payables	5,579	6,200	2,637	4,659
Increase/decrease in other current liabilities	13,584	9,965	3,096	3,462
Cash flow from operating activities	-17,436	-252	-35,197	-11,449
<i>Cash flow from investing activities</i>				
Investments in non-current financial assets	0	-8,459	0	-8,459
Sale of non-current financial assets	-708	529	511	3,990
Investments in operating properties	-52,555	0	-74,006	-1,294
Sale of operating properties	2,932	0	2,932	
Investments in property, plant and equipment	-10,596	1,105	-17,364	628
Investments in project properties	-290	-36,656	-6,954	-54,140
Sale of project properties	23,513	20,893	61,853	20,893
Cash flow from investing activities	-37,704	-21,588	-33,028	-38,383
<i>Cash flow from financing activities</i>				
New share issue	0	4,750	0	24,750
Borrowings raised	45,266	6,061	123,399	47,748
Loan repayments	-27,970	-8,083	-50,960	-14,797
Dividend paid, preference shareholders	-3,491	-3,685	-6,983	-5,643
Cash flow from financing activities	13,805	-957	65,456	52,058
Cash flow for the period	-41,335	-22,797	-2,769	2,226
Cash and cash equivalents at start of period	47,593	31,422	8,422	6,131
Exchange rate differences in cash and cash equivalents	616	203	1,221	65
Cash and cash equivalents at end of period	6,874	8,422	6,874	8,422

CONDENSED PARENT COMPANY FIGURES

Income statement (amounts are stated in kSEK)	01/07/2019 31/12/2019	01/07/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Operating revenue	2,587	4,032	2,587	4,794
Operating expenses	-5,927	-1,810	-5,927	-8,791
Operating profit/loss	-3,340	2,222	-3,340	-3,997
Profit/loss from financial items	1,357	993	1,357	2,169
Profit/loss before tax	-1,983	3,215	-1,983	-1,828
Profit/loss for the period	-1,983	3,215	-1,983	-1,828

Comments on the income statement

The Parent Company's statement of comprehensive income is consistent with earnings for the period. The Parent Company's operations mainly consist of managing the Parent Company's investments in subsidiaries, as well as financing activities. Operating revenue relates for the most part to the invoicing of services to subsidiaries, and to a lesser extent to the invoicing of services to external companies.

Balance sheet (amounts are stated in kSEK)	31/12/2019	31/12/2018
ASSETS		
Non-current assets	253,199	240,250
Non-current receivables from Group companies	21,997	27,584
Current assets	6,683	6,337
Total assets	281,879	274,171
Equity and liabilities		
Shareholders' equity	257,368	266,335
Non-current liabilities	13,484	0
Current liabilities	11,027	7,836
Total shareholders' equity and liabilities	281,879	274,171

SUPPLEMENTARY DISCLOSURES

NOTE 1. GENERAL INFORMATION

Quartiers Properties AB (publ) (Parent Company) and its subsidiaries acquire and develop properties in southern Spain. The Parent Company is a public limited company registered in Sweden, with registered offices in Stockholm. The head office address is Strandvägen 7A, 114 56 Stockholm, Sweden.

NOTE 2 BASIS FOR PREPARATION OF THE COMPANY'S ACCOUNTS

Quartiers Properties AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The interim report should be read together with the Annual Report for the financial year that ended on 31 December 2018. The interim report comprises pages 1–22, and pages 1–12 thus constitute an integral part of this financial report.

NOTE 3. ACCOUNTING POLICIES

The consolidated accounts for Quartiers Properties AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) approved by the EU at 31 December 2019.

For a complete description of the accounting policies, please refer to Quartiers Properties AB (publ)'s Annual Report for the financial year 2018.

IFRS 16 Leases came into effect on 1 January 2019. The company has no leases that had not already been recognised in the annual accounts at 31 December 2018 in accordance with the new standard. Consequently, the standard had not had any effect on the balance sheet at 01 January 2019.

NOTE 4. OPERATING PROPERTIES

The company's portfolio of one hotel property and rental properties with their own management have been reported as operating properties.

Table: Note 4. Operating properties

Operating properties (kSEK)	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Opening cost	455,369	94,502
Divestments	-3,219	0
Investments	81,301	6
Depreciation/amortisation	-9,595	0
Exchange rate differences	4,513	3,848
Reclassifications	4,248	357,013
Closing carrying amount	532,617	455,369

NOTE 5. PROJECT PROPERTIES

The company's project properties are recognised in the balance sheet at cost.

Table: Note 5. Project properties

Project properties (kSEK)	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Opening cost	153,151	111,284
Purchases	0	24,367
Investments	6,953	42,265
Divestments	-49,139	-20,893
Exchange rate differences	973	3,826
Reclassifications	0	-7,699
Closing carrying amount	111,938	153,150

SUPPLEMENTARY DISCLOSURES

NOTE 6. SEGMENT REPORTING

ACCOUNTING POLICY

Operating segments are reported in accordance with the reporting submitted to company management and the Board of Directors. A change to internal reporting was implemented on 1 January 2019. Reporting now takes place in two segments. The first is property refinement, which mainly includes operation of hotels, and property development, which mainly comprises project development.

	Property Management	Property Development	Group items and eliminations	Total	Property Management	Property Development	Group items and eliminations	Total
	01/01/2019 to 31/12/2019				01/01/2018 to 31/12/2018			
Operating revenue								
Sale of properties	3,187	64,945		68,132		23,910		23,910
Operator revenues	25,245			25,245	5,188			5,188
Other income								
Net sales	28,432	64,945		93,377	5,188	23,910		29,098
<i>Operating expenses</i>								
Cost of properties sold	-3,474	-52,230		-55,704		-19,479		-19,479
Depreciation/amortisation	-11,625	0		-11,625	-1,846	0		-1,846
Other property expenses	-39,280	-5,348		-44,628	-10,303	-1,918		-12,221
Total operating expenses	-54,379	-57,578		-111,957	-12,149	-21,397		-33,546
Gross earnings	-25,947	7,367		-18,580	-6,961	2,513		-4,448
Central administration			-10,546	-10,546			-16,699	-16,699
Operating profit/loss				-29,126				-21,147
Assets								
Properties	532,617	111,938		644,555	455,369	153,150		608,519

SUPPLEMENTARY DISCLOSURES

NOTE 7. BORROWINGS

Quartiers' borrowings consist mainly of loans with Spanish credit institutions raised in connection with the original acquisition of the properties acquired directly from the Spanish bank, Banco Popular. The loans are in EUR and secured via property mortgages. The interest rate is between 1.5 and 2.0 percent. The remaining duration is an average of 12 years. The loans are recognised at nominal value.

The Group has entered into a lease with regard to non-current assets. The agreement is classified as a finance lease in the Group. The asset is recognised at the present value of future lease payments, less amortisation.

On the liability side, the present value of remaining future lease payments is recognised as liabilities to credit institutions. The asset is amortised over its useful life, which corresponds to the lease term.

In addition, borrowings took place in 2018 and 2019 outside the traditional banking sector to a higher average capital cost.

In 2020, the ambition is to complete refinancing of a share of the company's debts with a view to freeing up cash flow and reducing the average capital cost.

	31/12/2019	31/12/2018
Long-term		
Bank borrowings	150,731	152,970
Lease liability	3,497	1,201
Liability purchase consideration	18,552	13,872
Other non-current liabilities	95,216	0
Total	267,996	168,043
Short-term		
Lease liability	2,433	950
Bank borrowings	17,779	16,883
Other short-term loans	4,449	29,684
Total	24,661	47,518

NOTE 8. PLEDGED ASSETS AND CONTINGENT LIABILITIES

Security is pledged for the Group's obligations primarily in the form of property mortgage deeds. In addition, shares in subsidiaries have been pledged.

	31/12/2019	31/12/2018
For liabilities to credit institutions		
Leased non-current assets with reservation of title	1,159	1,739
Property mortgages	252,599	242,752
Total	253,758	244,491
Other pledged collateral		
Pledged shares in subsidiaries	40,946	38,927



QUARTIERS TIERS

P R O P E R T I E S

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